

CALIFORNIA LEGISLATURE
2001-02 REGULAR SESSION

ASSEMBLY DAILY JOURNAL

Monday, January 8, 2001

FIFTH SESSION DAY

THIRTY-SIXTH CALENDAR DAY

AT SACRAMENTO, CALIFORNIA



PROCEEDINGS OF THE ASSEMBLY

IN ASSEMBLY

Assembly Chamber, Sacramento
Monday, January 8, 2001

The Assembly met at 4:38 p.m.

Hon. Robert M. Hertzberg, Speaker of the Assembly, presiding.

Chief Clerk E. Dotson Wilson at the Desk.

Assistant Clerk Sue Parker reading.

ROLL CALL

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

Aanestad	Daucher	Leslie	Romero
Alquist	Diaz	Liu	Runner
Aroner	Dickerson	Longville	Salinas
Ashburn	Dutra	Lowenthal	Shelley
Bates	Firebaugh	Maddox	Simitian
Briggs	Florez	Maldonado	Steinberg
Calderon	Frommer	Matthews	Strickland
Campbell, Bill	Goldberg	Migden	Strom-Martin
Campbell, John	Harman	Mountjoy	Thomson
Canciamilla	Havice	Nakano	Vargas
Cardenas	Hollingsworth	Nation	Washington
Cardoza	Horton	Negrete McLeod	Wayne
Cedillo	Jackson	Oropeza	Wesson
Chan	Keeley	Pacheco, Robert	Wiggins
Chavez	Kehoe	Pacheco, Rod	Wright
Cogdill	Kelley	Papan	Wyland
Cohn	Koretz	Pavley	Wyman
Corbett	La Suer	Pescetti	Zettel
Correa	Leach	Reyes	Mr. Speaker
Cox	Leonard	Richman	

Quorum present.

PRAYER

Upon invitation of Speaker Hertzberg, the following prayer was offered by Assembly Chaplain Rabbi Mona Alfi:

This august body has been entrusted with the important task of determining what can and shall be done for the people of California, so that our needs and dreams can be transformed into reality.

In a time much more challenging than our own, Abraham Lincoln spoke about how the political process is best used to enact change. He said: Determine that the thing *can* and *shall* be done. And *then* we shall find the way.

Before we can determine the best approach for a particular goal, we must first commit ourselves to the goal itself. Once that is done, we can then open ourselves up to the wealth of internal, creative, and collective resources that are within our grasp.

May the Holy One of Blessing grant us the ability to discern the needs of the people as well as the patience and fortitude to see our work come to a successful end. May this be God's will.—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of Speaker Hertzberg, Assembly Member Romero 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 Shelley, seconded by Assembly Member Campbell.

COMMUNICATIONS

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

January 8, 2001

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 members to the Assembly Rules Committee for the 2001–02 Regular Session:

Assemblymember Jerome Horton
 Assemblymember Tim Leslie
 Assemblymember Carol Liu
 Assemblymember George Nakano
 Assemblymember Joe Nation
 Assemblymember Charlene Zettel
 Assemblymember Sam Aanestad (alternate)
 Assemblymember Dario Frommer (alternate)

Sincerely,

ROBERT M. HERTZBERG
 Speaker of the Assembly

REQUEST FOR PHOTOGRAPHER

Assembly Member Shelley was granted unanimous consent that a photographer be permitted on the Floor of the Assembly.

RECESS

By unanimous consent, at 4:44 p.m., Speaker Hertzberg declared the Assembly recessed.

RECONVENED

At 4:47 p.m., the Assembly reconvened.

Hon. Robert M. Hertzberg, Speaker of the Assembly, presiding.

**INTRODUCTION AND FIRST READING OF
ASSEMBLY BILLS**

The following bills were introduced and read the first time:

ASSEMBLY BILL NO. 84—Hertzberg. An act to amend Section 1808.4 of the Vehicle Code, relating to the Department of Motor Vehicles.

ASSEMBLY BILL NO. 85—Washington. An act to add Section 8279.5 to the Education Code, relating to child care and development services.

ASSEMBLY BILL NO. 86—Cardenas. An act to amend Section 30064.1 of the Government Code, relating to local law enforcement funding.

ASSEMBLY BILL NO. 87—Jackson. An act to add Article 6 (commencing with Section 79210) to Chapter 9 of Part 48 of the Education Code, relating to community colleges.

ASSEMBLY BILL NO. 88—Alquist. An act to add Section 13.2 to the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951), relating to the Santa Clara Valley Water District, and declaring the urgency thereof, to take effect immediately.

IN JOINT CONVENTION

At 4:48 p.m., the Senate and Assembly met in Joint Convention.

Hon. Robert M. Hertzberg, Speaker of the Assembly, presiding.

APPOINTMENT OF JOINT COMMITTEE ON ESCORT

Speaker Hertzberg appointed Senators Bowen, Polanco, Brulte, Murray, and McPherson and Assembly Members Cardoza, Bill Campbell, Chan, Dutra, and Kehoe as a Joint Committee on Escort to escort Governor Gray Davis to the Joint Convention.

INTRODUCTION OF MRS. SHARON DAVIS

Speaker Hertzberg introduced Mrs. Sharon Davis, wife of Governor Gray Davis to the Joint Convention.

INTRODUCTION OF CONSTITUTIONAL OFFICERS

Speaker Hertzberg introduced Hon. Cruz M. Bustamante, Lieutenant Governor; Hon. Bill Lockyer, Attorney General; Hon. Bill Jones, Secretary of State; Hon. Phil Angelides, State Treasurer; Hon. Kathleen Connell, State Controller; Hon. Delaine Eastin, Superintendent of Public Instruction; and Board of Equalization Members Hon. Johan Klehs (District 1), Hon. Dean Andal (District 2), Hon. Claude Parrish (District 3), and Hon. John Chiang (District 4).

INTRODUCTION OF SUPREME COURT JUSTICES

Speaker Hertzberg introduced Hon. Ronald M. George, Chief Justice of California, and Associate Justices Hon. Stanley Mosk, Hon. Joyce L. Kennard, Hon. Marvin R. Baxter, Hon. Kathryn M. Werdegar, Hon. Ming Chin, and Hon. Janice Rogers Brown.

PRESENTATION OF PRESIDENT PRO TEMPORE OF THE SENATE

Speaker Hertzberg 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 Gray Davis, Governor of the State of California, to the Joint Convention.

ADDRESS BY GOVERNOR

Governor Gray Davis then addressed the Joint Convention.

ADJOURNMENT OF JOINT CONVENTION

At 5:45 p.m., there being no further business, Speaker Hertzberg declared the Joint Convention adjourned *sine die*.

IN ASSEMBLY

At 5:46 p.m., the Assembly reconvened.

Hon. Robert M. Hertzberg, Speaker of the Assembly, presiding.

GOVERNOR'S ADDRESS PRINTED IN JOURNAL

Without objection, the following text of Governor Gray Davis' State of the State Address was printed in the Journal:

**Governor Gray Davis
State of the State Address**

Assembly Chambers, State Capitol
Monday, January 8th, 2001

Lieutenant Governor Bustamante, Speaker Hertzberg, President pro Tempore Burton, distinguished Members of the Legislature, my fellow constitutional officers, Chief Justice Ronald George and honorable Justices of the Supreme Court, esteemed Cabinet Secretaries, friends and fellow Californians.

Please join me in welcoming the love of my life, the First Lady of California, Sharon Davis.

And, of course, I want to say hello to the other woman in my life, my mother, Doris Morell. The woman who raised me to implement *her* vision. She's not here tonight, but she's back home in Florida watching us on C-SPAN. At least I hope she's watching. It's either us or "Everybody Loves Raymond."

Since the last time we met, California has lost three native sons and true servants of the people—Senator Ken Maddy, Senator Alan Cranston and Congressman Julian Dixon. And, though they sat on opposite sides of the aisle, they shared a deep commitment to improving the lives of Californians.

Tonight, they're smiling down on us from the Lord's gallery.

Kim Cranston and Bettye Lee Dixon couldn't be with us tonight, but I'd like you to welcome Senator Maddy's sister, Marilyn, his son, Don and his daughter, Deanna. Please honor them with your applause.

For more than 150 years, it's been the Governor's duty to report to you on the state of the state.

And, once again, I'm proud to be able to tell you that the State of California is strong, healthy and growing.

The year 2000 brought us 417,000 new jobs. The lowest unemployment rate in 30 years. The largest increase in personal income in 16 years. Retail sales up 9 percent. Exports up 25 percent.

My friends, we Californians are still living in the age of possibility.

But it is also a time of great challenge and change.

We can no longer expect short-term stock-market windfalls or 10-billion-dollar budget surpluses.

California's economy remains fundamentally strong. It continues to create new jobs and opportunity for our citizens. But our economy is also re-stabilizing, expanding at a more sustainable rate of growth.

We knew this day would come. That's why, over the past two years, we've budgeted the public's dollars with caution and discretion, favoring one-time investments over long-term commitments and maintaining a healthy reserve.

And today, fiscal restraint is more important than ever. For as we all know, a dysfunctional energy market, driven by out-of-state energy companies and brokers, is threatening to disrupt people's lives and damage our economy.

ENERGY

You are all aware of the basic facts. In 1996, the Legislature and the Governor launched an untested restructuring of California's electricity market.

Under their plan, our three investor-owned utilities—Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric—were forced to sell off their generating capacity to unregulated private companies.

And the price of electricity—long regulated by the California Public Utilities Commission—was to be set *instead* in a free-wheeling commodities market.

Now, our job today is not to engage in an ideological debate over the pros and cons of deregulation. I'm not here to point fingers or assign blame and I assume the proponents of deregulation really did envision lower energy costs and smaller electricity bills. They certainly didn't plan for *this* mess.

But we must face reality: California's deregulation scheme is a colossal and dangerous failure. It has not lowered consumer prices. And it has not increased supply. In fact, it has resulted in skyrocketing prices, price-gouging and an unreliable supply of electricity. In short, an energy nightmare.

Well, my friends, it's time to wake up.

The out-of-state generators who bought most of our utilities' power plants, are now charging California several hundred percent more for wholesale electricity than we paid just one year ago.

Senator Dianne Feinstein and I have repeatedly urged the Federal Energy Regulatory Commission to use its exclusive powers to lower

these record prices. But despite our repeated demands, it has *shirked* its responsibility to protect ratepayers from this legalized highway robbery.

In fact, this Commission made matters worse when, in December, they lifted the hard price cap, causing the average price per megawatt hour to increase by nearly 900% compared to the same month the year before. That's like paying 25 dollars for a three-dollar gallon of milk.

Another problem with the California deregulation scheme is we have lost control over our own power. We have surrendered the decisions about where electricity is sold—and for how much—to private companies with only one objective: maximizing unheard-of profits.

On many days, 10 to 12% of the electricity generated in California leaves our state in search of even more exorbitant prices. On some occasions, the merchant generators have brought the State to the very brink of blackouts by refusing to sell us back our own power because they could find higher prices elsewhere.

Think about it: they're refusing to sell us our own power.

Worst of all, there's evidence that some generators may be purposely withholding electricity from the California grid to create artificial scarcity which in turn drives up the price astronomically.

My friends, electricity is not an exotic commodity like pork bellies, to be traded in the chaotic equivalent of a futures market.

No, my friends, electricity is a basic necessity of life. It is the very fuel that powers our high-tech economy.

And make no mistake: We will regain control over the power that's generated in California and commit it to the public good.

Never again can we allow out-of-state profiteers to hold Californians hostage. Never again will we allow out-of-state generators to threaten to turn off our lights with the flip of a switch.

In the plan that I propose today, we will attack the problems of supply and price over the short and long term.

As a down payment on this emergency effort, I've set aside \$1 billion in my budget to help stabilize the supply and price of electricity in the present and help provide new power generation to meet the demands of the future.

In the days that follow, I will ask you to pass legislation to take these immediate steps:

- One, restructure the governing boards of the system operators so we can replace the current advocates for the energy companies with advocates for the public.
- Two, overhaul the crazy bidding process for electricity, which currently guarantees that every generator is paid according to the highest bid, rather than their own bid.
- Three, streamline the process for utilities to enter into low-cost, long-term contracts for electricity and then apply pressure to the out-of-state generators to supply that power.
- Four, provide State regulatory agencies with authority to order any functioning generating facility down for “unscheduled maintenance” to go *back on line*.
- Five, give the Public Utilities Commission 50 new inspectors to monitor—and stand guard if necessary—at

any facility suspected of deliberately withholding power from the grid.

- Six, make it a criminal act to deliberately withhold power from the grid—if it results in imminent threat to public health or safety.
- Seven, expand the authority available to the Governor under a state of emergency in the event of imminent power outages.
- Eight, provide \$4 million to the Attorney General to investigate and prosecute possible racketeering, market manipulation, price fixing and other potential violations by merchant generators.

These generators may be acting within the law. But if they're illegally gaming or manipulating the market, the Attorney General will track them down.

These steps, we must take immediately.

But, soon thereafter, we must do the following:

Repeal the law that allows the three major utilities to sell their remaining generating facilities. Instead, we must require them to hold on to those facilities and sell their power to California consumers.

We must also require our municipal utilities to sell their excess power to California consumers at reasonable rates. Currently, they are free to sell their power out of state.

Next, I am calling on California to flex the enormous clout we have as consumers. We are 34 million strong and the sixth largest economy in the world. By reducing our electricity demand—by even a small amount—we can reduce the price, avoid shortages, and lower energy bills.

So, tonight, I'm asking every Californian to cut consumption by as much as 7 percent, and we will back that up with a *\$250-million investment*. We'll supply cash incentives for replacing inefficient refrigerators, washers and air conditioners with more efficient models. And we'll create energy smart homes, schools, workplaces and communities.

Every day, every Californian can contribute to the solution by turning off lights and appliances when not in use, shifting their usage to off-peak times, using less heat and air conditioning, reducing outdoor lighting displays and turning off business equipment when it's not in use. (For example, putting a computer on sleep mode can reduce energy consumption by 40 percent.)

The State will lead by example. Every single day, state government will cut its consumption by at least 8 percent. During Stage 2 alerts, we'll save 20 percent.

Now, to California's consumers and businesses, let me be clear: our goal is to provide reliable, reasonably priced energy to power the homes and businesses of this great state.

To utilities and the financial community, let me say this: I reject the irresponsible notion that we can afford to allow our major utilities to go bankrupt. *Our fate is tied to their fate*. Bankruptcy would mean that millions of Californians would be subject to electricity blackouts.

Public safety would be jeopardized. Businesses would close. Jobs would be lost. Investment would flee the state. And our economy would suffer a devastating blow.

To my colleagues in the Legislature, I say this: we've met many challenges before. *Together, we will meet this challenge and meet it quickly.*

I will work with the Legislature, the consumers and the business community to address the financial condition of our utilities in the long term.

There is no easy solution. But, if I have to use the power of eminent domain to prevent generators from driving consumers into the dark and utilities into bankruptcy—then *that's what I will do.*

All these measures I'm proposing will provide relief in the short term. But, to build a reliable long-term supply of electricity, we must plan and invest now for the future.

For the twelve years before I took office, this state failed to build a single major power plant—not one. Those days are long gone.

Since April 1999, my Administration has licensed nine new power plants. Five are under construction as we speak.

But many more must be built to serve our growing population.

We must also provide low-interest financing for new peaking facilities and the “re-powering” of existing ones to make them cleaner and up to 40-percent more efficient. In return, these facilities must commit their power to California at a reasonable rate.

Next, we must expand the generating capacity under the control of the Department of Water Resources. And we'll require all 141 campuses of the University of California, the State University system and the Community Colleges to move toward energy independence through cogeneration and other means.

And, we *will* develop means of committing state-owned lands for the siting of generating plants on the condition that the energy be distributed in California.

These are important steps.

But there's no point in building more plants *in* our state if the electricity will flow *out* of our state.

The time has come to take control of our own energy destiny.

And that will require either a joint powers authority among the state and our 30 municipal utilities to develop the additional power we need, or a California public power authority that can buy and build new power plants.

I will work with the Legislature to determine which option will work best for California consumers and businesses. I'm not interested in utopian proposals. I want ideas that will work in the real world.

The remedies I am proposing tonight are reasonable and necessary under the present extraordinary conditions. But, as I said before, everyone should understand that there are other, more drastic measures that I am prepared to take if I have to.

Now, as important as the energy situation is, we cannot and will not allow it to overwhelm the many other important challenges and opportunities facing California.

We have proven that by placing the common good ahead of partisan advantage, we can develop practical solutions on the issues that confront the people of California.

And that is exactly what we will do again this year.

My friends, we have a special responsibility to the citizens of California. They don't expect government to address every issue on the Planet Earth. They only demand three things: fix what's broken, improve what's ailing and leave the rest alone.

Together, we have demonstrated that it matters not whether an idea comes from a Republican or a Democrat. What matters is whether that idea is right or wrong—and whether it works.

EXTRAORDINARY ACCOMPLISHMENTS

From the bottom of my heart, I'd like to thank the members of this Legislature for the most productive two-year session in recent memory.

Rarely in our generation's history have the Governor and the Legislature worked so closely together to produce so many good results.

We've passed two Budgets in a row—in balance, on time.

We've put a prosperity dividend back into people's pockets, providing tax relief in record amounts.

We've funded and equipped our law enforcement at its greatest strength ever.

Please join me in recognizing five extraordinary public servants—Sheriffs Les Weidman of Stanislaus County, Lee Baca of Los Angeles County, Lou Blanas of Sacramento County, Mike Carona of Orange County and Commissioner Spike Helmick of the California Highway Patrol.

We've reformed HMO's. Invested in parks and water. Passed the toughest gun safety laws in the nation. And taken the edge off wedge issues.

That's not all. We've opened wide the doors to college with merit scholarships and Cal Grants. Never again in California will a student who succeeds in school be denied a college education because he or she is poor.

On roads and railways, from one end of this state to the other, you will see the results of our history-making transportation initiative.

All of this, we're doing within our means. That was my promise two years ago. And that is my promise today.

EDUCATION

My friends, no single issue has better personified our bipartisan resolve than our collective desire to improve California's public schools.

Over the last two years, we have invested in education like our future depends on it. Because . . . it . . . does.

And we have asked *more* of our students and schools than ever before.

We have put in place the building blocks of achievement: high standards, accountability, technology, modern facilities, new tools for

learning, the most aggressive teacher incentive program in America. Including the biggest performance bonuses in the nation.

Our hard work is paying off. Test scores are up. Student confidence is higher. Public support is growing. All across this state, we are turning higher expectations into better student achievement.

The fight for our children's future will not be won overnight. But know this: we are winning it. Take just one school. Melvin Avenue Elementary in Los Angeles.

Two years ago, Melvin was like a lot of schools in California. Underfunded. Overcrowded. Underperforming.

Two years later, things are changing. Expectations are higher. Students are motivated. Parents are involved. Teachers are more skilled.

Two years ago, Melvin Avenue was a school without a direction. Today, it's a full partner in our new accountability program.

Two years ago, Melvin's teachers were under-trained and under-paid. Today, they're better paid and better trained. One of them has been nationally certified and seven more soon will be.

Two years ago, Melvin was using materials that were older than many of their teachers. Today, they have new textbooks. Their classroom libraries will soon be fully stocked. And, by the end of this school year, they are confident every classroom will have Internet access and one computer for every six students.

Two years ago, Melvin's reading scores were among the lowest in the state. Today, 200 of their kids are attending our Reading Academies and every primary teacher has attended our Professional Development Institutes. And, this year, Melvin Avenue improved 79 points on the Academic Performance Index—six times better than their statewide target.

Ladies and gentlemen, it's my honor to introduce Melvin's principal, Susan Grossman, its nationally certified teacher, Sangeeta Maithel, and one of its top students, Hugo Saavedra.

My friends, this is a success story. But it's not just Melvin's story. It's California's story. All across this state, elementary schools are on the rise.

But we still have a lot of work to do.

Test scores show that, while elementary students are improving rapidly, middle school students are showing only modest improvement.

Educators tell me that, for all the new investments we've made, the main thing they need is more time to teach.

So, tonight, I propose extending the school year in California by 30 days, starting where need is the greatest—in our middle schools.

That's 30 days of additional classroom instruction. No busywork. Just teaching.

This program is voluntary. But schools and teachers will be provided financial incentives for their participation. And strict accountability measures will be put in place.

It's just a month, but it adds up to the longest school year in the nation. And it will make a huge difference as our children cross the critical bridge between elementary and high school.

We also need to match high standards with high quality instruction.

Two years ago, we paid for 6,000 teachers to attend intensive Professional Development Institutes. Last year, we funded training for 70,000.

It has been the most ambitious—and most effective—teacher training initiative ever launched in America. And it has produced some of the best trained, most highly motivated teachers in America.

Over the next three years, we need to give every teacher who teaches math or reading the benefit of this experience.

That's 200,000 math and reading teachers. Receiving 40 hours of intensive, out-of-classroom training and 80 hours of critical follow-up support, all according to UC standards.

Together, we will build the best-trained, most-highly-skilled army of teachers ever.

Of course, great teachers respond to great leadership.

In my visits to schools, I've seen firsthand how a strong and determined principal like Melvin Avenue's Susan Grossman can elevate a school. So, this year, I will request funds to train every principal and vice-principal in California—15,000 in all—in programs that meet University of California criteria.

There's even more to the equation. Studies show that young people who take algebra succeed at much higher rates than those who don't.

To the next generation of Californians, I say this: *do the math.*

Ninety percent of all new jobs require advanced math skills. *Ninety percent.* More than ever, math is the doorway to higher learning and future success.

Since I took office, we've been implementing the toughest math standards in the nation.

Last year, I was pleased to sign Senator Poochigian's bill that requires—for the first time—every student in California to take algebra before they graduate from high school.

Our challenge now is recruiting 1,300 new algebra teachers to meet this new demand.

So I will ask you to fund a \$30-million Algebra Initiative. This is a financial incentive for schools to attract and retain high quality algebra teachers.

While we're investing in our oldest pupils, we won't forget our youngest.

Too many children step aboard a school bus for their first time without developing a solid foundation for learning right from the start.

To help our children prepare for the rigors of the classroom, I will appoint a task force led by my new Secretary for Education, Kerry Mazzoni, to work in partnership with the California Children and Families Commission, including its Chairman, Rob Reiner, to explore a comprehensive School Readiness Initiative.

I will ask them to focus on finding ways to provide local communities with critical resources—including Proposition 10 funds—to help prepare our children for a lifetime of learning and success.

Please join me in honoring my new Secretary for Education, Kerry Mazzoni and Chairman Rob Reiner.

HEALTH CARE

As we unleash the full potential of our children's minds, we are also ensuring that their bodies are healthy and strong.

Can any of you in this chamber imagine your child without health care? Thanks to Healthy Families, more parents than ever before don't have to.

When I was elected, only 30,000 kids were signed up for our Healthy Families program. Today, 375,000 children are enrolled—a 12-fold increase.

This expansion in Healthy Families combined with a strong economy has produced another piece of good news. Tonight, I'm pleased to announce the first real decrease in the number of uninsured Californians in at least two decades. In a single year, we moved 500,000 Californians to the ranks of the insured.

Yes, we're making progress, but our job's not done.

It's time to recognize that a "Healthy Family" is more than healthy children. It's healthy mothers and fathers, too.

I have already requested a federal waiver that will allow California to become only the fourth state in the nation to include parents in this program.

With your help, we will provide health care coverage to 290,000 working parents.

MY CALIFORNIA

Finally, I want to say a word about what we're doing to make California government more accessible to the people of California.

Tonight, we will launch our new state government website—the "My California Homepage."

We're using Web technology to personalize government in a way no other state ever has done.

With advice from the best minds in Silicon Valley who were part of our Web council, we have developed an Internet site that makes it simple to register your car, obtain a fishing license, check up on a school's academic performance and much, much more.

By next week, we will post information on our new campaign to conserve energy. All through a seamless, state-of-the-art Web portal found at my.ca.gov—your online link to California.

CONCLUSION

My friends, this is a time of great challenge for California.

But you and I have demonstrated to the people of this State that we are fully prepared to face those challenges and provide practical solutions.

Education. Energy. E-government. Health care. In the coming days, I will propose my Budget with additional initiatives in higher education, tax relief, public safety and environmental protection.

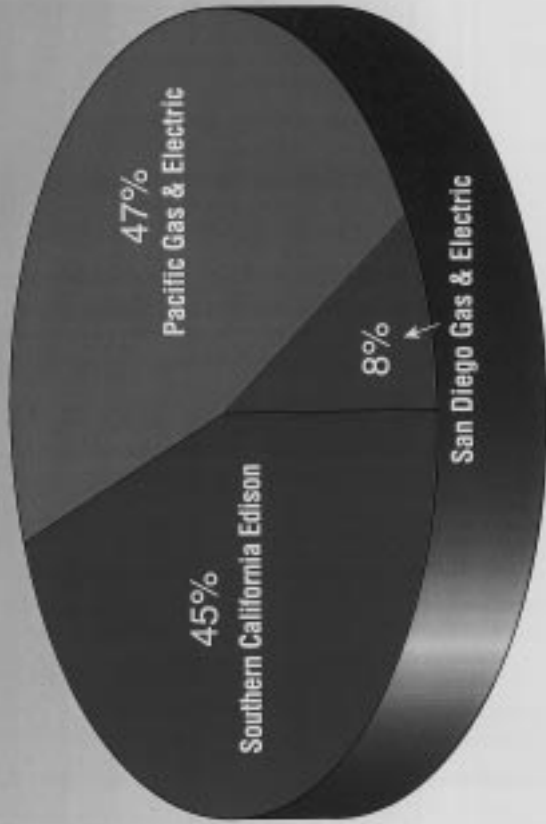
On all these issues, we must continue to be united by our collective desire to serve the people of California. To be guided by common values that cause us to seek common ground.

All of us—Democrats and Republicans alike—have a duty to the people of California to govern boldly *and* responsibly. With compassion *and* accountability. With big hearts *and* tough minds.

Now, let us move forward . . . in the spirit of bipartisan resolve. Together, we will bridge the gap between the California that is and the California that is yet to be.

Thank you, God bless you, and God bless California.

Who Owns the Power? 1997



Does not include municipal utilities

Who Owns the Power? 2001

MERCHANT GENERATORS = 53%

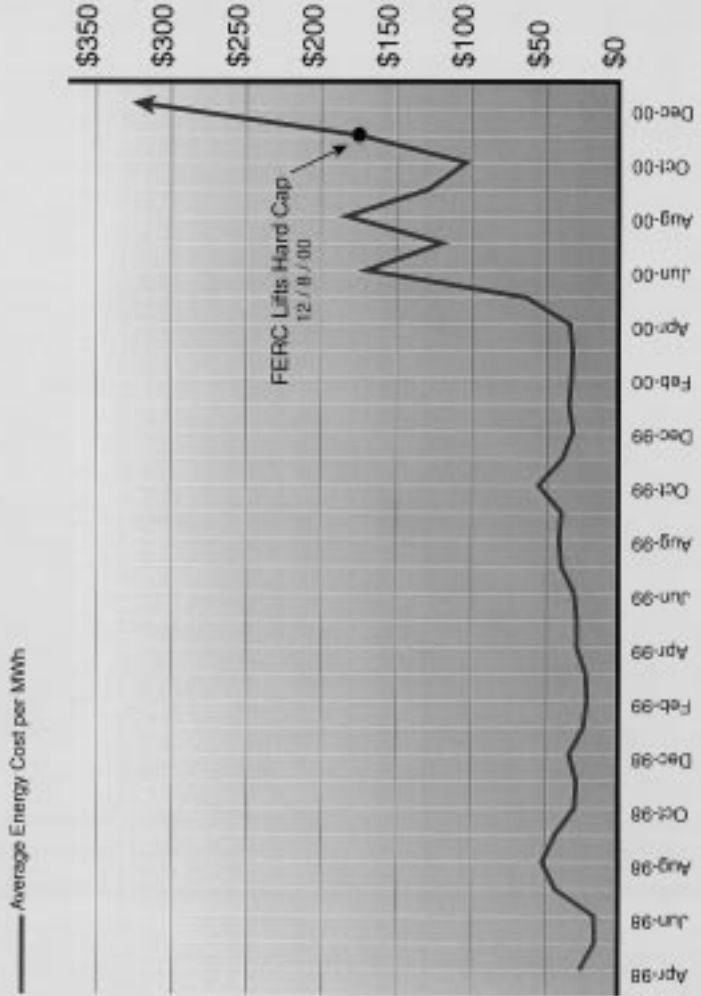
TOTAL CALIFORNIA UTILITIES = 47%



Does not include municipal utilities

OUT OF CONTROL?

The High Price of Energy



ADJOURN IN MEMORY

Assembly Member Aroner was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Clara Rodgers, of San Pablo.

Assembly Member Cardoza was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Al Haywood, of Los Banos.

Assembly Member Goldberg was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Manazar Gamboa, of Los Angeles.

Assembly Member Leach was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Marion Force Haswell, of Walnut Creek.

Assembly Member Migden was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Dorrwin Buck Jones, of San Francisco.

Assembly Members Shelley and Migden were granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Paul F. Wotman, of San Francisco.

Assembly Member Shelley was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Brian Cotter, of Burlingame.

Assembly Member Thomson was granted unanimous consent that when the Assembly adjourns on this day it do so out of respect to the memory of Pauline Templeman, of Sacramento.

INTRODUCTION OF GUESTS

Speaker Hertzberg introduced special guests from the United Kingdom: The Right Honorable Margaret Beckett, Member of Parliament, President of the Privy Council and the Leader of the House of Commons, accompanied by her husband, Mr. Leo Beckett, and Her Majesty's Acting Consul General in San Francisco, Gordon Simpson.

ADJOURNMENT

At 5:48 p.m., the Assembly adjourned until 7 a.m., Tuesday, January 9, 2001, out of respect to the memory of Clara Rodgers, on motion of Assembly Member Aroner; out of respect to the memory of Al Haywood, on motion of Assembly Member Cardoza; out of respect to the memory of Manazar Gamboa, on the motion of Assembly Member Goldberg; out of respect to the memory of Marion Force Haswell, on motion of Assembly Member Leach; out of respect to the memory of Dorrwin Buck Jones, on motion of Assembly Member Migden; out of respect to the memory of Paul F. Wotman, on motion of Assembly Members Shelley and Migden; out of respect to the memory of Brian Cotter, on motion of Assembly Member Shelley; and out of respect to the memory of Pauline Templeman, on motion of Assembly Member Thomson.

ROBERT M. HERTZBERG, Speaker

PAM CAVILEER, Minute Clerk