

CALIFORNIA LEGISLATURE
2001-02 REGULAR SESSION

ASSEMBLY DAILY JOURNAL

Tuesday, January 8, 2002

**ONE HUNDRED THIRTIETH 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 8, 2002

The Assembly met at 4:15 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.

Quorum Call of the Assembly

Assembly Member Keeley moved a quorum call of the Assembly.

Motion carried. Time, 4:16 p.m.

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

Quorum Present

At 4:55 p.m., Speaker Hertzberg declared a quorum of the Assembly present.

The roll call was completed, and the following answered to their names—76:

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

PRAYER

Upon invitation of Speaker Hertzberg, the following prayer was offered by Assembly Member Bill Leonard, of the 63rd Assembly District:

Heavenly Father, You are the author of harmony, of reason, and of progress. Because of our limitations and our points of view, our progress is not always harmonious nor is it always reasonable. Help us now in this chamber to struggle through the difficulties which divide us. Help each one of us to use our own particular God-given talents to bring about a meeting of minds for what is best for our people and for the State.

As You have asked of us in Your Word, we now ask You for blessings on our Speaker, our Assemblymembers, our Governor, and our Constitutional Officers. With special prayers for our Senators. Be with our men and women in the military and in law enforcement as we together look towards the State of our State tonight.—AMEN.

PLEDGE DEFERRED BY UNANIMOUS CONSENT

Speaker Hertzberg was granted unanimous consent that the Pledge of Allegiance be deferred until the convening of today's Joint Convention.

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 Cox.

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 Members Briggs and Washington.

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

Because of illness: Assembly Member Horton.

EXPLANATIONS OF ABSENCE

Pursuant to the Assembly Rules, the following explanations of absence were ordered printed in the Journal:

January 4, 2002

*The Honorable Robert Hertzberg
Speaker, California State Assembly
State Capitol, Room 219
Sacramento, California*

Dear Mr. Speaker: I am respectfully requesting to be excused from session on Tuesday January 8 and from check-in session on Wednesday January 9. I will be attending legislative business in my district.

Thank you for your assistance with this matter. Please feel free to contact Amy Krause in my Capitol Office if you have any questions.

Sincerely,

MIKE BRIGGS, Assembly Member
Twenty-ninth District

January 7th, 2002

*The Honorable Robert Hertzberg, Speaker
California State Assembly
State Capitol, Room 219
Sacramento, California*

Dear Speaker Hertzberg: I would like to request to be excused from Assembly Floor Session on Tuesday January 8th and Wednesday, January 9th, 2002. I will be in my district on legislative business.

Your consideration of this request is appreciated.

Sincerely,

CARL WASHINGTON, Assembly Member
Fifty-second District

ENGROSSMENT AND ENROLLMENT REPORTS

Assembly Chamber, January 8, 2002

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

Assembly Bill No. 108	Assembly Bill No. 887
Assembly Bill No. 143	Assembly Bill No. 958
Assembly Bill No. 181	Assembly Bill No. 1057
Assembly Bill No. 264	Assembly Bill No. 1076
Assembly Bill No. 269	Assembly Bill No. 1077
Assembly Bill No. 384	Assembly Bill No. 1106
Assembly Bill No. 501	Assembly Bill No. 1124
Assembly Bill No. 592	Assembly Bill No. 1150
Assembly Bill No. 610	Assembly Bill No. 1185
Assembly Bill No. 662	Assembly Bill No. 1289
Assembly Bill No. 718	Assembly Bill No. 1306
Assembly Bill No. 728	Assembly Bill No. 1377
Assembly Bill No. 746	Assembly Bill No. 1404
Assembly Bill No. 841	Assembly Bill No. 1410

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 8, 2002

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

- Assembly Bill No. 214
- Assembly Bill No. 271
- Assembly Bill No. 321
- Assembly Bill No. 352
- Assembly Bill No. 371
- Assembly Bill No. 410
- Assembly Bill No. 418
- Assembly Bill No. 516
- Assembly Bill No. 622
- Assembly Bill No. 629
- Assembly Bill No. 630
- Assembly Bill No. 643
- Assembly Bill No. 753
- Assembly Bill No. 754

- Assembly Bill No. 790
- Assembly Bill No. 803
- Assembly Bill No. 813
- Assembly Bill No. 851
- Assembly Bill No. 908
- Assembly Bill No. 953
- Assembly Bill No. 979
- Assembly Bill No. 1010
- Assembly Bill No. 1303
- Assembly Bill No. 1336
- Assembly Bill No. 1340
- Assembly Bill No. 1344
- Assembly Bill No. 1349
- Assembly Bill No. 1358

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 8, 2002

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

- Assembly Bill No. 1416
- Assembly Bill No. 1462
- Assembly Bill No. 1509

- Assembly Bill No. 1576
- Assembly Bill No. 1625

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 8, 2002

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

- Assembly Bill No. 248

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above bill re-referred to committee.

Assembly Chamber, January 8, 2002

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

- Assembly Constitutional Amendment No. 13

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above resolution re-referred to committee.

Assembly Chamber, January 8, 2002

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

- Assembly Concurrent Resolution No. 111

And reports the same correctly engrossed.

E. DOTSON WILSON, Chief Clerk

Above resolution re-referred to committee.

SPECIAL COMMITTEE MEETINGS

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

- Business and Professions, on January 15, 2002;
- Local Government, on Wednesday, January 16, 2002, at 1:30 p.m.;
- Education, on February 20, 2002, at 1:30 p.m., Room 4202;
- Select Committee on School Safety, January 25, 2002, Norwalk La Mirada School District; on February 1, 2002, ABC Unified School District; and February 8, 2002, Whittier Elementary School District.

**INTRODUCTION AND FIRST READING OF
ASSEMBLY BILLS**

The following bills were introduced and read the first time:

ASSEMBLY BILL NO. 1760—John Campbell. An act to amend Section 31.5 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933), relating to water.

ASSEMBLY BILL NO. 1761—Papan. An act to amend Section 1280 of the Unemployment Insurance Code, relating to unemployment insurance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

ASSEMBLY BILL NO. 1762—Vargas. An act to repeal Section 4427 of the Business and Professions Code, relating to prescription drugs.

ASSEMBLY BILL NO. 1763—Richman. An act to add Division 111 (commencing with Section 130350) to the Health and Safety Code, relating to public health, and making an appropriation therefor.

ASSEMBLY BILL NO. 1764—Wayne. An act to amend Section 474 of the Penal Code, relating to forgery.

ASSEMBLY BILL NO. 1765—Bogh. An act to amend Section 35400 of the Vehicle Code, relating to vehicles.

ASSEMBLY BILL NO. 1766—Committee on Higher Education (Alquist (Chair), Bogh (Vice Chair), Chu, Havice, Jackson, Liu, Lowenthal, Matthews, Negrete McLeod, Robert Pacheco, Strickland, and Wyman). An act to amend Section 69437 of the Education Code, relating to student financial aid.

ASSEMBLY BILL NO. 1767—Papan. An act to repeal Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure, relating to discovery.

ASSEMBLY BILL NO. 1768—Wayne. An act to amend Section 30166 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

RESOLUTIONS

The following resolutions were offered:

ASSEMBLY CONCURRENT RESOLUTION NO. 127—Oropeza (Principal coauthor: Cohn) (Coauthors: Alquist, Aroner, Bates, Briggs, Calderon, Bill Campbell, John Campbell, Cox, Diaz, Dickerson, Firebaugh, Leach, Longville, Matthews, Mountjoy, Robert Pacheco, Papan, Pescetti, Reyes, Strom-Martin, Thomson, Wesson, and Wyman) (Coauthors: Senators Alarcon, Chesbro, Dunn, Karnette, Kuehl, McClintock, Polanco, and Vincent). Relative to September 11, 2001.

HOUSE RESOLUTION NO. 30—Cohn. Relative to nurse anesthetists week.

AUTHOR'S AMENDMENTS

Committee on Natural Resources

January 8, 2002

Mr. Speaker: The Chair of your Committee on Natural Resources reports:

Assembly Bill No. 1173

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

WAYNE, Chairman

ASSEMBLY BILL NO. 1173—An act to amend Section 39657 of the Health and Safety Code, relating to air pollution.

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 Natural Resources

January 8, 2002

Mr. Speaker: The Chair of your Committee on Natural Resources reports:
Assembly Bill No. 1482

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

WAYNE, Chairman

ASSEMBLY BILL NO. 1482—An act to add Article 6 (commencing with Section 41860) to Chapter 7 of Part 2 of Division 30 of the Public Resources Code, relating to solid waste.

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 8, 2002

Mr. Speaker: The Chair of your Committee on Transportation reports:
Assembly Bill No. 841

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

DUTRA, Chairman

ASSEMBLY BILL NO. 841—An act to add Section 27318 to the Vehicle Code, relating to air bags.

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 Higher Education

January 8, 2002

Mr. Speaker: The Chair of your Committee on Higher Education reports:
Assembly Bill No. 907

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

ALQUIST, Chairwoman

ASSEMBLY BILL NO. 907—An act to amend and repeal Sections 87480, 87481, 87482, and 87482.5 of, to amend, repeal, and add Section 87478 of, and to repeal, add, and repeal Section 87482.4 of, the Education Code, relating to community colleges.

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 8, 2002

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

Assembly Bill No. 1410

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

DUTRA, Chairman

ASSEMBLY BILL NO. 1410—An act to add Section 663.8 to the Harbors and Navigation Code, relating to vessels.

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 8, 2002

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

Assembly Bill No. 1039

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

DUTRA, Chairman

ASSEMBLY BILL NO. 1039—An act to amend section 99233.2 of the Public Utilities Code, relating to transportation.

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 8, 2002

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

Senate Bill No. 65

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

HAVICE, Chairwoman

SENATE BILL NO. 65—An act relating to state employees, 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 Elections, Reapportionment and Constitutional Amendments

January 8, 2002

Mr. Speaker: The Chair of your Committee on Elections, Reapportionment and Constitutional Amendments reports:

Assembly Bill No. 693

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

LONGVILLE, Chairman

ASSEMBLY BILL NO. 693—An act to amend Section 87461 of the Government Code, relating to the Political Reform Act of 1974.

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 Jobs, Economic Development and the Economy

January 8, 2002

Mr. Speaker: The Chair of your Committee on Jobs, Economic Development and the Economy reports:

Assembly Bill No. 625

Assembly Bill No. 626

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

REYES, Chairwoman

ASSEMBLY BILL NO. 625—An act to amend Section 15364.71 of the Government Code, relating to overseas trade offices.

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. 626—An act to add Section 15365.14 to the Government Code, relating to trade and commerce.

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 Elections, Reapportionment and Constitutional Amendments

January 8, 2002

Mr. Speaker: The Chair of your Committee on Elections, Reapportionment and Constitutional Amendments reports:

Assembly Bill No. 1713

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

LONGVILLE, Chairman

ASSEMBLY BILL NO. 1713—An act to amend Section 8022 of the Elections Code, relating to primary elections.

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 Appropriations

January 8, 2002

Mr. Speaker: The Chair of your Committee on Appropriations reports:
 Assembly Bill No. 1108

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

MIGDEN, Chairwoman

ASSEMBLY BILL NO. 1108—An act to add Section 33200.6 to the Public Resources Code, relating to the Santa Monica Mountains.

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 Business and Professions

Date of Hearing: January 8, 2002

Mr. Speaker: Your Committee on Business and Professions reports:
 Assembly Bill No. 269

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

Above bill re-referred to the Committee on Health.

Date of Hearing: January 8, 2002

Mr. Speaker: Your Committee on Business and Professions reports:

Assembly Bill No. 264
 Assembly Bill No. 356
 Assembly Bill No. 728

With the recommendation: Do pass, and re-refer to Committee on Appropriations with recommendation: To Consent Calendar.

CORREA, Chairman

Above bills re-referred to the Committee on Appropriations.

Date of Hearing: January 8, 2002

Mr. Speaker: Your Committee on Business and Professions reports:

Assembly Bill No. 1336

With the recommendation: Do pass.

CORREA, Chairman

Above bill ordered to second reading.

Committee on Transportation

Date of Hearing: January 7, 2002

Mr. Speaker: Your Committee on Transportation reports:

Assembly Bill No. 887

With the recommendation: Do pass, and re-refer to Committee on Appropriations with recommendation: To Consent Calendar.

DUTRA, Chairman

Above bill re-referred to the Committee on Appropriations.

Date of Hearing: January 7, 2002

Mr. Speaker: Your Committee on Transportation reports:

Assembly Concurrent Resolution No. 111

With the recommendation: Be adopted, and be re-referred to the Committee on Appropriations with recommendation: To Consent Calendar.

DUTRA, Chairman

Above resolution re-referred to the Committee on Appropriations.

Committee on Business and Professions

Date of Hearing: January 8, 2002

Mr. Speaker: Your Committee on Business and Professions reports:

Assembly Bill No. 248

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

CORREA, Chairman

Above bill re-referred to the Committee on Appropriations.

REQUEST FOR PHOTOGRAPHER

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

IN JOINT CONVENTION

At 4:58 p.m., the Senate and Assembly met in Joint Convention. Hon. Robert M. Hertzberg, Speaker of the Assembly, presiding.

PRESENTATION OF COLORS

The Presentation of Colors by the California National Guard was followed by the Pledge of Allegiance to the Flag, led by Speaker Hertzberg.

APPOINTMENT OF JOINT COMMITTEE ON ESCORT

Speaker Hertzberg appointed Senators Ortiz, Brulte, Romero, Costa, and Johnson and Assembly Members Migden, Cox, Wesson, Reyes, and Steinberg 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. Harry Low, Insurance Commissioner; 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. Joyce L. Kennard, Hon. Marvin R. Baxter, Hon. Kathryn M. Werdegar, Hon. Ming Chin, Hon. Janice Rogers Brown, and Hon. Carlos Moreno.

PRESENTATION OF SENATE DEMOCRATIC CAUCUS CHAIR

Speaker Hertzberg then presented the Honorable Jack O'Connell, Senate Democratic Caucus Chair.

PRESENTATION OF LIEUTENANT GOVERNOR

Senate Democratic Caucus Chair O'Connell 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 5:51 p.m., there being no further business, Speaker Hertzberg declared the Joint Convention adjourned *sine die*.

IN ASSEMBLY

At 5:51 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

Tuesday, January 8th, 2002

Thank you, Lieutenant Governor Bustamante. Speaker Hertzberg, President Pro Tempore Burton, Speaker-designate Wesson, distinguished Members of the Legislature, Chief Justice Ron George and honorable Justices of the Supreme Court, including our newest justice, Carlos Moreno.

Please join me in welcoming Justice Moreno to our highest court.

My fellow Constitutional Officers, esteemed Cabinet Secretaries, friends and fellow Californians.

Please join me in welcoming the two most important women in my life—the love of my life, the First Lady of California, Sharon Davis, and the first lady of the Davis family, my mother, Doris Morell.

KEEPING CALIFORNIANS SAFE

The horrific events of September 11th shocked us all—and changed our world forever.

All four hijacked planes were bound for California.

On that darkest day, more than 100 fellow Californians paid the ultimate price for our freedom, as much as any soldier who ever fought in any war.

Tonight, we dedicate ourselves to building a future worthy of their sacrifice.

We're honored to have with us tonight Inez Paskins, whose husband Jerry perished in the World Trade Center. And Tom and Melanie Frost, who lost their daughter Lisa on United Flight 175.

God bless each one of you.

On September 11th, the world also saw our greatest strength in the courage of the passengers who made United Flight 93 a final stand against terror. I am honored to have with us the loved ones of two of those Northern California passengers.

Please join me in welcoming Alice Hoglan, the mother of Mark Bingham. And Kim, Sonali and Chris Beaven, the family of Alan Beaven.

Also with us tonight is Chief Rick Martinez of the Sacramento County Fire Department. Rick personifies the spirit of sacrifice as a leader of the urban search and rescue teams in New York City. They spent every waking hour in a dangerous valley of death in the hope of finding life. We thank you, Chief, and all six search and rescue teams from California who went to Ground Zero.

In the aftermath of these unspeakable attacks, we moved rapidly to protect Californians. I directed the California Highway Patrol to provide additional protection for our highways, dams and water supply. I activated the California National Guard to protect our airports and bridges.

We increased security for our power plants and food supply. We enhanced the state of readiness of our public health system.

In fact, no state has done more than California to protect its citizens and vital assets since the terrorist attacks. Now, many states are emulating our example.

Our ability to respond so rapidly was enhanced by actions we took back in 1999. That spring, I established the State Committee on Terrorism and the State Threat Assessment Committee. They gave us a head start in marshaling our forces for this war against terrorism.

After September 11th, I established the state Anti-Terrorism Information Center in the Attorney General's office and the Joint Information Center in my Office of Emergency Services. These actions have made California a model of preparedness.

In addition, I hired one of the country's most experienced anti-terrorist experts as my security adviser. He's a 10-year veteran of the California Highway Patrol and a 23-year veteran of the FBI. Please welcome George Vinson.

The horror of September 11th is seared in our hearts and minds forever.

But so, too, is the spirit of courage, sacrifice and patriotism to which this tragedy gave new life.

Tonight, we honor the valiant men and women of our Armed Forces. These guardians of justice and freedom are meeting the threat of terror with strength, bravery and resolve.

History shows that freedom exacts a high price. Many times, it requires the supreme personal sacrifice.

Last month, California lost a hero of our own, an elite Special Forces soldier—Army Staff Sergeant Brian Cody Prosser. Cody gave his life for his country—and for our freedom. It's my heartfelt honor to introduce Cody's mother and stepfather—Ingrid and Al Solhaug.

While we honor and support our fighting men and women overseas, we also pay tribute to those keeping us safe here at home. The men and

women of law enforcement and the California National Guard have put themselves in harm's way to protect our very way of life. For that, we owe them our deepest gratitude.

Please join me in honoring those Guard members here tonight.

My friends, the citizen-soldiers of the National Guard should not have to pay for the privilege of protecting us against terrorism. Many of the reserves called to duty left better-paying jobs behind. During these extraordinary times, the State should pay the difference between military and civilian pay for State employees who've been called up to duty.

Many private companies already make this commitment. I urge every other employer who can, to make their Guard employees whole.

Since September 11th, we acted swiftly to protect our airports, bridges, highways and dams, to secure our water supplies and electricity grid and to prepare our health facilities. But there is more we can and must do.

First, we're working with the Bush Administration to create a tiered system of public warnings when terrorist threats occur.

Second, we're asking the federal government to allow Highway Patrol officers to provide additional "sky-marshal" protection on in-state flights they're already taking in the course of their duties.

Third, we'll ensure that law enforcement officials—with the authority of the court—can monitor communications by suspected terrorists and allow "roving" wiretaps on suspects.

Fourth, we'll tighten controls over the transportation of toxic and hazardous materials.

In addition, I will ask the Attorney General to review new federal anti-terrorism legislation to ensure that California law is consistent with—and at least as tough—as national law. Attorney General Lockyer, I commend and applaud you for your vigilance and cooperation during these difficult times.

BUILDING THE FOUNDATION FOR A BRIGHT FUTURE

The events of September 11th also struck a major blow to our nation's economy. California, like most other states, is now faced with daunting challenges. After three years of unprecedented economic expansion in this State, the coming year will require some difficult choices.

But even with the budget cuts that will be necessary, California will still be *much stronger* than it was when I took office.

The Golden State's underlying economy remains more diverse and entrepreneurial than ever. When the economy does rebound—as we know it will—California will be better prepared to come roaring back because of the smart investments and dramatic progress we've made together over the past three years.

My friends, California has challenges ahead—but also a bright future.

I am proud to report to you tonight that—together—we've made good on the promise to lead California in a new direction, guided by lasting values.

Just look at what we've accomplished together:

Although unemployment has risen after September 11th, California has created 900,000 new jobs in the last three years—more than any other state in America.

When I took office in 1999, California was the world's seventh largest economy. Today—because of the extraordinary ingenuity and industry of Californians—we are the fifth-largest economy on the planet, surpassing both France and Italy.

Within 28 days of taking office, I traveled to Mexico to demonstrate the respect our only international neighbor deserves. Our trade with Mexico has increased three years in a row—and Mexico is now our largest trading partner. As a result, we've added 66,000 new jobs in California.

In education, we've made consistent and measurable progress:

We've recruited 15,000 new teachers for our schools, and 20,000 college students have taken advantage of our incentives to become future teachers.

100,000 teachers have received rigorous, world-class training under the auspices of the University of California.

More than 1,300 teachers have met the high national standards for prestigious national certification—a ten-fold increase in three years.

Last year alone, in part because of our incentives, 516 California teachers became Board-certified.

More than 200,000 teachers have taken advantage of our teacher tax credit.

And we've put a college education within the reach of hundreds of thousands of Californians.

For the first time ever, 100,000 students have earned Governor's Merit Scholarships, and nearly 200,000 will receive Cal Grants based on merit and need—the most ever at one time.

We take pride in all these numbers, but here's the one that counts the most: test scores have gone up *three years in a row*.

In health care, as well, the improvements are stunning:

More than one million California children have received health insurance who lacked coverage just three years ago. Today, the Healthy Families Program covers 500,000 kids—a ten-fold increase since I took office.

In fact, UCLA is about to announce the biggest two-year drop in the number of uninsured Californians since they began tracking those numbers.

California also leads the nation in HMO reform.

Nearly a quarter million Californians have been served by our new Department of Managed Health Care—the first such patient protection agency in any state. With the help of that Department, 40,000 Californians have taken on their HMO's—and won. They received the treatment their HMO denied—without having to go to court.

Our aggressive crackdown on Medi-Cal fraud has already saved \$228 million in taxpayers' money. By this time next year, it will have saved half a billion.

On public safety, we've:

Put more than 3,000 additional cops on our streets. And provided nearly 300 law enforcement agencies with state of the art equipment and access to new crime labs.

What else have we accomplished together?

600,000 families have benefited from our child-care tax credit.

We've made the largest investments in history in clean water, land conservation and coastal protection, while cutting state park fees in half.

An unprecedented \$6 billion in transportation improvements have been allocated by the Transportation Commission.

\$1.3 billion has been designated for local streets and roads.

Every one of these, my friends—every one—is a record achievement we can be proud of.

On top of these major investments, we have cut taxes by 4.3 billion dollars and put this money back into the pockets of California taxpayers.

In place of political promises, we've delivered bipartisan results to the people of this great State. Every step of the way, we've linked opportunity with accountability, progress with fiscal prudence.

MEETING THE ENERGY CHALLENGE

Now, no list of what we've achieved together would be complete without discussing our progress on energy. California defied the odds—and the prognosticators.

As all of you know, when I stood here last year we were facing an imminent implosion of our electricity system. The flawed deregulation scheme we inherited backfired catastrophically. We'd experienced the first forced blackouts since the Second World War. Experts were predicting 32 days of blackouts over the summer.

We were 100% exposed to the wildly fluctuating energy market. Merchant generators—and even some of our own municipal utilities—were gouging us unconscionably. Manufacturing firms and other businesses were threatening to leave California because of the disruption of power.

But, together, we confronted the challenge, and kept the power flowing to our homes and businesses, cities, and farms.

As always, the people of California deserve the credit. They responded to our "Flex Your Power" campaign, conserved in record numbers, earned rebates in historic amounts and helped reduce our energy demand.

But we also built more supply in record time. We licensed 17 new major power plants and 12 new peaker plants. Eleven of those plants were built and put on-line by the end of last year, including the first three major plants in 13 years. In 2001, we brought more new power on-line than in the previous 12 years combined, enough to power 2 million homes.

Against all odds, we also successfully pressured a reluctant federal government to finally restore price caps and consider refunds. We tamed the spot market with long-term contracts. And we established the California Power Authority to help ensure our energy future.

California has the most technologically advanced economy in the world—and it lives or dies on a stable supply of electricity. Our high tech industries cannot survive the lights flickering, much less going out.

Make no mistake: my overriding imperative last year was to ensure California had reliable electricity.

By doing so, we protected public health and safety, prevented a melt-down of our economy, kept business from leaving the State—and even created new jobs through expansions that were put on hold earlier in the year.

Now that the supply of natural gas has stabilized and the price has fallen, we are renegotiating some of the long-term contracts to ensure ratepayers a reliable supply of electricity at less cost.

But the recent collapse of Enron is another sign of the extreme volatility and uncertainty we still face in the deregulated energy sector.

We must continue to conserve. We must continue to build more plants, cleaner plants, more efficient plants to replace our aging facilities. We must maintain our vigilance to protect our economy and our citizens against further energy disruptions.

RESPONDING TO A SOFTENING ECONOMY

Now, with the same resolve we demonstrated during the energy crisis, we will squarely confront the current economic downturn and its consequences.

In the coming year, we must have the courage to make tough decisions in tough times. The Department of Finance and the Legislative Analyst agree that we are facing a shortfall of more than 12 Billion dollars. We will have to be smarter and more focused. And *we will*—with confidence in our eventual resurgence and still bright future.

But, in so doing, we will not back away from our historic commitments to education, economic growth, health care and public safety.

From Day One, we have exercised fiscal restraint and responsibility. In good times, we made smart investments in California's future. Still, even with our budgets flush—and well before the sharp decline of the technology sector and the attacks of September 11th—we were always careful with the taxpayers' dollar.

- We invested a substantial portion of our surpluses into one-time investments—such as transportation—instead of ongoing spending.
- With both Democratic and Republican votes, we passed two back-to-back, on-time budgets in 1999 and 2000—the first in 16 years.
- We established a \$2.6 billion reserve in the current budget year—the largest rainy day fund in 23 years.
- And I exercised my veto authority to cut \$7.4 billion in otherwise worthy proposals over three years.
- I also suspended allocation of \$2 billion in the current budget year, cut operating expenses by \$150 million and ordered an immediate hiring freeze.

While demonstrating good fiscal stewardship, we also addressed the critical issues facing California and provided for those most in need. After three years, we enter this new year with better schools, healthier families, increased worker protections and safer communities.

The budget I will submit to you in two days will be fair, will preserve the major gains of the last three years, will protect local government—and *will not increase taxes*.

I will call on you to close the budget gap with a combination of cutbacks, deferred spending, internal borrowing and accelerated revenue.

Here are the basic principles I used in formulating the budget:

First, my commitment to public education remains resolute.

Let me be clear: education will be protected above everything else in my Budget. For three years in a row, we've increased our investment in K-12 education and met or exceeded the Prop-98 guarantee. This year, once again, I intend to invest more in schools in 2002 than we did in 2001 AND we will meet the Prop-98 guarantee. That is how progress is preserved.

I have asked you to reduce some of the budget augmentations we made last year. But I will fight to protect those investments vital to the classroom itself, where teachers teach and students learn.

Second, we will maintain our full commitment to public safety. This is no time to weaken our resolve to combat crime and protect our citizens.

The terrible events of September 11th underscored the value to us all of those who protect America—police, sheriffs, firefighters and emergency medical personnel.

Third, I will expand our commitment to children.

I'll be proposing an expansion of safe and affordable child care to serve 100,000 more children. I'll propose an expansion of the Childhood Lead Poisoning Prevention Program.

And, although I asked you to postpone the expansion of before and after school programs in the current year, in my budget, I'll propose an increase of \$75 million—the largest ever made to this program.

Fourth, I am opposed to balancing the State's budget on the backs of local government.

Whether we are elected at the State or local level, we all took the same oath—to serve the people. So I will continue the State's commitment to repay vehicle license fees to local government.

Fifth, I will not advocate raising taxes.

That would further burden individuals and businesses struggling to stay afloat in these difficult economic times.

These are the principles that guided me in preparing the budget. And, even with the cutbacks I will propose, *California will be much stronger than it was just three years ago.*

As a critical step in addressing our budget shortfall, I have called a concurrent Special Session of the Legislature. I urge you to take up as your first order of business \$2 billion in cuts in the current budget year that I called for in November. Failure to act quickly on these cuts will only increase the pain for our fellow citizens who depend on the State for vital services.

Given our softening economy, we must do everything we can to help those who've lost their jobs. We must also stimulate the economy and create new jobs.

Now, most of the tools to accomplish these goals are in the hands of our representatives in Washington. I urge the President and Congress to pass an economic stimulus package.

But we have to do our part, too. Here at the state level, we must do all we can to reinvigorate our economy.

First, I will ask you to make retroactive to September 11th the increases in unemployment benefits I approved last year. Those who lost their jobs, especially as a result of terrorism, deserve the higher levels of unemployment assistance that went into effect two days ago. This change alone will put \$400 million in benefits into the hands of laid-off California workers.

Second, I'll also be sending you legislation to authorize \$678 million dollars in lease revenue bonds to accelerate new public works projects that are ready to go.

Third, world-class schools need world-class facilities. I was proud to chair the successful Proposition 39 campaign that will help to finance the construction of local schools. But our state bond funds are exhausted. So I will urge you to support \$30 billion in school bonds over three general elections to build new schools and modernize existing ones.

One key component of California's workforce is our nursing corps.

We must recruit and train thousands of new nurses who are the backbone of our medical delivery system. In the coming weeks, I will propose measures to expand the number of nurses throughout the State. I will provide incentives to clinics and hospitals that support clinical placements for nursing students, new graduates and returning nurses. We will also remove barriers to qualified licensed nurses moving to California from other states and other countries.

Now, a faltering economy forces us to take a hard look at California's job training and workforce development system. It's a 4.6-billion-dollar Goliath made up of 34 different programs in 13 different agencies.

The demands of our new economy—especially in this time of change—requires a new approach. That is why I'll be sending you a proposal to reorganize these entities into a new Cabinet-level Labor and Workforce Development Agency.

In streamlining these programs, we will achieve greater accountability and efficiency. While we generate new jobs and serve our workers, we also need to protect our older citizens.

So I propose we reauthorize of the Medicare Drug Discount Program, which provides seniors the same prescription drug discounts the state enjoys—of 20–30 percent.

On one more issue that affects us all—protecting the individual privacy—we've already made significant strides.

We established the first statewide Office of Privacy Protection and our first "do not call" list for unwanted telemarketing calls. We've banned phantom calling, enhanced opt-out rights for credit card consumers and required businesses to tighten controls on dissemination of personal information.

But we have not done enough.

So I will propose legislation that, in clear and simple language, gives consumers more power to control whether, when and where sensitive, personal information may be used or sold by financial institutions. When we're done, we'll have the most comprehensive, consumer-friendly privacy laws in the nation.

THE TRUE MEASURE OF LEADERSHIP

Tonight, in this hard hour, the challenges of leadership are many.

Restoring abundance in a time of economic shortfall; Maintaining safety in a time of global conflict; Sustaining hope and tranquility in a time of fear and uncertainty;

The true measure of leadership is how we master these moments.

Because of the smart investments we've made together over the past three years, because of our fiscal caution, because we put progress above partisanship, we are better prepared to meet the challenges ahead.

If, on occasion, we doubt our capacity to succeed, let us find inspiration in the courageous passengers of Flight 93, who on an ordinary morning boarded an ordinary plane and did extraordinary things.

These were everyday people who upon realizing their fate summoned up the courage to overpower their captors. Their heroism rallied the nation and guaranteed that no more innocent lives would be lost.

We may never know how many thousands of lives they saved. But this we do know. Flight 93 was one of freedom's finest hours.

With God's grace—and with the courage of these heroes and our own lasting values as our guide—we will continue to turn adversity into accomplishment and lead this great State forward.

May God shine his magnificent grace on the United States of America. May God bless our great state. And may God bless each and every one of you.

ADJOURN IN MEMORY

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 Alfred Wilsey, of San Francisco; and Alfred J. Nelder, of San Francisco.

MOTION TO ADJOURN

At 5:51 p.m., Assembly Member Shelley moved that the Assembly do now adjourn.

Assembly Member Leonard seconded the motion.

Motion carried.

QUORUM CALL OF THE ASSEMBLY DISPENSED WITH

At 5:51 p.m., Speaker Hertzberg declared the quorum call of the Assembly dispensed with.

ADJOURNMENT

At 5:51 p.m., pursuant to the motion by Assembly Member Shelley, the Assembly adjourned until 7 a.m., Wednesday, January 9, 2002, out of respect to the memory of Alfred Wilsey and Alfred J. Nelder on motion of Assembly Member Shelley.

ROBERT M. HERTZBERG, Speaker

PAM CAVILEER, Minute Clerk

AMENDMENTS CONSIDERED BY THE ASSEMBLY ON JANUARY 8, 2002

The following measures were amended in the Assembly on this day:

AB	RN
625	0124190
626	0124231
693	0124628
841	0124704
907	0200103
1039	0124675
1108	0124929
1173	0124616
1410	0124796
1482	0200151
1713	0124583

SB	RN
65	0200145

Daily Total:	12
Cumulative Total:	3268

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