

CALIFORNIA LEGISLATURE
2003-04 REGULAR SESSION

ASSEMBLY DAILY JOURNAL

Tuesday, January 6, 2004

**ONE HUNDRED THIRTY-SECOND SESSION DAY
FOUR HUNDRED FIRST 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.

PROCEEDINGS OF THE ASSEMBLY

IN ASSEMBLY

Assembly Chamber, Sacramento
Tuesday, January 6, 2004

The Assembly met at 4:40 p.m.
Hon. Herb J. Wesson, Jr., Speaker of the Assembly, presiding.
Chief Clerk E. Dotson Wilson at the Desk.
Assistant Clerk Sue Parker reading.

ROLL CALL

The roll was called.

Quorum Call of the Assembly

Assembly Member Firebaugh moved a quorum call of the Assembly.
Motion carried. Time, 4:41 p.m.
The Speaker directed the Sergeant at Arms to close the doors, and to bring in the absent Members.

At 4:45 p.m., Speaker pro Tempore Christine Kehoe, 76th District, presiding

Quorum Present

At 4:45 p.m., Speaker pro Tempore Kehoe declared a quorum of the Assembly present.

The roll call was completed, and the following answered to their names—77:

Aghazarian	Dymally	Lieber	Pavley
Bates	Firebaugh	Liu	Plescia
Benoit	Frommer	Longville	Reyes
Berg	Garcia	Lowenthal	Richman
Bermudez	Goldberg	Maddox	Ridley-Thomas
Bogh	Hancock	Maldonado	Runner
Calderon	Harman	Matthews	Salinas
Campbell	Haynes	Maze	Samuelian
Canciamilla	Horton, Shirley	McCarthy	Spitzer
Chan	Houston	Montanez	Steinberg
Chavez	Jackson	Mountjoy	Strickland
Chu	Keene	Mullin	Vargas
Cogdill	Kehoe	Nakanishi	Wiggins
Cohn	Koretz	Nakano	Wolk
Corbett	La Malfa	Nation	Wyland
Cox	La Suer	Negrete McLeod	Yee
Daucher	Laird	Nunez	Mr. Speaker
Diaz	Leno	Oropeza	
Dutra	Leslie	Pacheco	
Dutton	Levine	Parra	

PRAYER

Upon invitation of Speaker pro Tempore Kehoe, the following prayer was offered by Assembly Chaplain Rev. Constantine C. Pappademos:

O Lord, We have many needs, yet more than all other things we honor Your commandments. So help us to consider the needs of others even from the little that we have. If a friend needs our attention, grant us the will to listen. If someone is grieving, let us give comfort. If our neighbor needs bread to eat, may we give him even our last loaf. For we know Your mercy, and have faith in Your power. Lord, grant us Your favor, and bestow it upon us according to Your will.—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of Speaker pro Tempore Kehoe, Assembly Member Parra 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 Firebaugh, seconded by Assembly Member McCarthy.

At 4:48 p.m., Speaker Herb J. Wesson, Jr., 47th District, presiding

LEAVES OF ABSENCE FOR THE DAY

By unanimous consent, the following Assembly Members were granted leaves of absence for the day:

On legislative business: Assembly Member Simitian.

On personal business, and waiving per diem: Assembly Member Correa.

To attend a funeral in the District: Assembly Member Jerome E. Horton.

EXPLANATIONS OF ABSENCE

Pursuant to the Assembly Rules, the following explanation of absence was ordered printed in the Journal:

January 5, 2004

*The Honorable Herb J. Wesson, Jr.
Speaker of the Assembly
State Capitol, Room 219
Sacramento, California*

Dear Speaker Wesson,

This is a request to be excused from Session on Tuesday, January 6, 2004. I have legislative business in the district.

Thank you for your consideration of this request.

Sincerely,

S. JOSEPH SIMITIAN, Assembly Member
Twenty-first District

COMMUNICATIONS

The following communications were presented by the Speaker, and ordered printed in the Journal:

December 23, 2003

Mr. E. Dotson Wilson
Chief Clerk, California Assembly
State Capitol, Room 3196
Sacramento, California

RE: Appointment of Michele Dyke
to California Student Aid Commission

Dear Mr. Wilson: Please be advised I have appointed Ms. Michele Dyke to the California Student Aid Commission. This is a term appointment starting January 1, 2004 and the expiration date is January 1, 2008. Ms. Dyke will be replacing Mr. David Roth.

Sincerely,

HERB J. WESSON, JR.
Speaker of the California Assembly

December 23, 2003

Mr. E. Dotson Wilson
Chief Clerk, California Assembly
State Capitol, Room 3196
Sacramento, California

RE: Appointment of David Roth
to California Student Aid Commission

Dear Mr. Wilson: Please be advised I have appointed Mr. David Roth to the California Student Aid Commission. This is a term appointment starting January 1, 2004 and the expiration date is January 1, 2007. Mr. Roth will be replacing Mr. Richard Verches.

Sincerely,

HERB J. WESSON, JR.
Speaker of the California Assembly

December 23, 2003

Mr. E. Dotson Wilson
Chief Clerk, California Assembly
State Capitol, Room 3196
Sacramento, California

RE: Rescinding the Appointment of Paul Kim
to Council on Mentally Ill Offenders

Dear Mr. Wilson: Please be advised I have rescinded the appointment of Commander Paul Kim to the Council on Mentally Ill Offenders as he has declined the appointment. The position remains vacant.

Sincerely,

HERB J. WESSON, JR.
Speaker of the California Assembly

December 23, 2003

Mr. E. Dotson Wilson
Chief Clerk, California Assembly
State Capitol, Room 3196
Sacramento, California

RE: Reappointment of Larry L. Renner
to Respiratory Care Board of California

Dear Mr. Wilson: Please be advised I have reappointed Mr. Larry L. Renner to the Respiratory Care Board of California. This is a term appointment starting December 23, 2003 and the expiration date is June 1, 2007.

Sincerely,

HERB J. WESSON, JR.
Speaker of the California Assembly

January 6, 2004

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

Dear Dotson: This is to advise you that I have appointed the following Assemblymembers to the Joint Committee to Develop a Master Plan to End Poverty in California:

Assemblymember Wilma Chan
Assemblymember Bonnie Garcia
Assemblymember Christine Kehoe
Assemblymember Mark Leno
Assemblymember Tim Leslie
Assemblymember Cindy Montanez

Sincerely,

HERB J. WESSON, JR.
Speaker of the California Assembly

January 6, 2004

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

Dear Dotson: This is to advise you that I have appointed Assemblymembers Dario Frommer and Lois Wolk to replace Assemblymembers Jerome Horton and Fabian Nunez on the Assembly Elections, Redistricting and Constitutional Amendments Committee for today's hearing only.

Sincerely,

HERB J. WESSON, JR.
Speaker of the California Assembly

The following communication was presented by the Chief Clerk from:

Linda S. Adams, Director, Department of Water Resources, Sacramento, dated December 23, 2003, relative to waiver of physical inspection of the State Water Project (SWP) and the associated annual report required pursuant to Water Code Section 165.

Referred by the Speaker to the Committee on Water, Parks and Wildlife.

SPECIAL COMMITTEE MEETINGS

By unanimous consent, the following committees were permitted to meet:

Joint Committee to Develop a Master Plan to End Poverty in California, on Friday, January 9, 2004, at 8 a.m., in San Jose;

Select Committee on Professional Sports, on Thursday, January 22, 2004, at 1:30 p.m., at the Staples Center, in Los Angeles;

Select Committee on Children's School Readiness and Health, on Thursday, February 5, 2004, at 1:30 p.m., in Room 4202.

ENGROSSMENT AND ENROLLMENT REPORT

Assembly Chamber, January 6, 2004

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

Assembly Bill No. 129
 Assembly Bill No. 162
 Assembly Bill No. 193
 Assembly Bill No. 312
 Assembly Bill No. 393
 Assembly Bill No. 463
 Assembly Bill No. 600
 Assembly Bill No. 695
 Assembly Bill No. 732
 Assembly Bill No. 849
 Assembly Bill No. 868
 Assembly Bill No. 881
 Assembly Bill No. 940
 Assembly Bill No. 955

Assembly Bill No. 972
 Assembly Bill No. 1063
 Assembly Bill No. 1126
 Assembly Bill No. 1167
 Assembly Bill No. 1183
 Assembly Bill No. 1264
 Assembly Bill No. 1272
 Assembly Bill No. 1424
 Assembly Bill No. 1447
 Assembly Bill No. 1491
 Assembly Bill No. 1511
 Assembly Bill No. 1663
 Assembly Bill No. 1696

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 6, 2004

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

Assembly Joint Resolution No. 41
 Assembly Joint Resolution No. 43
 Assembly Joint Resolution No. 44

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above resolutions re-referred to committee.

INTRODUCTION AND FIRST READING OF ASSEMBLY BILLS

The following bills were introduced and read the first time:

ASSEMBLY BILL NO. 1794—Dutra. An act to repeal Section 104339.6 of the Health and Safety Code, relating to spinal cord injury, and making an appropriation therefor.

ASSEMBLY BILL NO. 1795—Bermudez. An act to add Section 41858 to the Education Code, relating to school transportation.

RESOLUTIONS

The following resolutions were offered:

ASSEMBLY CONCURRENT RESOLUTION NO. 145—Nakano. Relative to the Martin L. Ganz Memorial Highway.

ASSEMBLY CONCURRENT RESOLUTION NO. 146—Chan. Relative to women’s heart health.

ASSEMBLY CONCURRENT RESOLUTION NO. 147—Cohn. Relative to California Holocaust Memorial Week.

ASSEMBLY CONCURRENT RESOLUTION NO. 148—Cohn. Relative to Domestic Violence Awareness Month.

ASSEMBLY CONCURRENT RESOLUTION NO. 149—Cohn. Relative to Health Cares About Domestic Violence Day.

HOUSE RESOLUTION NO. 38—Liu, Chan, Chu, Shirley Horton, Nakanishi, Nakano, and Yee (Principal coauthors: Frommer and Ridley-Thomas). Relative to Korean-American Day.

**AUTHOR’S AMENDMENTS
Committee on Veterans Affairs**

January 6, 2004

Mr. Speaker: The Chair of your Committee on Veterans Affairs reports:
Assembly Bill No. 279

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

PARRA, Chair

ASSEMBLY BILL NO. 279—An act to amend Section 987.88 of the Military and Veterans Code, relating to veterans, and declaring the urgency thereof, to take effect immediately.

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 Transportation**

January 6, 2004

Mr. Speaker: The Chair of your Committee on Transportation reports:
Assembly Bill No. 392

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

DUTRA, Chair

ASSEMBLY BILL NO. 392—An act relating to environmental justice.

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 6, 2004

Mr. Speaker: The Chair of your Committee on Revenue and Taxation reports:
Assembly Bill No. 238
Assembly Bill No. 1073
Assembly Bill No. 1510

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

CHAVEZ, Chair

ASSEMBLY BILL NO. 238—An act relating to parks and resources.

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. 1073—An act to add Section 17136.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

Bill read third 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. 1510—An act to amend Section 71 of the Revenue and Taxation Code, relating to taxation.

Bill read third 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 Transportation

January 6, 2004

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

Assembly Bill No. 517

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

DUTRA, Chair

ASSEMBLY BILL NO. 517—An act to amend Section 923 of the Labor Code, relating to employment.

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 6, 2004

Mr. Speaker: The Chair of your Committee on Business and Professions reports:

Assembly Bill No. 664

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

CORREA, Chair

ASSEMBLY BILL NO. 664—An act to amend Section 5000.5 of the Business and Professions Code, relating to boards.

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 Employees, Retirement and Social Security

January 6, 2004

Mr. Speaker: The Chair of your Committee on Public Employees, Retirement and Social Security reports:

Assembly Bill No. 979

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

NEGRETE McLEOD, Chair

ASSEMBLY BILL NO. 979—An act to add Chapter 11 (commencing with Section 3550) to Division 4 of Title 1 of the Government Code, relating to employer-employee relations.

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 Local Government

January 6, 2004

Mr. Speaker: The Chair of your Committee on Local Government reports:
Assembly Bill No. 470

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

SALINAS, Chair

ASSEMBLY BILL NO. 470—An act to add Section 65008.5 to the Government Code, relating to land use.

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 Utilities and Commerce

January 6, 2004

Mr. Speaker: The Chair of your Committee on Utilities and Commerce reports:
Assembly Bill No. 489.

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

REYES, Chair

ASSEMBLY BILL NO. 489—An act relating to energy resources.

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 6, 2004

Mr. Speaker: The Chair of your Committee on Health reports:
Assembly Bill No. 1091

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

FROMMER, Chair

ASSEMBLY BILL NO. 1091—An act to amend Sections 104190, 104191, and 104193 of, and to add Section 104195 to, the Health and Safety Code, relating to disease prevention.

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 Governmental Organization

January 6, 2004

Mr. Speaker: The Chair of your Committee on Governmental Organization reports:
 Assembly Bill No. 1612

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

JEROME HORTON, Chair

ASSEMBLY BILL NO. 1612—An act to add Section 30057 to the Government Code, relating to public safety funds.

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 6, 2004

Mr. Speaker: The Chair of your Committee on Business and Professions reports:
 Assembly Bill No. 932

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

CORREA, Chair

ASSEMBLY BILL NO. 932—An act to amend Section 2472 of the Business and Professions Code, relating to podiatric medicine.

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 6, 2004

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

Assembly Bill No. 1224
 Assembly Bill No. 1446

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

LENO, Chair

ASSEMBLY BILL NO. 1224—An act relating to sex offenders.

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. 1446—An act to amend Section 8463 of the Education Code, relating to child care.

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 Human Services

January 6, 2004

Mr. Speaker: The Chair of your Committee on Human Services reports:
 Assembly Bill No. 379

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

WOLK, Chair

ASSEMBLY BILL NO. 379—An act to amend Section 8289 of the Education Code, relating to child care.

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 6, 2004

Mr. Speaker: The Chair of your Committee on Health reports:
Assembly Bill No. 750

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

FROMMER, Chair

ASSEMBLY BILL NO. 750—An act to add Section 14161.5 to 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.

AUTHOR'S AMENDMENTS
Committee on Arts, Entertainment, Sports, Tourism, and Internet Media

January 6, 2004

Mr. Speaker: The Chair of your Committee on Arts, Entertainment, Sports, Tourism, and Internet Media reports:

Assembly Bill No. 614
Assembly Bill No. 1356

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

COHN, Chair

ASSEMBLY BILL NO. 614—An act to add Chapter 1.5 (commencing with Section 18500) to Division 8 of the Business and Professions Code, relating to athletic trainers.

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. 1356—An act to amend Section 15364.52 of the Government Code, relating to tourism.

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 Housing and Community Development

January 6, 2004

Mr. Speaker: The Chair of your Committee on Housing and Community Development reports:

Assembly Bill No. 1732

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

LOWENTHAL, Chair

ASSEMBLY BILL NO. 1732—An act to add Section 1350.5 to, and to add chapter and article headings to Title 6 (commencing with Section 1350) of Part 4 of Division 2 of, the Civil Code, and to amend Sections 18951, 18952, 18953, 18954, 18955, 18958, 18959, 18960, and 18961 of, and to add Section 50515.2 to, the Health and Safety Code, relating to buildings and housing.

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 Agriculture

January 6, 2004

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

Assembly Bill No. 1454

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

MATTHEWS, Chair

ASSEMBLY BILL NO. 1454—An act to add Section 12835 to the Food and Agricultural Code, and to add Section 116183 to the Health and Safety Code, relating to the West Nile virus.

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 Agriculture

January 6, 2004

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

Assembly Bill No. 1071

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

MATTHEWS, Chair

ASSEMBLY BILL NO. 1071—An act to amend, repeal, and add Section 15061 of the Food and Agricultural Code, relating to commercial feed, 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.

REPORTS OF STANDING COMMITTEES
Committee on Transportation

Date of Hearing: May 5, 2003

Mr. Speaker: Your Committee on Transportation reports:

Assembly Bill No. 1651

With amendments with the recommendation: Amend, and do pass, as amended.

DUTRA, Chair

Above bill ordered to second reading.

Committee on Higher Education

Date of Hearing: January 6, 2004

Mr. Speaker: Your Committee on Higher Education reports:

Assembly Concurrent Resolution No. 139

With amendments with the recommendation: Amend, and be adopted as amended.

LIU, Chair

Above resolution ordered to second reading.

REQUEST FOR PHOTOGRAPHER

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

RECESS

By unanimous consent, at 4:49 p.m., Speaker Wesson declared the Regular Session of the Assembly recessed.

IN JOINT CONVENTION

At 4:50 p.m., the Senate and Assembly met in Joint Convention. Hon. Herb J. Wesson, Jr., Speaker of the Assembly, presiding.

APPOINTMENT OF JOINT COMMITTEE ON ESCORT

Speaker Wesson appointed Assembly Members Nunez, Shirley Horton, Kehoe, Lowenthal, Liu, and Maddox and Senators Ortiz, Brulte, Johnson, Romero, Perata, and Poochigian as a Joint Committee on Escort to escort Governor Arnold Schwarzenegger to the Joint Convention.

INTRODUCTION OF FIRST LADY OF CALIFORNIA

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

**INTRODUCTION OF CONSTITUTIONAL OFFICERS
AND SPECIAL GUESTS**

Speaker Wesson introduced Hon. Cruz Bustamante, Lieutenant Governor; Hon. Bill Lockyer, Attorney General; Hon. Kevin Shelley, 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. Carole Migden (District 1); Hon. Bill Leonard (District 2); Hon. Claude Parrish (District 3); and Hon. John Chiang (District 4).

INTRODUCTION OF SUPREME COURT JUSTICES

Speaker Wesson 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. Janice Rogers Brown, and Hon. Carlos Moreno.

PRESENTATION OF PRESIDENT PRO TEMPORE OF THE SENATE

Speaker Wesson then presented the Honorable John Burton, President pro Tempore of the Senate.

PRESENTATION OF LIEUTENANT GOVERNOR

President pro Tempore Burton 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 proceeded to address the Joint Convention.

ADJOURNMENT OF JOINT CONVENTION

At 5:29 p.m., there being no further business, Speaker Wesson declared the Joint Convention adjourned *sine die*.

IN ASSEMBLY

At 5:30 p.m., the Assembly reconvened.

Hon. Herb J. Wesson, Jr., 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:

State of the State Address**Governor Arnold Schwarzenegger****January 6, 2004**

Lieutenant Governor Bustamante, Speaker Herb Wesson, President Pro Tem John Burton, Senate Republican Leader Jim Brulte, Assembly Republican Leader Kevin McCarthy, Speaker Designate Fabian Nunez, Distinguished Members of the Legislature, Chief Justice of California Ron George and Associate Justices, Members of the Board of Equalization, my fellow Constitutional Officers, esteemed Cabinet Secretaries, friends, my fellow Californians, and last but not least, the First Lady, my partner, and the love of my life, Maria Shriver.

People have said to me, "Arnold, isn't it a terrible burden being governor at a time of such crisis?"

I tell them, no, not at all. I love working for the people of California. It is better than being a movie star. It gives me great joy and satisfaction. I am honored to do this work for the people.

I am optimistic about our state.

The state of our state will soon be strong . . . because our people and our purpose are strong.

We have a new spirit, a new confidence. We have a new common cause in restoring California to greatness.

I saw greatness achieved only three days ago, when the rover "Spirit" landed on Mars. I want to congratulate the many talented scientists at NASA's Jet Propulsion Laboratory in Pasadena, California, who have demonstrated once again that we in California are the launching pad for the extraordinary.

Now let us do the extraordinary.

Tonight I will talk about the progress we've made, the problems we have yet to overcome, and the path we will follow to overcome them.

I have no doubt that, together, Californians are more than a match for the challenges we face.

I feel good because I believe we have made progress in rebuilding the people's trust in their government.

The first thing I did as governor was to repeal the tripling of the car tax.

This massive tax increase was a desperate act of a government out of control.

That could not be allowed to stand.

Repealing that illegal tax increase was the right thing to do.

During the campaign I promised that cities and counties would not bear the cost of the repeal.

It would be irresponsible of the state to take that money away from counties and cities.

That is why I acted to keep the money flowing for firefighters and police.

They did not raise the car tax, and they should not bear the burden of its rollback.

Together, we in this chamber repealed SB 60, which endangered the very integrity of the California driver's license.

Rescinding that law was the right thing to do. And I thank you for your bipartisan support.

Together, we put measures on the March ballot that, if passed by the people, will save our state from a June bankruptcy.

June is the month when billions of dollars in past loans come due and the financial house of cards built over the last half decade is set to collapse.

When individuals overspend themselves into trouble, financial counselors often tell them to consolidate their credit card balances so they can work their way out of trouble—and also tear up their credit cards.

That is what our California Recovery Plan is all about.

We took the debt we inherited from the previous administration, the debt that threatens us with bankruptcy, and we rolled it into a 15 billion dollar recovery bond.

Then we tore up the credit card.

We passed a balanced budget amendment.

And we created a rainy day fund for future hard times and emergencies.

Never again will government be allowed to spend money it doesn't have.

Never again will the state be allowed to borrow money to pay its operating expenses.

You in this room have done that for the people of California.

No one here got everything he or she wanted. We compromised. This, too, was the right thing to do. I thank you and I congratulate you.

Now I ask you to join me in getting out the message that a "yes" vote on these measures on the March ballot is absolutely critical to our financial future.

The alternative is economic chaos.

In a bipartisan effort to help our citizens understand how important this bond is to California, I am proud to say that our State Controller, Steve Westly, a businessman and financial leader, will be co-chairing with me the California Recovery Bond Committee.

With passage of these measures, we will have dodged the first bullet, the 2003–2004 budget deficit.

But the second bullet—the second financial crisis— has already left the barrel and is headed right at us.

I am talking about the 2004–2005 budget deficit—which is another staggering 15 billion dollars.

The 2004–2005 budget, which begins July 1st, is the one that we must now negotiate.

These huge budget deficits are the aftershocks of past financial recklessness.

What happened is this.

Over the last five years, the state's income increased 25 percent, but spending increased 43 percent. This was irresponsible.

The fact of the matter is that we do not have a tax crisis; we do not have a budget crisis; we have a spending crisis.

We cannot tax our way out of this problem. More taxes will destroy what we're trying to save—jobs and revenue.

Jobs bring revenue to the state, and revenue allows us to do the right things for education, for the environment, for the disabled, the elderly and all those in need.

A tax increase would be the final nail in California's financial coffin. The people of California did not elect me to destroy jobs and businesses by raising taxes.

I will not make matters worse.

We have no choice but to cut spending, which is what caused the crisis in the first place.

These are cuts that will challenge us all.

But we cannot give what we do not have.

If we continue spending and don't make cuts, California will be bankrupt.

And a bankrupt California cannot provide services to anyone.

Members of the Legislature, you will receive my proposals in the days ahead.

These are proposals that leadership requires, economics demand, and the public expects.

These cuts will not be easy but they will not be forever.

Let us move quickly to put the excesses of the past behind us and get on with the promise that beckons before us.

I would like to thank all those in the labor community who are working with us to do just that.

I would like to thank those in the education community who are working with us to allow the state to save money while still increasing per pupil funding.

Everyone must play a part in this.

I respect the sovereignty of our Native American tribes, and I believe they also respect the economic situation that California faces. In the next couple of days, I will announce our negotiator who will work with the gaming tribes, so that California receives its fair share of gaming revenues.

Every cloud has a silver lining. The good news is that the spending crisis forces us to bring badly needed reform to government.

Although the transition will be difficult, in the end we will have a leaner, more efficient and more responsive state government.

A necessary place to start is education.

We must make better use of the money we spend on schools.

My proposal gets more money into the classroom and thus increases per pupil funding.

First, we must give local schools the power to meet the specific needs of their own communities.

We can do this by consolidating two billion dollars of categorical programs and cutting the strings to Sacramento.

This will give schools the freedom to spend the money as they—not Sacramento—best see fit to serve the children.

Second, school districts are forced to spend on average 10 to 40 percent more than necessary on non-classroom services.

We must give local schools the freedom to be cost efficient.

One way to do this is to repeal SB 1419, the law that prevents schools from contracting out services such as busing and maintenance.

This will free up more money for textbooks and other vital classroom needs.

In the last two years, college fees have increased over 40 percent.

We must end the boom-and-bust cycle of widely fluctuating fees with a predictable, capped fee policy for college students and their parents.

And we must limit fee increases to no more than ten percent a year.

Like our K through 12 schools, our colleges and universities must also share the burden of the fiscal crisis, but we must work to expand the dream of college.

And we must not let the dream bypass our Central Valley.

That is why my budget will fund UC's tenth campus—UC Merced.

We cannot afford waste and fraud in any department or agency.

Every governor proposes moving boxes around to reorganize government.

I don't want to move the boxes around; I want to blow them up.

The Executive Branch of this government is a mastodon frozen in time and about as responsive.

This is not the fault of our public servants but of the system.

We have multiple departments with overlapping responsibilities. I say consolidate them.

We have boards and commissions that serve no pressing public need. I say abolish them.

We have a state purchasing program that is archaic and expensive. I say modernize it.

I plan a total review of government—its performance, its practices, its cost.

Some of the recommended actions, I will make by executive order. Some will require legislation. And some will need constitutional change. I want your ideas and the more radical the better.

And to California's state employees, I want to thank you for your hard work under trying circumstances.

I also want your ideas, because I want to give you freedom to do your jobs in creative ways.

Now, in addition to restoring our state's finances and responsiveness, we must restore the state's business climate.

Creating and retaining jobs—and the businesses that provide them—must be a priority of this Legislature.

Jobs provide a solid foundation for families.

Jobs add revenues to the state budget.

Jobs give stability to our society.

Jobs. Jobs. Jobs.

The more jobs the better.

I am going to become California's Job Czar.

I'm going to travel the nation and the world to find those jobs.

I'm going to say, "Come to California. Come do business here. Buy our fantastic products. Visit our special attractions. Hire our workers, who are the most productive in the world."

I am a salesman by nature. And now most of my energies will go to selling California, and California is the easiest sell I've ever had.

But we have to fix the state's business climate. And we must start with workers' compensation reform.

Our workers' comp costs are the highest in the nation—nearly twice the national average.

California employers are bleeding red ink from the workers' comp system.

Our high costs are driving away jobs and businesses.

My proposal brings California's workers' comp standards and costs in line with the rest of the country.

To heal injured workers, it emphasizes the importance of health care and doctors rather than attorneys and judges.

It requires nationally recognized guidelines for permanent disability.

And it provides for innovative approaches.

I call on the Legislature to deliver real workers' comp reform to my desk by March 1st. Modest reform is not enough.

If modest reform is all that lands on my desk, I am prepared to take my workers' comp solution to the people. It will be on the November ballot.

This year we also have the highest unemployment insurance costs in the nation. Our system is flat broke.

So that people could get their checks, last month I had to ask Washington for a billion dollar loan to bail us out.

Unemployment checks are an important safety net.

We must fix the system, and I need your help.

California's approach to energy is another barrier to jobs and economic growth.

We have a flawed regulatory structure.

Our businesses pay energy rates nearly twice as high as those in other western states.

In California, we have thirteen different state energy agencies.

Something is wrong when it's easier to create energy agencies than power plants.

California's energy crisis is not over.

If we do not act now, California will face energy shortages as early as 2006.

To prevent this, we must reform the wholesale power market to attract new energy investment.

We must reform the retail market so large customers can get competitive prices.

And we must renegotiate those high-priced electricity contracts that locked us into energy prices at the market's peak.

Closely connected to energy is the environment.

And while we are promoting jobs, promoting California, I am also going to promote our commitment to the environment.

I am going to encourage the building of a hydrogen highway to take us to the environmental future.

I am going to encourage builders to build homes using partial solar power.

I am going to create a Green Bank to make loans to retrofit old, energy-inefficient buildings.

I intend to show the world that economic growth and the environment can coexist.

And if you want to see it, come to California.

During the campaign, I said that I would make sure that California got its fair share of federal tax dollars.

The congressional delegations of other states work together to bring home federal dollars, but the divisions in California have been too deep to do that effectively.

In December, however, we held a historic meeting in Palm Springs.

At a bipartisan retreat, the California congressional delegation and I agreed to put party and district boundaries aside and speak with one united voice in Washington.

We agreed to fight side-by-side to get more federal tax money for homeland security, criminal aliens, water resources, highways, and other needs.

Let me tell you another area where we must cooperate.

California's naval facilities, our air bases, our supply centers, our training commands have helped our nation produce the best trained and equipped military in the world.

I was in Baghdad last year. I met soldiers who call California home. I met soldiers who trained here and served here.

California has a proud history of military support.

The Pentagon will make the next round of base closures in 2005. This could mean thousands of lost jobs to California.

These bases are important to the national defense, and they are important to our steady economic recovery.

As a state, we will fight to keep our bases open.

We Californians need to work together at all levels of government. In the days and weeks ahead we have decisions coming at us that are the most difficult any legislator or governor has faced in the history of our state.

We have decisions approaching that will inflame passions and potentially create division.

I want to tell you a true story that relates to this.

During the terrible fires that burned California, I went to the funeral of Steven Rucker, the firefighter who died in the service of his fellow citizens.

He left behind a wonderful wife, two children and heartbroken parents.

After the service, I said to Steven's mother and father, "If there is anything I can do for you, please let me know."

His father looked at me for a few seconds . . . and in his grief with tears in his eyes he said, "Arnold, if you really want to do something in honor of my son, go to Sacramento and stop the politicians from fighting. Stop the fighting. It's hurting the people and destroying our state."

Ladies and gentlemen, let us remember those words in the days and weeks ahead.

Let us remember the greater good of California.

I remain a great believer in the future of this state.

I did not seek this job to cut . . . but to build.

I did not seek this job to preside over the decline of a dream but to renew it.

President Reagan said that empires were once defined by land mass, subjugated peoples, and military might.

But America, he said, is "an empire of ideals."

California, I believe, is an empire of hope and aspiration.

Never in history have such big dreams come together in one place.

Never in history has such an array of talent and technology converged at one time.

Never in history has such a free and diverse community of people lived and worked under one political system.

This is a wonderful place—California—this empire of aspirations.

Great things can be done in California.

Ladies and gentlemen, let us help Californians do great things.

Thank you very much.

At 5:30 p.m., Speaker pro Tempore Christine Kehoe, 76th District, presiding

**CONSIDERATION OF DAILY FILE
UNFINISHED BUSINESS**

MOTIONS TO RECONSIDER BILLS CONTINUED

By unanimous consent, the motion to reconsider the vote on Assembly Bills Nos. 100, 419, and 1740 and Senate Bills Nos. 1005, 131, 407, and 18 were continued until the next legislative day.

BILLS RETURNED TO THIRD READING FILE

Pursuant to Assembly Rule 78, the following bill was withdrawn from the inactive file, and placed upon the third reading file:

Assembly Bill No. 624, on request of Assembly Member Lieber.

ADJOURN IN MEMORY

Assembly Member Campbell was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Ian McGrew, of San Francisco.

Assembly Member Houston was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Roger Silva, Jesse Davis, David Hutchens, and Suzanne Hashagen, of Livermore.

Assembly Member Mountjoy was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Harriet Rich, of Pasadena.

MOTION TO ADJOURN

At 5:30 p.m., Assembly Member Firebaugh moved that the Assembly do now adjourn.

Assembly Member McCarthy seconded the motion.

Motion carried.

QUORUM CALL OF THE ASSEMBLY DISPENSED WITH

At 5:31 p.m., Speaker pro Tempore Kehoe declared the quorum call of the Assembly dispensed with.

ADJOURNMENT

At 5:31 p.m., pursuant to the motion by Assembly Member Firebaugh, the Assembly adjourned until 7 a.m., Wednesday, January 7, 2004, out of respect to the memory of Ian McGrew, on motion of Assembly Member Campbell; out of respect to the memory of Roger Silva, Jesse Davis, David Hutchens, and Suzanne Hashagen, on motion of Assembly Member Houston; and out of respect to the memory of Harriet Rich, on motion of Assembly Member Mountjoy.

HERB J. WESSON, JR., Speaker

PAM CAVILEER, Minute Clerk

