

CALIFORNIA LEGISLATURE
2005-06 REGULAR SESSION

ASSEMBLY DAILY JOURNAL

Thursday, January 5, 2006

**ONE HUNDRED TWENTY-THIRD SESSION DAY
THREE HUNDRED NINETY-SIXTH CALENDAR DAY
AT SACRAMENTO, CALIFORNIA**



NOTE: Official record of roll call votes; all amendments considered by the Assembly on this day are on file with the Chief Clerk of the Assembly and available on request. A list of all measures amended and on which amendments were offered is shown on the final page of this day's Assembly Journal.

(Please Direct Any Inquiries and Report Any Omissions or Errors to
Sue Parker, Minute Clerk: Phone 319-2360)

PROCEEDINGS OF THE ASSEMBLY

IN ASSEMBLY

Assembly Chamber, Sacramento
Thursday, January 5, 2006

The Assembly met at 4:44 p.m.
Hon. Fabian Núñez, Speaker of the Assembly, presiding.
Chief Clerk E. Dotson Wilson at the Desk.
Assistant Clerk Elizabeth Potter reading.

ROLL CALL

The roll was called.

Quorum Call of the Assembly

Assembly Member McCarthy moved a quorum call of the Assembly.
Motion carried.

At 4:45 p.m., Speaker Núñez placed a quorum call upon the Assembly.

The Speaker directed the Sergeant at Arms to close the doors, and to bring in the absent Members.

Quorum Present

At 4:48 p.m., Speaker Núñez declared a quorum of the Assembly present.

The roll call was completed, and the following answered to their names—79:

Aghazarian	Emmerson	Leno	Plescia
Arambula	Evans	Leslie	Richman
Baca	Frommer	Levine	Ridley-Thomas
Bass	Garcia	Lieber	Runner
Benoit	Goldberg	Lieu	Ruskin
Berg	Hancock	Liu	Saldaña
Bermúdez	Harman	Matthews	Salinas
Blakeslee	Haynes	Maze	Spitzer
Bogh	Horton, Jerome	McCarthy	Strickland
Calderon	Horton, Shirley	Montañez	Torrico
Canciamilla	Houston	Mountjoy	Tran
Chan	Huff	Mullin	Umberg
Chavez	Jones	Nakanishi	Vargas
Chu	Karnette	Nation	Villines
Cogdill	Keene	Nava	Walters
Cohn	Klehs	Negrete McLeod	Wolk
Coto	Koretz	Niello	Wyland
Daucher	La Malfa	Oropeza	Yee
DeVore	La Suer	Parra	Mr. Speaker
Dymally	Laird	Pavley	

PRAYER

Upon invitation of Speaker Núñez, the following prayer was offered by Assembly Chaplain Father Constantine C. Pappademos:

Lord, We thank You even for the trials of life, because You use these trials to build character and strengthen our faith. Through the adversity we face in life, we can become more understanding and helpful to others. So we thank You, Lord, for the battles we go through, because it is in the battles of life that victories are won. Lord, we bless You at all times; Your praise will continually be on our lips.—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of Speaker Núñez, Assembly Members La Suer and Matthews then led the Assembly in the pledge of allegiance to the Flag.

MOTION TO DISPENSE WITH READING OF THE JOURNAL

Further reading of the Journal of the previous legislative day was dispensed with on motion of Assembly Member Frommer, seconded by Assembly Member McCarthy.

LEAVES OF ABSENCE FOR THE DAY

By unanimous consent, the following Assembly Member was granted leave of absence for the day:

On personal business, and waiving per diem: Assembly Member De La Torre.

COMMUNICATIONS

The following communication was presented by the Speaker, and ordered printed in the Journal:

January 5, 2006

*E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

Dear Dotson: Please be advised that I have appointed Assemblymember Gloria Negrete McLeod to the Select Committee on Prison Construction and Operations.

Sincerely,

FABIAN NUÑEZ
Speaker of the Assembly

The following communication was presented by the Chief Clerk, and ordered printed in the Journal:

January 4, 2006

The Honorable E. Dotson Wilson
Chief Clerk of the Assembly
Assembly Chamber

Dear Dotson: By direction of the Senate I am returning Senate Bill 299 and Senate Bill 283 to the Assembly for further action.

Sincerely,

GREGORY P. SCHMIDT
Secretary of the Senate

PROPOSED INITIATIVES

The following communications were presented by the Chief Clerk from:

Tricia Knight, Initiative Coordinator, Department of Justice, Office of the Attorney General, Sacramento, dated December 27, 2005, transmitting copies of the title, summary, and text of the following proposed initiatives, pursuant to Section 9007, Elections Code:

Minimum Wage. Increases and Future Adjustments.
Initiative Statute. SA 2005RF0111, Amdt. #1-S

Referred by the Speaker to the Committee on Labor and Employment.

Minimum Wage. Increases and Future Adjustments.
Initiative Statute. SA 2005RF0112, Amdt. #1-S

Referred by the Speaker to the Committee on Labor and Employment.

REPORTS

The following reports were presented by the Chief Clerk:

2005 Sustainable Communities Grant and Loan Program
Report of Activities
(Pursuant to Health and Safety Code Section 44525.6)

Above transmitted report, together with letter of transmittal from Eileen D. Marxen, Deputy Executive Director, California Pollution Control Financing Authority, dated December 29, 2005, referred by the Speaker to the Committee on Environmental Safety and Toxic Materials.

2004–05 Small Business and Disabled Veteran Business Enterprise
Participation Report
(Pursuant to Public Contract Code Section 10115.5 and
Military and Veterans Code 999.7)

Above transmitted report, together with letter of transmittal from Sunne Wright McPeak, Secretary, Business, Transportation and Housing Agency, dated December 22, 2005, referred by the Speaker to the Committee on Jobs, Economic Development, and the Economy.

**California's Inter-Regional Partnership Program, Jobs, Housing and Mobility
Strategies Report
(Pursuant to Health and Safety Code Section 50542(f))**

Above transmitted report, together with letter of transmittal from Judy Nevis, Acting Director, Department of Housing and Community Development, dated December 21, 2005, referred by the Speaker to the Committee on Housing and Community Development.

**2004 Electronic Interceptions Report
(Pursuant to Penal Code Section 629.62)**

Above transmitted report, together with letter of transmittal from Sue Johnsrud, Director, Administrative Services Division, Department of Justice, dated December 27, 2005, referred by the Speaker to the Committee on Public Safety.

**2004-05 Small Business and Disabled Veteran Business Enterprise
Participation Report
(Pursuant to Public Contract Code Section 10115.5 and
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Catherine Campisi, Ph.D., Director, Department of Rehabilitation, dated December 27, 2005, referred by the Speaker to the Committee on Jobs, Economic Development, and the Economy.

**2005-06 Seismic Safety Commission Assessment Report
(Pursuant to Insurance Code Section 10089.45 (e))**

Above transmitted report, together with letter of transmittal from John Garamendi, Insurance Commissioner, Department of Insurance, dated December 27, 2005, referred by the Speaker to the Committee on Insurance.

**Internal Control Review Report for
the Biennial Period Ended December 31, 2005
(Pursuant to Government Code Section 13405)**

Above transmitted report, together with letter of transmittal from Catherine Campisi, Ph.D., Director, Department of Rehabilitation, dated December 28, 2005, referred by the Speaker to the Committee on Business and Professions.

**2003-04 Loan and Grant Programs Annual Report
(Pursuant to Health and Safety Code Section 50408)**

Above transmitted report, together with letter of transmittal from Judy Nevis, Acting Director, Department of Housing and Community Development, dated December 29, 2005, referred by the Speaker to the Committee on Housing and Community Development.

ENGROSSMENT AND ENROLLMENT REPORTS

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:
Assembly Bill No. 1105

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bill re-referred to committee.

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 50
- Assembly Bill No. 53
- Assembly Bill No. 58
- Assembly Bill No. 158
- Assembly Bill No. 326
- Assembly Bill No. 470
- Assembly Bill No. 546
- Assembly Bill No. 548

- Assembly Bill No. 607
- Assembly Bill No. 612
- Assembly Bill No. 618
- Assembly Bill No. 750
- Assembly Bill No. 790
- Assembly Bill No. 798
- Assembly Bill No. 874
- Assembly Bill No. 894

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 907
- Assembly Bill No. 912
- Assembly Bill No. 945
- Assembly Bill No. 957
- Assembly Bill No. 1171
- Assembly Bill No. 1259
- Assembly Bill No. 1418
- Assembly Bill No. 1469

- Assembly Bill No. 1501
- Assembly Bill No. 1502
- Assembly Bill No. 1554
- Assembly Bill No. 1591
- Assembly Bill No. 1598
- Assembly Bill No. 1689
- Assembly Bill No. 1691

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 41
- Assembly Bill No. 861

- Assembly Bill No. 1167
- Assembly Bill No. 1744

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 1072

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bill re-referred to committee.

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 181
- Assembly Bill No. 385
- Assembly Bill No. 479
- Assembly Bill No. 886
- Assembly Bill No. 925

- Assembly Bill No. 1090
- Assembly Bill No. 1231
- Assembly Bill No. 1381
- Assembly Bill No. 1592
- Assembly Bill No. 1612

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 5, 2006

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Joint Resolution No. 28

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above resolution re-referred to committee.

AUTHOR'S AMENDMENTS
Committee on Higher Education

January 5, 2006

Mr. Speaker: The Chair of your Committee on Higher Education reports:

Assembly Bill No. 840

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

LIU, Chair

ASSEMBLY BILL NO. 840—An act to amend Section 94802 of, and to add Sections 94735.7, 94740.1, 94906, and 94916 to, the Education Code, relating to private postsecondary education.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

AUTHOR'S AMENDMENTS
Committee on Health

January 5, 2006

Mr. Speaker: The Chair of your Committee on Health reports:

Assembly Bill No. 699

Assembly Bill No. 711

Assembly Bill No. 1105

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

CHAN, Chair

ASSEMBLY BILL NO. 699—An act to amend Sections 14005.31, 14005.32, and 14011.16 of the Welfare and Institutions Code, relating to Medi-Cal.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

ASSEMBLY BILL NO. 711—An act to amend Section 12693.755 of the Insurance Code, relating to health insurance, and making an appropriation therefor.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

ASSEMBLY BILL NO. 1105—An act to amend Section 114120 of the Health and Safety Code, relating to retail food.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

AUTHOR'S AMENDMENTS
Committee on Business and Professions

January 5, 2006

Mr. Speaker: The Chair of your Committee on Business and Professions reports:
Assembly Bill No. 413

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

NEGRETE McLEOD, Chair

ASSEMBLY BILL NO. 413—An act to add Section 19961.5 to the Business and Professions Code, relating to gaming.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

AUTHOR'S AMENDMENTS
Committee on Business and Professions

January 5, 2006

Mr. Speaker: The Chair of your Committee on Business and Professions reports:
Assembly Bill No. 411

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

NEGRETE McLEOD, Chair

ASSEMBLY BILL NO. 411—An act to amend Sections 4107, 7107, 9203, 10261, 10261.5, and 10262.5 of the Public Contract Code, relating to public contracts.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

AUTHOR'S AMENDMENTS
Committee on Revenue and Taxation

January 5, 2006

Mr. Speaker: The Chair of your Committee on Revenue and Taxation reports:
Assembly Bill No. 673

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

KLEHS, Chair

ASSEMBLY BILL NO. 673—An act to add and repeal Article 7.5 (commencing with Section 19188) of Chapter 4 of Part 10.2 of Division 2 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

Bill read second time; author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

AUTHOR'S AMENDMENTS
Committee on Public Safety

January 5, 2006

Mr. Speaker: The Chair of your Committee on Public Safety reports:
Assembly Bill No. 1147
Assembly Bill No. 1159

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

LENO, Chair

ASSEMBLY BILL NO. 1147—An act to amend Sections 11018, 11054, 11357, 11358, 11359, 11360, 11361, and 11362.7 of, and to add Section 11018.5 to, the Health and Safety Code, relating to industrial hemp.

Bill read second time; author’s amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

ASSEMBLY BILL NO. 1159—An act to amend Section 6303 of the Penal Code, relating to regional jail camps.

Bill read second time; author’s amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

AUTHOR’S AMENDMENTS
Committee on Public Safety

January 5, 2006

Mr. Speaker: The Chair of your Committee on Public Safety reports:

Assembly Bill No. 167

With author’s amendments with the recommendation: Amend, and re-refer to the committee.

LENO, Chair

ASSEMBLY BILL NO. 167—An act to amend Section 653m of the Penal Code, relating to crime.

Bill read second time; author’s amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

REPORTS OF STANDING COMMITTEES
Committee on Labor and Employment

January 5, 2006

Mr. Speaker: Your Committee on Labor and Employment reports the following bills pursuant to the provisions of Joint Rule 62(a):

Assembly Bill No. 537

Assembly Bill No. 1124

Assembly Bill No. 553

Assembly Bill No. 1709

Assembly Bill No. 640

KORETZ, Chair

Above bills ordered filed with the Chief Clerk.

Committee on Local Government

January 4, 2006

Mr. Speaker: Your Committee on Local Government reports the following bill pursuant to the provisions of Joint Rule 62(a):

Assembly Bill No. 266

SALINAS, Chair

Above bill ordered filed with the Chief Clerk.

Committee on Judiciary

September 12, 2005

Mr. Speaker: Your Committee on Judiciary reports the following resolutions pursuant to the provisions of Joint Rule 62(a):

Assembly Constitutional Amendment No. 6

Assembly Constitutional Amendment No. 20

JONES, Chair

Above resolutions ordered filed with the Chief Clerk.

**INTRODUCTION AND FIRST READING OF
ASSEMBLY BILLS**

The following bills were introduced and read the first time:

ASSEMBLY BILL NO. 1791—Bermudez. An act to amend Section 3003 of the Penal Code, relating to parole.

ASSEMBLY BILL NO. 1792—Cohn. An act to amend Section 3041.5 of the Penal Code, relating to parole.

ASSEMBLY BILL NO. 1793—Bermudez. An act to amend Section 7316 of the Business and Professions Code, relating to barbering and cosmetology, and declaring the urgency thereof, to take effect immediately.

ASSEMBLY BILL NO. 1794—DeVore. An act to amend Sections 53601.7 and 53635 of the Government Code, relating to local agencies.

ASSEMBLY BILL NO. 1795—Bermudez. An act to amend Section 1520.5 of the Health and Safety Code, relating to care facilities.

ASSEMBLY CONSTITUTIONAL AMENDMENT NO. 25—Frommer and Leno (Coauthors: Jones and Pavley) (Coauthors: Senators Ducheny and Scott). A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 8 of Article II thereof, and by adding Section 8.7 to Article IV thereof, relating to statewide special elections.

RESOLUTIONS

The following resolutions were offered:

ASSEMBLY CONCURRENT RESOLUTION NO. 101—Nakanishi (Coauthors: Chan, Chu, Shirley Horton, Lieu, Liu, Torrico, Tran, and Yee). Relative to a Day of Remembrance.

HOUSE RESOLUTION NO. 25—Nakanishi (Coauthors: Chan, Chu, Shirley Horton, Lieu, Liu, Torrico, Tran, and Yee). Relative to Lunar New Year Celebration.

REQUEST FOR PHOTOGRAPHER

Assembly Member Frommer was granted unanimous consent that guests and photographers be permitted on the Floor of the Assembly and in the Assembly Gallery.

BILLS RETURNED TO THIRD READING FILE

Assembly Member Cohn was granted unanimous consent that Assembly Bills Nos. 1101, 1178, and 450 be withdrawn from the inactive file and placed upon the third reading file.

CONSIDERATION OF DAILY FILE**SENATE BILLS RETURNED TO SECOND READING FILE
PURSUANT TO THE RULES**

Pursuant to the Assembly Rules, the following Senate bills were this day on the second reading file:

Senate Bill No. 909, ordered to third reading.

UNFINISHED BUSINESS**MOTIONS TO RECONSIDER BILLS CONTINUED**

By unanimous consent, the motions to reconsider the votes on Assembly Bills Nos. 6, 715, and 791, Senate Bills Nos. 51, 109, 646, 655, and 44, and Senate Joint Resolution No. 10 were continued until the next legislative day.

RECESS

By unanimous consent, at 4:52 p.m., Speaker Núñez declared the Regular Session of the Assembly recessed.

IN JOINT CONVENTION

At 4:52 p.m., the Senate and Assembly met in Joint Convention. Hon. Fabian Núñez, Speaker of the Assembly, presiding.

APPOINTMENT OF JOINT COMMITTEE ON ESCORT

Speaker Núñez appointed Assembly Members Liu, Cogdill, Chan, Harman, Leslie, and Vargas and Senators Poochigian, Ducheny, Migden, Vincent, Florez, and McClintock as a Joint Committee on Escort to escort Governor Arnold Schwarzenegger to the Joint Convention.

INTRODUCTION OF FIRST LADY OF CALIFORNIA

Speaker Núñez introduced Maria Shriver, First Lady of California, to the Joint Convention.

INTRODUCTION OF CONSTITUTIONAL OFFICERS AND SPECIAL GUESTS

Speaker Núñez introduced Hon. Cruz Bustamante, Lieutenant Governor; Hon. Bill Lockyer, Attorney General; Hon. Bruce McPherson, Secretary of State; Hon. Phil Angelides, Treasurer; Hon. Steve Westly, Controller; Hon. Jack O'Connell, Superintendent of Public Instruction; Hon. John Garamendi, Insurance Commissioner; and Board of Equalization Members: Hon. Betty Yee (District 1); Hon. Bill Leonard (District 2); Hon. Claude Parrish (District 3); and Hon. John Chiang (District 4).

INTRODUCTION OF SUPREME COURT JUSTICES

Speaker Núñez introduced Hon. Ronald M. George, Chief Justice of California; and Associate Justices Hon. Joyce L. Kennard, Hon. Marvin R. Baxter, Hon. Kathryn M. Werdegar, Hon. Ming Chin, Hon. Carlos Moreno, and Hon. Carol A. Corrigan.

PRESENTATION OF PRESIDENT PRO TEMPORE OF THE SENATE

Speaker Núñez then presented the Honorable Don Perata, President pro Tempore of the Senate.

PRESENTATION OF LIEUTENANT GOVERNOR

President pro Tempore Perata then presented the Honorable Cruz M. Bustamante, Lieutenant Governor and President of the Senate.

PRESENTATION OF GOVERNOR

Lieutenant Governor Bustamante then presented the Honorable Arnold Schwarzenegger, Governor of the State of California, to the Joint Convention.

ADDRESS BY GOVERNOR

Governor Schwarzenegger then addressed the Joint Convention.

ADJOURNMENT OF JOINT CONVENTION

At 5:31 p.m., there being no further business, Speaker Núñez declared the Joint Convention adjourned *sine die*.

IN ASSEMBLY

At 5:32 p.m., the Assembly reconvened.

Hon. Fabian Núñez, Speaker of the Assembly, presiding.

GOVERNOR'S ADDRESS PRINTED IN JOURNAL

Without objection, the following text of Governor Arnold Schwarzenegger's State of the State Address was printed in the Journal:

Governor Arnold Schwarzenegger**2006 State of the State Address*****January 5, 2006***

Lieutenant Governor Bustamante, Senate pro Tem Perata, Speaker Núñez, Minority Leader Ackerman and Assembly Minority Leader McCarthy, my fellow servants of the people, ladies and gentlemen, it's great to be back in this chamber.

What a difference a year makes—in my case about twenty points.

People recently have said to me, "Arnold, I bet you wish you were back in the movie business?"

I say, "No, not for a minute."

This is still the best job I've ever had. It's an honor and a joy to serve the people of California and to stand here with you at the start of this new year.

I've thought a lot about the last year—the mistakes I made, the lessons I learned. What I feel good about is that I led from my heart.

It's true I was in too much of a hurry. I didn't hear the majority of Californians when they were telling me they didn't like the special election. I barreled ahead anyway when I should have listened.

I have absorbed my defeat. I have learned my lesson. And the people, who always have the last word, sent a clear message—cut the warfare, cool the rhetoric, find common ground and fix the problems together. To my fellow Californians, I say—message received.

And I hope the members of the Legislature also heard the message that the people want us to work together. I have always felt that the people are my partners.

So I haven't for a moment doubted our fundamental agenda—to regain California's fiscal integrity, to return government to the people and to prepare our state for the extraordinary changes to come.

So, as we begin the new year, I stand before you tonight happy and hopeful and wiser. And I'm confident California has the innovative spirit to address the challenges we face here at home and as part of a dynamic global economy.

In fact, let me brag a little on what California has accomplished over the last couple of years.

Together, with the help of the Legislature and the people, we brought California back from the brink of bankruptcy. We balanced the budget without raising taxes, record revenues are flowing into our treasury, and we're paying down our debt.

We reformed workers' comp and we now have more Californians working than ever in our history—with over 450,000 new jobs created.

We made unequalled investments in education—a record 50 billion dollars this year.

We made our schools healthier by becoming the only state in the union to ban sodas and junk foods from our schools.

We set some of the most aggressive targets in the world for energy efficiency and reducing greenhouse gases.

And we enforced Prop 42 so that for the first time all the sales taxes on gasoline went for roads, not general spending.

All of which brings me to tonight.

Over the years, some remarkable governors and some remarkable men and women have gathered in this chamber to address the needs of the people. Tonight my mind especially goes back to former governors Earl Warren, Goodwin Knight, Pat Brown, Ronald Reagan and to the legislators who served with those leaders.

In the face of massive change and huge challenges, they built the foundation of California's prosperity. They built the schools and universities that became the envy of the world. They built the bridges and aqueducts, the highways and hospitals that made California the economic powerhouse it is today. And they did it, through wars and recessions, year in and year out, for decade after decade.

The challenges we face today are similar but even more complex. They built California with steel, concrete, hard work and vision. We must do all that and more.

We must not only expand the concrete highways that connect Los Angeles to San Francisco and Stockton—but the digital ones that connect Stockton to Shanghai, Sydney and Seoul.

We must build a California eager to meet the challenges of the 21st Century without reluctance or fear.

Let me ask you, what kind of California do we want in 20 or 30 years? What kind of highways will we drive on? What kind of schools will our children attend? What kind of jobs will we have? What kind of air will we breathe? What kind of hospitals will care for our sick?

Some would say, "Well, how can we plan for 20 or 30 years when we can't even meet our needs today?" The answer is that we will never catch up, unless we know where we're going.

A new California is coming whether we plan for it or not.

California's population is expected to increase by as much as 30 percent over the next 20 years. That is the equivalent of adding three new cities the size of Los Angeles. Yes, it's astonishing.

Our systems are at the breaking point now. We will need more roads, more hospitals, more schools, more nurses, more teachers, more police and fire, more water, more energy, more ports . . . more, more, more.

But, we cannot be overwhelmed by this reality. We cannot freeze in the face of this future. We cannot bury our head in the sand and say—if we don't build it, they won't come.

As Senator McClintock likes to say, California stopped building three decades ago, and the people came anyway. And now the people sit in gridlock on our roads. They wait for hours in our emergency rooms. They drop their children off at overcrowded schools. But again, I say to you, do not be overwhelmed.

Half a century ago, our predecessors faced the same challenges, but they still planned for our future. Now, it's our turn. The need is urgent, but this is not just about keeping up; it is about growing with strength and confidence and moving ahead.

We are perched on the Pacific—looking across to a continent where there is tremendous economic growth. California is better placed to be a leader in the global future than any other state in the union. We have the outlook, the innovation, the technology, the people. We have the location.

In fact, almost half of everything made in Asia and sold in the U.S. comes through California. We are already the golden gateway to and from the emerging economies of Asia. Our ports are jammed to capacity. The cargo ships are lined up—waiting. Ports in Washington, Oregon, Texas and Mexico are vying for the chance to take business away from us. What will our reply be?

I was in China recently. What a sight. Construction cranes fill the sky. Over a billion people work and save and study. Now, we all know that China has enormous problems—environmental, social, political—problems much larger than ours, but they are preparing for a global future. Do we not have the same ability to think as dynamically and optimistically about our people's future? Of course, we do.

California is already on the leading edge of a global economy that is changing and growing by leaps and bounds. And yet we will let this advantage slip from our fingers, if we don't make the long-term investment in our ports, our roads, our schools, our information systems and all the other infrastructure required to compete in a world that thrives on innovation.

Ladies and Gentlemen, California is innovation. For more than a century California's ideas have been the gold standard for innovation and progress. To maintain that edge we must strategically invest in our future and in our children's future.

Think of California as a mutual fund—in particular, a growth fund. Why do you invest in a growth fund? Because you believe in the economic future. I ask each of you . . . do you believe in California's economic future? Then we must invest in it. If we do not invest in ourselves, how can we expect others to invest in us?

So today I propose a Strategic Growth Plan for California's Future. We in this chamber can lay the foundation for the next generation, just as our predecessors did 50 years ago.

In recent decades, California has invested piecemeal, crisis by crisis, traffic jam by traffic jam. There is a better way, a smarter way, a more fiscally responsible way to invest in our future.

We cannot spend more than we have; but at the same time cannot afford costly delay in investing in critical infrastructure. The reality is that we face more than 500 billion dollars in infrastructure needs over the next 20 years.

With this first phase of our Strategic Growth Plan, we will take a ten-year chunk out of that need. This plan will leverage 70 billion dollars in bonding capacity over the next ten years to achieve a total investment of more than 200 billion dollars. And we can do it without raising taxes.

We can use our bonding capacity more wisely by planning and leveraging our tax dollars to attract other resources—more federal funding, more local funding and more private investment. For example, most of the dollars we will invest in levee protection will be matched at 130 percent with federal dollars.

Yes, things will be tight, but funding our future is the fiscally responsible thing to do. Not to do so is to abandon the people. I will propose that the Legislature adopt a debt ceiling that maintains our debt at a prudent level, regardless of the amount of debt authorized.

Let me give you an idea of where we would invest the money over the next ten years:

Transportation. Traffic does not have to keep getting worse. It can get better. If we add 1200 miles of new highway and HOV lanes in congested areas, and add 600 miles of mass transit, we can actually reduce traffic delays in the next ten years, even as our population grows. At the same time this investment in transportation will create 150,000 new jobs for our state. I say build it.

Air Quality. Congestion on our roads and at our ports pollutes our air. Pollution decreases our productivity and increases our health care costs. When one in six children in the Central Valley go to school with an inhaler, it's time to consider clean air as part of our critical infrastructure. We have the technology to clean our air. I say build it.

K-12 Education. In the next ten years, a quarter of a million more students will be attending our schools. To meet this need, our plan over the next decade proposes constructing more than 2,000 small schools and 40,000 classrooms and modernizing another 140,000. I say build it.

Higher Education. California's system of colleges and universities is an enormous asset that fuels our innovation economy. In the next ten years, we must prepare for more than half a million new students. To meet the infrastructure needs of higher education, we need new classrooms, libraries and science labs in hundreds of new buildings on our campuses. I say build it.

Water and Flood Control. We have done little to expand our water supply in nearly 50 years. We must build more storage capacity, expand our delivery network and strengthen our levees. The Strategic Growth Plan increases our water supply to serve an additional 8.5 million people, supports our agricultural industry and doubles the amount of flood protection in the Sacramento area—better shielding us from a Katrina-type disaster here at home. I say build it.

Public Safety. Local jails and state prisons are so overcrowded that criminals are being let out or left on the street because we have no room to lock them up. Our proposal provides for two new prisons, a new crime lab, emergency response facilities and space for 83,000 prisoners over the next ten years. We must keep the people safe. I say build it.

Courts. Our courts are as congested as our roads and our prisons, but something even more basic to our democracy is at stake—justice. Justice delayed is justice denied. The Strategic Growth Plan includes 101 new courts, 56 renovations and 44 expansions, so that justice will not be denied at home. I say build it.

Now, here's the catch. Our ability to pay for these investments is directly tied to the fiscal discipline of the past two years. That discipline must continue. The investments must go hand-in-hand with budget reform.

Although a strong economy has produced billions of dollars in unexpected revenues, we still face a structural deficit that will soon resurface. We cannot make the mistakes of the past. So this year must continue to be the year of reform. Because one thing I know: autopilot spending will fly us into the ground . . . not into the future.

Now, I realize you did not like the proposal I placed on the ballot to reduce spending when revenues are down. But the problem is still there. Tell me how you would fix it. Bring me your innovative ideas. Work with me on a new proposal. Work with me on harnessing private sector investment. Work with me to invest in California's future growth and prosperity.

Some may say that we can't plan for the long term, because the needs are simply too great or the amounts are too much. But, ladies and gentlemen, we have no other choice than to prepare for our future. I believe we can improve our schools, our roads, our environment, our health care, our future. If I didn't believe this, I wouldn't have become governor. And you wouldn't have become legislators.

Now, while planning ahead, we must also, of course, focus on making people's lives better this year. I believe we can find common ground on issues that can improve the lives of millions of Californians.

For example, when I ran for governor, I said that we could not afford an increase in the minimum wage unless the economy bounced back. The economy has bounced back, so it is now time for those who often work the hardest and earn the least to benefit from California's growth. Let us increase the minimum wage by one dollar an hour, with half starting this year. And I ask you to pass this measure immediately so that I can sign it without delay.

In education, the budget I will introduce next week will propose immediate repayment of 1.67 billion dollars in Prop 98 money. This, in addition to an automatic budget increase of 2.3 billion dollars, will be the largest increase in funding in education's history. I propose that we use part of this money so that children once again can have art, music and physical education in our schools.

Also this year, California's Prop 49 after-school initiative kicks in, which will provide an additional 428 million dollars for after-school programs. This will make our state the only one in the nation to offer comprehensive after-school programs. Every elementary and middle school can have a program so that working parents will know that their children will be in a safe environment—getting help with their homework, doing arts and physical activity. This will be good for both the children and the parents.

In higher education, we need to reduce the burdens on families who send children to our state universities. I propose we should eliminate the increase in tuition scheduled to take effect this fall.

Health care. I ask myself, what's the quickest way we can help the greatest number of people with spiraling health care costs? I believe in the free market. I believe in free trade. We buy food from overseas. We buy cars from overseas. Why not prescription drugs? I call upon the federal government to permit the safe importation of prescription drugs. I say, let the free market work.

In terms of helping families right now, we must always put public safety first. California should pass Jessica's Law to track sex offenders.

Every parent's nightmare is that their children are vulnerable to predators on the Internet and in their neighborhoods. There should be no loopholes, no leeway, no leniency for those who harm our children.

If we work together, there is no problem we cannot solve—even the issues we struggled with last year. I am already talking to the legislative leaders about how we move forward with budget reform, pension reform, redistricting reform and other issues.

I want to close with a story about Senator Escutia.

One day I ran into her and she told me about her bill to get sodas and junk foods out of the schools. I said, "I love that idea. It's good to fight obesity. Let's do it together." And we did. We got it passed.

But the point is this. She told me she had been working on the bill for six years. It shouldn't have to take six years to address the health of our children. But the thing that really impressed me, was her perseverance, her stamina, her commitment, that is what was so unbelievable.

I ask you tonight to have the same perseverance, the same stamina, the same commitment, to help our children, our families, our communities and our state.

We must remember that this is the state that represents a dream. If you talked about the Illinois dream or the Delaware dream or the Kentucky dream, no one would know what you meant. But our dream—the California dream—ah, that means something. People understand it.

It is the means to a better life, where anything is possible—no matter where you came from, no matter who you are. This is what people understand. This is what draws them here. This is why I came here.

Ladies and gentlemen, the state of our state is sound because our dream is sound. Let us commit to building California so that the dream can remain alive for this generation, and the next generation and for generations to come.

REPORTS OF STANDING COMMITTEES

Committee on Jobs, Economic Development, and the Economy

Date of Hearing: January 5, 2006

Mr. Speaker: Your Committee on Jobs, Economic Development, and the Economy reports:

Assembly Bill No. 237

With the recommendation: Do pass, and be re-referred to the Committee on Appropriations.

ARAMBULA, Chair

Above bill re-referred to the Committee on Appropriations.

ANNOUNCEMENTS

Speaker Núñez announced the following session schedule:

Monday, January 9, 2006, Floor Session, 12 noon.

ADJOURN IN MEMORY

Assembly Member Jerome E. Horton was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Mable Ivie Pledger, of Los Angeles.

Assembly Member Nation was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of John Nicolay, of Novato.

MOTION TO ADJOURN

At 5:33 p.m., Assembly Member Frommer moved that the Assembly do now adjourn.

Assembly Member Cogdill seconded the motion.

Motion carried.

QUORUM CALL OF THE ASSEMBLY DISPENSED WITH

At 5:34 p.m., Speaker Núñez declared the quorum call of the Assembly dispensed with.

ADJOURNMENT

At 5:34 p.m., pursuant to the motion by Assembly Member Frommer, the Assembly adjourned until 12 noon, Monday, January 9, 2006, out of respect to the memory of Mable Ivie Pledger, on motion of Assembly Member Jerome E. Horton; and out of respect to the memory of John Nicolay, on motion of Assembly Member Nation.

FABIAN NUÑEZ, Speaker

SUE PARKER, Minute Clerk

