

CALIFORNIA LEGISLATURE  
2007–08 THIRD EXTRAORDINARY SESSION

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# SENATE DAILY JOURNAL

FIRST LEGISLATIVE DAY

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## IN SENATE

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Monday, January 14, 2008

Pursuant of the provisions of the Proclamation of Governor Arnold Schwarzenegger, the 2007–2008 Third Extraordinary Session was called to order by Senator Gloria Romero, at 2:20 p.m.

Pursuant to Section 9150 of the Government Code, Greg Schmidt, Secretary of the Senate; Tony Beard Jr., Sergeant at Arms; and Paula K. Rossetto, Minute Clerk, were in their respective places.

Assistant Secretary Kipchoge Randall reading.

### 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, Machado, Maldonado, Margett, McClintock, Migden, Negrete McLeod, Oropeza, Padilla, Perata, Ridley-Thomas, Romero, Runner, Scott, Simitian, Steinberg, Torlakson, Wiggins, Wyland, and Yee—38.

Quorum present.

*(NOTE: Senator Lowenthal will be excused this day on legislative business and Senator Vincent will be excused this day due to a family illness.)*



**PRAYER**

Upon invitation of the President, Senator Ridley-Thomas introduced Rev. Michael Bernard Beckwith, founder of the Agape International Spiritual Center, who offered the following prayer:

I invite you to turn within at this moment and let us remember together that we are indeed living, moving and having our beingness, in the power and the presence in the love of god that is everywhere in its fullness, and, that each of us as a spiritual image and divine likeness of this divine presence, has the capacity to reveal divine wisdom transforming knowledge creative intelligence unconditional love and perfect peace. I speak the word in naming this session filled to overflowing with such transforming knowledge and creative wisdom that the citizens of this great state continue to feel themselves progressing and evolving because of the work that is done here, as these individuals are available and open to that transcended knowledge that allows for the realm of good to be anchored on earth. The name of the highest that is within us all I give thanks that is already so, and unfolding with grace and with dignity, for this I am grateful, as I now just let it be, and so it is.—AMEN.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

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

**A PROCLAMATION  
by the Governor of the State of California**

WHEREAS at the time the 2007 Budget Act was enacted it reflected budget reserves for Fiscal Year 2007–08 totaling \$4.1 billion; and

WHEREAS at that same time, as a result of spending requirements embedded in law and increased program costs as a result of inflation, caseload and population driven program growth, the Department of Finance projected shortfall between revenues and expenditures in Fiscal Year 2008–09 would be \$6.1 billion; and

WHEREAS since the enactment of the 2007 Budget Act, the California economy, though remaining strong in general, has faced the same challenges that are affecting the rest of the nation, in large part as a result of a slowing housing market and higher energy prices; and

WHEREAS these economic challenges have resulted in a \$4.8 billion reduction in the General Fund revenue forecast for Fiscal Year 2007–08 below the revenue forecast used when the 2007 Budget Act was enacted, including a \$665 million reduction in the receipt of General Fund revenues through December 2007; and

WHEREAS costs payable from the General Fund during Fiscal Year 2007–08 are anticipated to increase by \$1.9 billion over expenses budgeted for Fiscal Year 2007–08, largely as a result of the cost of fighting extraordinary wildfires in Southern California, lower property tax



revenues to offset state participation in school funding and court ordered payments for state programs; and

WHEREAS the Department of Finance now reports that this combination of lowered revenue receipts and projections and increased costs has resulted in a projected budget shortfall for Fiscal Year 2007–08 of \$3.3 billion as well as a cumulative budget shortfall in Fiscal Year 2008–09 of \$14.5 billion; and

WHEREAS the Department of Finance further reports that there is now expected to be insufficient cash reserves for Fiscal Year 2007–08 as well as for Fiscal Year 2008–09 and possibly insufficient cash to make currently anticipated payments in Fiscal Year 2008–09; and

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, in accordance with Section 10(f) of Article IV of the Constitution of the State of California, HEREBY DETERMINE that General Fund revenues for Fiscal Year 2007–08 will decline substantially below the estimate of General Fund revenues upon which the 2007 Budget Bill was based.

I, ARNOLD SCHWARZENEGGER, Governor of the State of California, HEREBY DECLARE that a fiscal emergency exists.

I, ARNOLD SCHWARZENEGGER, Governor of the State of California, HEREBY IDENTIFY THE NATURE OF THIS FISCAL EMERGENCY to be the projected budget imbalance and insufficient cash reserves for Fiscal Year 2007–08 and the projected insufficient cash reserves and potential budgetary and cash deficit in Fiscal Year 2008–09 which are anticipated to result from the lower than estimated General Fund revenues in Fiscal Year 2007–08 and increased Fiscal Year 2007–08 expenditures.

FURTHER, on this day, as required by Section 10(f) of Article IV of the Constitution of the State of California, I will cause the Legislature to assemble in special session to address this fiscal emergency, and I will submit to the Legislature proposed legislation to address this fiscal emergency.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 10th day of January, 2008.

ARNOLD SCHWARZENEGGER  
Governor of California

[SEAL]

DEBRA BOWEN  
Secretary of State



**A PROCLAMATION****by the Governor of the State of California**

WHEREAS on this date, pursuant to Section 10(f) of Article IV of the Constitution of the State of California, I have proclaimed a fiscal emergency; and

WHEREAS on this date, I am submitting to the Legislature proposed legislation to address that fiscal emergency; and

WHEREAS this extraordinary occasion having arisen and now existing, it requires that the Legislature of the State of California be convened in extraordinary session.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power and authority vested in me in accordance with Section 10(f) of Article IV of the Constitution of the State of California, do hereby convene the Legislature of the State of California to meet in extraordinary session at Sacramento, California on the 10th day of January 2008, at a time to be determined, to consider and act upon legislation to address the fiscal emergency proclaimed by me this day.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the state of California to be affixed this 10th day of January, 2008.

ARNOLD SCHWARZENEGGER  
Governor of California

[SEAL]

DEBRA BOWEN  
Secretary of State

**REQUEST FOR UNANIMOUS CONSENT**

Senator Perata, asked for and was granted, unanimous consent that the Officers, Committee on Rules, the Committee on Budget and Fiscal Review and the Standing Rules of the 2007–2008, with the exception of Senate Rule 12, of the Regular Session be deemed the same for the 2007–2008 Third Extraordinary Session.

**OATH OF OFFICE ADMINISTERED**

The oath of office was administered to Senator Don Perata, President pro Tempore; Greg Schmidt, Secretary of the Senate; and Tony Beard, Sergeant at Arms.

**INTRODUCTION AND FIRST READING OF SENATE MEASURES**

The following measure was introduced and read the first time:

**Senate Concurrent Resolution 1:** By Senator Perata—Relative to the Joint Rules for the 2007–08 Third Extraordinary Session.



**REQUEST FOR UNANIMOUS CONSENT (SCR 1)**

Senator Perata asked for, and was granted, unanimous consent to take up SCR 1 at this time, without reference to file:

**Senate Concurrent Resolution 1:** By Senator Perata—Relative to the Joint Rules for the 2007–08 Third Extraordinary Session.

**Roll Call**

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

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

NOES (0)—None.

Resolution ordered transmitted to the Assembly.

**LEAVES OF ABSENCE FOR THE DAY**

The following Senator was granted leave of absence for the day due to legislative business: Senator Lowenthal.

The following Senator was granted leave of absence for the day due to a family illness: Senator Vincent.

**ADJOURNMENT**

At 2:58 p.m., the President declared the Senate adjourned on call of the President pro Tempore.

PAULA K. ROSSETTO, Minute Clerk

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