

CALIFORNIA LEGISLATURE
2009–10 THIRD EXTRAORDINARY SESSION

SENATE DAILY JOURNAL

TWELFTH LEGISLATIVE DAY

IN SENATE

Senate Chamber, Sacramento
Monday, February 23, 2009

The Senate met at 9 a.m.
Hon. Rod Wright, of the 25th District, presiding.
Secretary Greg Schmidt at the Desk.
Assistant Secretary Kipchoge Randall reading.

ROLL CALL

The roll was called and the following Senators answered to their names:
Alquist, Ashburn, Benoit, Cogdill, Correa, Cox, DeSaulnier, Ducheny,
Dutton, Florez, Hancock, Harman, Hollingsworth, Huff, Leno, Liu,
Lowenthal, Maldonado, Padilla, Pavley, Romero, Runner, Simitian,
Steinberg, Strickland, Walters, Wiggins, Wolk, Wright, and Yee—30.

Quorum present.

(NOTE: Senators Aanestad, Cedillo and Denham will be excused this day on legislative business and Senators Calderon, Corbett, Kehoe, Negrete McLeod, Oropeza, and Wyland will be excused this day due to illness.)

MESSAGES FROM THE GOVERNOR

Governor's Office, State Capitol
February 20, 2009

To the Members of the Senate:

I am signing Senate Bill 19 of the Third Extraordinary Session.

This bill is a crucial component of the recently approved budget package. It calls for a May 19 special election to consider six important initiatives, including a constitutional amendment to enact a rainy day budget stabilization fund.

However, calling a special election does not come without costs to California counties. As such, I am signing this measure with the



understanding that the Legislature will reimburse counties for the costs of the election as soon as possible.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Governor's Office, State Capitol
February 20, 2009

To the Members of the California Senate:

I object to the following appropriations contained in Senate Bill 2 Third Extraordinary Session.

Item 2660-013-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Transportation Debt Service Fund to be used as specified in Section 16965 of the Government Code.

I am eliminating this item consistent with the Budget agreement to eliminate the proposed \$0.12 excise tax increase on gasoline and diesel fuel.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 2 Third Extraordinary Session.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
February 20, 2009

To the Members of the California Senate:

I am signing Senate Bill 20 Third Extraordinary Session; however, I am making the following reductions in the item described herein to be consistent with the reductions I made to the State Controller's budget when I signed Senate Bill 1 Third Extraordinary Session, the 2009 Budget Act.

Item 0840-001-0001 —For support of the Controller.....	56,976,000	<u>55,980,000</u>	<u>51,268,000</u>
(1)100000—Personal Services.....	411,076,000	<u>99,968,000</u>	
(2)300000—Operating Expenses and Equipment.....	55,552,000	<u>54,556,000</u>	
(3)Reimbursements.....	51,348,000	<u>48,353,000</u>	
(4)Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061)...	4,149,000	<u>3,907,000</u>	
(5)Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062)...	1,184,000	<u>1,115,000</u>	
(6)Amount payable from the Local Revenue Fund (Item 0840-001-0330).....	600,000	<u>565,000</u>	
(7)Amount payable from the Federal Trust Fund (Item 0840-001-0890).....	813,000	<u>766,000</u>	
(8)Amount payable from the State Penalty Fund (Item 0840-001-0903).....	1,332,000	<u>1,254,000</u>	

(9)Amount payable from the Unclaimed Property Fund
(Item 0840-001-0970)..... ~~28,250,000~~ ~~26,602,000~~

(10)Amount payable from various other unallocated nongovernmental
cost funds (Retail Sales Tax Fund) (Item 0840-001-0988)..... ~~242,000~~
~~228,000~~

(11)Amount payable from the 2006 State School Facilities Fund
(Item 0840-001-6057)..... ~~978,000~~ ~~921,000~~

(12)Amount payable from the Central Service Cost Recovery Fund
(Item 0840-001-9740).....~~19,098,000~~ ~~17,984,000~~

(13)Amount payable from other unallocated special funds
(Item 0840-011-0494).....~~96,000~~ ~~90,000~~

(14) Amount payable from unallocated bond funds
(Item 0840-011-0797).....~~631,000~~ ~~594,000~~

(15)Amount payable from various other unallocated nongovernmental
cost funds (Item 0840 011-0988)..... ~~90,000~~ ~~85,000~~

(16)Amount payable from the Public Transportation Account, State
Transportation Fund (Section 25.50).....~~18,000~~ ~~17,000~~

(17)Amount payable from the Highway Users Tax Account,
Transportation Tax Fund (Section 25.50)..... ~~289,000~~ ~~272,000~~

(18)Amount payable from the Motor Vehicle License Fee Account,
Transportation Tax Fund (Section 25.50).....~~16,000~~ ~~15,000~~

(19)Amount payable from the DMV Local Agency Collection Fund
(Section 25.50).....~~2,000~~

(20)Amount payable from the Trial Court Trust Fund (Section 25.50)
~~165,000~~ ~~155,000~~

(21) Amount payable from the Timber Tax Fund (Section 25.50).~~1,000~~

(22)Amount payable from the Public Safety Account, Local Public
Safety Fund (Section 25.50)..... ~~255,000~~ ~~240,000~~

(23)Amount payable from the Local Revenue Fund (Section 25.50)
~~95,000~~ ~~90,000~~

With the above reductions, I hereby approve Senate Bill 20 Third
Extraordinary Session.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
February 20, 2009

To the Members of the California Senate:

Item 0110-001-0001—For support of Senate

I am not reducing the Legislature's budget to reflect the \$24.9 million
in cuts included in my proposed budget. While I am not reducing the
Legislature's budget, I expect the Legislature to achieve savings that equal
10 percent of their budget, by taking action to offset General Fund
expenditures in state programs and other areas of the budget.

Item 0120-011-0001—For support of Assembly

I am not reducing the Legislature's budget to reflect the \$24.9 million in cuts included in my proposed budget. While I am not reducing the Legislature's budget, I expect the Legislature to achieve savings that equal 10 percent of their budget, by taking action to offset General Fund expenditures in state programs and other areas of the budget.

I object to the following appropriations contained in Senate Bill 1 Third Extraordinary Session.

Item 0750-001-0001—For support of Office of the Lieutenant Governor. I reduce this item from \$2,778,000 to \$1,044,000.

I am reducing the Lieutenant Governor's budget by \$1,734,000 to ensure that sufficient resources are reserved for key programs within state government. In these tough times, we cannot continue to fund the Office of the Lieutenant Governor at the level provided in recent years.

Item 0820-001-0001—For support of Department of Justice. I reduce this item from \$369,594,000 to \$345,933,000 by reducing:

(8)Amount payable from the Fingerprint Fees Account (Item 0820-001-0017) from -\$70,079,000 to -\$66,615,000;

(10)Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820 001-0044) from -\$25,109,000 to -\$23,834,000;

(11)Amount payable from the Department of Justice Sexual Habitual Offender Fund (Item 0820-001-0142) from -\$2,321,000 to -\$2,218,000;

(15)Amount payable from the Indian Gaming Special Distribution Fund (Item 0820 001 0367) from -\$15,636,000 to -\$14,080,000;

(16)Amount payable from the False Claims Act Fund (Item 0820-001-0378) from \$10,657,000 to -\$10,090,000;

(17)Amount payable from the Dealers' Record of Sale Special Account (Item 0820 001 0460) \$10,787,000 to -\$9,907,000;

(19)Amount payable from the Gambling Control Fund (Item 0820-001-0567) from \$8,050,000 to -\$7,271,000;

(21)Amount payable from the Federal Trust Fund (Item 0820-001-0890) from -\$41,174,000 to \$37,914,000;

(25)Amount payable from the Missing Persons DNA Data Base Fund (Item 0820-001-3016) from -\$3,765,000 to -\$3,376,000;

(26)Amount payable from the Public Rights Law Enforcement Special Fund (Item 0820 001 3053) from -\$5,957,000 to -\$5,615,000;

(27)Amount payable from the Ratepayer Relief Fund (Item 0820-001-3061) from \$5,463,000 to -\$4,896,000;

(28)Amount payable from the DNA Identification Fund (Item 0820-001- 3086) from \$32,144,000 to -\$29,267,000;

(29)Amount payable from the Unfair Competition Law Fund (Item 0820-001-3087) from \$3,475,000 to -\$3,247,000;

(31)Amount payable from the Legal Services Revolving Fund (Item 0820-001-9731) from \$122,601,000 to -\$114,653,000;

and by adding:

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97.20.001–Unallocated Reduction –\$47,896,000.

I am reducing this appropriation by 10 percent of the Attorney General's personal services budget which reflects the state employee compensation reductions for furloughs, overtime reform, and elimination of two state holidays. I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels.

Item 0820-001-0017–For support of Department of Justice. I reduce this item from \$70,079,000 to \$66,615,000.

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

Item 0820-001-0044–For support of Department of Justice. I reduce this item from \$25,109,000 to \$23,834,000.

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

Item 0820-001-0142–For support of Department of Justice. I reduce this item from \$2,321,000 to \$2,218,000.

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

Item 0820-001-0367–For support of Department of Justice. I reduce this item from \$15,636,000 to \$14,080,000.

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

Item 0820-001-0378–For support of Department of Justice. I reduce this item from \$10,657,000 to \$10,090,000.

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

Item 0820-001-0460–For support of Department of Justice. I reduce this item from \$10,787,000 to \$9,907,000.

I am reducing this item to conform to the action I have taken in Item 20-001-0001.

Item 0820-001-0567–For support of Department of Justice. I reduce this item from \$8,050,000 to \$7,271,000.

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

Item 0820-001-0890–For support of Department of Justice. I reduce this item from \$41,174,000 to \$37,914,000.

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

Item 0820-001-3016–For support of Department of Justice. I reduce this item from \$3,765,000 to \$3,376,000.

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



Item 0820-001-3053—For support of Department of Justice. I reduce this item from \$5,957,000 to \$5,615,000.

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

Item 0820-001-3061—For support of Department of Justice. I reduce this item from \$5,463,000 to \$4,896,000.

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

Item 0820-001-3086—For support of Department of Justice. I reduce this item from \$32,144,000 to \$29,267,000.

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

Item 0820-001-3087—For support of Department of Justice. I reduce this item from \$3,475,000 to \$3,247,000.

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

Item 0820-001-9731—For support of Department of Justice. I reduce this item from \$122,601,000 to \$114,653,000.

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

Item 0840-001-0001—For support of the Controller. I reduce this item from \$56,976,000 to \$52,264,000 by reducing:

- (1) 100000—Personal Services from \$111,076,000 to \$99,968,000;
- (3) Reimbursements from -\$51,348,000 to -\$48,353,000;
- (4) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061) from -\$4,149,000 to -\$3,907,000;
- (5) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062) from -\$1,184,000 to -\$1,115,000;
- (6) Amount payable from the Local Revenue Fund (Item 0840-001-0330) from -\$600,000 to -\$565,000;
- (7) Amount payable from the Federal Trust Fund (Item 0840-001-0890) from -\$813,000 to \$766,000;
- (8) Amount payable from the State Penalty Fund (Item 0840-001-0903) from -\$1,332,000 to -\$1,254,000;
- (9) Amount payable from the Unclaimed Property Fund (Item 0840-001-0970) from \$28,250,000 to -\$26,602,000;
- (10) Amount payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund) (Item 0840-001-0988) from -\$242,000 to -\$228,000;
- (11) Amount payable from the 2006 State School Facilities Fund (Item 0840-001-6057) from \$978,000 to -\$921,000;
- (12) Amount payable from the Central Service Cost Recovery Fund (Item 0840-001-9740) from -\$19,098,000 to -\$17,984,000;



(13) Amount payable from other unallocated special funds (Item 0840-011-0494) from \$96,000 to -\$90,000;

(14) Amount payable from unallocated bond funds (Item 0840-011-0797) from -\$631,000 to \$594,000;

(15) Amount payable from various other unallocated nongovernmental cost funds (Item 0840 011-0988) from -\$90,000 to -\$85,000;

(16) Amount payable from the Public Transportation Account, State Transportation Fund (Section 25.50) from -\$18,000 to -\$17,000;

(17) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Section 25.50) from -\$289,000 to -\$272,000;

(18) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Section 25.50) from -\$16,000 to -\$15,000;

(20) Amount payable from the Trial Court Trust Fund (Section 25.50) from -\$165,000 to \$155,000;

(22) Amount payable from the Public Safety Account, Local Public Safety Fund (Section 25.50) from -\$255,000 to -\$240,000; and

(23) Amount payable from the Local Revenue Fund (Section 25.50) from -\$95,000 to \$90,000.

I am reducing this appropriation by 10 percent of the State Controller's personal services budget which reflects the state employee compensation reductions for furloughs, overtime reform, and elimination of two state holidays. I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels.

Item 0840-001-0061—For support of the Controller. I reduce this item from \$4,149,000 to \$3,907,000.

I am reducing this item by \$242,000 to conform to the action I have taken in Item 0840 001 0001.

Item 0840-001-0062—For support of the Controller. I reduce this item from \$1,184,000 to \$1,115,000.

I am reducing this item by \$69,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-001-0330—For support of the Controller. I reduce this item from \$600,000 to \$565,000.

I am reducing this item by \$35,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-001-0890—For support of the Controller. I reduce this item from \$813,000 to \$766,000.

I am reducing this item by \$47,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-001-0903—For support of the Controller. I reduce this item from \$1,332,000 to \$1,254,000.

I am reducing this item by \$78,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-001-0970—For support of the Controller. I reduce this item



from \$28,250,000 to \$26,602,000.

I am reducing this item by \$1,648,000 to conform to the action I have taken in Item 0840 001 0001.

Item 0840-001-0988—For support of the Controller. I reduce this item from \$242,000 to \$228,000.

I am reducing this item by \$14,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-001-6057—For support of the Controller. I reduce this item from \$978,000 to \$921,000.

I am reducing this item by \$57,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-001-9740—For support of the Controller. I reduce this item from \$19,098,000 to \$17,984,000.

I am reducing this item by \$1,114,000 to conform to the action I have taken in Item 0840 001 0001.

Item 0840-011-0494—For support of the Controller. I reduce this item from \$96,000 to \$90,000.

I am reducing this item by \$6,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-011-0797—For support of the Controller. I reduce this item from \$631,000 to \$594,000.

I am reducing this item by \$37,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0840-011-0988—For support of the Controller. I reduce this item from \$90,000 to \$85,000.

I am reducing this item by \$5,000 to conform to the action I have taken in Item 0840-001-0001.

Item 0845-001-0217—For support of Department of Insurance. I reduce this item from \$174,200,000 to \$156,780,000 by adding:

97.20.001—Unallocated Reduction —\$17,420,000.

While the budget bill provides for a modest reserve, constitutional requirements, federal law and court required payments drive the majority of spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently, I am taking the action reflected in this veto to further control state spending.

Item 0845-101-0217—For local assistance, Department of Insurance. I reduce this item from \$65,601,000 to \$59,041,000 by adding:

97.20.001—Unallocated Reduction —6,560,000.

While the budget bill provides for a modest reserve, constitutional requirements, federal law and court required payments drive the majority of spending in any budget, and limit my ability to reduce spending. As a



result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently, I am taking the action reflected in this veto to further control state spending.

Item 0860-001-0001—For support of State Board of Equalization. I reduce this item from \$255,493,000 to \$245,549,000 by reducing:

- (1) 100000—Personal Services from \$340,997,000 to \$327,541,000;
- (4) Amount payable from the Breast Cancer Fund (Item 0860-001-0004) from -\$696,000 to \$662,000;
- (5) Amount payable from the State Emergency Telephone Number Account (Item 0860 001 0022) from -\$1,527,000 to -\$1,459,000;
- (6) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-0061) from -\$22,636,000 to -\$21,068,000;
- (7) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 0860 001-0070) from -\$736,000 to -\$668,000;
- (8) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860 001 0080) from -\$513,000 to -\$479,000;
- (9) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860 001 0230) from -\$8,727,000 to -\$8,385,000;
- (10) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860 001 0320) from -\$264,000 to -\$230,000;
- (11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387) from -\$477,000 to -\$409,000;
- (12) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0860 001 0439) from -\$3,338,000 to -\$3,133,000;
- (14) Amount payable from the California Children and Families First Trust Fund (Item 0860 001-0623) from -\$15,171,000 to -\$14,523,000;
- (17) Amount payable from the Gas Consumption Surcharge Fund (Item 0860-001-3015) from -\$670,000 to -\$636,000;
- (18) Amount payable from the Water Rights Fund (Item 0860-001-3058) from -\$431,000 to \$397,000;
- (19) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 0860-001-3065) from -\$4,742,000 to -\$4,401,000; and
- (20) Amount payable from the Cigarette and Tobacco Products Compliance Fund (Item 0860-001-3067) from -\$682,000 to -\$648,000.

I am reducing this appropriation to reflect savings in the Board of Equalization's budget which would normally be expected to occur as a result of the state employee furloughs I ordered, net of the tentative bargaining agreements reached with Units 1, 3, 4, 11, 14, 15, 17, 20 and 21. Because the Board of Equalization has declined to participate in the furloughs, I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels.

Item 0860-001-0004—For support of State Board of Equalization. I reduce this item from \$696,000 to \$662,000.



I am reducing this item by \$34,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0022—For support of State Board of Equalization. I reduce this item from \$1,527,000 to \$1,459,000.

I am reducing this item by \$68,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0061—For support of State Board of Equalization. I reduce this item from \$22,636,000 to \$21,068,000.

I am reducing this item by \$1,568,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0070—For support of State Board of Equalization. I reduce this item from \$736,000 to \$668,000.

I am reducing this item by \$68,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0080—For support of State Board of Equalization. I reduce this item from \$513,000 to \$479,000.

I am reducing this item by \$34,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0230—For support of State Board of Equalization. I reduce this item from \$8,727,000 to \$8,385,000.

I am reducing this item by \$342,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0320—For support of State Board of Equalization. I reduce this item from \$264,000 to \$230,000.

I am reducing this item by \$34,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0387—For support of State Board of Equalization. I reduce this item from \$477,000 to \$409,000.

I am reducing this item by \$68,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0439—For support of State Board of Equalization. I reduce this item from \$3,338,000 to \$3,133,000.

I am reducing this item by \$205,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-0623—For support of State Board of Equalization. I reduce this item from \$15,171,000 to \$14,523,000.

I am reducing this item by \$648,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-3015—For support of State Board of Equalization. I reduce this item from \$670,000 to \$636,000.

I am reducing this item by \$34,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-3058—For support of State Board of Equalization.



I reduce this item from \$431,000 to \$397,000.

I am reducing this item by \$34,000 to conform to the action taken in 60-001-0001.

Item 0860-001-3065—For support of State Board of Equalization. I reduce this item from \$4,742,000 to \$4,401,000.

I am reducing this item by \$341,000 to conform to the action taken in Item 0860-001-0001.

Item 0860-001-3067—For support of State Board of Equalization. I reduce this item from \$682,000 to \$648,000.

I am reducing this item by \$34,000 to conform to the action taken in Item 0860-001-0001.

Item 0890-001-0001—For support of Secretary of State. I reduce this item from \$31,970,000 to \$30,699,000 by reducing:

(6)Reimbursements from -\$7,339,000 to -\$7,030,000;

(7)Amount payable from the Secretary of State's Business Fees Fund (Item 0890-001-0228) from -\$38,672,000 to -\$37,126,000;

(8)Amount payable from the Federal Trust Fund (Item 0890-001-0890) from -\$5,629,000 to -\$5,388,000;

(9)Amount payable from the Victims of Corporate Fraud Compensation Fund (Item 0890-001-3042) from -\$1,626,000 to -\$ 1,557,000;

and by adding:

97.20.001 – Unallocated Reduction -\$3,436,000.

I am reducing this appropriation by 10 percent of the Secretary of State's personal services budget which reflects the state employee compensation reductions for furloughs, overtime reform, and elimination of two state holidays. I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels.

Item 0890-001-0228—For support of Secretary of State. I reduce this item from \$38,672,000 to \$37,126,000.

I am reducing this item to conform to the action I have taken in Item 0890-001-0001.

Item 0890-001-0890 – For support of Secretary of State. I reduce this item from \$5,629,000 to \$5,388,000.

I am reducing this item to conform to the action I have taken in Item 0890-001-0001.

Item 0890-001-3042 – For support of Secretary of State, I reduce this item from \$1,626,000 to \$1,557,000.

I am reducing this item to conform to the action I have taken in Item 0890-001-0001.

Item 0950-001-0001—For support of the Treasurer. I reduce this item from \$5,116,000 to \$4,538,000 by reducing:

(1)100000—Personal Services from \$21,207,000 to \$20,382,000; and

(5)Amount payable from the Central Service Cost Recovery Fund (Item 0950 001 9740) from \$1,795,000 to -\$1,548,000.



I am reducing this appropriation to reflect savings in the Treasurer's budget which would normally be expected to occur as a result of the state employee furloughs I ordered, net of the tentative bargaining agreements reached with Units 1, 3, 4, 11, 14, 15, 17, 20 and 21. Because the Treasurer has declined to participate in the furloughs, I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels.

Item 0950-001-9740—For support of the Treasurer. I reduce this item from \$1,795,000 to \$1,548,000.

I am reducing this item by \$247,000 to conform to the action I have taken in Item 0950 001 0001.

Item 2660-013-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Transportation Debt Service Fund to be used as specified in Section 16965 of the Government Code.

I am eliminating this item consistent with the Budget agreement to eliminate the proposed \$0.12 excise tax increase on gasoline and diesel fuel.

Item 2660-302-0042—For capital outlay, Department of Transportation. I reduce this item from \$570,000,000 to \$295,000,000 by reducing:

(1)20—Highway Transportation from \$1,795,000,000 to \$1,520,000,000, and

(a)State Highway Operation and Protection Program (\$1,795,000,000) to (\$1,520,000,000).

I am reducing this item by \$275,000,000 to be consistent with the Budget agreement to eliminate the proposed \$0.12 excise tax increase on gasoline and diesel fuel.

Item 5225-001-0001—For support of Department of Corrections and Rehabilitation. I reduce this Item from \$7,287,426,000 to \$6,887,426,000 by adding:

97.20.001—Unallocated Reduction —\$400,000,000

I am reducing this appropriation by \$400,000,000 to reflect savings I expect to be achieved as a result of various reforms and actions implemented by the Secretary of the California Department of Corrections and Rehabilitation. Federal court mandates, employee compensation, rehabilitation programming, and population related costs have contributed to making the Corrections budget one of the fastest growing in state government in recent years. Between 2005–06 and 2007–08, the Corrections budget grew by nearly 30 percent. Savings in this area are necessary to address the fiscal crisis and I will be working with the Legislature to achieve these reductions. These savings will be achieved in a manner that promotes rehabilitation and preserves public safety.

Item 6110-001-0001—For support of Department of Education. I reduce this item from \$43,139,000 to \$40,401,000 by reducing:



(8)Reimbursements from -\$17,258,000 to -\$16,163,000;

(9)Amount payable from the Federal Trust Fund (Item 6110-001-0890) from \$155,590,000 to -\$145,715,000;

(10)Amount payable from the Mental Health Services Fund (Item 6110-001-3085) from \$709,000 to -\$664,000;

and by adding:

97.20.001-Unallocated Reduction -\$13,753,000

I am reducing this appropriation by 10 percent of the Department of Education's personal services budget which reflects the state employee compensation reductions for furloughs, overtime reform, and elimination of two state holidays. I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels.

Item 6110-001-0140-For support of Department of Education, Program 20.10.055-Instructional Support, Environmental Education. I reduce this item from \$48,000 to \$45,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-001-0178-For support of Department of Education, Program 20.30.003-Instructional Support, Schoolbus Driver Instructor Training. I reduce this item from \$1,624,000 to \$1,521,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-001-0231-For support of Department of Education, Program 20.10.045-Instructional Support, Curriculum Services-Health and Physical Education-Drug Free Schools. I reduce this item from \$990,000 to \$927,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-001-0687-For support of Department of Education, Program 30.50-Donated Food Distribution. I reduce this item from \$7,483,000 to \$7,008,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-001-0890-For support of Department of Education. I reduce this item from \$155,590,000 to \$145,715,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-001-3085-For support of Department of Education. I reduce this item from \$709,000 to \$664,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-001-6057-For support of Department of Education, Program 20.30-Administrative Services. I reduce this item from \$2,778,000 to \$2,602,000.



I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-003-0001—For support of Department of Education, Program 20.30.020—Instructional Support, Standardized Account Code Structure. I reduce this item from \$1,178,000 to \$1,103,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-005-0001—For support of Department of Education. I reduce this item from \$38,736,000 to \$36,279,000 by reducing:

(1)10.60.040—Instruction from 39,135,000 to 36,678,000;

(a)10.60.040.001—School for the Blind, Fremont from 5,644,000 to 5,289,655;

(b)10.60.040.002—School for the Deaf, Fremont from 17,979,000 to 16,850,230;

(c)10.60.040.003—School for the Deaf, Riverside from 15,512,000 to 14,538,115; and

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6110-008-0046—For support of Department of Education. I reduce this item from \$4,158,000 to \$3,894,000.

I am reducing this item to conform to the action I have taken in Item 6110-001-0001.

Item 6440-001-0001—For support of University of California. I am reducing this item from \$2,896,355,000 to \$2,641,355,000 by reducing:

(1)Support from \$2,812,859,000 to \$2,557,859,000.

I am reducing this item by an additional \$255,000,000 on a - basis to achieve General Fund savings. This unallocated reduction will be offset by federal funds the state will receive as part of the Federal American Recovery and Reinvestment Act. Consequently, this veto will not impact the University's core instructional functions. In addition, the increase in funding for federal Pell Grants contained in the Act will provide further relief to the University.

Item 6610-001-0001—For support of California State University. I am reducing this item from \$2,793,502,000 to \$2,538,502,000 by reducing:

(1)Support from \$2,793,502,000 to \$2,538,502,000.

I am reducing this item by an additional \$255,000,000 on a one-time basis to achieve General Fund savings. This unallocated reduction will be offset by federal funds the state will receive as part of the Federal American Recovery and Reinvestment Act. Consequently, this veto will not impact the University's core instructional functions. In addition, the increase in



funding for federal Pell Grants contained in the Act will provide further relief to the University.

Item SEC. 25.50—State Controller’s Office Apportionments Payment System Assessments.

I am revising Control Section 25.50 to conform to the action I have taken in Item 0840 001 0001, as follows:

“SEC. 25.50. Notwithstanding any other provision of law, an amount not to exceed \$841,000 \$822,000 is hereby appropriated from various funds to the Controller, as specified below, for reimbursement of costs for the ongoing maintenance and support of the Apportionment Payment System:

0046 Public Transportation Account	\$ 18,000	
0062 Highway Users Tax Account	289,000	282,000
0064 Motor Vehicle License Fee Account	16,000	
0330 Local Revenue Fund	95,000	93,000
0877 DMV Local Agency Collection Fund	2,000	
0932 Trial Court Trust Fund	165,000	161,000
0965 Timber Tax Fund	1,000	
0969 Public Safety Account	255,000	249,000
Total, All Funds	\$841,000	\$822,000

The Controller shall assess these funds for the costs of the Apportionment Payment System because apportionment payments in excess of \$10,000,000 are made annually from these funds. Assessments in support of the expenditures for the Apportionment Payment System shall be made monthly, and the total amount assessed from these funds may not exceed the total expenditures incurred by the Controller for the Apportionment Payment System for the 2009 10 fiscal year.”

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 1 Third Extraordinary Session.

Sincerely,

ARNOLD SCHWARZENEGGER, Governor

Above bill ordered placed on unfinished business file.

Receipt

I acknowledge receipt this 20th day of September at 4:22 p.m., of the Governor’s statement of the line item veto from the following third extraordinary Session Senate Bills delivered to me personally by Jacque Roberts: SB 1, SB 2, and SB 20.

BERNADETTE McNULTY
Assistant Secretary of the Senate

MESSAGES FROM THE ASSEMBLY

Assembly Chamber, February 19, 2009

Mr. President: I am directed to inform your honorable body that the Assembly on this day concurred in Senate amendments to:

AB 5	AB 11	AB 12
AB 13	AB 15	

E. DOTSON WILSON, Chief Clerk of the Assembly

LEAVES OF ABSENCE FOR THE DAY

The following Senators were granted leaves of absence for the day due to legislative business: Senators Aanestad, Cedillo and Denham.

The following Senators were granted leaves of absence for the day due to illness: Senators Calderon, Corbett, Kehoe, Negrete McLeod, Oropeza, and Wyland.

ADJOURNMENT

At 3:30 p.m., the President declared the Senate adjourned on call of the President pro Tempore.

PAULA K. ROSSETTO, Minute Clerk

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