

CALIFORNIA LEGISLATURE

2007–08 REGULAR SESSION

SENATE DAILY JOURNAL

ONE HUNDRED EIGHTEENTH LEGISLATIVE DAY

IN SENATE

Senate Chamber, Sacramento
Monday, August 27, 2007

The Senate met at 12 p.m.
Hon. Don Perata, of the 9th District, presiding.
Secretary Greg Schmidt at the Desk.
Assistant Secretary Kipchoge Randall reading.

QUORUM CALL OF THE SENATE

Without objection, a quorum call was placed upon the Senate.
The President directed the Sergeant at Arms to close the doors and to bring in the absent Members.

PROCEEDINGS UNDER QUORUM CALL OF THE SENATE ROLL CALL

The roll was called and the following Senators answered to their names:
Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Oropeza, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee—39.

Quorum present.

(NOTE: Senator Vincent will be excused this day due to illness.)



PRAYER

Upon invitation of the President, the following prayer was offered by Rajan Zed, Hindu Chaplain at Barton Memorial Hospital in South Lake Tahoe and Interfaith Relations of Hindu Temple of Northern Nevada Inc.:

*Om
bhur bhuvah svah
tat Savitur varenyam
bhargo devasya dhimahi
dhiyo you nah prachodayat*

We meditate on the transcendental Glory of the Deity Supreme, who is inside the heart of the earth, inside the life of the sky and inside the soul of the Heaven. May He stimulate and illuminate our minds.

*Asato ma sad gamaya
Tamaso ma jyotir gamaya
Mrityor mamrtam gamaya*

Lead me from the unreal to the Real.
Lead me from darkness to Light.
Lead me from death to immortality.

*niyatam kuru karma tvam karma jayyo hyakarmanah
sarirayatrapa ca te na prasiddhyedakarmanah
yajnarthatkarmano'nyatra loko'yam karmabandhanah
tadartham karma kaunteya muktasangah samacara*

Fulfill all your duties; action is better than inaction. Even to maintain your body, you are obliged to act. Selfish action imprisons the world. Act selflessly, without any thought of personal profit.

*tasmadasaktah satatam karyam karma samacara
asakto hyacarankarma paramapnoti purusah
karmanaiva hi samsiddhimasthita janakadayah
lokasangrahavevapi sampasyankartumarhasi*

Strive constantly to serve the welfare of the world; by devotion to selfless one attains the supreme goal of life. Do your work with the welfare of others always in mind.

*Om saha naavavatu
Saha nau bhunaktu
Saha viiryan karavaavahai
Tejasvi naavadhiitamastu
Maa vidhvishhaavahai*

May we be protected together.
May we be nourished together.
May we work together with great vigor.
May our study be enlightening.
May no obstacle arise between us.



*samani va akutih
samana hrdayani vah
samanam astu vo mano
yatha vah susahasti*

United your resolve, united your hearts,
may your spirits be at one,
that you may long together dwell
in unity and concord!

Om Shanti, Shanti, Shanti.

Peace, Peace, Peace be unto all.

PLEDGE OF ALLEGIANCE TO THE FLAG

Senator Steinberg led the Senate in the pledge of allegiance to the Flag.

MESSAGES FROM THE GOVERNOR

Governor's Office, State Capitol
August 24, 2007

To the Senate of the State of California:

I have the honor to transmit to you herewith the following appointments or reappointments heretofore made by me to offices which by law are to be filled by the Governor. These appointments are subject to Senate confirmation and consent. I hereby nominate these appointees to you and request your confirmation and consent.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Mimi H. Silbert, Ph.D., Chairman and Chief Executive Officer, Delancey Street Foundation; and member of the Corrections Standards Authority since 2005. Reappointed 08/17/07. Effective 08/23/07.

Member, Corrections Standards Authority, term ending 07/01/10.

Tiffany Rystrom, former Counsel with Carroll, Burdick & McDonough; and former Partner with Franchetti & Rystrom. Appointed 08/15/07. Effective 08/15/07.

Member, Public Employment Relations Board vice John C. Duncan, re-assigned, term ending on 12/31/08.

Above appointments referred to the Committee on Rules.

Governor's Office, State Capitol
August 24, 2007

To the Members of the California Senate:

I object to the following appropriations contained in **Senate Bill 77**.

Item 0250-001-0001—For support of Judicial Branch. I revise this item by deleting Provision 5.

I am deleting Provision 5, which would state the Legislature's intent that the Administrative Office of the Courts (AOC) prioritize existing

resources to provide a \$5 increase to the hourly rates paid to attorneys in the Court Appointed Counsel Program (Program). A study of the Program's attorney rates is currently underway and is due to be completed by the end of August 2007. To the extent that the study justifies rate increases, the AOC has the ability to provide increases commensurate with the needs as determined by the study.

Item 0250-101-0932—For local assistance, Judicial Branch. I reduce this item from \$3,056,153,000 to \$3,035,796,000 by reducing:

(1) 45.10—Support for Operation of the Trial Courts from \$2,632,142,000 to \$2,611,785,000;
and by revising Provision 4.

I am reducing this item by \$20,357,000, which includes a reduction of \$17,377,000 for funding to support the implementation of the Omnibus Conservatorship and Guardianship Reform Act of 2006 (Act) and a reduction of \$2,980,000 for one month of savings related to the 50 new trial court judgeships established in 2006–07. It is my intention for the Judicial Branch to delay implementation of the Act until the 2008 09 fiscal year. Due to the timing of appointments and hiring, one month of the funding for new judgeships will not be necessary in 2007–08. These reductions are necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

I am revising Provision 4, which would require the Judicial Council to allocate not less than \$5,250,000 for court interpreter pay increases and other recruiting and retention incentives. Requiring the Judicial Council to allocate funds for court interpreter recruiting and retention incentives would alter the collective bargaining process by shifting the focus from the actual need for pay increases and other recruiting and retention measures, as negotiated through the normal process, to the minimum level of funding allocated.

Provision 4 is revised as follows:

“The funds appropriated in Schedule (4) shall be for payments for services of contractual court interpreters, and certified and registered court interpreters employed by the courts, and the following court interpreter coordinators: 1.0 each in counties of the 1st through the 15th classes, 0.5 each in counties of the 16th through the 31st classes, and 0.25 each in counties of the 32nd through the 58th classes. For the purposes of this provision, “court interpreter coordinators” may be full- or part-time court employees, or those contracted by the court to perform these services.

The Judicial Council shall set statewide or regional rates and policies for payment of court interpreters, not to exceed the rate paid to certified interpreters in the federal court system. ~~The Legislature finds and declares that there exists a shortage in the availability of certified and registered interpreters in the state courts that reduces the state's ability to provide meaningful access to justice for all court users, including parties,~~



witnesses, and victims. Therefore, every effort must be made to recruit and retain qualified interpreters to work in the state courts.

~~Of the amount appropriated in Schedule (4), not less than five million dollars (\$5,000,000), not including funds provided pursuant to Section 77202 of the Government Code, shall be provided to the trial courts for the purpose of adjusting or creating pay ranges for court interpreter employees that, at the top of the range, do not exceed the top step of the full performance range for staff interpreters in the Federal Courts as of the effective date of this provision. The establishment of pay ranges and their application to specific employee classifications shall be subject to meet and confer in good faith as provided in Chapter 7.5 (commencing with Section 71800) of Title 8 of the Government Code. The Judicial Council shall adjust statewide or regional rates for contract court interpreters in a manner that is equivalent to the average rate of increase provided to court interpreter employees. The Judicial Council shall notify the courts in each region of the availability of these funds for the purposes set forth in this provision, and shall allocate the funds upon notification that ranges and salary adjustments have been established and implemented as provided herein. In no event shall the daily rate set by the Judicial Council for contract interpreters exceed the equivalent median wage of court interpreters employed by the courts in each region.~~

~~Of the amount appropriated in Schedule (4), the Judicial Council shall allocate not less than two hundred fifty thousand dollars (\$250,000) to develop and make available to trial courts, interpreter training and recruitment programs including, but not limited to: 1) training programs designed for working interpreters who are subject to new certification exams in Russian, Western Armenian, Mandarin, Cambodian and Punjabi; 2) certification exam preparation courses for all languages subject to state certification exams; and 3) development of mentoring and internship programs in the trial courts for exam candidates attending educational institutions that train legal interpreters, subject to meet and confer in good faith as provided in Chapter 7.5 (commencing with Section 71800) of Title 8 of the Government Code. The Judicial Council shall adopt appropriate rules and procedures for the administration of these funds. The Judicial Council shall report to the Legislature and Director of Finance annually regarding expenditures from this schedule, which shall also include a report of expenditures for; equivalent work days of, non-certified and non-registered contract interpreters that provide interpretation services in the state trial courts; and number of interpreter vacancies filled."~~

Item 0250-111-001—For local assistance, Judicial Branch. I reduce this item from \$1,813,729,000 to \$1,793,372,000.

I am reducing this item by \$20,357,000 to conform with the action taken in Item 0250 101 0932.



Item 0530-001-9732—For support of Secretary of Health and Human Services Agency. I reduce this item from \$182,976,000 to \$177,841,000 by reducing:

(1) 30—Office of Systems Integration from \$182,976,000 to \$177,841,000.

This reduction conforms to the action taken in Item 5180-151-0001.

Item 0540-492—Reappropriation, Secretary for Resources. I revise this item by deleting Schedule 1.

“Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2008:

0001—General Fund

(1) ~~Item 0540-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 0540-492, Budget Act of 2002 (Ch. 379, Stats. 2002), Item 0540-490, Budget Acts of 2003 (Ch. 157, Stats. 2003), 2005 (Chs. 38 and 39, Stats. 2005), and 2006 (Chs. 47 and 48, Stats. 2006), and Item 0540-491, Budget Act of 2004 (Ch. 208, Stats. 2004)~~

(2) ~~Item 0540-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 0540-490, Budget Acts of 2003 (Ch. 157, Stats. 2003), 2005 (Chs. 38 and 39, Stats. 2005), and 2006 (Chs. 47 and 48, Stats. 2006) and Item 0540-491, Budget Act of 2004 (Ch. 208, Stats. 2004)~~

(3) ~~Item 0540-101-0001, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 0540-491, Budget Act of 2004 (Ch. 208, Stats. 2004), and Item 0540-490, Budget Acts of 2005 (Chs. 38 and 39, Stats. 2005) and 2006 (Chs. 47 and 48, Stats. 2006)”~~

I am eliminating the expenditure availability for two projects funded from the Coastal Resources Grant program. Funds for these projects have been available since 1999 and no funds have been expended on either project as required by the grant agreements. Several obstacles remain, making progress on these projects unlikely in the near future. Consequently, it would not be prudent to continue earmarking General Fund for these projects. This action will result in \$577,500 of General Fund savings.

Item 0552-001-0001—For support of the Office of the Inspector General. I reduce this item from \$19,265,000 to \$18,306,000 by reducing:

(1) 10—Office of Inspector General from \$19,265,000 to \$18,306,000, and by deleting Provision 1.

I am deleting the \$959,000 augmentation for the Office of the Inspector General (OIG) to implement their review of all candidates for superintendent in Division of Juvenile Justice facilities. Superintendent review was mandated by Chapter 709, Statutes of 2006 (AB 971). While I believe these activities are important, I am directing the OIG to delay implementation of this measure in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

Provision 1 would require the OIG to complete a study of custody resources within the California Department of Corrections and



Rehabilitation's (CDCR) budget related to the transfer of various medical guarding and transportation positions within the CDCR. I am concerned about the large number of programs being created and expanded within the OIG. The Budget includes additional resources for audits and investigations, auditing the budget of the California Prison Receivership, monitoring compliance with court orders in the Armstrong case, and chairing the California Rehabilitation Oversight Board created by Chapter 7, Statutes of 2007 (AB 900). Because of the increased workload requirements within their programmatic expansions and responsibilities, the OIG will not be able to complete this study. However, I am directing the CDCR's reactivated Program Support Unit, whose historical responsibilities have included studying and making recommendations on custody staffing levels within the CDCR, to conduct this study.

Item 0690-002-0001—For Support of Office of Emergency Services. I delete Provision 4.

I am deleting Provision 4, which specifies that the duties and responsibilities of the State Anti Gang Coordinator will be subject to additional definition in legislation. However, I will continue to work with the Legislature to further define the role of the Coordinator to assist state and local agencies in combating gang violence.

Item 0690-102-0214—For local assistance, Office of Emergency Services. I delete Provision 1.

I am deleting Provision 1, which specifies that funds for grants to cities and community based organizations are for gang prevention, intervention, reentry, education, job training and skills development, and family and community services. In addition, the language in Provision 1 specifies that none of the funds can be used for law enforcement suppression activities or front line police services.

While prevention and intervention are necessary components of a comprehensive anti gang strategy, so is suppression. Therefore, I am vetoing Provision 1 and directing the State Anti Gang Coordinator to draft and provide cities with grant instructions specifying that suppression activities are an allowable use of the funds, along with the other activities listed in Provision 1.

Item 0820-001-0001—For support of Department of Justice. I revise this item from \$404,237,000 to \$403,237,000, by reducing:

- (8) 45—Public Rights from \$92,478,000 to \$89,312,000;
 - (15) Amount payable from Hazardous Waste Control Account (Item 0820-001-0014) from -\$1,973,000 to -\$987,000;
 - (26) Amount payable from the Toxic Substances Control Account (Item 0820-001-0557) -\$2,361,000 to -\$1,181,000;
- and by deleting Provision 12.

I am deleting the \$1,000,000 legislative augmentation that would have provided funding for the Department of Justice (DOJ) to independently pursue climate change litigation as the plaintiff on behalf of the state. In the area of law related to climate change, the Air Resources Board (ARB) is



the state agency with the responsibility to oversee litigation in that arena and has the funds to request the DOJ to pursue such litigation.

I am deleting Provision 12 to conform to this action.

I am reducing the Environmental Law Section's appropriations from the Hazardous Waste Control Account and the Toxic Substances Control Account by a total of \$2,166,000 to reflect half-year funding for the program, and I urge the Legislature to pass legislation that redirects these funds to the California Environmental Protection Agency's (Cal/EPA) and the Department of Toxic Substances Control's (DTSC) green chemistry initiative and returns the litigation oversight role in hazardous waste cases to Cal/EPA and DTSC. DTSC is increasingly turning to our local government partners and district attorneys to enforce California's hazardous waste laws. In addition, Cal/EPA and DTSC are developing a green chemistry initiative that will change the paradigm of toxic and chemical use and enforcement in California. The combination of these activities will improve our environment and human health through greater enforcement of current hazardous waste laws and usher in a new future to the approach of chemical use in California. In addition, when developing the 2008–09 Budget, we will review the litigation needs in this area and budget the necessary funds for legal services within DTSC's budget.

I am sustaining the \$541,000 legislative augmentation for the first year of a multi-year project to update the DOJ Automated Firearms Systems database. However, I am concerned that there has been no review done to ensure the information technology solution addresses the program needs. In addition, I am concerned that competing demands for the Dealers' Record of Sale Special Account funds could necessitate an increase in fees on the sale of firearms. Therefore, in addition to having an approved feasibility study report prior to expending any funds, I am also requesting the DOJ to provide the Department of Finance and the Legislature with a long-term analysis of the fund, including any known pressures on that fund, to ensure that there are sufficient resources to cover the program costs without necessitating a fee increase.

Item 0820-001-0014—For support of Department of Justice. I reduce this item from \$1,973,000 to \$987,000.

I am revising this item to conform to the action I have taken in Item 0820-001-0001.

Item 0820-001-0557—For support of Department of Justice. I reduce this item from \$2,361,000 to \$1,181,000.

I am revising this item to conform to the action I have taken in Item 0820-001-0001.

Item 0855-101-0367—For local assistance, California Gambling Control Commission. I reduce this item from \$30,283,000 to \$283,000 and delete Provision 1.

I am deleting the \$30,000,000 for grants to local government agencies to mitigate the impacts on the local governments by tribal casinos. As evidenced in a recent Bureau of State Audits report, there is great concern



regarding whether these funds are being used solely for their intended purpose, which is to mitigate the impacts of having tribal casinos in their communities. I will support legislation that includes an appropriation for mitigation funds if the process is reformed.

I am deleting Provision 1 to conform to this action.

With this reduction, there still remains \$283,000 for payment to Del Norte County which reflects local mitigation grant funding not received by Del Norte County from the Indian Gaming Special Distribution Fund in fiscal years 2003–04, 2004–05, and 2005–06.

Item 0860-001-0001—For support of State Board of Equalization. I reduce this item from \$218,835,000 to \$218,435,000 by reducing:

(2) 300000—Operating Expense and Equipment from \$96,269,000 to \$95,869,000,

and by deleting Provision 3.

I am deleting this legislative augmentation of \$400,000 for a county assessor pilot program designed to promote taxpayer awareness of the requirement to pay use tax on non-exempt purchases if sales tax has not been paid. This reduction is necessary to limit program expansions and provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year.

Item 0890-001-0001—For support of Secretary of State. I reduce this item from \$48,157,500 to \$47,822,000 by reducing:

(2) 20—Elections from \$46,933,500 to \$46,598,000.

I am deleting the \$335,500 legislative augmentation for 4.0 positions which would provide staffing to expand voter outreach and education efforts to support the three elections scheduled for 2008. During a time of limited General Fund resources, the counties, political parties, and civic organizations must step up and encourage and promote increased voter participation.

Item 3110-101-0001—For local assistance, Special Resources Program. I delete this item and Provision 1.

I am deleting the \$200,000 legislative augmentation for the Tahoe Regional Planning Agency for regulation enforcement and transit system development. It is premature to provide additional funding until the bi-state commission completes its report. With these reductions, \$3,800,000 still remains to provide California's share of funding for the Tahoe Regional Planning Agency.

I am deleting Provision 1 to conform to this action.

Item 3340-101-6051—For local assistance, California Conservation Corps. I delete this item.

I am deleting the \$12,000,000 legislative augmentation that would provide \$1,000,000 to each of the 12 certified Local Conservation Corps. Notwithstanding the merit of the Local Corps programs, the California Conservation Corps is still in the process of developing grant guidelines for Proposition 84 bond funds. Furthermore, a recent audit of Proposition 12



and 40 bond funds identified a need for the Corps to improve its oversight of bond expenditures. The audit recommended that the Corps develop a corrective action plan prior to receiving additional bond funds. Therefore, it is necessary to delete this funding to ensure that bond proceeds are spent efficiently, effectively, and in a manner consistent with my Executive Order S-02-07 regarding bond accountability. I support funding for the Local Corps grant program when the grant guidelines and a corrective action plan that identifies appropriate oversight measures are in place.

Item 3360-001-0465—For Support, State Energy Resources Conservation and Development Commission. I revise this item by reducing:

- (1) 30—Development from \$128,807,000 to \$127,841,000, and
- (6) Reimbursements from –\$6,711,000 to –\$5,745,000.

I am eliminating a fund shift of \$966,000 from the Energy Resources Programs Account to reimbursements for the support of two contracts. Funding for these contracts was included in the budget of the Energy Commission (Commission) when I introduced the Governor's Budget last January. However, the Legislature removed the funds from the Commission's budget, placed them in the budget of the Air Resources Board, and indicated that the Commission may seek the funds by contracting with the Air Resources Board. This would have the effect of requiring both the Commission and the Air Board to engage in unnecessary work that would delay these important projects, and as such is unacceptable.

Item 3600-001-0001—For support of Department of Fish and Game. I reduce this item from \$84,503,000 to \$82,998,000 by reducing:

- (3) 30—Management of Department Lands and Facilities from \$54,180,000 to \$53,342,000;
- (4) 40—Enforcement from \$61,705,000 to \$60,200,000; and
- (22) Amount payable from the Coastal Wetlands Account (Item 3600-001-3104) from \$974,000 to –\$136,000.

I am reducing the \$3,000,000 legislative augmentation for Fish and Game Warden recruitment and retention by \$1,505,000. Last year, for the first time in several years, I increased salaries by 25 percent during the three years of the bargaining agreement. I am sustaining \$1,495,000 to provide overtime funding for wardens and lieutenants, which continues my commitment to address compensation issues. However, this partial veto is necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

I am also revising this item to conform to the actions I have taken in Item 3600-001-3104.

Item 3600-001-3104—For support of Department of Fish and Game. I reduce this item from \$974,000 to \$136,000.

I am deleting the \$838,000 legislative augmentation for the maintenance and management of Department of Fish and Game coastal wetlands properties. Last year, I sustained a \$5,000,000 transfer from the General



Fund to the Coastal Wetlands Account to create an endowment to provide ongoing, sustainable funding for coastal wetlands management activities. This augmentation, if sustained for 2007–08 and continued in future years, would spend down the endowment in approximately six years, and place additional cost pressure on the General Fund at that time. With this reduction, \$1,400,000 million and 18.1 positions remain for coastal wetlands management.

Item 3720-001-0001—For support of California Coastal Commission. I reduce this item from \$11,881,000 to \$11,501,000 by reducing:

(1) 10–Coastal Management Program from \$15,909,000 to \$15,529,000.

I am deleting the \$380,000 legislative augmentation for coastal enforcement. The California Coastal Commission has the authority to adjust its fees, and I am willing to consider augmentations that address the Commission’s workload needs once fees have been adjusted to cover associated costs. Currently, however, the proposed augmentation would result in additional General Fund costs. This reduction is necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. With this reduction \$15,529,000 still remains to support the Commission’s coastal management program.

Item 3780-001-0001—For support of Native American Heritage Commission. I reduce this item from \$970,000 to \$770,000 by reducing:

(1) 10–Native American Heritage Commission from \$975,000 to \$775,000.

I am deleting the \$200,000 legislative augmentation for 2.0 positions to implement legislative mandates. This reduction is necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. With this reduction \$775,000 remains to support the Native American Heritage Commission.

Item 3790-301-6051—For capital outlay, Department of Parks and Recreation. I reduce this item from \$60,878,000 to \$45,878,000 by reducing:

(3.7) 90.RS.412–Statewide: State Park System Opportunity and Inholding Acquisitions–Acquisition from \$30,000,000 to \$15,000,000.

I am vetoing \$15,000,000 of the \$25,000,000 augmentation to allow the Department sufficient resources for opportunity purchases and inholding acquisitions. The Department expended \$324,000,000 between 2000 and 2006 to acquire nearly 100,000 acres to expand the state park system. Given this recent significant investment, the Department should proceed cautiously to limit future operating costs.

Item 3790-492—Reappropriation, Department of Parks and Recreation. I revise this item by deleting Schedule 1.

“Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citation is extended as cited below:



6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

~~(1) Subdivision (b) of Section 2 of Chapter 1126 of the Statutes of 2002. The liquidation period for the grant of \$3,000,000 to the City of Oroville is extended to December 31, 2009.”~~

I am eliminating the expenditure availability for this project funded from the Proposition 40 Historical and Cultural Resources Preservation Opportunity Grant Program. Funds for this project have been available for five years and have not yet been spent.

Item 3860-001-0001—For support of Department of Water Resources. I revise this item by reducing:

(1) 10—Continuing Formulation of the California Water Plan from \$120,292,000 to \$116,047,000, and

(29) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3860-001-6051) from \$12,165,000 to \$7,920,000.

I am revising this item to conform to the action taken in Item 3860-001-6051.

Item 3860-001-6051—For support of Department of Water Resources. I reduce this item from \$12,165,000 to \$7,920,000.

I am deleting the legislative augmentation of \$4,245,000 for watershed basin planning activities. Although I support this program, I believe that these activities should be funded through Proposition 84 funds available for the development of regional and local land use plans. Statewide water planning activity funds should be reserved for activities such as planning future water storage, adaptations of the state’s water systems to climate change, and other activities that address the state’s future water supply needs.

Item 3860-101-6051—For local assistance, Department of Water Resources. I reduce this item from \$229,340,000 to \$219,340,000.

I am deleting the legislative augmentation of \$10,000,000 for the Flood Protection Corridor Program. My proposal includes \$24,000,000 Proposition 84 funds for projects to implement Flood Protection Corridor Program. This funding is sufficient to meet the needs of the program for the budget year, and I will propose additional funds to implement Flood Protection Corridor projects in future budgets.

Item 3860-101-6052—For local assistance, Department of Water Resources. I reduce this item from \$197,450,000 to \$167,450,000.

I am deleting the legislative augmentation of \$30,000,000 for the Floodway Corridor Program. This augmentation is unnecessary because criteria have not been developed for this new program created by Proposition 1E. Thus, it is not feasible for grants to be solicited and awarded during the fiscal year. The Department of Water Resources will develop criteria for this program during the fiscal year, and funds to



implement Floodway Corridor Program projects will be included in future budgets.

Item 3900-001-0465—For support of State Air Resources Board. I delete this item.

I am eliminating this item by reducing \$966,000 in funding from the Energy Resources Programs Account. This funding was intended to support two contracts that were proposed in the budget of the Energy Commission when I introduced the Governor's Budget last January. However, the Legislature removed the funds from the Commission's budget, placed them in the budget of the Air Resources Board, and indicated that the Commission may seek the funds by contracting with the Air Resources Board. This would have the effect of requiring both the Commission and the Air Board to engage in unnecessary work that would delay these important projects, and as such is unacceptable.

Item 3900-001-6053—For support of State Air Resources Board.

I am sustaining the legislative augmentation of an additional \$96,500,000 provided for school bus replacement and retrofits to reduce the air pollution emissions of older, high polluting school buses. However, I note a concern with respect to the ability of the State Air Resources Board to allocate almost \$200 million in lower-emission school bus funding within the next two years. It is important that we do not sacrifice accountability in the interests of expediency. Therefore, while acknowledging the challenge that the State Air Resources Board faces in distributing these funds, I am directing the State Air Resources Board to allocate these funds expeditiously while ensuring consistency with the accountability safeguards identified in my Executive Order S-02-07 for the bonds that were approved by the voters in the November 2006 general election.

Item 3900-001-6054—For support of State Air Resources Board.

I am sustaining the legislative augmentation of an additional \$139,000,000 provided for trade corridor emissions reductions to be expended in the budget year for this new program authorized by the voters in Proposition 1B in the November 2006 general election. Proposition 1B provides \$1 billion to fund projects intended to improve air quality along four of California's major transportation corridors: from the Los Angeles ports to the Inland Empire, State Route 99 in the Central Valley, the San Francisco Bay Area, and the San Diego border region. The State Air Resources Board will be developing program guidelines and will solicit project proposals. The projects to be funded are intended to achieve air quality improvements above and beyond anything required by current law or regulation.

The travelers on our busy trade corridors and the individuals who reside along their routes are demanding relief now—not many years from now. However, I am concerned about taxing the ability of the State Air Resources Board to develop program guidelines and allocate \$250,000,000 in the 2007–08 fiscal year. We must ensure effective



expenditure of this bond funding. It is important that we do not sacrifice accountability in the interests of expediency. Therefore, while acknowledging the challenge that the State Air Resources Board faces in distributing these funds, I am directing the State Air Resources Board to ensure that this funding be allocated consistent with the accountability safeguards identified in my Executive Order S-02-07 for all bond funds approved by the voters in the November 2006 general election.

I am requesting the State Air Resources Board to develop program administrative guidelines that make sense, reduce bureaucratic red tape, simplify and expedite project application and award procedures, and ensure projects are completed in record time. The people who voted for Proposition 1B are demanding this action. I know that my colleagues in the Legislature agree with these goals, and that the staff of the State Air Resources Board is up to this challenge.

In addition, because the language adopted by the Legislature relies heavily on local and regional entities to carry out this program, I am calling on those entities to work closely with the State Air Resources Board and ensure they are prepared to submit applications to receive and allocate funding as soon as possible in this fiscal year.

Item 4260-001-0001—For support of Department of Health Care Services. I reduce this item from \$136,412,000 to \$136,218,000 by reducing:

- (1) 20—Health Care Services from \$385,348,000 to \$382,971,000;
 - (6) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080) from –\$198,000 to –\$142,000;
 - (8) Amount payable from the Federal Trust Fund (Item 4260-001-0890) from \$224,133,000 to –\$224,036,000;
- and by deleting:
- (10) Amount payable from the California Discount Prescription Drug Program Fund (Item 4260-001-8040) (–\$2,030,000);
- and Provision 4.

I am deleting the \$56,000 legislative augmentation to restore 1.0 special funded position that was redirected from the Department of Health Services (DHS) to the new Department of Health Care Services. This will ensure the split of the DHS into two departments remains budget neutral, consistent with the intent of Chapter 241, Statutes of 2006 (SB 162). This action is consistent with the deletion of \$744,000 and 11.0 positions in the Department of Public Health.

I am also reducing \$56,000 in Item 4260-001-0080 to conform to this action.

Provision 4 prohibits the Department of Health Care Services from expending any funds to relocate the Fresno Medi-Cal Field Office. I am deleting Provision 4 because it interferes with the Executive Branch's ability to effectively administer programs. Maintaining the Department's



ability to consolidate operations is an important component of increasing operational efficiencies.

I am deleting \$195,000 (\$98,000 General Fund and \$97,000 Federal Trust Fund) and 2.0 positions for the implementation of Chapter 328, Statutes of 2006 (SB 437), which included a pilot program for self-certification of income at enrollment for Medi-Cal and development of feasibility study reports to begin implementing changes to several automated eligibility systems. While I remain committed to implementation of these reforms, this reduction is needed to build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. I am directing the Department of Health Care Services to delay implementation for one year.

In order to further build a prudent reserve, I am deleting \$2,030,000 intended to specifically fund implementation costs for the California Discount Prescription Drug Program. I am directing the Department of Health Care Services to identify resources to move forward with implementation.

I am also deleting Item 4260-001-8040 to conform to this action.

I am deleting \$96,000 General Fund intended to fund implementation costs for the California Rx Prescription Drug Website Program and am directing the Department of Health Care Services to delay implementation of the program for one year.

Item 4260-001-0080—For support of Department of Health Care Services. I reduce this item from \$198,000 to \$142,000.

I am reducing this item to conform to the action I have taken in Item 4260-001-0001.

Item 4260-001-0890—For support of Department of Health Care Services. I reduce this item from \$224,133,000 to \$224,036,000.

I am reducing this item by \$97,000 to conform to the action I have taken in Item 4260-001-0001, related to the delayed implementation of Chapter 328, Statutes of 2006 (SB 437).

Item 4260-001-8040—For support of Department of Health Care Services. I delete this item.

I am deleting this item to conform to the action I have taken in Item 4260-001-0001 regarding the California Discount Prescription Drug Program.

Item 4260-006-0001—For transfer by the Controller to the California Discount Prescription Drug Program Fund. I delete this item and Provision 1.

I am deleting the \$6,330,000 in this item to conform to the actions I have taken in Items 4260-001-0001, 4260-001-8040, and 4260-119-8040 regarding the California Discount Prescription Drug Program.

I am also deleting Provision 1 to conform to this action.



Item 4260-101-0001—For local assistance, Department of Health Care Services. I reduce this item from \$14,313,728,000 to \$13,903,340,000 by reducing:

(1) 20.10.010—Eligibility (County Administration) from \$2,660,676,000 to \$2,633,842,000;

(3) 20.10.030—Benefits (Medical Care and Services) from \$32,222,681,000 to \$31,447,632,000; and

(8) Amount payable from the Federal Trust Fund (Item 4260-101-0890) from \$20,595,964,000 to -\$20,204,469,000.

I am deleting the legislative augmentation of \$4,260,000 (\$2,130,000 General Fund and \$2,130,000 Federal Trust Fund) for workstation replacement to conform to the action taken in Item 5180-141-0001.

I am deleting \$106,286,000 (\$53,143,000 General Fund and \$53,143,000 Federal Trust Fund) of the funding for rates for managed health care plans in the Medi-Cal Program. This reduction is necessary to provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year. With this reduction, \$108,000,000 (\$54,000,000 General Fund) still remains to fund rate increases for plans to ensure adequate access to care for low-income Californians.

I am reducing the Medi-Cal Program by \$644,893,000 (\$331,893,000 General Fund and \$313,000,000 Federal Trust Fund). This reduction is necessary to provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year. This reduction is based on historical data showing that on average over the last three fiscal years, Medi-Cal expenditures have been more than \$400 million General Fund lower than the estimate.

I am deleting \$26,792,000 (\$13,396,000 General Fund and \$13,396,000 Federal Trust Fund) to delay the implementation of Chapter 328, Statutes of 2006 (SB 437), which included a pilot program for self-certification of income at enrollment for Medi-Cal and development of feasibility study reports to begin implementing changes to several automated eligibility systems. This action will delay implementation of SB 437 for one year. This reduction is necessary to provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year.

I am reducing the \$19,652,000 (\$9,826,000 General Fund and \$9,826,000 Federal Trust Fund) in funding for the county grants portion of the Children's Outreach Initiative. This appropriation reduction is necessary to provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year. With this reduction, \$147,020,000 (\$64,680,000 General Fund) still remains to fund other components of the Children's Outreach Initiative that streamline enrollment processes, improve retention, and support county-based enrollment efforts for children. The Department of Health Care Services will pay for any valid county claims for the Children's



Outreach Initiative for the 2006–07 fiscal year from remaining funds within this item.

Item 4260-101-0890—For local assistance, Department of Health Care Services.

I reduce this item from \$20,595,964,000 to \$20,204,469,000.

I am reducing this item by \$391,495,000 to conform to the action I have taken in Item 4260-101-0001.

Item 4260-111-0001—For local assistance, Department of Health Care Services. I reduce this item from \$172,616,000 to \$162,616,000 by reducing:

(3) 20.35—Primary and Rural Health from \$53,289,000 to \$43,289,000, and by deleting Provision 3.

I am reducing \$10,000,000 General Fund from Expanded Access to Primary Care (EAPC) in order to help build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. I will seek a subsequent bill this session to fund this program with Proposition 99 funding and maintain a constant level of funding in the program.

Provision 3 directs the Department of Health Care Services to work with various constituency groups to resolve issues with the timely discharge of patients enrolled in the California Children's Services Program. This requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language.

Given the Legislature's interest in this area and the importance of this program, I am instructing the director of the Department of Health Care Services to continue the activities of this legislative request to the extent such activities can be achieved using existing resources and without impairing the Department of Health Care Services ability to perform its essential functions.

Item 4260-113-0001—For local assistance, Department of Health Care Services. I reduce this item from \$190,394,000 to \$185,171,000 by reducing:

(1) 20.10.010—Eligibility (County Administration) from \$20,783,000 to \$5,860,000, and

(4) Amount payable from the Federal Trust Fund (Item 4260-113-0890) from –\$330,184,000 to –\$320,484,000.

I am reducing the \$14,923,000 (\$5,223,000 General Fund and \$9,700,000 Federal Trust Fund) in funding for the county grants portion of the Children's Outreach Initiative to conform to the action I have taken in Item 4260-101-0001. The Department of Health Care Services will pay for any valid county claims for the Children's Outreach Initiative for the 2006–07 fiscal year from remaining funds within this item.



Item 4260-113-0890—For local assistance, Department of Health Care Services. I reduce this item from \$330,184,000 to \$320,484,000.

I am reducing this item by \$9,700,000 to conform to the action I have taken in Item 4260-113-0001.

Item 4260-119-8040—For local assistance, Department of Health Care Services. I delete this item.

I am deleting the \$4,300,000 intended specifically to fund local assistance implementation costs for the California Discount Prescription Drug Program. This action is necessary to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

Item 4265-001-0001—For support of Department of Public Health. I reduce this item from \$96,897,000 to \$95,460,000 by reducing:

(2) 20—Public and Environmental Health from \$504,804,000 to \$502,502,000;

(3) 30—Licensing and Certification from \$151,366,000 to \$150,935,000;

(6) Reimbursements from \$-36,726,000 to \$-36,605,000;

(14) Amount payable from the Radiation Control Fund (Item 4265-001-0075) from \$22,620,000 to \$-22,402,000;

(16) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4265-001-0080) from \$-9,471,000 to \$-9,368,000;

(18) Amount payable from the Clinical Laboratory Improvement Fund (Item 4265-001-0098) from \$-5,571,000 to \$-5,517,000;

(24) Amount payable from the Genetic Disease Testing Fund (Item 4265-001-0203) from \$113,633,000 to \$113,577,000;

(31) Amount payable from the Safe Drinking Water Account (Item 4265-001-0306) from \$11,383,000 to \$-11,204,000;

(37) Amount payable from the Federal Trust Fund (Item 4265-001-0890) from \$212,090,000 to \$-211,956,000;

(41) Amount payable from the Licensing and Certification Trust Fund (Item 4265-001-3098) from \$-84,033,000 to \$83,602,000;

and by deleting Provision 6.

I am reducing the \$744,000 legislative augmentation to restore 11.0 special funded positions that were redirected from the Department of Health Services (DHS) to administrative and managerial positions in the new Department of Health Care Services and Department of Public Health. This will ensure the split of the DHS into two departments remains budget-neutral, consistent with the intent of Chapter 241, Statutes of 2006 (SB 162). This action is consistent with the deletion of \$56,000 and 1.0 position in the Department of Health Care Services.

I am also reducing \$218,000 in Item 4265-001-0075, \$103,000 in Item 4265-001-0080, \$54,000 in Item 4265-001-0098, \$56,000 in Item 4265-001-0203, \$179,000 in Item 4265-001-0306, and \$134,000 in Item 4265-001-0890 to conform to this action.



I am also reducing \$1,314,000 and 9.0 positions to reflect a delay in implementation of the Healthcare Associated Infections Program under Chapter 526, Statutes of 2006 (SB 739) for one year. This action is necessary to help build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

I am also reducing \$431,000 and 3.0 positions in Item 4265-001-3098 to conform to this action.

I am reducing \$123,000 General Fund and 2.0 positions for the implementation of Chapter 328, Statutes of 2006 (SB 437), which required development of feasibility study reports to implement changes to several automated eligibility systems. I am taking this action to delay implementation for one year in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

I am also deleting Provision 6 which would require the Department of Public Health to provide an action plan to the Legislature by November 1, 2007, and addresses temporary management appointment issues identified by the Bureau of State Audits. This requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, I am instructing the director of the Department of Public Health to comply with this legislative request to the extent compliance can be achieved using existing resources and without impairing the department's ability to perform its essential functions.

Item 4265-001-0075—For support of Department of Public Health. I reduce this item from \$22,620,000 to \$22,402,000.

I am reducing this item to conform to the action I have taken in Item 4265-001-0001.

Item 4265-001-0080—For support of Department of Public Health. I reduce this item from \$9,471,000 to \$9,368,000.

I am reducing this item to conform to the action I have taken in Item 4265-001-0001.

Item 4265-001-0098—For support of Department of Public Health. I reduce this item from \$5,571,000 to \$5,517,000.

I am reducing this item to conform to the action I have taken in Item 4265-001-0001.

Item 4265-001-0203—For support of Department of Public Health. I reduce this item from \$113,633,000 to \$113,577,000.

I am reducing this item to conform to the action I have taken in Item 4265-001-0001.

Item 4265-001-0306—For support of Department of Public Health. I reduce this item from \$11,383,000 to \$11,204,000.

I am reducing this item to conform to the action I have taken in Item 4265-001-0001.



Item 4265-001-0890—For support of Department of Public Health. I reduce this item from \$212,090,000 to \$211,956,000.

I am reducing this item to conform to the action I have taken in Item 4265-001-0001.

Item 4265-001-3098—For support of Department of Public Health. I reduce this item from \$84,033,000 to \$83,602,000.

I am reducing this item by \$431,000 and 3.0 positions to conform to the action I have taken in Item 4265-001-0001 related to the Healthcare Associated Infections Program.

Item 4265-111-0001—For support of Department of Public Health. I reduce this item from \$273,999,000 to \$265,499,000 by reducing:

(1) 10.10—Emergency Preparedness from \$198,220,000 to \$189,720,000.

In order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year, I am reducing \$8,500,000 from this item on a one time basis from the ongoing discretionary funding provided for allocation to local health departments for local pandemic influenza preparedness and response planning. Even with this reduction, \$10,000,000 remains to fund local health departments' emergency preparedness activities. In addition, \$8,500,000 remains to provide storage to protect the state's investment in medical supplies and equipment to address health care surge capacity needs.

Item 4280-001-0001—For support of Managed Risk Medical Insurance Board. I reduce this item from \$2,516,000 to \$2,400,000 by reducing:

(3) 40—Healthy Families Program from \$9,495,000 to \$9,162,000, and
(9) Amount payable from Federal Trust Fund (Item 4280-001-0890) from -\$7,000,000 to -\$6,783,000.

I am reducing \$333,000 (\$116,000 General Fund and \$217,000 Federal Trust Fund) and 3.0 positions for the implementation of Chapter 328, Statutes of 2006 (SB 437) which provided for a program to test self-certification of income at the Annual Eligibility Review for the Healthy Families Program. I am directing the Managed Risk Medical Insurance Board to delay implementation for one year to contribute to a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

Item 4280-001-0890—For support of Managed Risk Medical Insurance Board. I reduce this item from \$7,000,000 to \$6,783,000.

I am reducing this item by \$217,000 to conform to my actions in 4280-001-0001, related to the delayed implementation of Chapter 328, Statutes of 2006 (SB 437).

Item 4280-101-0890—For local assistance, Managed Risk Medical Insurance Board.

I reduce this item from \$732,337,000 to \$729,841,000.



I am reducing this item by \$2,496,000 to conform to the action I have taken in Item 4280-101-0001, related to the delayed implementation of Chapter 328, Statutes of 2006 (SB 437).

Item 4280-102-0001—For local assistance, Managed Risk Medical Insurance Board.

I reduce this item from \$26,520,000 to \$26,240,000 by reducing:

(1) 40—Healthy Families Program from \$75,190,000 to \$74,396,000, and

(3) Amount payable from the Federal Trust Fund (Item 4280-102-0890) from −\$41,053,000 to −\$40,539,000.

I am deleting \$794,000 (\$280,000 General Fund and \$514,000 Federal Trust Fund) to conform to the action I have taken in Item 4280-001-0001, related to the delayed implementation of Chapter 328, Statutes of 2006 (SB 437).

Item 4280-102-0890—For local assistance, Managed Risk Medical Insurance Board. I reduce this item from \$41,053,000 to \$40,539,000.

I am reducing this item by \$514,000 to conform to the action I have taken in Item 4280-102-0001, related to the delayed implementation of Chapter 328, Statutes of 2006 (SB 437).

Item 4440-101-0001—For local assistance, Department of Mental Health. I revise this item from \$518,723,000 to \$463,873,000 by reducing:

(1) 10.25—Community Services—Other Treatment from \$705,124,000 to \$638,274,000, and

(6) Reimbursements from −\$1,132,671,000 to −\$1,120,671,000.

I am deleting the \$54,850,000 legislative augmentation for the Integrated Services for Homeless Adults with Serious Mental Illness Program. While I support the goals of the program, this reduction is necessary to limit program expansions and to help bring ongoing expenditures in line with existing resources. To the extent counties find this program beneficial and cost-effective, it can be restructured to meet the needs of each county's homeless population using other county funding sources, such as federal funds, realignment funds, or Proposition 63 funds.

I am reducing Schedule (6) to eliminate the \$12,000,000 legislative augmentation for the 5 percent rate restoration for mental health managed care. This technical veto is consistent with the legislative action taken in Item 4440-103-0001.

Item 4700-001-0001—For support of Department of Community Services and Development. I reduce this item from \$250,000 to \$150,000 by reducing:

(1) 47—Naturalization Services from \$250,000 to \$150,000.

I am deleting the \$100,000 legislative augmentation to expand the Naturalization Services Program. This action is necessary for a prudent reserve for economic uncertainties. With this reduction, \$3,000,000 still remains to support the Naturalization Services Program, and to assist legal immigrants in completing their citizenship application, citizenship testing,

and in preparing for the interview. In addition, similar services are provided by the California Department of Education, such as instruction in civics and English.

I am also taking conforming action to reduce Item 4700-101-0001.

Item 4700-101-0001—For local assistance, Department of Community Services and Development. I reduce this item from \$4,750,000 to \$2,850,000 by reducing:

(1) 47–Naturalization Services from \$4,750,000 to \$2,850,000.

I am reducing this item by \$1,900,000 to conform to my action in Item 4700-001-0001.

Item 5180-001-0001—For support of Department of Social Services. I reduce this item from \$102,904,000 to \$102,717,000 by reducing:

(2) 25–Social Services and Licensing from \$161,486,000 to \$161,212,000;

(8) Amount payable from the Federal Trust Fund (Item 5180-001-0890) from –\$347,576,000 to –\$347,489,000; and by deleting Provision 8.

I am reducing this item by \$274,000 (\$187,000 General Fund and \$87,000 Federal Trust Fund) for 3.0 positions on a one-time basis. This funding would have provided resources for the Department of Social Services to assist in sibling searches within the Adoptions Program, pursuant to legislation enacted during fiscal year 2006–07. While I support efforts to remove barriers to sibling reunification and facilitate the release of information between siblings, I am delaying implementation of this program for one year in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. I am reducing Item 5180-151-0001 by \$1,046,000 and Item 5180-151-0890 by \$794,000 to conform to this action.

Provision 8 requires the Department of Social Services to display legal accusations filed by the Department against a provider’s license on the Community Care Licensing public website pages as a condition to spending set-aside funding of \$1,475,000 to implement its Licensing Reform Automation proposal. I am delaying implementation of this project for one year, to provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year. I am also deleting the provisional language related to this project funding.

Item 5180-001-0890—For support of Department of Social Services. I reduce this item from \$347,576,000 to \$347,489,000 and delete Provision 4.

I am reducing this item to conform to the action I have taken in Item 5180-001-0001 related to sibling searches within the Adoptions Program.

I am deleting Provision 4 to conform to the action I have taken in Item 5180-001-0001 related to licensing reform automation costs.



Item 5180-151-0890—For local assistance, Department of Social Services. I reduce this item from \$1,222,557,000 to \$1,218,641,000.

I am reducing this item to conform to the actions I have taken in Item 5180-151-0001 related to workstation replacement, sibling searches within the Adoptions Program, and foster youth identify theft.

Item 5180-153-0001—For local assistance, Department of Social Services. I revise this item by deleting Provision 2.

Provision 2 requires the Department of Social Services to collaborate with stakeholders to develop the timeline, components, and execution of the evaluation of the Title IV-E Waiver. This requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, I am directing the Department to work with stakeholders to facilitate the successful implementation of the Title IV-E Waiver, which allows participating counties flexibility in using federal Title IV-E foster care funds for direct services and supports.

Item 5225-001-0001—For support of the California Department of Corrections and Rehabilitation. I reduce this Item from \$6,980,353,000 to \$6,958,609,000 by reducing:

(1) 10—Corrections and Rehabilitation Administration from \$376,992,000 to \$369,580,000;

(4) 20—Juvenile Operations from \$183,097,300 to \$181,168,300;

(8) 25—Adult Corrections and Rehabilitation Operations from \$4,904,883,000 to \$4,892,480,000;

and by revising Provisions 10 and 16 and deleting Provisions 8, 11, and 19.

I am reducing funds for the second phase of the Consolidated Information Technology Infrastructure Project by \$4,408,000 and eliminating the \$3,004,000 augmentation for the Division of Juvenile Justice Infrastructure Migration Project. In addition, I am reducing the augmentation provided for facility maintenance and special repair projects by \$10,000,000 and eliminating \$4,332,000 for equipment replacement. These reductions are necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. I am revising Provisions 10 and 16 to conform to these actions as follows:

“10. In implementing the Consolidated Information Technology Infrastructure Project (CITIP), the department shall, when possible, give first priority to data drops for business services and rehabilitative programming. Of the funds appropriated in this item, \$4,408,000 may not be expended sooner than 30 days after the department provides a report to the Joint Legislative Budget Committee certifying that CITIP design and engineering work has been completed at 12 institutions. This report shall also identify the revised cost estimates to implement the CITIP at these 12 institutions as compared to the original estimated costs. The report shall



also identify the reasons for any differences between the original and revised estimates.”

“16. Of the funds appropriated in this item, ~~\$698,514,000~~ \$679,774,000 is available for expenditure only for the purposes identified below. Any unexpended funds shall revert to the General Fund.

(a) Facility Maintenance Funding: ~~\$46,000,000~~ \$36,000,000

(b) Coleman v. Schwarzenegger, Administrative Segregation Unit Mental Health Cells Modification: \$3,550,000

(c) Coleman v. Schwarzenegger, Administrative Segregation Intake Cells: \$13,203,000

(d) Coleman v. Schwarzenegger, Salary Enhancements: \$13,108,000

(e) Plata v. Schwarzenegger: Salary Enhancements: \$1,521,000

(f) Coleman v. Schwarzenegger, CMF Acute Cells Modification: \$1,075,000

(g) Coleman v. Schwarzenegger: Reception Center Enhanced Outpatient Program: \$2,916,000

(h) Perez v. Tilton, Comprehensive Inmate Dental Services Program: \$8,477,000

(i) Farrell v. Tilton, Safety and Welfare Remedial Plan: \$66,747,000

(j) Farrell v. Tilton, Mental Health Remedial Plan: \$25,145,000

(k) Implementation of Revised Program Guide for Mental Health Services Delivery System (Ch. 511, Stats. 2006): \$8,706,000

(l) Sex Offender Management Funding: \$113,327,000

(m) Reducing Recidivism Strategies: \$90,136,000

(1) The department is authorized to make changes to the Reducing Recidivism Strategies supported by this subdivision not sooner than 15 days after notifying the fiscal committees of both houses of the Legislature of any proposed changes.

(n) Basic Correctional Officer Academy: \$61,105,000

(o) Records Staffing and Automation: \$7,759,000

(p) Garrison Johnson v. California, Racial Integration: \$1,214,000

(q) Coleman v. Schwarzenegger, Court Order Compliance: \$2,325,000

(r) Comprehensive Health Care Recruitment: \$3,928,000

(s) Life Prisoner Parole Hearing Staffing: \$6,646,000

(t) Farrell v. Tilton Healthcare Remedial Plan: \$9,064,000

(u) Farrell v. Tilton, Consent Decree: \$1,327,000

(v) Strategic Offender Management System: \$3,611,000

(w) Consolidated Information Technology Infrastructure Project: ~~\$118,466,000~~ \$114,058,000

(x) Teacher Pay Parity: \$13,868,000

(y) ~~Equipment Funding: \$4,332,000~~

(z) Mandatory Aftercare/Drug Treatment Furlough: \$65,615,000

(aa) Valdivia Case Records: \$3,344,000

(bb) Perez v. Tilton, Salary Enhancements: \$1,999,000”

I am deleting Provision 8, which would require the Department to pass along a portion of its 2.7 percent price increase to public community correctional facilities under contract with the Department. The Budget no

longer contains funding for a price increase for the Department. Therefore, this language is unnecessary.

I am deleting Provision 11, which would allow the Department to submit a staffing plan to conduct background investigations and would preclude the use of sworn staff from being utilized. The Department's use of sworn staff to conduct background investigations has improved the processing time that it takes to conduct a background investigation as compared to non-sworn staff previously used. Because sworn staff have proved to be more effective than non-sworn classifications, and due to the need to aggressively fill the Department's vacant Correctional Officer positions, this provision would prevent the Department from managing their hiring process in a manner that allows Correctional Officer vacancies to be filled in the most effective way possible.

I am deleting Provision 19, which would require the Department to submit a plan for staffing and organizational changes in the Office of Facilities Management and other departmental units to deliver capital outlay projects, including those authorized by Chapter 7, Statutes of 2007 (AB 900). This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, it will be addressed as though the request had been included in Supplemental Report Language. Therefore, I am instructing the Secretary of the Department of Corrections and Rehabilitation to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the Department's ability to perform its essential functions.

Item 5225-002-0001—For support of Department of Corrections and Rehabilitation. I reduce this Item from \$2,126,132,000 to \$2,124,612,000 by reducing:

(4.2) 50.20—Dental Services—Adult from \$103,292,000 to \$103,129,000;

(4.3) 50.30—Mental Health Services—Adult from \$303,093,000 to \$302,930,000; and

(4.5) 50.50—Dental and Mental Health Services Administration—Adult from \$59,283,000 to \$58,089,000.

I am deleting the \$1,520,000 legislative augmentation to support positions to improve hiring efforts within the California Department of Corrections and Rehabilitation's (CDCR) Dental and Mental Health programs. While I am supportive of these activities, my budget proposed to fund these limited-term positions using the salary savings available from the vacancies within CDCR's Dental and Mental Health programs.

I expect that the recruitment efforts of the Department of Personnel Administration, the salary increases provided to dental and mental health classifications, and the hiring efforts of the CDCR will greatly improve the CDCR's ability to fill the vacancies within these programs. As such, I recognize that funding these positions through salary savings is only a



short-term solution and it may be necessary to provide additional funding to support these efforts in the future.

Item 5225-301-0001—For capital outlay, Department of Corrections and Rehabilitation.

I am sustaining Provision 7, which requires the department to report to the Joint Legislative Budget Committee with an update to the facility master plan for juvenile facilities. This report will identify how the projects funded in the 2007–08 Budget implement the master plan. While the department is committed to completing this valuable plan and has every intention of providing the data, it will be unable to meet the October 31, 2007 deadline provided therein because of the necessary time constraints associated with compiling the level of detail as required by this report. I am directing the department to prepare and deliver the required report by February 29, 2008.

Item 5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation. I reduce this item from \$119,752,000 to \$107,367,000 by deleting:

(5.1) 61.23.004—California State Prison, Corcoran: Wastewater Treatment Plant Improvements—Construction (\$5,944,000), and

(5.2) 61.30.004—Centinela State Prison, Imperial: Wastewater Treatment Plant Upgrades—Construction (\$6,441,000).

I am deleting these two wastewater treatment plant projects from this item because they cannot be funded with lease revenue bond financing. I am directing the Department of Corrections and Rehabilitation to fund both projects from the \$300,000,000 General Fund appropriation contained in Chapter 7, Statutes of 2007 (AB 900) for infrastructure improvements at existing prisons. Should this action result in additional funding needs in order to complete the infrastructure work at the various existing institutions, I expect that the Legislature will be supportive of future funding requests.

Item 6110-001-0001—For support of Department of Education. I reduce this item from \$47,380,000 to \$47,127,000 by reducing:

(1) 10—Instruction from \$62,022,000 to \$60,422,000;

(2) 20—Instructional Support from \$103,209,000 to \$99,833,000; and

(9) Amount payable from Federal Trust Fund (Item 6110-001-0890) from –\$163,060,000 to \$158,337,000.

I am deleting the legislative augmentation of \$133,000 and 1.0 position to coordinate education programs for incarcerated youth and support implementation of alternative school programs. This reduction is necessary to limit program expansion and in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. Further, the Department of Education already has existing positions that support alternative school programs and there is not sufficient workload justification for this additional position.

I am deleting Provision 28 to conform to this action.



I am deleting the \$120,000 legislative augmentation to support implementation of the English language learner component of the Mathematics and Reading Professional Development Program. Chapter 524, Statutes of 2006 (SB 472), appropriated \$120,000 to the Department of Education without regard to fiscal year and authorized the Department to establish one position for this purpose. The Department has not filled the position and, consequently, the \$120,000 remains available for expenditure. Therefore, it is unnecessary to provide additional expenditure authority in the budget year. However, I am sustaining authority for 1.0 limited-term position for one year to enable the Department to fill the position in order to conduct one-time activities associated with this program.

I am also revising this item to conform to the actions I have taken in Item 6110-001-0890.

Item 6110-001-0890—For support of Department of Education. I reduce this item from \$163,060,000 to \$158,337,000.

I am reducing a legislative augmentation by \$198,000 in federal Title II funds and 6.0 positions to implement the Compliance, Monitoring, Interventions, and Sanctions (CMIS) program related to the highly qualified teacher requirements under the federal No Child Left Behind Act. The Department of Education did not provide sufficient workload justification for these positions. Further, the Legislature rejected the Administration's proposal to shift funding from federal Title V to Title II for 4.0 professional development positions, with a priority on meeting the highly qualified teacher requirements, as Title V will no longer be available to support these positions. Therefore, I am sustaining \$929,000 to support 2.0 new positions and the 4.0 existing but unfunded positions for the purpose of assisting school districts to meet the highly qualified teacher requirements. When combined with the positions that are currently dedicated for this purpose, the Department will have a total of 8.0 positions for the CMIS program.

I am revising Provision 34 to conform to this action as follows:

“34. Of the funds appropriated in this item, ~~\$1,127,000~~ \$929,000 of federal Title II funds is for the Compliance, Monitoring, Intervention, and Sanctions (CMIS) program. This program is designed to help school districts meet the highly qualified teacher requirements specified in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.). By April 1, 2008, the State Department of Education shall submit a report on the CMIS program to the budget and policy committees. The report shall identify (a) the number of school districts that received CMIS support in the 2007–08 fiscal year, and (b) the major components of the plans that those districts developed to respond to the federal highly qualified teacher requirements. For each participating district, the report also shall provide longitudinal data on the number and percent of teachers who are and are not highly qualified. At a minimum, the 2007–08 report shall include finalized data for the 2004–05, 2005–06, and 2006–07 fiscal years, and initial data for the 2007–08 fiscal year. The report shall provide data



separately for high-poverty and low-poverty schools. For comparison, the report shall provide the same longitudinal data for the statewide average of all school districts as well as the average for school districts not receiving CMIS support.”

I am reducing this item by \$1,600,000 and 4.0 positions to monitor and provide technical assistance to alternative, county court, and Division of Juvenile Justice schools serving English learners. An increase in staff to monitor these schools has not been justified. Furthermore, monitoring and providing technical assistance for these schools is an ongoing activity and the use of one-time monies would be inappropriate. With this veto, these funds will be available to be distributed to local educational agencies for direct classroom instruction of English learner students.

I am deleting Provision 37 to conform to this action.

I am technically revising Provision 39 to eliminate references stipulating that \$450,000 of one time funds is made available for special education dispute resolution contract “cost-of-living increases”. This program does not receive a cost-of-living adjustment, but rather receives funding on a workload basis. Accordingly, the funds will be used for addressing new workload claims to ensure that the public receives prompt and appropriate due process for consideration of dispute resolution matters, as required by law.

I am revising Provision 39 to conform as follows:

“39. Of the funds appropriated in this item, \$450,000 is made available on a one-time basis for the special education dispute resolution contract ~~for cost-of-living increases~~. The State Department of Education, in coordination with the Office of Administrative Hearings, shall provide quarterly caseload and expenditure data to the appropriate budget committees of the Legislature, the Department of Finance, and the Legislative Analyst’s Office by March 1, 2008. The information shall also include updated budget detail and payment provisions, as shown in Exhibit B of the interagency agreement.”

I am deleting the \$150,000 legislative augmentation to provide an independent evaluation of the special education dispute resolution services provided by the Office of Administrative Hearings. The proposal essentially is a request for data, some of which is duplicative. Instead, I am directing the Office of Administrative Hearings to provide the remaining data requested using existing resources, including specified workload and mediator use data, and efficiency options for the program.

I am deleting Provision 40 to conform to this action.

I am deleting the \$1,050,000 legislative augmentation to expand special education focused monitoring and technical assistance services in alternative, county court, and Division of Juvenile Justice schools. This program essentially provides auditing for compliance with individualized education plans and follow-up for necessary corrections. I am unable to support this augmentation. Individualized education plan compliance should already be a part of the Special Education program not only for alternative schools but in all educational settings. Students are entitled to



receive the quality services required by law and included in their individual education plans. This particular funding should be allocated instead to local grants to fund direct special education instruction.

I am deleting Provision 41 to conform to this action.

I am reducing this item to delete the legislative augmentation of \$125,000 for a study to identify options for improving indicators of student socioeconomic status. Because the study is vague, I am concerned that \$125,000 augmentation may not be adequate to complete the study and may lead to future cost pressures to complete or expand the study. With this veto, these funds will be available to be distributed to local educational agencies for direct classroom instruction to improve the academic performance of schools. In lieu of this funding, I request that the Legislative Analyst's Office partner with the Department of Finance to explore the issue with existing resources and staff.

I am deleting Provision 43 to conform to this action.

I am reducing this item by \$350,000 and 4.0 positions for assistance to local educational agencies (LEAs) that are expected to face federal No Child Left Behind corrective action sanctions. Until more definitive results from a privately funded pilot project are available and a resulting plan for expenditure of the local assistance dollars is fully developed, it is premature to add staff to support these activities. Further, until the final determination is made on how to allocate local assistance funding, it is not clear that it is necessary for the State Department of Education to provide a higher level of assistance or that additional positions are needed.

I am deleting Provision 44 to conform to this action.

I am reducing this item to delete the legislative augmentation of \$300,000 intended to support a pilot project that allows schools to use non-adopted reading language arts materials for English learner students. The proposed new program would allow the use of instructional materials that are not aligned to state standards, which is a concern because all students should have access to standards-aligned materials. In addition, an alternate \$20 million pilot project is already underway, and that project will be assessing what educational practices work best for improving the academic performance of English learners.

I am deleting Provision 46 to conform to this action.

I am deleting the \$400,000 legislative augmentation to create an advisory committee and perform a best practices study that would assist local education agencies in implementing evidence-based practices intended to assist students with specific learning disabilities to improve academically. However, I believe local grants for direct instruction would be a more prudent and timely use of this funding.

I am deleting Provision 47 to conform to this action.

I am reducing this item by \$500,000 for an evaluation of the English Learner Best Practices Pilot Program (Pilot) pursuant to the requirements of Chapter 561, Statutes of 2006 (AB 2117). During last year's development of Assembly Bill 2117, which established the Pilot, the understanding was that the evaluation would be funded by a not-for-profit



organization. However, this funding has not materialized. The legislative augmentation of \$1,000,000 for the evaluation appears to be excessive. Instead, I am sustaining \$500,000 of the augmentation which would be consistent with similar evaluations done in the recent past. I believe the evaluation is an important component of ensuring that the \$20 million Proposition 98 General Fund provided in the Budget Act of 2006 for the Pilot would produce conclusions that could lead to improvements in English learner academic performance.

I am revising Provision 48 to conform to this action.

“48. Of the funds appropriated in this item, ~~\$1,000,000~~ \$500,000 of one-time federal Title III funds is available on a one-time basis for five years for an independent evaluation administered by the State Department of Education pursuant to the requirements of Chapter 561 of the Statutes of 2006.”

I am reducing this item by \$50,000 for an evaluation to ensure that local educational agencies (LEAs) are employing methods to ensure effective and timely oral communication with non English-speaking parents. To the extent that this is a problem for LEAs, they already receive federal funds that can be used for these purposes. Specifically, the Budget includes over \$165 million in federal Title III funds that can be used for parent outreach activities such as interpreter services. With this veto, these funds will be available to be distributed to LEAs for direct classroom instruction of English learner students.

I am deleting Provision 49 to conform to this action.

Item 6110-123-0001—For local assistance, Department of Education. I revise Provision 1 of this item.

I am deleting provisional language added by the Legislature that allocates funds to Intervention Underperforming Schools Program (II/USP) schools that are still subject to state sanctions and are working with school assistance and intervention teams (SAITs). The last cohort of II/USP schools qualified for funding in 2002–03 and since that time, some schools, even with the assistance of SAITs, still have not met bare minimum academic benchmarks to improve student achievement and to exit the program. Consequently, I do not believe that the state should continue to fund these activities given the efforts to consolidate state and federal accountability programs. In addition, I am concerned that the Legislature’s shift of these II/USP costs from another Budget item to this item may create cost pressures within the II/USP successor program, the High Priority Schools Grant Program. I continue to support focusing efforts on improving low-performing schools and request that the State Board of Education assign the full spectrum of more effective sanction strategies available under current law to these schools to help them improve student achievement.

I am revising Provision 1 as follows to conform to this action.

“1. Funds appropriated in Schedule (1) are provided solely for the purpose of implementing the High Priority Schools Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of



Chapter 6.1 of Part 28 of the Education Code. Of these funds, \$10,000,000 or whatever greater or lesser amount is necessary, shall be available to support schools working with school assistance and intervention teams or schools subject to state sanctions by the Superintendent of Public Instruction as part of the High Priority Schools Grant Program ~~or the Immediate Intervention/Underperforming Schools Program.~~”

Item 6110-134-0890—For local assistance, Department of Education. I reduce this item from \$77,900,000 to \$70,800,000 by deleting:

(7) 10.30.013—District Assistance and Intervention Teams (\$7,100,000),
and by deleting Provision 9.

I am deleting \$7,100,000 and setting these funds aside for appropriation in subsequent legislation. This Legislative augmentation provided funding for District Assistance and Intervention Teams (DAITs) to work with local educational agencies (LEAs) facing sanctions under the federal accountability system. The augmentation is premature because a privately funded pilot project and evaluation of the effectiveness of DAITs is underway. Until the evaluation is completed, or an interim report shows that DAITs are effective, I cannot support funding for these new activities. I recognize the problem of a growing number of LEAs and schools entering federal No Child Left Behind sanctions and note that funding is set aside in this item, pursuant to subsequent legislation, for implementation of an effective plan that supports LEAs and schools and their attempts to improve the academic performance of their students.

Item 6110-196-0001—For local assistance, Department of Education (Proposition 98).

I reduce this item from \$1,761,366,000 to \$1,756,366,000 by reducing:

(1) 30.10.010—Special Programs, Child Development, Preschool Education from \$418,644,000 to \$413,644,000,
and by revising Provision 3 to conform.

I am reducing \$5,000,000 from preschool programs and revising Provision 3 by eliminating language that would expand the authorized use of these funds to include wrap-around child care for children participating in any state preschool program. These funds were provided to continue support of the Pre-Kindergarten Family Literacy program (PKFL) that was authorized by Chapter 211, Statutes of 2006 (AB 172) by providing ongoing funding for full-day child care for children participating in the PKFL program (AB 172 utilized one-time funding to provide this service in 2006–07). I believe that making these funds available to all preschool programs would undermine the PKFL program and negatively impact the ability of families to participate in the program. I am therefore setting these funds aside for legislation that would restore the priority for these funds to the PKFL programs.

I am revising Provision 3 to conform to this action as follows:

“3. Of the amount appropriated in Schedule (1), \$50,000,000 is available for pre-Kindergarten and Family Literacy Preschool programs



pursuant to Chapter 211 of the Statutes of 2006. ~~Of the amount appropriated in Schedule (1), \$5,000,000 is available for wraparound care in order to provide direct child care for children in the state preschool program for the portion of the day that is not otherwise covered by services provided as part of the state preschool program."~~

Item 6120-211-0001—For local assistance, California State Library. I reduce this item from \$21,342,000 to \$14,342,000 by reducing:

(1) 20.30—Direct Loan and Interlibrary Loan Programs from \$18,616,000 to \$11,616,000.

I am deleting \$7,000,000 for Direct Loan and Interlibrary Loan services. This reduction is necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

Item 6120-221-0001—For local assistance, California State Library, Public Library Foundation Program. I reduce this item from \$22,360,000 to \$14,360,000.

I am deleting the discretionary \$1,000,000 legislative augmentation to the Public Library Foundation. This reduction is necessary to limit program expansions and help bring ongoing General Fund expenditures in line with existing resources. In addition, I am deleting \$7,000,000 in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

Item 6440-001-0001—For support of University of California. I reduce this item from \$3,019,559,000 to \$3,016,059,000 by reducing:

(1) Support from \$2,936,063,000 to \$2,932,563,000,

and by revising Provisions 11,13, and 24 and deleting Provisions 26 and 27.


I am deleting the legislative augmentations for agricultural research (\$1,500,000) and for oceanographic research at the Scripps Institute of Oceanography (\$1,500,000) to limit program expansions and to help bring ongoing expenditures in line with existing resources. With these reductions, over \$77,000,000 of state and university funds remains to support agricultural research and over \$9,700,000 of state and university funds remains to support research at the Scripps Institute of Oceanography.

I am deleting provisions 26 and 27 to conform to these actions.

I am deleting \$500,000 for UC-Mexico research, which represents the amount of funding for the financing of a facility located in Mexico, in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. The University of California should use other sources for this purpose at its discretion.

I am revising Provision 11 to conform as follows:

~~"11. Notwithstanding Section 3.00, for the term of the financing, the University of California may use funds appropriated in Schedule (1) for debt service and costs associated with the purchase, renovation, and financing of a facility for the UC-Mexico research and academic programs in Mexico City. The amount to be financed shall not exceed \$7,000,000.~~



The university shall report to the Legislature by March 15, 2008, on the (a) amount of funds spent to support the UC-Mexico facility, including the specific use of these funds, (b) amount of funds spent to support UC-Mexico research and academic programs, and (c) different types of research conducted and programs operated at the UC-Mexico facility.”

I am sustaining the legislative augmentation of \$19,300,000 for student academic preparation and education programs. However, the reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature’s desire to obtain this information, it will be addressed as though the request had been included in Supplemental Report language. Therefore, I am instructing the President of the University of California to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the University’s ability to perform its essential functions.

I am revising Provision 24 to conform as follows:

“24. Of the funds appropriated in Schedule (1), \$19,300,000 is for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1, 2007. ~~It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature not later than April 1, 2008.~~”

Finally, I am revising Provision 13 to delete language that describes a new methodology for determining the marginal cost of each additional state-supported student in the future. The new formula is not transparent, is too difficult to either replicate or verify allowing for potential manipulation in future years, and does not properly reflect the full mix of new faculty associated with the system-wide growth in students.

I am revising Provision 13 to conform as follows:

“13. Of the funds appropriated in Schedule (1), \$52,930,000 is to fund 5,000 additional state supported full-time equivalent students (FTES) at the University of California, based on a marginal General Fund cost of \$10,586 per additional student. ~~This funding rate is based on a methodology for determining the marginal cost of each additional state-supported student, as adopted by the Legislature for the 2006-07 fiscal year. This methodology calculates a total marginal cost (including operation and maintenance costs and faculty costs based on the salaries of recently hired professors) and then subtracts from this cost the fee revenue the university anticipates from each additional student (after adjusting for~~

financial aid), in order to determine the amount of General Fund support needed from the state. It is the intent of the Legislature that enrollment growth funding provided to the university in subsequent fiscal years be based on this specific methodology. The Legislature expects the University of California to enroll a total of 198,455 state-supported FTES during the 2007–08 academic year. This enrollment target does not include nonresident students and students enrolled in non state supported summer programs. The University of California shall report to the Legislature by March 15, 2008, on whether it has met the 2007–08 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If the University of California does not meet its total state-supported enrollment goal by at least 250 FTES, the Director of Finance shall revert to the General Fund by April 1, 2008, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.”

Item 6440-305-6048—For capital outlay, University of California.

I am sustaining the \$10,000,000 provided for the Life Sciences Research and Nursing Education Building in this item.

In my efforts to continue to support programs and projects that will alleviate the nursing shortage California is suffering, I am sustaining this legislative augmentation for the Charles R. Drew University of Medicine and Science to build a Life Sciences Research and Nursing Education Building. However, I note that a number of issues both legal and programmatically need to be resolved before funds may be expended. Specifically, there are legal concerns regarding the use of general obligation bonds for this project and may require the state to acquire and maintain ownership of the facility being built. Additionally, the nursing program that will utilize this facility needs to be fully developed before the scope of this new facility can be generated. Until these concerns are resolved, no funds for this project may be expended.

Item 6610-001-0001—For support of California State University. I revise this item by revising Provision 7.

I am revising Provision 7 to delete language that describes a new methodology for determining the marginal cost of each additional state-supported student in the future. The new formula is not transparent, is too difficult to either replicate or verify allowing for potential manipulation in future years, and does not properly reflect the full mix of new faculty associated with the system wide growth in students.

I am revising Provision 7 to conform as follows:

“7. Of the amount appropriated in Schedule (1), \$64,417,000 is to fund 8,355 additional state supported full-time equivalent students (FTES) at the California State University (CSU), based on a marginal General Fund cost of \$7,710 per additional student. ~~This funding rate is based on a methodology for determining the marginal cost of each additional state-supported student, as adopted by the Legislature for the 2006–07 fiscal year. This methodology calculates a total marginal cost (including~~



operation and maintenance costs and faculty costs based on the salaries of recently hired professors) and then subtracts from this cost the fee revenue the university anticipates from each additional student (after adjusting for financial aid), in order to determine the amount of General Fund support needed from the state. It is the intent of the Legislature that enrollment growth funding provided to the university in subsequent fiscal years be based on this specific methodology. The Legislature expects CSU to enroll a total of 342,553 state-supported FTES during the 2007–08 academic year. This enrollment target does not include nonresident students and students enrolled in non-state-supported summer programs. The CSU shall provide a preliminary report to the Legislature by March 15, 2008, and a final report by May 1, 2008, on whether it has met the 2007–08 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If CSU does not meet its total state-supported enrollment goal by at least 418 FTES, the Director of Finance shall revert to the General Fund by May 15, 2008, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.”

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges, Proposition 98. I reduce this item from \$3,906,649,000 to \$3,859,753,000 by reducing:

(1) 10.10.010—Apportionments from \$3,093,135,000 to \$3,079,349,000;

(2) 10.10.020—Basic Skills and Apprenticeship from \$48,339,000 to \$15,229,000;

and by deleting subdivision (c) of Provision 7.

I am reducing Schedule (1) by \$13,786,000 and Schedule (2) by \$33,110,000 to delete the legislative augmentations for a noncredit course rate increase and a basic skills student funding increase, respectively. However, I am setting these funds aside for legislation that appropriates these funds for improving outcomes for at-risk students in a manner more consistent with the priorities of my proposed Student Success Initiative (\$33,110,000) and the remainder for other more compelling Proposition 98 funding needs.

The Legislature’s proposed \$13,786,000 augmentation to support a second consecutive noncredit rate increase is premature and inconsistent with the agreement reached in last year’s compromise on Chapter 631, Statutes of 2006 (SB 361). As part of that agreement, my Administration indicated that any future noncredit rate increase would be subject to improved student outcomes from last year’s initial investment of \$30,000,000. To date, no accountability measures have been developed to evaluate this investment, nor has my Administration received a comprehensive list of courses and programs that have been approved by the Chancellor’s Office for funding from the 2006–07 increase. While I cannot sustain this augmentation, the budget does provide a 4.53-percent COLA, which, when combined with the ongoing \$30,000,000 increase from

2006–07, provides for a 23-percent increase in per student funding for selected noncredit courses since the 2005–06 fiscal year.

I am deleting Provision 4.6 to conform to this action.

I cannot support the Legislature's \$33,110,000 redirection of funds proposed for my May Revision's Student Success Initiative because the accompanying control provisions do not contain the appropriate accountability and distribution mechanisms necessary to ensure this investment improves student outcomes, particularly for at-risk students transitioning from high schools. With this reduction, the community colleges still retain \$33,110,000 in unspent current year funds that carryover for expenditure in the budget year to address strategies for improving basic skills instruction. My Administration is prepared to work with the Chancellor's Office to reinstate the ongoing funding pending agreement on revised accountability and distribution provisions that address my priority for improving meaningful outcomes for students transitioning from high school.

I am deleting subdivision (c) of provision 7 to conform to this action.

Item 6870-486—Reappropriation, Proposition 98, Board of Governors of the California Community Colleges. I reduce this item from \$26,668,000 to \$21,168,000 by deleting legislative augmentations for the Part-time Faculty Health Insurance Program in Schedule (4) and the proposed Construction College Pilot Program in Schedule (6).

I am deleting the one-time augmentation of \$4,000,000 from the Proposition 98 Reversion Account for the Part-time Faculty Health Insurance Program because this program was established as an incentive grant program to encourage additional district investments in benefits for part-time faculty. However, these programs were not intended to require additional one-time or ongoing contributions from the state. Given the significant general purpose increases provided in this Budget for community colleges, I believe that districts have sufficient resources to provide additional benefits to part-time faculty at their discretion.

I am also deleting the one-time augmentation of \$1,500,000 for a Construction College pilot program at San Jose City College and another, unspecified site. While this program may have merit from a local perspective, significant investments are already proposed for apprenticeship and pre-apprenticeship programs, as well as traditional K–12 career path programs including construction technology, within my anticipated 2007–08 Career Technical Education Initiative expenditure plan. Additional funding for a construction-specific program would establish an undesirable precedent for singling out a local project for funding without competing for limited resources with other meritorious local projects. It is also premature to fund this program until other construction and related program grants can be evaluated.



Item 7980-001-0001—For support of Student Aid Commission. I reduce this item from \$15,449,000 to \$15,349,000 by reducing:

(1) 15—Financial Aid Grants Program from \$13,886,000 to \$13,786,000,

and by deleting Provision 5.

I am deleting the \$100,000 legislative augmentation for one position for purposes of administering the Public Interest Attorney Loan Repayment Program to conform to my action on Item 7980-101-0001.

I am deleting Provision 5 to conform to this action.

Item 7980-101-0001—For local assistance, Student Aid Commission. I reduce this item from \$859,814,000 to \$857,614,000 by reducing:

(1) 15—Financial Aid Grants Program from \$889,950,000 to \$887,750,000,

and by revising Provision 5 and deleting Provision 9.

I am reducing the legislative augmentation for the California Student Opportunity and Access Program (CalSOAP) by \$2,200,000. This program provides financial aid awareness as well as student academic preparation and education services to public school students. This reduction is necessary in order to build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. Additionally, I am concerned that this program's various student academic support and preparation activities have not been subjected to a cost effectiveness analysis in many years. With this reduction, \$6,367,000 still remains for CalSOAP to support financial aid awareness activities. Further, it is my understanding that the California Student Aid Commission recently approved \$2,200,000 from the Student Loan Operating Fund for similar financial aid outreach purposes. Therefore, this augmentation is largely redundant with planned expenditures.

I am revising Provision 5 to conform to this action:

“5. Of the funds appropriated in Schedule (1), ~~\$8,567,000~~ \$6,367,000 is for the California Student Opportunity and Access Program established pursuant to Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code and shall be available to provide financial aid awareness and outreach to students who are preparing to enter, or are currently enrolled in, college.”

Additionally, I am deleting the legislative language augmentation included in Provision 9 that authorizes 100 new warrants for the Public Interest Attorney Loan Repayment Program. The authorization of 100 loan assumption warrants would commit the state to out-year costs in excess of \$1,000,000. Furthermore, this program authorizes warrants for attorneys employed by local government. Thus, in effect, this augmentation would serve to subsidize local government employee recruitment and



retention with state funds. Therefore, this action is necessary to limit program expansions.

Item 7100-001-0185—For support of Employment Development Department. I reduce this item from \$79,495,000 to \$67,435,000.

I am reducing the \$27,060,000 legislative augmentation for the Job Services Program by \$12,060,000. This program provides employment services in the One-Stop Career Centers, facilitating a match between employers' needs and job seekers' skills, and while I agree with the Legislature that some additional resources would benefit job seekers, I am confident that the \$168,000,000 available will be sufficient in meeting the employment demands of California communities. Finally, I am directing the Employment Development Department to minimize the number of positions to be reduced in job services locations by making reductions in Administration and facility operations.

I am deleting Provision 4 to conform to this action.

Item 7350-001-0001—For support of Department of Industrial Relations. I reduce this item from \$67,768,000 to \$67,383,000 by reducing:

(6) 50—Division of Labor Standards Enforcement from \$49,933,000 to \$49,548,000.

I am deleting \$385,000 and 5.0 positions for the Licensing and Registration Unit provided for recently enacted legislation including the registration of employers in the car washing and polishing industry. This reduction is necessary to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

Item 7350-011-0223—For support of Department of Industrial Relations. I revise this item by deleting Provision 1.

I delete Provision 1, which would require the Department of Industrial Relations to provide a long-term plan and a detailed repayment schedule by January 10, 2008, for the California Occupational Safety and Health Administration, Targeted Inspection and Consultation Fund loan.

This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, it will be addressed as though the request had been included in Supplemental Report language. Therefore, I am instructing the Director of the Department of Industrial Relations to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the Department of Industrial Relations' ability to perform its essential functions.

Item 8120-011-0268—For support of Commission on Peace Officer Standards and Training. I revise this item by deleting Provision 3.

I am deleting Provision 3, which would require the Commission on Peace Officer Standards and Training to report to the Legislature on the findings of the local law enforcement agency audits conducted by the



Controller on behalf of the commission. This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, it will be addressed as though the request had been included in Supplemental Report language. Therefore, I am instructing the Executive Director of the Commission on Peace Officer Standards and Training to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the Commission on Peace Officer Standards and Training's ability to perform its essential functions.

Item 8660-001-0042—For support of Public Utilities Commission. I reduce this item from \$3,526,000 to \$3,354,000.

I am deleting a legislative augmentation of \$172,000 and 2.0 positions for Public Utilities Commission's (PUC) rail crossing safety staff. In the 2006 Budget Act, I included three positions for the rail safety crossing program, giving the PUC 20.0 base positions for rail crossing safety. To date, all those positions are not filled. It would be premature to authorize additional positions until the positions at the PUC are filled and the impact on workload can be determined. With these reductions, \$3,354,000 still remains to support the rail crossing safety staff.

Item 8660-001-0462—For support of Public Utilities Commission. I revise this item by reducing:

- (1) 10—Regulation of Utilities from \$120,157,000 to \$119,857,000;
- (3) 20—Regulation of Transportation from \$19,911,000 to \$19,739,000;
- (7) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042) from -\$3,526,000 to -\$3,354,000; and
- (18) Amount payable from the Public Utilities Commission Rate payer Advocate Account (Item 8660-001-3089) from -\$21,632,000 to -\$21,332,000.

I am revising this item to conform to the actions I have taken in Item 8660-001-3089 and Item 8660-001-0042.

Item 8660-001-3089—For support of Public Utilities Commission. I reduce this item from \$21,632,000 to \$21,332,000.

I am deleting a legislative augmentation of \$300,000 and 3 positions for the Division of Ratepayer Advocates' (DRA) water audits division. The Budget Act of 2006 provided additional auditors to the Public Utilities Commission (Commission) that were intended to meet the needs of the DRA as well as the balance of the Commission. With these reductions, \$2,200,000 and 22.0 positions still remain to support the Division of Ratepayer Advocates water auditing staff.

Item 8770-001-0462—For Support of the Electricity Oversight Board. I reduce this item from \$3,579,000 to \$2,684,000 by reducing:

- (1) 30—Administration from \$4,128,000 to \$3,096,000, and



(2) Amount payable from the Energy Resources Programs Account (Item 8770-001-0465) from -\$549,000 to -\$412,000.

I am reducing Schedule (1) to reflect my expectation that by April 1, 2008, the Electricity Oversight Board (EOB) will have transferred its remaining duties to the Public Utilities Commission. The EOB was established in 1996 as part of the state's attempt to restructure the electricity industry, and was given the responsibility for overseeing the California Independent System Operator, a non-profit entity that operates most of California's electric transmission grid. Since that time, changes in state and federal law have eliminated the need for the EOB; the duties it performs are now also performed either by the California Independent System Operator or the California Public Utilities Commission. When I first took office, the California Performance Review determined that the EOB should be eliminated, with its remaining functions transferred to other entities. It is time to implement this recommendation. With this reduction, sufficient funding will remain in the EOB budget to allow for an orderly staffing reduction plan so staff will have every opportunity to transfer to new duties within California state government. I am requesting the Department of Personnel Administration to fully assist the EOB in this effort.

Item 8770-001-0465—For support of the Electricity Oversight Board. I reduce this item from \$549,000 to \$412,000.

I am revising this item to conform to actions I have taken in Item 8770-001-0462.

Item 8910-001-0001—For support of Office of Administrative Law. I revise this item by deleting Provision 1.

I am deleting Provision 1, which would require the Office of Administrative Law to report to the Legislature on the use of positions assigned to underground regulation review. This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, it will be addressed as though the request had been included in Supplemental Report language. Therefore, I am instructing the director of the Office of Administrative Law to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the Office of Administrative Law's ability to perform its essential functions.

Item 8955-001-0001—For support of California Department of Veterans Affairs. I revise this item by deleting Provision 5.

I delete Provision 5, which would require the California Department of Veterans Affairs (CDVA) to report on the Department's progress in providing a "restraint-free" environment for residents at the Veterans Homes. This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to



obtain this information, it will be addressed as though the request had been included in Supplemental Report language. Therefore, I am instructing the Secretary of the CDVA to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the CDVA's ability to perform its essential functions.

Item 9210-107-0001—For local assistance, Local Government Financing. I delete this item.

I am deleting the \$3,500,000 legislative augmentation for grants to county assessors, which would be made in proportion to the amount of property tax received by their K–14 schools. This reduction is necessary to limit program expansions and provide for a prudent General Fund reserve in light of the various uncertainties in revenues and spending that we face this year.

Local government is anticipated to receive \$28,000,000 in property tax revenue in 2007–08 pursuant to a new method of collecting fractionally owned aircraft property taxes, facilitated by budget trailer bill legislation. As a result, this \$3,500,000 augmentation is unnecessary.

Item 9800-001-0001—For Augmentation for Employee Compensation. I reduce this item from \$525,262,000 to \$453,262,000.

I am reducing funding by \$72,000,000 for employee compensation and instructing my administration to absorb this reduction in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. To effect this reduction, I am directing the Director of Finance to reduce the amount that would have been allocated to each department from Item 9800-001-0001 by an amount equal to 8.576 percent of that department's General Fund expenditures for personal services in April of 2007. With this reduction, \$453,262,000 still remains to be allocated by the Department of Finance for increases in employee compensation that the Department of Personnel Administration has already agreed to pay. This reduced amount available for allocation to departments will not affect pay or benefits for employees in any way. Employees will receive full pay, and the funding for pay increases not available from Item 9800 will be funded by a redirection within existing resources by individual departments. So, all previously negotiated employee compensation increases, and all employee compensation increases for medical, mental, and dental health positions arising from the Coleman and Plata court cases will be unaffected by my action to reduce this appropriation.

SEC. 24.55—California Research and Education Network. I delete this Control Section.

I am deleting Control Section 24.55 because this language is unnecessary and could increase administrative costs at the expense of either direct network services or potentially higher fees. Chapter 552, Statutes of 2006, already provides appropriate oversight for K–12. Similarly, annual program review through the budget process, the



governance structure of the higher education segments, and the current business practices of establishing interagency agreements and essentially using cost-based accounting for each educational segment already provide appropriate accountability for higher education.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 77.

Cordially,

ARNOLD SCHWARZENEGGER, Governor

Above bill ordered placed on unfinished business file.

Receipt of Bills

I acknowledge receipt this 24th day of August, 2007 at 12:15 p.m., of the Governor's statement of the items of appropriation reduced or eliminated from SB 77 delivered to me personally by Mikhael Skvarla.

BERNADETTE McNULTY
Assistant Secretary of the Senate

Governor's Office, State Capitol
August 24, 2007

To the Members of the California Senate:

I object to the following appropriations contained in **Senate Bill 78**.

Item 1760-001-0666—For support of Department of General Services. I revise this item by deleting Provision 10.

I delete Provision 10, which would require the Department of General Services to provide an implementation progress report on the Fleet Asset Management System.

This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, it will be addressed as though the request had been included in Supplemental Report language. Therefore, I am instructing that the Director of the Department of General Services comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the Department of General Services' ability to perform its essential functions.

Item 2660-001-0042—For support of Department of Transportation.

I am sustaining the Legislature's augmentation for capital outlay support. In the May Revision, reflecting the large increase of work to be done to implement Proposition 1B as well as Caltrans' work funded from other sources, I proposed additional funding necessary to use contractual services for engineering, design, environmental studies, and other work needed to ready projects for construction. This was proposed in lieu of expanding state staff in order to speed up delivery of Proposition 1B projects.

The augmentation was based on 90 percent state staff and 10 percent contract staff. Because it will take a year or more to hire and train state staff,



I am very concerned that this action will delay projects by a year or more and end up costing more than using contractual services because of salary costs incurred while training new state hires and the impact of inflation on construction costs while projects are delayed. Moreover, because the funding from Proposition 1B is one-time and will be exhausted over the next five years, the hiring of new permanent state staff could lead to the need for future layoffs. An appropriate balance between state staff and contract staff will enable the state to improve its highways, roads, bridges, and railroad crossings immediately. Therefore, I am directing the Director of the Department of Transportation to take all steps necessary to deliver these projects as quickly as possible, including an increased use of contractual services within the funding level the Legislature has provided.

Item 3790-001-0001—For support of Department of Parks and Recreation. I reduce this item from \$145,359,000 to \$130,359,000 by reducing:

(1) For support of the Department of Parks and Recreation from 383,495,000 to \$368,495,000.

I am vetoing \$15,000,000 General Fund on a one-time basis for maintenance at state parks. The Department of Parks and Recreation's existing maintenance budget is approximately \$67,000,000, and a one-time augmentation of \$90,000,000 was provided in 2006–07 to address deferred maintenance needs. Furthermore, Proposition 84 provides \$400,000,000 for the development and rehabilitation of state parks, including deferred maintenance. For these reasons, and in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year, I believe a one-time reduction can be made without a significant impact on the department's ability to perform its essential functions in 2007–08.

Item 3900-001-0044—For support of State Air Resources Board. I reduce this item from \$94,533,000 to \$93,875,000 by reducing:

(1) 15–Mobile Source from \$696,312,000 to \$675,188,000;

(2) 25–Stationary Source from \$53,845,000 to \$53,345,000;

(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115) from –\$174,541,000 to –\$154,541,000;

and by deleting:

(9.5) Amount payable from the Energy Resources Programs Account (Item 3900-001-0465) (–\$966,000).

I am reducing Schedule 1 to eliminate the legislative augmentation of \$658,000 and 6.7 positions for additional diesel enforcement efforts. In the past three budgets, I have included additional staff for diesel enforcement every year. In 2005–06, I added 15.3 positions, in 2006–07, I added 5.8 positions, and in the 2007–08 Governor's Budget, I included 6.7 more positions. The Legislature concurred in all of these augmentations, but added 6.7 additional positions this year for reasons which have not been explained. While I recognize that diesel enforcement is important, these

augmentations are all funded by the Motor Vehicle Account, which is facing significant fiscal pressures for other high-priority expenditures. In light of this, and the lack of workload justification for the 6.7 position legislative augmentation, it is necessary to make this reduction in order to preserve Motor Vehicle Account funds for other critical needs.

I am also revising this item to conform to the actions I have taken in Items 3900-001-0115 and 3900-001-0465.

Item 3900-001-0115—For support of State Air Resources Board. I reduce this item from \$174,541,000 to \$154,541,000.

I am deleting the \$20,000,000 legislative augmentation for construction equipment grants that would be funded by increasing vehicle-related fees charged to the citizens of California. This proposal would carve out one industry, construction, for a state subsidy to comply with proposed air quality regulatory requirements. This focus on a single industry is inconsistent with the Air Board's overall approach to regulating air quality.

I am sustaining the \$1,000,000 fund shift from General Fund to the Air Pollution Control Fund (APCF) for legal defense costs associated with Chapter 200, Statutes of 2002 and associated provisional language. I note, however, that the resources expected to be available in the APCF are quite limited. Consequently, should the legal defense costs exceed the \$1,000,000 provided in this item, the Air Board will likely request General Fund deficiency funding rather than additional resources from the APCF.

Item 3940-001-0001—For support of State Water Resources Control Board. I reduce this item from \$39,344,000 to \$39,102,000 by reducing:

- (1) 10–Water Quality from \$463,986,400 to \$459,499,400, and
- (5) Reimbursements from –\$14,244,000 to –\$9,999,000.

I am eliminating a legislative augmentation of \$242,000 and 2.0 positions to accelerate the development of Total Maximum Daily Load standards (TMDLs) in the North Coast Regional Water Board. I support the expeditious implementation of TMDLs throughout the state. However, I believe this can be accomplished within existing resources. In addition, this reduction is necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year. With this reduction, \$1,100,000 still remains to support the development of North Coast Regional Water Board TMDLs.

I am also eliminating a legislative augmentation of \$4,245,000 in reimbursement authority for water basin planning. My budget proposed funding water basin planning from Chapter 9 of Proposition 84. The Legislature shifted this funding to reimbursements, to be provided by the Department of Water Resources from funds made available by Chapter 4 of Proposition 84. However, notwithstanding the merits of this program, it is not appropriately funded from Chapter 4 of Proposition 84, which requires the funding to be used for statewide, rather than basin-specific, water planning activities. With this reduction, \$6,600,000 still remains to support water basin planning.



Item 4280-101-0001—For local assistance of the Managed Risk Medical Insurance Board. I reduce this item from \$373,832,000 to \$372,429,000 by reducing:

(2) 40—Healthy Families Program from \$1,032,841,000 to \$1,028,942,000, and

(3) Amount payable from the Federal Trust Fund (Item 4280-101-0890) from −\$732,337,000 to −\$729,841,000.

I am deleting \$3,899,000 (\$1,403,000 General Fund and \$2,496,000 Federal Trust Fund) to conform to the action I have taken in Item 4280-001-0001, related to the delayed implementation of SB 437 (Chapter 328, Statutes of 2006).

Item 5180-101-0001—For local assistance, Department of Social Services. I reduce this item from \$2,210,356,000 to \$2,207,412,000 by reducing:

(2) 16.65—Other Assistance Payments from \$1,324,322,000 to \$1,321,378,000.

I am reducing by \$2,944,000 the augmentation I included in the May Revision to fund local food banks and Foodlink to provide relief to Californians from the effects of last winter's severe weather conditions. This reduction in funding is possible due to a decrease in the number of disaster victims being served and a reduced timeframe that these victims will require services. This action will in no way affect the services being provided to victims of the freeze disaster.

Item 5180-141-0001—For local assistance, Department of Social Services. I reduce this item from \$437,764,000 to \$432,941,000 by reducing:

(1) 16.75—County Administration and Automation Projects from \$1,085,916,000 to \$1,073,349,000;

(2) Reimbursements from −\$57,871,000 to −\$54,951,000; and

(3) Amount payable from the Federal Trust Fund (Item 5180-141-0890) from \$590,281,000 to −\$585,457,000.

I am deleting the legislative augmentation of \$12,567,000 (\$4,823,000 General Fund, \$2,920,000 Reimbursements, and \$4,824,000 Federal Trust Fund) for workstation replacement and help desk support of the Statewide Automated Welfare System, including the CalWORKs Information Network. Although I understand that workstations need to be replaced on a regular basis, this reduction is needed to build a prudent reserve. In addition, I believe this cost may be paid from funds provided for general county administration.

I am also reducing \$2,130,000 in Item 4260-101-0001 and \$2,130,000 in Item 4260-101-0890 to conform to this action.

Item 5180-141-0890—For local assistance, Department of Social Services. I reduce this item from \$590,281,000 to \$585,457,000 and delete Provision 2.



I am reducing this item to conform to the action I have taken in Item 5180-141-0001 related to workstation replacement and help desk support.

Item 5180-151-0001—For local assistance, Department of Social Services. I reduce this item from \$756,589,000 to \$739,528,000 by reducing:

(1) 25.30—Children and Adult Services and Licensing from \$2,077,314,000 to \$2,056,169,000;

(3) Reimbursements from −\$115,875,000 to −\$115,707,000; and

(6) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from −\$1,222,557,000 to −\$1,218,641,000.

In order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year, I am deleting the legislative augmentation of \$12,000,000 General Fund for the Adult Protective Services program. This veto maintains funding for the program at the level proposed in the May Revision.

I am deleting the legislative augmentation of \$5,135,000 (\$2,467,000 General Fund, \$168,000 Reimbursements, and \$2,500,000 Federal Trust Fund) for workstation replacement of the Child Welfare Services/Case Management System. Although I understand that workstations need to be replaced on a regular basis, this reduction is needed to build a prudent reserve. I am reducing Item 0530-001-9732 by \$5,135,000 to conform to this action.

I am reducing this item by \$4,010,000 (\$2,594,000 General Fund and \$1,416,000 Federal Trust Fund) on a one-time basis. This funding would have provided resources to counties for sibling searches in the Adoptions Program and to help prevent foster youth identity theft, pursuant to legislation enacted in the 2006–07 fiscal year. I am suspending implementation of these programs by one year to further build a prudent reserve and I am directing the Department of Social Services to notify counties that these activities should be suspended during this fiscal year.

Item 5225-101-0001—For local assistance, California Department of Corrections and Rehabilitation. I reduce this item from \$336,791,000 to \$321,891,000 by deleting:

(8) 60.01—County Juvenile Justice Planning Grants (\$4,900,000);

(9) 60.02—County Juvenile Justice Competitive Grants (\$10,000,000); and Provision 10.

I am deleting the \$4,900,000 legislative augmentation, which was intended to provide one-time grants to all counties to plan for changes in state law governing county custody and rehabilitative services for youthfultoffenders whose offenses are not listed in Welfare and Institutions Code Section 707(b). I am also deleting the \$10,000,000 legislative augmentation, which was intended to provide one-time competitive grants to counties for additional planning and development efforts related to the juvenile offender population that will now be housed locally. These



reductions are necessary in order to further build a prudent reserve in light of the various uncertainties in revenues and spending that we face this year.

I am deleting Provision 10 to conform to this action.

Item 7100-001-0870—For support of Employment Development Department. I revise this item by reducing:

(1) 10–Employment and Employment Related Services from \$180,125,000 to \$168,065,000, and

(10) Amount payable from the Employment Development Contingent Fund

(Item 7100-001-0185) from –\$79,495,000 to –\$67,435,000.

I am revising this item to conform to the action I have taken in Item 7100-001-0185.

SEC. 29.50—2008–09—State Operations and Capital Outlay Budget Restrictions. I delete this Control Section.

This Control Section provides legislative intent language to assist me in preparing the 2008–09 Budget that I will propose. The intent language directs the Department of Finance not to include funding in the Budget for various issues that evidently are low priorities for the Legislature. While controlling expenditures is a worthy and laudable goal every year, I do not think it is appropriate to predetermine funding decisions now, and I will propose a Budget that reflects my spending priorities within available fiscal resources. I believe it is important that the full and deliberative process take place for each and every program.

California taxpayers expect that we all do our job completely each year, and I would miss an opportunity to continue discussions on these important issues with my legislative friends next year; therefore, I am deleting this control section.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 78.

Cordially,

ARNOLD SCHWARZENEGGER, Governor

Above bill ordered placed on unfinished business file.

Receipt of Bills

I acknowledge receipt this 24th day of August, 2007 at 12:15 p.m., of the Governor's statement of the items of appropriation reduced or eliminated from SB 78 delivered to me personally by Mikhael Skvarla.

BERNADETTE McNULTY
Assistant Secretary of the Senate

Governor's Office, State Capitol
August 24, 2007

To the Members of the California Senate:

I am signing **Senate Bill 79** with the following objections:

I am eliminating the two hundred million dollar (\$200,000,000) appropriation for transfer from the Transportation Debt Service Fund to the



General Fund in paragraph (2) of subdivision (b) of Section 16965 of the Government Code as added by this bill in Section 1. The language making this appropriation is technically deficient and does not conform to what I believe was Legislative intent and may not achieve the intended fiscal result. I am setting aside these funds for appropriation in subsequent legislation to achieve the intended purpose of offsetting General Fund debt service costs for public transportation-related bonds.

I am eliminating the eighty-two million six hundred seventy-eight thousand dollar (\$82,678,000) appropriation for transfer from the Mass Transportation Fund to the General Fund in subdivision (b) of Section 7103 of the Revenue and Taxation Code as added by this bill in Section 5. The language making this appropriation is technically deficient and does not conform to what I believe was Legislative intent and may not achieve the intended fiscal result. I am setting aside these funds for appropriation in subsequent legislation to achieve the intended purpose of offsetting General Fund debt service costs for public transportation-related bonds.

I am also reducing the appropriation in paragraph (1) of subdivision (d) Section 99312 of the Public Utilities Code, as amended in Section 2 of this bill, from two hundred million dollars (\$200,000,000) to one hundred million dollars (\$100,000,000) and modifying the language in the paragraph accordingly as follows:

“SEC. 2. Section 99312 of the Public Utilities Code is amended to read:

99312. From the funds transferred to the account pursuant to Section 7102 of the Revenue and Taxation Code, the Legislature shall appropriate funds for the following purposes:

(a) To the department, 50 percent for purposes of Section 99315.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(d) *For the 2007–08 fiscal year, notwithstanding any other provision of this section, or any other provision of law, the allocations made pursuant to this section shall be adjusted as follows:*

(1) *From the funds transferred to the account pursuant to paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, ~~one hundred~~ fifty million dollars (~~\$100,000,000~~) (\$50,000,000) shall be allocated pursuant to subdivision (b); ~~one hundred~~ fifty million dollars (~~\$100,000,000~~) (\$50,000,000) shall be allocated pursuant to subdivision (c); and the remainder of revenue shall remain in the Public*



Transportation Account to fund other state public transportation priorities. The Controller shall make these allocations in four equal quarterly amounts of ~~twenty-five~~ twelve and one-half million dollars (\$25,000,000) (\$12,500,000), as achievable by the receipt of the specified revenue.

(2) The amount appropriated in Item 2640-101-0046 of the Budget Act of 2006 for state transit assistance pursuant to subdivision (b) and (c) was greater than the amount of revenues received to support state transit assistance pursuant to Section 7102 of the Revenue and Taxation Code. Therefore, notwithstanding any other provision of law, the amount that would have otherwise been available for appropriation to state transit assistance in the 2007–08 fiscal year pursuant to paragraphs (2) and (3) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, shall be reduced by the excess amount that was appropriated to state transit assistance in the Budget Act of 2006, and that excess amount, as determined by the Department of Finance, shall instead remain in the Public Transportation Account to fund other state public transportation priorities. The Controller shall attempt to spread this adjustment equally over four quarterly payments, as achievable by revenue estimates.

(e) For the 2008–09 fiscal year and thereafter, notwithstanding any other provision of this section, or any other provision of law, from the funds transferred to the account pursuant to paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, the Legislature shall appropriate funds for the following purposes:

(1) To the department, 33.34 percent for purposes of Section 99315.

(2) To the Controller, 33.33 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(3) To the Controller, 33.33 percent for the allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.”

I am reducing this appropriation because the total of appropriations made in this account exceeds projected resources and would put the account into a deficit. The revenues funding this appropriation are from the spillover calculation, which has proven to be very unpredictable and volatile in the past. To protect the viability of the other appropriations from the account, in particular those for State Transportation Improvement Program projects, a prudent reserve is necessary. If sufficient revenues become available to provide this level of grants to local transit agencies, I would be willing to consider a supplemental appropriation later in the



year. Another provision of this bill provides for substantial increase in these grants in 2008–09.

While I am sustaining the language regarding the out-year funding for the State Transit Assistance program, future year appropriations will be reviewed in light of future budget needs, and therefore may be subject to future redirection.

Cordially,

ARNOLD SCHWARZENEGGER, Governor

Above bill ordered placed on unfinished business file.

Receipt of Bills

I acknowledge receipt this 24th day of August, 2007 at 4:40 p.m., of the Governor's statement of the items of appropriation reduced or eliminated from SB 79 delivered to me personally by Jacque Roberts.

PAULA K. ROSSETTO
Assistant Secretary of the Senate

Governor's Office, State Capitol
August 24, 2007

To the Members of the California State Senate:

I am signing Senate Bill 81, an important measure which enacts several public safety provisions of the Budget Act of 2007. However, there are a few flaws that will require the Legislature to work with my Administration to clean up in subsequent legislation.

First, as it relates to juvenile justice reform, this bill requires counties planning to use local facilities for the purposes of housing juvenile offenders between the ages of 19 and 21 to seek approval from the Corrections Standards Authority (CSA), which must act within 30 days of notification by the counties. In addition, this bill requires CSA to approve the counties' Juvenile Justice Development Plans, which must be submitted to CSA no later than January 1, 2008. It is unclear whether CSA should have an approval role in either of these situations, has the resources to meet the requirements, and can act within the specified timeframe. Therefore, CSA's role should be clarified in clean-up legislation.

In addition, I am directing the Office of Inspector General (OIG) to implement only a portion of the provisions (Sections 13 and 14) that would require the OIG to include specified information in audits of wardens and juvenile facility superintendents. The intent of the amendment to these sections was to require the OIG to include an assessment of facility maintenance as part of the warden evaluation process. I agree that facility maintenance in correctional institutions is a significant issue that should be reviewed. However, this measure appears to require the OIG to include specified new information in every audit, which would create an additional workload burden that cannot be managed within existing resources. Additionally, it is my understanding that evaluations of facility maintenance in the quadrennial audits can be performed within existing budgetary resources, which is consistent with the direction from the Legislature in this regard. Therefore, I am directing the OIG to comply with



the original intent of these sections, and to address this drafting error by proposing future cleanup legislation.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Governor's Office, State Capitol

August 24, 2007

To the Members of the Senate:

I am sustaining the entire \$300 million for the Infill Incentives Grant Program established under the Proposition 1C Housing Bond. However, I do have concerns regarding the \$60 million appropriation for California Pollution Control Authority to fund brownfields cleanup under the CALReUSE program.

While Senate Bill 86 provides funds to the CALReUSE program, I request that clean-up legislation be authored to address a more direct linkage in that program to the production of new housing and to ensure that funds not allocated by CALReUSE or used by program recipients for this purpose be reverted to the Proposition 1C Infill Incentives Grant Program at the Department of Housing and Community Development.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Governor's Office, State Capitol

August 27, 2007

To the Members of the Senate:

I am signing Senate Bill 88 because this bill contains many provisions needed to implement programs authorized in the Proposition 1B transportation bond. This bill is a major step in delivering on the promise made to the voters to improve our infrastructure and increase public safety. However, I would like to see stronger accountability measures and authorizations for the Goods Movement and State-Local Partnership programs, and I encourage the Legislature to continue their work on these programs by passing additional legislation to ensure that Californians get the maximum benefits from these bonds. I also urge the Legislature to authorize more public-private partnerships and grant design-build authority to leverage the bond funds for goods movement.

I am directing my Administration to continue the accountability efforts outlined in Executive Order S-02-07 and in this bill. However, this bill appears to include a drafting error making the general reporting requirements for Local Streets and Roads under Article 1 applicable to the State Controller's Office. Separate and simplified oversight requirements for that program are included under Article 10. I encourage the Legislature to quickly enact corrective legislation.

As I noted in my signing message for the budget bill, I am sustaining the legislative augmentation of an additional \$139,000,000 provided for trade corridor emissions reductions to be expended in the budget year. The people who voted for Proposition 1B are demanding this action. I know that



my colleagues in the Legislature agree with these goals, and that the staff of the State Air Resources Board is up to this challenge. Because the language adopted by the Legislature relies heavily on local and regional entities to carry out this program, I am calling on those entities to work closely with the State Air Resources Board and ensure they are prepared to submit applications to receive and allocate funding as soon as possible in this fiscal year.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Governor's Office, State Capitol
August 24, 2007

To the Members of the Senate:

I am signing Senate Bill 97 because it provides immediate protection to the important infrastructure projects funded by the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 and the Disaster Preparedness and Flood Prevention Bond Act of 2006.

The projects funded by these voter-approved bonds are vital in our efforts to rebuild California's infrastructure. As we move aggressively to reduce congestion on our roadways and protect Californians from devastating floods, my Administration has also been working tirelessly to reduce greenhouse gas emissions and implement Assembly Bill 32, the Global Warming Solutions Act of 2006.

Current uncertainty as to what type of analysis of greenhouse gas emissions is required under the California Environmental Quality Act (CEQA) has led to legal claims being asserted which would stop these important infrastructure projects. Litigation under CEQA is not the best approach to reduce greenhouse gas emissions and maintain a sound and vibrant economy. To achieve these goals, we need a coordinated policy, not a piecemeal approach dictated by litigation.

This bill advances a coordinated policy for reducing greenhouse gas emissions by directing the Office of Planning and Research and the Resources Agency to develop CEQA guidelines on how state and local agencies should analyze, and when necessary, mitigate greenhouse gas emissions. My Administration will work to expedite the issuance of such regulations to provide predictability to California public agencies and businesses and achieve our goal to reduce greenhouse gas emissions to 1990 levels.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

REPORTS OF STANDING COMMITTEES

Committee on Appropriations

Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Appropriations, to which were referred:

AB 83

AB 1636



Reports the same back with author's amendments with the recommendation: Amend, and re-refer to the committee.

TORLAKSON, Chair

Second Reading of Bills—Author's Amendments

Assembly Bill 83—An act to add and repeal Section 95.36 of the Revenue and Taxation Code, relating to taxation.

Bill read second time.

Assembly Bill 1636—An act to amend Section 4658.5 of the Labor Code, relating to workers' compensation.

Bill read second time.

The amendments were read and adopted and the measures ordered printed and re-referred to the committee.

Date of Hearing, August 20, 2007

Mr. President: The Committee on Appropriations, to which was referred:

AB 756

Reports the same back with the recommendation: Do pass as amended.

TORLAKSON, Chair

Above measure ordered to second reading.

Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Appropriations, to which were referred:

AB 258

AB 706

Reports the same back with author's amendments with the recommendation: Amend, and re-refer to the committee.

TORLAKSON, Chair

Second Reading of Bills—Author's Amendments

Assembly Bill 258—An act to add Chapter 5.2 (commencing with Section 13367) to Division 7 of the Water Code, relating to water quality.

Bill read second time.

Assembly Bill 706—An act to amend Sections 125.9, 19161, and 19161.3 of, and to add Section 19161.7 to, the Business and Professions Code, relating to fire retardants.

Bill read second time.

The amendments were read and adopted and the measures ordered printed and re-referred to the committee.



Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Appropriations, to which was referred:

AB 695

Reports the same back with author's amendments with the recommendation: Amend, and re-refer to the committee.

TORLAKSON, Chair

Second Reading of Bills—Author's Amendments

Assembly Bill 695—An act to amend Section 9853 of, and to add Sections 9853.7 and 9853.8 to, the Vehicle Code, relating to vessels.

Bill read second time.

The amendments were read and adopted and the measure ordered printed and re-referred to the committee.

Date of Hearing, August 21, 2007

Mr. President: The Committee on Appropriations, to which were referred:

AB 1010

AB 1413

Reports the same back with the recommendation: Do pass as amended.

TORLAKSON, Chair

Above measures ordered to second reading.

Date of Hearing, August 21, 2007

Mr. President: The Committee on Appropriations, to which were referred:

SCR 58

AB 574

AB 910

AB 1107

AB 1548

Reports the same back with the recommendation: Do pass as amended.

TORLAKSON, Chair

Above measures ordered to second reading.

Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Appropriations, to which were referred:

AB 35

AB 62

AB 176

AB 1032

Reports the same back with author's amendments with the recommendation: Amend, and re-refer to the committee.

TORLAKSON, Chair

Second Reading of Bills—Author's Amendments

Assembly Bill 35—An act to add Part 3.1 (commencing with Section 71117) to Division 34 of the Public Resources Code, relating to the environment.

Bill read second time.



Assembly Bill 62—An act to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.107, 195.108, 195.109, 195.120, 195.121, and 195.122 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Bill read second time.

Assembly Bill 176—An act to amend Section 3680.5 of the Family Code, and to amend Section 11477 of, and to amend, repeal, and add Section 11475.3 of, the Welfare and Institutions Code, relating to CalWORKs.

Bill read second time.

Assembly Bill 1032—An act to amend Section 5653 of, and to amend, repeal, and add Section 5653.7 of, the Fish and Game Code, relating to fish and wildlife.

Bill read second time.

The amendments were read and adopted and the measures ordered printed and re-referred to the committee.

Date of Hearing, August 21, 2007

Mr. President: The Committee on Appropriations, to which was referred:

AB 765

Reports the same back with the recommendation: Do pass as amended.

TORLAKSON, Chair

Above measure ordered to second reading.

Date of Hearing, August 21, 2007

Mr. President: The Committee on Appropriations, to which were referred:

AB 105

AB 288

Reports the same back with the recommendation: Do pass as amended.

TORLAKSON, Chair

Above measures ordered to second reading.

Committee on Rules

August 27, 2007

Mr. President: The Committee on Rules has examined:

SB 455

And reports that the same has been presented to the Governor on the 27th day of August, 2007, at 10 a.m.

PERATA, Chair



Senate Chamber, August 27, 2007

Mr. President: The Committee on Rules has examined:

SB 644

And reports that the same has been correctly enrolled, and presented to the Governor on the 27th day of August, 2007, at 10 a.m.

PERATA, Chair

Committee on Business, Professions and Economic Development

Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Business, Professions and Economic Development, to which was referred:

AB 17

Reports the same back with author's amendments with the recommendation: Amend, and re-refer to the committee.

RIDLEY-THOMAS, Chair

Second Reading of Bills—Author's Amendments

Assembly Bill 17—An act to amend Section 1973 of, and to add Section 1716.5 to, the Business and Professions Code, relating to dentistry, and making an appropriation therefor.

Bill read second time.

Request to Add Urgency Section

To the Committee on Rules: I request permission to add an urgency section to AB 17 pursuant to Joint Rule 58.

ASSEMBLY MEMBER EMMERSON

Permission of Rules Committee

Senate Chamber, August 27, 2007

The Committee on Rules grants permission to offer amendments which would add an urgency section to AB 17.

PERATA, Chair

The amendments were read and adopted and the measure ordered printed and re-referred to the committee.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill 3—An act to amend Sections 3502, 3502.1, 3516, and 3516.5 of, and to repeal Section 3516.1 of, the Business and Professions Code, and to add Section 14132.966 to the Welfare and Institutions Code, relating to physician assistants.

Bill read second time and ordered to third reading.

Assembly Bill 15—An act to add and repeal Section 66537 of the Government Code, relating to Vasco Road.

Bill read second time and ordered to third reading.



Assembly Bill 97—An act to amend Section 113705 of, and to add Chapter 12.6 (commencing with Section 114377) to Part 7 of Division 104 of, the Health and Safety Code, relating to food facilities.

Bill read second time and ordered to third reading.

Assembly Bill 102—An act to amend Section 1279.6 of the Code of Civil Procedure, to amend Sections 298, 298.5, 355, and 358 of, and to add Sections 298.6 and 306.5 to, the Family Code, and to amend Sections 103175 and 103180 of the Health and Safety Code, relating to name changes.

Bill read second time and ordered to third reading.

Assembly Bill 269—An act to add Section 1715.5 to the Business and Professions Code, relating to dentistry.

Bill read second time and ordered to third reading.

Assembly Bill 294—An act to add Section 41511.5 to the Health and Safety Code, relating to air pollution.

Bill read second time and ordered to third reading.

Assembly Bill 365—An act to amend Section 88500 of, and to add and repeal Article 4.7 (commencing with Section 66047) of Chapter 2 of Part 40 of Division 5 of Title 3 of, the Education Code, relating to postsecondary education.

Bill read second time and ordered to third reading.

Assembly Bill 392—An act to add Section 395.10 to the Military and Veterans Code, relating to military benefits, and declaring the urgency thereof, to take effect immediately.

Bill read second time and ordered to third reading.

Assembly Bill 402—An act to amend Section 63.1 of, and to add Section 480.8 to, the Revenue and Taxation Code, relating to taxation.

Bill read second time and ordered to third reading.

Assembly Bill 408—An act to amend Sections 465 and 466 of the Public Utilities Code, relating to public utilities.

Bill read second time and ordered to third reading.

Assembly Bill 462—An act to amend Section 5004.1 of the Vehicle Code, relating to vehicles.

Bill read second time and ordered to third reading.

Assembly Bill 543—An act to amend Section 4190 of the Business and Professions Code, and to add Section 1212.5 to the Health and Safety Code, relating to health clinics.

Bill read second time and ordered to third reading.

Assembly Bill 720—An act to amend Sections 32, 1622, 1626, 1637, 1639, 1673, 1675, 1676, 1688, 1749, 1749.3, 1749.31, 1749.8, and



10234.93 of, and to add Sections 1707.7 and 1749.33 to, the Insurance Code, relating to insurance licensees.

Bill read second time and ordered to third reading.

Assembly Bill 758—An act to amend Sections 11208 and 11219.5 of the Vehicle Code, relating to vehicles.

Bill read second time and ordered to third reading.

Assembly Bill 886—An act to amend Sections 1185 and 1189 of the Civil Code, and to amend Sections 6203, 8201, 8201.1, 8201.2, 8201.5, 8202, 8206, 8213.5, 8213.6, 8214.1, 8214.2, 8214.15, 8221, 8225, 8228, and 8228.1 of, and to add Sections 8214.21, and 8214.23 to, the Government Code, relating to notaries.

Bill read second time and ordered to third reading.

Assembly Bill 897—An act to amend Section 23701d of the Revenue and Taxation Code, relating to taxation.

Bill read second time and ordered to third reading.

Assembly Bill 903—An act to add Article 6 (commencing with Section 8692) to Chapter 7.5 of Division 1 of Title 2 of the Government Code, relating to emergency services, and making an appropriation therefor.

Bill read second time and ordered to third reading.

Assembly Bill 922—An act to add Section 11093.1 to the Government Code, relating to local government.

Bill read second time and ordered to third reading.

Assembly Bill 932—An act to add Section 2786.1 to the Penal Code, relating to convict labor.

Bill read second time and ordered to third reading.

Assembly Bill 949—An act to amend Sections 1569.651, 1569.884, and 1569.886 of, and to add Section 1569.682 to, the Health and Safety Code, relating to long-term health care facilities.

Bill read second time and ordered to third reading.

Assembly Bill 950—An act to amend Section 68075 of the Education Code, relating to public postsecondary education.

Bill read second time and ordered to third reading.

Assembly Bill 966—An act to add Section 12814.1 to the Vehicle Code, relating to vehicles.

Bill read second time and ordered to third reading.

Assembly Bill 969—An act to amend Sections 6452.1, 6487.3, and 18510 of the Revenue and Taxation Code, relating to taxation.

Bill read second time and ordered to third reading.



Assembly Bill 973—An act to add and repeal Section 52332 of the Education Code, relating to regional occupational centers and programs.

Bill read second time and ordered to third reading.

Assembly Bill 979—An act to add Section 12318 to the Welfare and Institutions Code, relating to public social services.

Bill read second time and ordered to third reading.

Assembly Bill 1061—An act to amend Sections 33126, 33126.1, 35256, and 35258 of the Education Code, relating to school accountability.

Bill read second time and ordered to third reading.

Assembly Bill 1079—An act to add Section 11062 to the Penal Code, relating to law enforcement, and declaring the urgency thereof, to take effect immediately.

Bill read second time and ordered to third reading.

Assembly Bill 1130—An act to amend Sections 25270.2, 25270.3, 25270.6, 25270.8, 25270.12, 25270.13, 25404, 25404.1.1, 25404.5, and 25503.4 of, to add Section 25270.4.5 to, to repeal Sections 25270.1, 25270.7, and 25270.10 of, to repeal and add Sections 25270, 25270.4, 25270.5, and 25270.9 of, and to repeal, add, and repeal Section 25270.11 of, the Health and Safety Code, relating to aboveground storage tanks.

Bill read second time and ordered to third reading.

Assembly Bill 1142—An act relating to health facilities.

Bill read second time and ordered to third reading.

Assembly Bill 1155—An act to add Sections 1386.5 and 1386.6 to the Health and Safety Code, relating to health care service plans.

Bill read second time and ordered to third reading.

Assembly Bill 1184—An act to add Section 4474.4 to the Welfare and Institutions Code, relating to developmental services.

Bill read second time and ordered to third reading.

Assembly Bill 1291—An act to add Section 727.7 to the Welfare and Institutions Code, relating to juveniles.

Bill read second time and ordered to third reading.

Assembly Bill 1307—An act to amend Sections 22970, 22970.10, 22970.16, 22970.55, 22970.60, and 22970.89 of, and to add Sections 22970.175, 22970.58, and 22970.855 to, the Government Code, relating to public employee benefits, and making an appropriation therefor.

Assembly Bill 1401—An act to amend Sections 1872.8, 1872.81, and 1874.8 of, to add Sections 1872.86 and 1872.87 to, and to repeal Section 1872.7 of, the Insurance Code, relating to insurance fraud.

Bill read second time and ordered to third reading.



Assembly Bill 1410—An act to amend Sections 4354, 4355, and 4358.5 of, and to add Section 14132.992 to, the Welfare and Institutions Code, relating to traumatic brain injury.

Bill read second time and ordered to third reading.

Assembly Bill 1460—An act to amend Section 50675.13 of the Health and Safety Code, relating to housing.

Bill read second time and ordered to third reading.

Assembly Bill 1531—An act to amend Section 14679 of the Government Code, and to amend Sections 22511.59, 22511.7, 22511.8, and 42001.13 of the Vehicle Code, relating to vehicles.

Bill read second time and ordered to third reading.

Assembly Bill 1672—An act to amend Sections 14502 and 14503 of, and to add Section 14533.1 to, the Government Code, relating to transportation.

Bill read second time and ordered to third reading.

Assembly Bill 1710—An act to amend Sections 203, 203.1, 204, 210, 215, 220, and 2699.5 of, and to add Section 201.3 to, the Labor Code, relating to employment.

Bill read second time and ordered to third reading.

Assembly Bill 502—An act to add and repeal Section 6219.5 of the Family Code, relating to domestic violence.

Bill read second time.

The amendments proposed by the Committee on Appropriations were read and adopted and the measure ordered printed and to third reading.

Assembly Bill 684—An act to amend Section 11018 of, and to add and repeal Section 11018.5 to, the Health and Safety Code, relating to industrial hemp.

Bill read second time.

The amendments proposed by the Committee on Appropriations were read and adopted and the measure ordered printed and to third reading.

Assembly Bill 1298—An act to amend Sections 56.06 and 1785.11.2 of, and to repeal and amend Sections 1798.29 and 1798.82 of, the Civil Code, relating to personal information.

Bill read second time and ordered to third reading.

Assembly Bill 1124—An act to amend Sections 31520.1, 31580.2, 31694, 31694.1, and 31694.2 of, and to add and repeal Section 31580.3 of, the Government Code, relating to county employees' retirement.

Bill read second time and ordered to third reading.



MEASURE WITHDRAWN AND RE-REFERRED TO COMMITTEE

Without objection, **AB 1749** was withdrawn from the Committee on Health and re-referred to the Committee on Rules.

MEASURE WITHDRAWN FROM COMMITTEE

Without objection, **SCR 62** was withdrawn from Committee and placed on today's Special Consent Calendar.

REQUESTS TO RETURN BILLS TO THE ASSEMBLY

On request of Senator Ashburn, **SB 692** was returned to the Assembly for further action.

On request of Senator Alquist, **SB 172** was returned to the Assembly for further action.

CONSENT CALENDAR**Objections Raised**

Senator Corbett objected to **AB 935** being on the Special Consent Calendar.

Senator Kuehl objected to **AB 1645** being on the Special Consent Calendar.

The President ordered the above measures placed on the third reading file.

MOTIONS TO PLACE MEASURES ON THE INACTIVE FILE

Senator Corbett moved that **AB 612** be placed on the inactive file.

Senator Perata moved that **AB 191, AB 192, AB 193, AB 194, AB 195, AB 196, AB 197, AB 198, AB 200, AB 202, AB 204, AB 205, AB 206, AB 207, AB 208, AB 209, AB 210, AB 211, and AB 215** be placed on the inactive file.

Senator Torlakson moved that **AB 1526** be placed on the inactive file.

Senator Lowenthal moved that **AB 356** be placed on the inactive file.

Motions carried.

MOTIONS TO TAKE MEASURES FROM THE INACTIVE FILE

Senator Cogdill moved that **AB 463** be taken from the inactive file and placed on the second reading file.

Senator Simitian moved that **AB 1437** be taken from the inactive file and placed on the second reading file.

Motions carried.

RE-REFERENCE TO COMMITTEE

Pursuant to Senate Rule 29.10, **AB 214** and **AB 1724** were re-referred to the Committee on Rules.

SENATE RULE 55 WAIVED

Senator Hollingsworth asked for, and was granted, unanimous consent to waive Senate Rule 55 to allow lobbyists on the floor for a special presentation.



REQUEST FOR UNANIMOUS CONSENT (AJR 29)

Senator Kuehl asked for, and was granted, unanimous consent that AJR 29 be withdrawn from committee and taken up at this time, without reference to file.

Consideration of Assembly Joint Resolution 29

Assembly Joint Resolution 29—Relative to the Local Law Enforcement Hate Crimes Prevention Act.

Resolution read.

Roll Call

The roll was called and the measure was adopted by the following vote:

AYES (22)—Senators Alquist, Cedillo, Corbett, Correa, Ducheny, Florez, Kehoe, Kuehl, Lowenthal, Machado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (1)—Senator Hollingsworth.

Resolution ordered transmitted to the Assembly

CONSIDERATION OF DAILY FILE (RESUMED)**UNFINISHED BUSINESS****Consideration of Assembly Amendments**

Senate Bill 278—An act to amend Section 48205 of the Education Code, relating to pupils.

Bill presented by Senator Lowenthal.

The question being: Shall the Senate concur in the Assembly amendments to SB 278?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Above bill ordered enrolled.

Senate Bill 684—An act to amend Section 14035.55 of the Government Code, relating to transportation.

Bill presented by Senator Cox.

The question being: Shall the Senate concur in the Assembly amendments to SB 684?



Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (32)—Senators Aanestad, Ackerman, Alquist, Ashburn, Calderon, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (3)—Senators Battin, Hollingsworth, and McClintock.

Above bill ordered enrolled.

Senate Bill 112—An act to amend Sections 44279.1 and 44830 of the Education Code, relating to teachers.

Bill presented by Senator Scott.

The question being: Shall the Senate concur in the Assembly amendments to SB 112?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Above bill ordered enrolled.

Senate Bill 180—An act to amend Sections 1151.6, 1156, 1156.2, 1156.3, 1156.4, 1157, 1160.3, and 1160.6 of, and to add Section 1156.35 to, the Labor Code, relating to employment.

Bill presented by Senator Migden.

The question being: Shall the Senate concur in the Assembly amendments to SB 180?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (23)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Ducheny, Florez, Kehoe, Kuehl, Lowenthal, Machado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (14)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Denham, Harman, Hollingsworth, Maldonado, Margett, McClintock, Runner, and Wyland.

Above bill ordered enrolled.



Senate Bill 353—An act to amend Section 6320 of the Family Code, relating to protective orders.

Bill presented by Senator Kuehl.

The question being: Shall the Senate concur in the Assembly amendments to SB 353?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (33)—Senators Aanestad, Alquist, Ashburn, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Ducheny, Florez, Harman, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (4)—Senators Ackerman, Battin, Denham, and Hollingsworth.

Above bill ordered enrolled.

Senate Bill 443—An act to amend Section 1644.5 of the Health and Safety Code, relating to public health.

Bill presented by Senator Migden.

The question being: Shall the Senate concur in the Assembly amendments to SB 443?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (35)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (1)—Senator McClintock.

Above bill ordered enrolled.

THIRD READING OF SENATE BILLS

Senate Joint Resolution 10—Relative to the overextension of the National Guard.

Resolution read third time and presented by Senator Migden.

Roll Call

The roll was called and the resolution was adopted by the following vote:

AYES (22)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Ducheny, Florez, Kehoe, Kuehl, Machado, Migden, Negrete McLeod,

Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (11)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Denham, Harman, Margett, McClintock, and Wyland.

Resolution ordered transmitted to the Assembly.

UNFINISHED BUSINESS (RESUMED)

Consideration of Assembly Amendments

Senate Bill 407—An act to amend Sections 1037.1, 1037.2, 1037.4, and 1037.5 of the Evidence Code, and to amend Section 679.05 of the Penal Code, relating to domestic violence.

Bill presented by Senator Romero.

The question being: Shall the Senate concur in the Assembly amendments to SB 407?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Above bill ordered enrolled.

Senate Bill 165—An act to amend Section 654.3 of the Welfare and Institutions Code, relating to juveniles.

Bill presented by Senator Ashburn.

The question being: Shall the Senate concur in the Assembly amendments to SB 165?

Roll Call

The roll was called and the Senate concurred in Assembly amendments by the following vote:

AYES (30)—Senators Aanestad, Ackerman, Alquist, Ashburn, Calderon, Cedillo, Cogdill, Corbett, Cox, Ducheny, Florez, Harman, Kehoe, Kuehl, Lowenthal, Machado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (4)—Senators Correa, Hollingsworth, McClintock, and Wyland.

Above bill ordered enrolled.

THIRD READING OF SENATE BILLS (RESUMED)

Senate Joint Resolution 12—Relative to elder abuse awareness.

Resolution read third time and presented by Senator Simitian.



Roll Call

The roll was called and the resolution was adopted by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Resolution ordered transmitted to the Assembly.

Senate Resolution 17—Relative to the Airport Security-Surrendered Items Donation Program.

Resolution read and adopted by voice vote on motion of Senator Florez.

Senate Joint Resolution 11—Relative to the National Children's Study.

Resolution read third time and presented by Senator Correa.

Roll Call

The roll was called and the resolution was adopted by the following vote:

AYES (25)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Denham, Ducheny, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (11)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Harman, Hollingsworth, McClintock, Runner, and Wyland.

Resolution ordered transmitted to the Assembly.

UNFINISHED BUSINESS (RESUMED)**Consideration of Assembly Amendments**

Senate Bill 99—An act to add Chapter 3.12 (commencing with Section 15820.100) to Part 10b of Division 3 of Title 2 of the Government Code, relating to prisons, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately .

Bill presented by Senator Ducheny.

The question being: Shall the Senate concur in the Assembly amendments to SB 99?

The roll was called.

CALL OF THE SENATE

Pending the announcement of the vote, Senator Ducheny moved a call of the Senate.

Motion carried.



THIRD READING OF ASSEMBLY BILLS

Assembly Bill 1286—An act to add Sections 19605.46 and 19605.47 to the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

Bill read third time and presented by Senator Florez.

Roll Call

The roll was called and the bill was passed by the following vote:

AYES (29)—Senators Ackerman, Alquist, Ashburn, Calderon, Cedillo, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Kehoe, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (5)—Senators Aanestad, Battin, Hollingsworth, Kuehl, and Scott.

Bill ordered transmitted to the Assembly.

Assembly Bill 1048—An act to amend Section 117560 of the Health and Safety Code, and to amend Sections 830.7 and 11105 of the Penal Code, relating to illegal dumping enforcement officers.

Bill read third time and presented by Senator Cedillo.

Roll Call

The roll was called and the bill was passed by the following vote:

AYES (36)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (1)—Senator Hollingsworth.

Bill ordered transmitted to the Assembly.

REQUEST FOR UNANIMOUS CONSENT (AB 1079)

Senator Romero asked for, and was granted, unanimous consent to take up AB 1079 at this time, without reference to file.

Consideration of Assembly Bill 1079

Assembly Bill 1079—An act to add Section 11062 to the Penal Code, relating to law enforcement, and declaring the urgency thereof, to take effect immediately.

Urgency Clause

Urgency clause read and adopted by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla,



Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Roll Call

The roll was called and the bill was passed by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Bill ordered transmitted to the Assembly.

THIRD READING OF ASSEMBLY BILLS (RESUMED)

Assembly Bill 1465—An act to amend Section 48200.5 of the Education Code, relating to school districts.

Bill read third time and presented by Senator Torlakson.

Roll Call

The roll was called and the bill was passed by the following vote:

AYES (26)—Senators Aanestad, Alquist, Calderon, Cedillo, Corbett, Correa, Denham, Florez, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, McClintock, Migden, Padilla, Perata, Ridley-Thomas, Romero, Runner, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (7)—Senators Ackerman, Ashburn, Battin, Cox, Harman, Hollingsworth, and Margett.

Bill ordered transmitted to the Assembly.

Assembly Bill 836—An act to add Section 12304.7 to the Welfare and Institutions Code, relating to public social services.

Bill read third time and presented by Senator Padilla.

Roll Call

The roll was called and the bill was passed by the following vote:

AYES (27)—Senators Alquist, Calderon, Cedillo, Cogdill, Corbett, Correa, Denham, Ducheny, Florez, Kehoe, Kuehl, Lowenthal, Machado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (9)—Senators Aanestad, Ackerman, Ashburn, Battin, Cox, Harman, Hollingsworth, McClintock, and Runner.

Bill ordered transmitted to the Assembly.



Senator Yee Presiding**UNFINISHED BUSINESS (RESUMED)****Consideration of Governor's Appointments**

Senator Perata placed the following Governor's appointments before the Senate:

William C. De La Pena, M.D., Member, the Regents of the University of California;

Bruce D. Varner, Member, the Regents of the University of California.

The President put the question: "Will the Senate advise and consent to the appointments by the Governor?"

Roll Call

The roll was called and the appointments were confirmed by the following vote:

AYES (36)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Sherry G. Mehl, Chief, Bureau of Automotive Repair.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (36)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Sandra Perez, Department of Managed Health Care Patient Advocate.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"



Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (34)—Senators Aanestad, Ackerman, Alquist, Battin, Calderon, Cedillo, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointments

Senator Perata placed the following Governor's appointments before the Senate:

D'Karla D. Leach, Member, Board of Behavioral Sciences;
Renee B. Lonner, Member, Board of Behavioral Sciences;
Karen M. Roye, Member, Board of Behavioral Sciences;
Victor M. Perez, Member, Board of Behavioral Sciences.

The President put the question: "Will the Senate advise and consent to the appointments by the Governor?"

Roll Call

The roll was called and the appointments were confirmed by the following vote:

AYES (36)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Steven R. Winkel, Member, State Building Standards Commission.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod,



Padilla, Perata, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Peter S. Reinke, Member, Teachers' Retirement Board.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (35)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (1)—Senator McClintock.

Consideration of Governor's Appointments

Senator Perata placed the following Governor's appointments before the Senate:

Eunice David, Member, California Arts Council;

Jack A. Baylis, Member, State Park and Recreation Commission.

The President put the question: "Will the Senate advise and consent to the appointments by the Governor?"

Roll Call

The roll was called and the appointments were confirmed by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Caryl O. Hart, Member, State Park and Recreation Commission.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"



Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Paul J. Witt, Member, State Park and Recreation Commission.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (31)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Ducheny, Florez, Harman, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Migden, Negrete McLeod, Padilla, Perata, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wyland, and Yee.

NOES (1)—Senator McClintock.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Linda C. Brown, Deputy Director, Office of Administrative Law.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (38)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.



Consideration of Governor's Appointments

Senator Perata placed the following Governor's appointments before the Senate:

Steve M. Hardy, Director, Alcoholic Beverage Control;

Burks Dean Shelton, Member, California Gambling Control Commission;

Stephanie K. Shimazu, Member, California Gambling Control Commission.

The President put the question: "Will the Senate advise and consent to the appointments by the Governor?"

Roll Call

The roll was called and the appointments were confirmed by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Gary C. Shallcross, Member, California Regional Water Quality Control Board, Central Coast Region.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (22)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Ducheny, Florez, Kehoe, Kuehl, Lowenthal, Machado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Wiggins, and Yee.

NOES (15)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Denham, Dutton, Harman, Hollingsworth, Maldonado, Margett, McClintock, Runner, and Wyland.



Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Amy L. Horne, Ph.D., Member, California Regional Water Quality Control Board, Lahontan Region.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (23)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Ducheny, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (14)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Denham, Dutton, Harman, Hollingsworth, Margett, McClintock, Runner, and Wyland.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Francine B. Diamond, Member, California Regional Water Quality Control Board, Los Angeles Region.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (23)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Ducheny, Florez, Kehoe, Kuehl, Lowenthal, Machado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (14)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Denham, Dutton, Harman, Hollingsworth, Margett, McClintock, Runner, and Wyland.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Terry F. Young, Ph.D., Member, California Regional Water Quality Control Board, San Francisco Bay Region.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"



Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (23)—Senators Alquist, Calderon, Cedillo, Corbett, Correa, Ducheny, Florez, Kehoe, Kuehl, Lowenthal, Machado, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Scott, Simitian, Steinberg, Torlakson, Wiggins, and Yee.

NOES (14)—Senators Aanestad, Ackerman, Ashburn, Battin, Cogdill, Cox, Denham, Dutton, Harman, Hollingsworth, Margett, McClintock, Runner, and Wyland.

Consideration of Governor's Appointment

Senator Perata placed the following Governor's appointment before the Senate:

Seymour D. Van Gundy, Ph.D., Member, California Regional Water Quality Control Board, Santa Ana Region.

The President put the question: "Will the Senate advise and consent to the appointment by the Governor?"

Roll Call

The roll was called and the appointment was confirmed by the following vote:

AYES (37)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

**FURTHER PROCEEDINGS UNDER CALL OF THE SENATE
DISPENSED WITH (SB 99)**

On motion of Senator Ducheny, further proceedings under the call of the Senate were dispensed with.

Urgency Clause

The names of the absentees were called and the urgency clause to SB 99 was refused adoption by the following vote:

AYES (21)—Senators Ackerman, Alquist, Cedillo, Correa, Cox, Ducheny, Florez, Harman, Kehoe, Lowenthal, Machado, Maldonado, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Scott, Simitian, Steinberg, Torlakson, and Wiggins.

NOES (14)—Senators Aanestad, Ashburn, Battin, Calderon, Cogdill, Corbett, Denham, Hollingsworth, Margett, McClintock, Migden, Romero, Wyland, and Yee.

Motion to Reconsider

Senator Ducheny moved to reconsider the vote whereby the urgency clause to SB 99 was refused adoption.



Roll Call

The roll was called and reconsideration was granted by the following vote:

AYES (38)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

Bill ordered returned to unfinished business file.

CONSENT CALENDAR

Assembly Bill 738—An act to amend Section 1107 of the Ojai Basin Groundwater Management Agency Act (Chapter 750 of the Statutes of 1991), relating to water.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 1098—An act to amend Sections 25514.5 and 25540 of, and to add Section 2 5540.1 to, the Health and Safety Code, relating to hazardous materials.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 1359—An act to amend Section 25250.19 of the Health and Safety Code, relating to hazardous materials.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 310—An act to amend Section 21710 of the Business and Professions Code, to amend Section 3154 of the Civil Code, to amend Sections 12a, 222, 396a, 585, 618, 644, 904, 990, 1011, 1015, 1169, and 1986 of the Code of Civil Procedure, to amend Sections 16701, 16701.5, and 16914 of the Corporations Code, to amend Section 17595 of, and to repeal Sections 43040.5 and 43060 of, the Education Code, to amend Sections 8610.13 and 12003.5 of, and to repeal Sections 8610.7 and 8610.8 of, the Fish and Game Code, to amend Sections 7910 and 26801 of the Government Code, to amend Sections 1196, 1207, 1213, and 1326 of the Penal Code, and to amend Sections 1803.3, 23140, and 23229.1 of the Vehicle Code, relating to the maintenance of the codes.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)



Assembly Bill 634—An act to amend Section 23001 of the Financial Code, relating to deferred deposit transactions.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 1744—An act to amend Sections 56011, 56036, 56064, 56157, 56332, 56381, 56430, 56663, 56811, and 57200 of the Government Code, and to amend Sections 1 and 2 of Chapter 805 of the Statutes of 2004, relating to local government reorganization.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 1042—An act to amend Section 1603 of the Revenue and Taxation Code, relating to taxation.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Joint Resolution 24—Relative to speech.

Resolution read, adopted, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 244—An act to amend Sections 7159, 7159.5, and 7159.14 of the Business and Professions Code, relating to contractors.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

SPECIAL CONSENT CALENDAR

Senate Concurrent Resolution 62—Relative to Alzheimer's Disease Awareness Month.

Resolution read, adopted, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Senate Bill 246—An act to amend Section 3899 of, and to add Section 4210 to, the Food and Agricultural Code, relating to agriculture.

The Senate concurred in Assembly amendments, and the measure ordered enrolled.

(NOTE: See Consent Calendar Roll Call)

Senate Bill 513—An act to amend Sections 340, 8023, 9340, and 10400 of, and to repeal Section 315 of, the Elections Code, relating to elections.

The Senate concurred in Assembly amendments, and the measure ordered enrolled.

(NOTE: See Consent Calendar Roll Call)



Senate Bill 558—An act relating to public utilities.

The Senate concurred in Assembly amendments, and the measure ordered enrolled.

(NOTE: See Consent Calendar Roll Call)

Senate Bill 639—An act to repeal and add Chapter 2 (commencing with Section 1713) of Title 11 of Part 3 of the Code of Civil Procedure, relating to judgments.

The Senate concurred in Assembly amendments, and the measure ordered enrolled.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 305—An act to amend Section 11713.21 of the Vehicle Code, relating to vehicles.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 663—An act to amend Section 25503.6 of the Business and Professions Code, relating to alcoholic beverages.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 339—An act to amend Section 18035 of the Health and Safety Code, relating to housing.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 1581—An act to add and repeal Section 21450.5 of the Vehicle Code, relating to vehicles.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 839—An act to amend Section 10460 of the Business and Professions Code, relating to real estate.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 223—An act to amend Sections 3103.5 and 3110 of the Elections Code, relating to voting.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 329—An act to add Section 2028.5 to the Business and Professions Code, relating to medicine.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)



Assembly Bill 709—An act to add Section 11329 to the Business and Professions Code, relating to real estate.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 1008—An act to amend Sections 12800, 12805, and 12820 of, and to add Section 12836 to, the Insurance Code, relating to insurance.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Joint Resolution 11—Relative to the In-Home Supportive Services program.

Resolution read, adopted, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Assembly Bill 403—An act to amend Section 12252 of the Probate Code, relating to attorney-client privilege.

Bill read third time, passed, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Senate Concurrent Resolution 61—Relative to Carbon Monoxide Awareness Week.

Resolution read, adopted, and ordered transmitted to the Assembly.

(NOTE: See Consent Calendar Roll Call)

Consent Calendar Roll Call

The roll was called and the above measures on the Consent Calendar passed by the following vote:

AYES (38)—Senators Aanestad, Ackerman, Alquist, Ashburn, Battin, Calderon, Cedillo, Cogdill, Corbett, Correa, Cox, Denham, Ducheny, Dutton, Florez, Harman, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee.

NOES (0)—None.

REQUEST TO BE ADDED TO ROLL CALL

August 27, 2007

Mr. Secretary: Pursuant to the provisions of Senate Rule 44, I request to be recorded as voting on the following measures taken up on this day:

SB 353—No

SJR 11—No

DICK ACKERMAN, Minority Floor Leader

LEAVES OF ABSENCE FOR THE DAY

The following Senator was granted leave of absence for the day due to illness: Senator Vincent.



**FURTHER PROCEEDINGS UNDER QUORUM CALL OF THE
SENATE DISPENSED WITH**

At 1:55 p.m., on motion of Senator Perata, further proceedings under the quorum call of the Senate were dispensed with.

MOTION TO ADJOURN

Senator Perata moved that the Senate stand in recess until the hour of 3:30 p.m. The Desk shall remain open to receive communications and to conduct the business of the day. At 3:30 p.m., the Senate will adjourn until Tuesday, August 28, 2007.

Motion carried.

REPORTS OF STANDING COMMITTEES

Committee on Rules

State Capitol, August 27, 2007

The Committee on Rules has re-referred the following measures to committee:

Energy, Utilities and Communications—SCR 64; SJR 15.

Environmental Quality—AB 1749.

Public Safety—ACR 24.

Revenue and Taxation—AB 424.

Transportation and Housing—ACR 63.

Committee on Appropriations

Date of Hearing, August 27, 2007

Mr. President: The Committee on Appropriations, to which were referred:

AB 1222	AB 1294	AB 1559
AB 1585	AB 1750	

Reports the same back with the recommendation: Do pass.

TORLAKSON, Chair

Above bills ordered to second reading.

Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Appropriations, to which were referred:

AB 1032	ACR 57	ACR 58	ACR 59
---------	--------	--------	--------

Reports the same back with the recommendation: That the above measures be placed on second reading pursuant to Senate Rule 28.8.

TORLAKSON, Chair

Above measures ordered to second reading.



Senate Chamber, August 27, 2007

Mr. President: The Chair of the Committee on Appropriations, to which was referred:

AB 1452

Reports the same back with author's amendments with the recommendation: Amend, and re-refer to the committee.

TORLAKSON, Chair

Second Reading of Bills—Author's Amendments

Assembly Bill 1452—An act to add Part 6 (commencing with Section 9600) to Division 5 of the Water Code, relating to water.

Bill read second time.

The amendments were read and adopted and the measure ordered printed and re-referred to the committee.

MESSAGES FROM THE ASSEMBLY

Assembly Chamber, August 27, 2007

Mr. President: I am directed to inform your honorable body that the Assembly amended, and on this day passed, as amended:

SB 924

And respectfully requests your honorable body to concur in said amendments.

E. DOTSON WILSON, Chief Clerk of the Assembly

Above measure ordered to unfinished business file.

INTRODUCTION AND FIRST READING OF SENATE MEASURES

The following measure was introduced, read the first time and transmitted to the Committee on Rules:

Senate Joint Resolution 16: By Senator Wyland—Relative to veterans' hospitals.

SPECIAL CONSENT CALENDAR SET

Without objection, the following measures will be set as a Special Consent Calendar to be taken up on Thursday, August 30, 2007:

SB 161	SB 795	AB 678	AB 804
SB 223	SB 1051	AB 63	AB 1090
SB 319	SCR 57	AB 404	AB 1224
SB 340	AB 421	AB 556	AB 1308
SB 768	AB 622	AB 646	



AB 1447	AB 328	AB 1246	AB 1686
AB 1464	AB 958	AB 1322	AB 1735
AB 1509	AB 297	AB 1360	AB 1742
AB 1712	AB 494	AB 1448	AB 1745
AB 1728	AB 920	AB 1512	AB 1747
AB 776	AB 1013	AB 1515	AB 123
AB 1441	AB 1055	AB 1656	AB 1748
AB 1580	AB 1172	AB 1658	

**UNANIMOUS CONSENT GRANTED
TO RESCIND ACTION (AB 430)**

Without objection, unanimous consent was granted that the action be rescinded whereby AB 430 was passed to the Assembly, and that the measure be taken up at this time without reference to file.

Consideration of Assembly Bill 430

Assembly Bill 430—An act to amend Section 68152 of the Government Code, to amend Sections 488 and 670 of the Insurance Code, to amend Sections 1203.45, 1463.14, 1463.16, and 1463.17 of the Penal Code, and to amend Sections 11110, 11215, 12810, 13201, 13351, 13352, 14601, 21051, 23103, 23104, 40800, 40804, 41610, 42008.5, 42009, and 42010 of, the Vehicle Code, relating to vehicles.

Bill read.

Motion to Amend

Amendments to AB 430 proposed by Senator Cogdill were read and adopted and the measure ordered printed and to second reading.

THIRD READING OF ASSEMBLY BILLS (RESUMED)

Assembly Bill 987—An act to amend Sections 33334.3, 33413, and 33418 of the Health and Safety Code, relating to housing.

Bill read third time.

Amendments Adopted

Amendments to AB 987 proposed by Senator Torlakson were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1178—An act to amend Section 56.10 of the Civil Code, relating to medical information.

Bill read third time.

Amendments Adopted

Amendments to AB 1178 proposed by Senator Steinberg were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 783—An act to amend Sections 116275 and 116480 of, and to add Section 116326 to, the Health and Safety Code, relating to public water systems.

Bill read third time.



Amendments Adopted

Amendments to AB 783 proposed by Senator Denham were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 298—An act to amend Sections 361.5, 366.21, 366.22, 366.26, and 366.3 of the Welfare and Institutions Code, relating to relative caregivers.

Bill read third time.

Amendments Adopted

Amendments to AB 298 proposed by Senator Steinberg were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1727—An act to amend Section 56.10 of the Civil Code, and to amend Sections 1456, 1457, 1458, 1800.3, 1826, 1830, 1851, 2250, 2250.6, 2257, 2320, 2543, 2590, 2591, 2591.5, 2620.2, and 2628 of, to amend and renumber the headings of Chapter 2 (commencing with Section 2920), Chapter 3 (commencing with Section 2940), and Chapter 4 (commencing with Section 2950) of Part 5 of Division 4 of, to add Sections 1456.5, 1851.2, 2217, 2451.5, 2620.1, and 2647 to, and to add Chapter 2 (commencing with Section 2910) to Part 5 of Division 4 of, the Probate Code, relating to conservators and guardians.

Bill read third time.

Amendments Adopted

Amendments to AB 1727 proposed by Senator Corbett were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1460—An act to amend Section 50675.13 of the Health and Safety Code, relating to housing.

Bill read third time.

Amendments Adopted

Amendments to AB 1460 proposed by Senator Lowenthal were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1739—An act to amend Sections 25631 and 25658 of the Business and Professions Code, relating to alcoholic beverages.

Bill read third time.

Amendments Adopted

Amendments to AB 1739 proposed by Senator Yee were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 915—An act to amend Section 14407.1 of the Welfare and Institutions Code, relating to Medi-Cal.

Bill read third time.

Amendments Adopted

Amendments to AB 915 proposed by Senator Cedillo were read and adopted and the measure ordered printed and to second reading.



Assembly Bill 603—An act to amend Section 2166.5 of the Elections Code, relating to voter registration.

Bill read third time.

Amendments Adopted

Amendments to AB 603 proposed by Senator Corbett were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 500—An act to add Section 367.5 to, and to repeal Sections 575.5, 575.6, and 1006.5 of, the Code of Civil Procedure and to repeal Section 68070.1 of the Government Code, relating to civil actions.

Bill read third time.

Amendments Adopted

Amendments to AB 500 proposed by Senator Corbett were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1103—An act to add Section 25402.10 to the Public Resources Code, relating to energy.

Bill read third time.

Amendments Adopted

Amendments to AB 1103 proposed by Senator Kehoe were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 234—An act to amend Sections 4980.03, 4980.43, 4980.45, and 4980.90 of the Business and Professions Code, relating to marriage and family therapy.

Bill read third time.

Amendments Adopted

Amendments to AB 234 proposed by Senator Ridley-Thomas were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1673—An act to add Section 1724 to the Civil Code, relating to rebates.

Bill read third time.

Amendments Adopted

Amendments to AB 1673 proposed by Senator Corbett were read and adopted and the measure ordered printed and to second reading.

Assembly Bill 1432—An act to amend Sections 22661, 22820, 26002.5, 26004, and 27406 of the Education Code, relating to state teachers' retirement, and making an appropriation therefor.

Bill read third time.

Amendments Adopted

Amendments to AB 1432 proposed by Senator Cedillo were read and adopted and the measure ordered printed and to second reading.



Assembly Bill 14—An act to amend Sections 125.6, 16721, 16721.5, 19572, 23426.5, 23428.19, 23428.28, and 23438 of the Business and Professions Code, to amend Sections 82, 83, 84, 85, and 1747.80 of the Civil Code, to amend Sections 204 and 425.15 of the Code of Civil Procedure, to amend Sections 5047.5 and 24001.5 of the Corporations Code, to amend Sections 66030, 66251, 66270, 66292, 66292.1, 66292.2, 69535, 72011, 72014, 89757, and 92150 of the Education Code, to amend Section 2110 of the Elections Code, to amend Sections 11015, 11131, 54091, 54092, 54961, and 68088 of the Government Code, to amend Sections 1317, 1317.3, and 11801 of the Health and Safety Code, to amend Section 10115.7 of the Public Contract Code, to amend Sections 5080.18 and 5080.34 of the Public Resources Code, to amend Sections 453 and 12751.3 of the Public Utilities Code, to amend Section 24343.2 of, and to repeal and amend Section 17269 of, the Revenue and Taxation Code, and to amend Sections 4666, 5348, 5806, 10000, 16522.1, and 18907 of the Welfare and Institutions Code, relating to discrimination.

Bill read third time.

Amendments Adopted

Amendments to AB 14 proposed by Senator Kuehl were read and adopted and the measure ordered printed and to second reading.

MEMORANDUM OF UNDERSTANDING

An addenda to the Memorandum of Understanding (MOU) included in AB 756, was received from the Department of Personnel Administration on August 24, 2007, and filed pursuant to Senate Rule 29.4.

SENATE COMMITTEE ROLL CALLS

Committee on Appropriations

AB 1222—Do pass

AYES (11)—Senators Aanestad, Ashburn, Battin, Cedillo, Cox, Florez, Kuehl, Runner, Steinberg, Torlakson, and Wyland.

NOES (0)—None.

AB 1294—Do pass

AYES (9)—Senators Cedillo, Corbett, Florez, Kuehl, Oropeza, Ridley-Thomas, Simitian, Steinberg, and Torlakson.

NOES (8)—Senators Aanestad, Ashburn, Battin, Cox, Dutton, Runner, Wyland, and Yee.

AB 1559—Do pass

AYES (9)—Senators Aanestad, Ashburn, Battin, Cox, Dutton, Runner, Simitian, Torlakson, and Wyland.

NOES (6)—Senators Corbett, Florez, Kuehl, Oropeza, Steinberg, and Yee.

AB 1585—Do pass

AYES (9)—Senators Cedillo, Corbett, Florez, Kuehl, Oropeza, Ridley-Thomas, Steinberg, Torlakson, and Yee.

NOES (6)—Senators Aanestad, Ashburn, Battin, Cox, Runner, and Wyland.



AB 1750—Do pass

AYES (13)—Senators Ashburn, Battin, Cedillo, Corbett, Cox, Florez, Kuehl, Ridley-Thomas, Runner, Steinberg, Torlakson, Wyland, and Yee.

NOES (0)—None.

Date of Hearing: 8/27/2007

Torlakson (Chair)

REQUESTS TO ADJOURN IN MEMORIAM

Senator Corbett requested that when the Senate adjourns this day it do so in memory of Alfred Wood of San Leandro and Audrey Holt of Sacramento.

Senator Cox requested that when the Senate adjourns this day it do so in memory of Earl B. Crocker II of Plymouth.

Senator Ducheny requested that when the Senate adjourns this day it do so in memory of Don Vaughn of El Centro.

Senator Florez requested that when the Senate adjourns this day it do so in memory of Burr Baldwin of Bakersfield.

Senators Kehoe and Migden requested that when the Senate adjourns this day it do so in memory of Sylvia Siegel of Mill Valley.

Senator Lowenthal requested that when the Senate adjourns this day it do so in memory of Isabella Demarest Welch of Long Beach.

Senator Machado requested that when the Senate adjourns this day it do so in memory of George O. Royce and William W. Salmon of Stockton.

Senator Perata requested that when the Senate adjourns this day it do so in memory of Dorothea (Dottie) Hayes of Long Beach.

Senator Wiggins requested that when the Senate adjourns this day it do so in memory of Tod Williams of Healdsburg and Allen Ewig of Napa.

ADJOURNMENT

At 3:30 p.m., on motion of Senator Perata, the Senate adjourned pursuant to the Senators' requests until 9 a.m., Tuesday, August 28, 2007.

PAULA K. ROSSETTO, Minute Clerk

O

└