

CALIFORNIA LEGISLATURE
2007-08 REGULAR SESSION

ASSEMBLY DAILY JOURNAL

Wednesday, August 22, 2007

ONE HUNDRED NINTH SESSION DAY

TWO HUNDRED SIXTY-SECOND CALENDAR DAY

AT SACRAMENTO, CALIFORNIA



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

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

PROCEEDINGS OF THE ASSEMBLY

IN ASSEMBLY

Assembly Chamber, Sacramento
Wednesday, August 22, 2007

The Assembly met at 7 a.m.

Hon. Michael Villines, Assembly Member, 29th District, presiding.

Chief Clerk E. Dotson Wilson at the Desk.

Assistant Clerk Elizabeth Potter reading.

ROLL CALL

The following were placed upon the morning roll call—76:

Adams	Duvall	Jones	Portantino
Aghazarian	Dymally	Karnette	Price
Anderson	Emmerson	Keene	Runner
Arambula	Eng	Krekorian	Ruskin
Bass	Evans	La Malfa	Salas
Beall	Feuer	Laird	Saldaña
Benoit	Fuentes	Leno	Silva
Berryhill	Gaines	Levine	Smyth
Blakeslee	Galgiani	Lieber	Solorio
Brownley	Garcia	Lieu	Soto
Caballero	Garrick	Ma	Spitzer
Carter	Hancock	Maze	Strickland
Cook	Hayashi	Mendoza	Swanson
Coto	Hernandez	Mullin	Torrico
Davis	Horton	Nakanishi	Tran
De La Torre	Houston	Nava	Villines
De León	Huff	Niello	Walters
DeSaulnier	Huffman	Parra	Wolk
DeVore	Jeffries	Plescia	Mr. Speaker

Quorum present.

At 1:45 p.m., Hon. Doug La Malfa, 2nd District, presiding

REGULAR BUSINESS DISPENSED WITH

By unanimous consent, the regular order of business of the Assembly was dispensed with for this legislative day.

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 Calderon.

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

Because of illness: Assembly Member Berg.

Because of a death in her family: Assembly Member Fuller.

EXPLANATIONS OF ABSENCE

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

August 22, 2007

*The Honorable Fabian Núñez
Speaker of the Assembly
State Capitol, Room 219
Sacramento, California*

The Honorable Fabian Núñez: I respectfully request to be excused Wednesday, August 22, 2007, for legislative business.

Thank you for your consideration of this request.

Sincerely,

CHARLES M. CALDERON, Assembly Member
Fifty-eighth District

SPECIAL COMMITTEE MEETINGS

By unanimous consent, the following committee was permitted to meet:

Select Committee on Youth Violence Prevention, on Thursday, August 30, 2007.

COMMUNICATIONS

The following communications were presented by the Chief Clerk from:

Sue Johnsrud, Director, Administrative Services Division, Department of Justice, dated June 22, 2007, submitting letter of transmittal regarding the delay on submitting a report on California Alliance to Combat Trafficking and Slavery (pursuant to Penal Code Section 13990).

Referred by the Speaker to the Committee on Public Safety.

John A. Wagner, Director, Department of Social Services, dated July 25, 2007, submitting letter of transmittal regarding the report on Implementing Public Authorities and Nonprofit Consortia to Deliver In-Home Supportive Services (pursuant to Senate Bill 1780, Chapter 206, Statutes of 1989, Welfare and Institutions Code Section 12301.6).

Referred by the Speaker to the Committee on Human Services.

Proposed Initiatives

The following communications were presented by the Chief Clerk from:

Toni Melton, Initiative Secretary, Department of Justice, date June 25, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Government Acquisition, Regulation of Private Property.
Constitutional Amendment. Initiative No. 07-0015**

Referred by the Speaker to the Committees on Local Government and Judiciary.

Toni Melton, Initiative Secretary, Department of Justice, date June 27, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Mandatory Reporting of
Pregnancies and Sexually Transmitted Infections in Minors as Abuse.
Constitutional and Statutory Amendment. Initiative No. 07-0013**

Referred by the Speaker to the Committees on Health and Public Safety.

Toni Melton, Initiative Secretary, Department of Justice, date July 2, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Requirements for Presidential Electors.
Statute. Initiative No. 07-0016**

Referred by the Speaker to the Committee on Elections and Redistricting.

Toni Melton, Initiative Secretary, Department of Justice, date July 5, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Eminent Domain. Acquisition of Owner-Occupied Residence.
Constitutional Amendment. Initiative No. 07-0018**

Referred by the Speaker to the Committees on Judiciary and Local Government.

Toni Melton, Initiative Secretary, Department of Justice, date July 11, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Candidate Vote Requirement and Runoff Elections.
Qualification of Unaffiliated Candidates.
Statutory Amendment. Initiative No. 07-0019**

Referred by the Speaker to the Committee on Elections and Redistricting.

Toni Melton, Initiative Secretary, Department of Justice, date July 16, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Marriage. Elimination of Domestic Partnership Rights.
Constitutional Amendment. Initiative No. 07-0020**

Referred by the Speaker to the Committee on Judiciary.

Toni Melton, Initiative Secretary, Department of Justice, date July 16, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Limit on Marriage.
Constitutional Amendment. Initiative No. 07-0022**

Referred by the Speaker to the Committee on Judiciary.

Toni Melton, Initiative Secretary, Department of Justice, date July 17, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Limit on Marriage.
Constitutional Amendment. Initiative No. 07-0023**

Referred by the Speaker to the Committee on Judiciary.

Toni Melton, Initiative Secretary, Department of Justice, date July 27, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Internet Poker.
Statute. Initiative No. 07-0017**

Referred by the Speaker to the Committee on Governmental Organization.

Toni Melton, Initiative Secretary, Department of Justice, date August 2, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Tangible Ballots. Direct-Recording Electronic Devices.
Statute. Initiative No. 07-0021**

Referred by the Speaker to the Committee on Elections and Redistricting.

Toni Melton, Initiative Secretary, the Department of Justice, date August 13, 2007, transmitting copies of the title, summary and text of the following proposed initiatives pursuant to Elections Code Section 9007:

**Reduces Public Pension and Retirement Health Care Benefits.
Constitutional Amendment. Initiative No. 07-0024**

Referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

Referenda

The following communications were presented by the Chief Clerk from:

Toni Melton, Initiative Secretary, Department of Justice, date August 6, 2007, transmitting copies of the title, summary and text of the following referendum pursuant to Elections Code Section 9007:

**Referendum Petition
to Overturn Amendment to Indian Gaming Compact. No. 07-0036**

Referred by the Speaker to the Committee on Governmental Organization.

Toni Melton, Initiative Secretary, Department of Justice, date August 6, 2007, transmitting copies of the title, summary and text of the following referendum pursuant to Elections Code Section 9007:

**Referendum Petition
to Overturn Amendment to Indian Gaming Compact. No. 07-0035**

Referred by the Speaker to the Committee on Governmental Organization.

Toni Melton, Initiative Secretary, Department of Justice, date August 6, 2007, transmitting copies of the title, summary and text of the following referendum pursuant to Elections Code Section 9007:

**Referendum Petition
to Overturn Amendment to Indian Gaming Compact. No. 07-0037**

Referred by the Speaker to the Committee on Governmental Organization.

Toni Melton, Initiative Secretary, Department of Justice, date August 6, 2007, transmitting copies of the title, summary and text of the following referendum pursuant to Elections Code Section 9007:

**Referendum Petition
to Overturn Amendment to Indian Gaming Compact. No. 07-0038**

Referred by the Speaker to the Committee on Governmental Organization.

REPORTS

The following reports were presented by the Chief Clerk:

**Division of Apprenticeship Standards Annual Report
(Pursuant to Labor Code Section 3073.5)**

Above transmitted report, together with letter of transmittal from John M. Rea, Acting Director, Department of Industrial Relations, Office of the Director, dated June 20, 2007, referred by the Speaker to the Committee on Business and Professions.

**California's Community Mental Health Performance Outcome Report
Fiscal Year 2005-2006
(Pursuant to Assembly Bill 1288, Chapter 89, Statutes of 1991)**

Above transmitted report, together with letter of transmittal from Stephen W. Mayberg, Ph.D., Director, Department of Mental Health, dated June 25, 2007, referred by the Speaker to the Committee on Health.

**Report on the Electrician Certification Program
(Pursuant to Labor Code Section 3099.3(e))**

Above transmitted report, together with letter of transmittal from John M. Rea, Acting Director, Department of Industrial Relations, Office of the Director, dated June 26, 2007, referred by the Speaker to the Committee on Business and Professions.

**Armenia Trade Office
(Pursuant to Senate Bill 897, Chapter 604, Statutes of 2005)**

Above transmitted report, together with letter of transmittal from Dale E. Bonner, Secretary, Business, Transportation and Housing Agency, dated June 29, 2007, referred by the Speaker to the Committee on Jobs, Economic Development, and the Economy.

**Design Sequencing
(Pursuant to Assembly Bill 405, Chapter 378, Statutes of 1999,
Assembly Bill 2607, Chapter 340, Statutes of 2000,
and Senate Bill 1210, Chapter 795, Statutes of 2004)**

Above transmitted report, together with letter of transmittal from Richard Harmon, Assistant Deputy Director Division of Legislative and Local Government Affairs, Department of Transportation, dated June 27, 2007, referred by the Speaker to the Committee on Transportation.

**Report on Incompetent to Stand Trial
Commitments Exceeding the 10-Day Limit
(Pursuant to Senate Bill 391, Chapter 294, Statutes of 1997)**

Above transmitted report, together with letter of transmittal from Stephen W. Mayberg, Ph.D., Director, Department of Mental Health, dated June 25, 2007, referred by the Speaker to the Committee on Health.

**Annual Report of Trial Court Expenditures for Fiscal Year 2005–2006
(Pursuant to Government Code Section 68502.5(b))**

Above transmitted report, together with letter of transmittal from William C. Vickrey, Administrative Director of the Courts, Judicial Council of California, dated June 26, 2007, referred by the Speaker to the Committee on Judiciary.

**Drug and Alcohol Testing in Child Custody Cases:
Implementation of Family Code Section 3041.5
(Pursuant to Assembly Bill 1108, Chapter 19, Statutes of 2004)**

Above transmitted report, together with letter of transmittal from William C. Vickrey, Administrative Director of the Courts, Judicial Council of California, dated June 26, 2007, referred by the Speaker to the Committee on Judiciary.

**Quality Program Criteria for Agricultural and Natural Resources Programs
within the California Community College System
(Pursuant to Assembly Bill 1480, Chapter 362, Statutes of 2005)**

Above transmitted report, together with letter of transmittal from Louann Waldner, Coordinator, California Community Colleges Agriculture and Natural Resources State Advisory Committee, dated June 22, 2007, referred by the Speaker to the Committee on Higher Education.

**Flood Control and Water Conservation Liability
(Pursuant to Assembly Bill 92, Chapter 756, Statutes of 2001)**

Above transmitted report, together with letter of transmittal from William C. Vickrey, Administrative Director of the Courts, Judicial Council of California, dated July 2, 2007, referred by the Speaker to the Committee on Judiciary.

**Protective Vests
(Pursuant to Budget Act 2006, Item 5225-001-0001, #3)**

Above transmitted report, together with letter of transmittal from James E. Tilton, Secretary, Department of Corrections and Rehabilitation, dated July 3, 2007, referred by the Speaker to the Committee on Public Safety.

**Annual Report on the Employment of 16 and 17 Year Old Minors in
Lake County Agricultural Packing Plants During Peak Pear Packing Season
(Pursuant to Labor Code Section 1393.5(d))**

Above transmitted report, together with letter of transmittal from John M. Rea, Acting Director, Department of Industrial Relations, Office of the Director, dated July 3, 2007, referred by the Speaker to the Committee on Labor and Employment.

**State Employers' Industrial Disability Cost Report,
Fiscal Year 2005–06
(Pursuant to Assembly Bill 2244, Chapter 118, Statutes of 2006)**

Above transmitted report, together with letter of transmittal from Rob Feckner, President, California Public Employees' Retirement System, dated July 2, 2007, referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

**2007 Evaluation of People with Developmental Disabilities Moving from
Developmental Centers into the Community
(Pursuant to Welfare and Institutions Code, Section 4418.1 (a) through (j))**

Above transmitted report, together with letter of transmittal from Dorothy M. Place, Ph.D., Project Director, California State University, Sacramento, College of Continuing Education, dated June 30, 2007, referred by the Speaker to the Committee on Health.

**Salton Sea Ecosystem Restoration Program
Final Programmatic Environmental Impact Report
(Pursuant to Fish and Game Code Section 2081.7)**

Above transmitted report, together with letter of transmittal from Mike Chrisman, Secretary, Resources Agency, dated June 25, 2007, referred by the Speaker to the Committee on Water, Parks and Wildlife.

**Changes to the Peace Officer/Firefighter (PO/FF) Retirement Category
During Fiscal Year 2006-07
(Pursuant to Government Code Section 20398)**

Above transmitted report, together with letter of transmittal from David A. Gilb, Director, Department of Personnel Administration, dated July 10, 2007, referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

**Quarterly Hazardous Waste Fee Revenue Report
April 1, 2007 through June 30, 2007
(Pursuant to Health and Safety Code Section 25178.1)**

Above transmitted report, together with letter of transmittal from Ramon J. Hirsig, Executive Director, Board of Equalization, dated July 19, 2007, referred by the Speaker to the Committee on Revenue and Taxation.

**2006 California Workers' Compensation Losses and Expenses
(Pursuant to Insurance Code Section 11759.1)**

Above transmitted report, together with letter of transmittal from David M. Bellusci, Senior Vice President and Chief Actuary, Workers' Compensation Insurance Rating Bureau of California, dated June 18, 2007, referred by the Speaker to the Committee on Insurance.

**Crisis Intervention for Persons with Developmental Disabilities
(Pursuant to Senate Bill 1038, Chapter 1043, Statutes of 1998)**

Above transmitted report, together with letter of transmittal from Terri Delgadillo, Director, Department of Developmental Services, dated July 11, 2007, referred by the Speaker to the Committee on Human Services.

**2005 Urban Water Management Plans
(Pursuant to Water Code Section 10644(b))**

Above transmitted report, together with letter of transmittal from Lester A. Snow, Director, Department of Water Resources, dated July 19, 2007, referred by the Speaker to the Committee on Water, Parks and Wildlife.

**California 21st Century High School
After School Safety and Enrichment for Teens (ASSETs) Program
(Pursuant to Education Code Section 8428)**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated July 16, 2007, referred by the Speaker to the Committee on Education.

**Annual Railroad Local Safety Hazard Report
(Pursuant to Public Utilities Code Section 7711)**

Above transmitted report, together with letter of transmittal from Paul Clanon, Executive Director, Public Utilities Commission, dated July 23, 2007, referred by the Speaker to the Committee on Utilities and Commerce.

**Juvenile Justice Crime Prevention Act
(Pursuant to Government Code Section 30061(4))**

Above transmitted report, together with letter of transmittal from James E. Tilton, Secretary, Department of Corrections and Rehabilitation, dated June 27, 2007, referred by the Speaker to the Committee on Public Safety.

**Actuarial Valuation Reports as of June 30, 2006
(Pursuant to Education Code Sections 22311 and 25933)**

Above transmitted report, together with letter of transmittal from Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System, dated June 28, 2007, referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

**Interim Update of the Five-Year Infrastructure Plan
(Pursuant to Supplemental Report of the 2006 Budget Act
Item 3600-001-0001)**

Above transmitted report, together with letter of transmittal from L. Ryan Broddrick, Director, Department of Fish and Game, dated April 26, 2007, referred by the Speaker to the Committee on Water, Parks and Wildlife.

**San Francisco County Individualized Child Care Subsidy Pilot Project
Annual Report 2005–2006
(Pursuant to Senate Bill 701, Chapter 725, Statutes of 2005)**

Above transmitted report, together with letter of transmittal from Mardi Lucich, Citywide Child Care Administrator, San Francisco County, San Francisco Child Care Planning and Advisory Council, dated July 20, 2007, referred by the Speaker to the Committee on Human Services.

**California's Access to Visitation Grant Program for Fiscal Year 2005–2006
Annual Report
(Pursuant to Family Code Section 3204 (d))**

Above transmitted report, together with letter of transmittal from William C. Vickrey, Administrative Director of the Courts, Judicial Council of California, dated July 23, 2007, referred by the Speaker to the Committee on Judiciary.

**Property Tax Apportionments Calendar Year 2006
(Pursuant to Government Code Section 12468)**

Above transmitted report, together with letter of transmittal from John Chiang, California State Controller, dated July 25, 2007, referred by the Speaker to the Committee on Revenue and Taxation.

**Peace Officer Hiring Process
(Pursuant to Budget Act 2006, Item 5225-001-0001, Provision 16)**

Above transmitted report, together with letter of transmittal from James E. Tilton, Secretary, Department of Corrections and Rehabilitation, dated June 27, 2007, referred by the Speaker to the Committee on Public Safety.

**Expert Panel on Adult Offender and Recidivism Reduction Programming
(Pursuant to Budget Act 2006, Provision 18)**

Above transmitted report, together with letter of transmittal from James E. Tilton, Secretary, Department of Corrections and Rehabilitation, dated June 29, 2007, referred by the Speaker to the Committee on Public Safety.

**Notification of Data Used in the Second Principal Apportionment
Fiscal Year 2006–07
(Pursuant to Education Code Section 41339 (b))**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated August 2, 2007, referred by the Speaker to the Committee on Budget.

**Notification of Data Used in the Advance Apportionment
Fiscal Year 2007–08
(Pursuant to Education Code Section 41339 (b))**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated August 2, 2007, referred by the Speaker to the Committee on Budget.

**Child Care Facilities Revolving Fund 2006–07 Annual Report
(Pursuant to Education Code Section 8278.3 (b))**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated August 2, 2007, referred by the Speaker to the Committee on Budget.

**Reimbursable Projects Implemented Prior to Allocation
(Pursuant to Assembly Bill 872, Chapter 572, Statutes of 1999)**

Above transmitted report, together with letter of transmittal from Richard Harmon, Assistant Deputy Director, Division of Legislative Affairs and Local Government Affairs, Department of Transportation, dated August 7, 2007, referred by the Speaker to the Committee on Transportation.

**2007 OAL Determination No. 7 (S)
(Pursuant to Government Code Section 11340.5)**

Above transmitted report, together with letter of transmittal from Susan Lapsley, Director, Office of Administrative Law, dated August 3, 2007, referred by the Speaker to the Committee on Judiciary.

**2007 OAL Determination No. 8
(Pursuant to Government Code Section 11340.5)**

Above transmitted report, together with letter of transmittal from Susan Lapsley, Director, Office of Administrative Law, dated August 8, 2007, referred by the Speaker to the Committee on Judiciary.

**Disposition of State Lands in Modoc County
(Pursuant to Public Resources Code Section 6373)**

Above transmitted report, together with letter of transmittal from Paul D. Thayer, Executive Officer, California State Lands Commission, dated August 8, 2007, referred by the Speaker to the Committee on Natural Resources.

**Disposition of State Lands in San Bernardino County
(Pursuant to Public Resources Code Section 6373)**

Above transmitted report, together with letter of transmittal from Paul D. Thayer, Executive Officer, California State Lands Commission, dated August 8, 2007, referred by the Speaker to the Committee on Natural Resources.

**Redevelopment Housing Activities Fiscal Year 2005–06
(Pursuant to Health and Safety Code Section 33080.6)**

Above transmitted report, together with letter of transmittal from Lynn L. Jacobs, Director, Department of Housing and Community Development, dated August 8, 2007, referred by the Speaker to the Committee on Housing and Community Development.

**Limited Scope Audit Reports
(Pursuant to Budget Act 2006, Item 6110-156-0890, Provision 2 (b))**

Above transmitted report, together with letter of transmittal from Jack O’Connell, State Superintendent of Public Instruction, Department of Education, dated August 6, 2007, referred by the Speaker to the Committee on Education.

The following letters of transmittal were presented by the Chief Clerk, and ordered printed in the Journal:

California State Auditor

2006-036
July 12, 2007

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: As required by Chapter 858, Statutes of 2003, the Bureau of State Audits presents its audit report concerning the allocation and use of moneys from the Indian Gaming Special Distribution Fund (distribution fund).

This report concludes that money provided to local governments was used for the statutorily mandated purposes. However, not every project we reviewed was related to an impact from a casino. Although it appears that the intent of the law is that projects are to mitigate the impacts of tribal gaming, there is no specific requirement that they do so. Prior to this year, the Legislature ratified five new compacts and eight amended compacts since the original compacts were ratified in 1999. These post-1999 compacts require tribes to negotiate directly with local governments to mitigate the impacts of casinos, and eliminate the requirement that these tribes contribute to the distribution fund. However, some counties where these casinos are located continue to receive mitigation grant money from the distribution fund for the casinos operated by these tribes as well as from direct negotiations with

the tribes. We also noted several instances when local governments did not use the interest earned on unspent grant funds to pay for expenses related to casino mitigation projects. Rather, the interest was deposited into the local government's general fund or other operational accounts.

Finally, amended compacts that were ratified by the Legislature in June 2007 and are pending approval by the federal Secretary of the Interior, along with one other amended compact that has yet to be ratified, may threaten the future viability of the distribution fund. However, we estimate that this same group of compacts will also provide substantial revenues to the Indian Gaming Revenue Sharing Trust Fund (trust fund) and the State's General Fund. Specifically, our estimates indicate the compacts will eliminate \$92 million in contributions to the distribution fund, increase contributions to the trust fund by \$6.9 million, and increase contributions to the General Fund by between \$174.3 million and \$175.1 million for fiscal year 2007–08. However, if required to fund the shortfalls in the trust fund, within four years the distribution fund would be unable to support the programs that depend on it.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Committee on Governmental Organization.

California State Auditor

2007-008
July 24, 2007

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: The Bureau of State Audits presents its audit report of the State Treasurer's Office statement of securities accountability as of December 31, 2006.

The statement of securities accountability presents the securities owned by or pledged to the State directly, or under investment agreements, and those securities held for safekeeping. The State Treasurer's Office is responsible for the safekeeping of all these securities held in the treasury or other depositories. It is not responsible for securities owned by or pledged to the University of California, or for securities in other depositories owned by or pledged to the Public Employees' Retirement System, the State Teachers' Retirement System, the Legislators' Retirement System, or the Judges' Retirement System. For the statement of securities accountability, the State Treasurer's Office assigned dollar amounts to each security for ease of accountability rather than for purposes of valuing securities at cost or market. The dollar amounts assigned represent various values, including the par or face value, the original principal value, or the current outstanding principal balance. Therefore, the dollar amounts presented in the statement of securities accountability should not be used to determine the value of investments owned by, or pledged to, the State. Additionally, the State Treasurer's Office recently changed the

way it accounts for securities held in the vault for general safekeeping. Before September 2006 the State Treasurer's Office accounted for common stock shares at \$1 per share and accounted for bond documents at par value. Now, the State Treasurer's Office has chosen to account for these items based on their number rather than their value. As a result, these items are no longer included in the statement of securities accountability, but are disclosed in Note 4 of this report. The effect of the State Treasurers Office's change decreased the value of securities reported on the statement of securities accountability by \$66.3 billion. We found that the statement presents fairly the securities accountability of the State Treasurer's Office as of December 31, 2006.

We conducted this audit to comply with the California Government Code, Section 13299.1.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Committee on Banking and Finance.

AUTHOR'S AMENDMENTS
Committee on Appropriations

August 22, 2007

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

Senate Bill No. 345

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

LENO, Chair

SENATE BILL NO. 345—An act to amend Sections 45038, 45039, 45040, and 49110 of the Education Code, relating to charter schools.

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 Health

June 19, 2007

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

Assembly Bill No. 539

DYMALLY, Chair

Above bill ordered filed with the Chief Clerk.

August 20, 2007

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

Assembly Bill No. 1572

DYMALLY, Chair

Above bill ordered filed with the Chief Clerk.

Committee on Business and Professions

August 21, 2007

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

Assembly Bill No. 1070

Assembly Bill No. 1276

ENG, Chair

Above bills ordered filed with the Chief Clerk.

Committee on Education

August 20, 2007

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

Assembly Bill No. 331
Assembly Bill No. 1002

MULLIN, Chair

Above bills ordered filed with the Chief Clerk.

Committee on Housing and Community Development

August 20, 2007

Mr. Speaker: Your Committee on Housing and Community Development reports the following bill pursuant to the provisions of Joint Rule 62(a):

Assembly Bill No. 884

SALDAÑA, Chair

Above bill ordered filed with the Chief Clerk.

Committee on Judiciary

August 20, 2007

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

Assembly Bill No. 137

JONES, Chair

Above bill ordered filed with the Chief Clerk.

Committee on Housing and Community Development

Date of Hearing: August 22, 2007

Mr. Speaker: Your Committee on Housing and Community Development reports:
Senate Bill No. 586

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

SALDAÑA, Chair

Above bill re-referred to the Committee on Appropriations.

Committee on Appropriations

Date of Hearing: August 22, 2007

Mr. Speaker: Your Committee on Appropriations reports:
Senate Bill No. 924

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

LENO, Chair

Above bill ordered to second reading.

Committee on Local Government

Date of Hearing: August 22, 2007

Mr. Speaker: Your Committee on Local Government reports:

Assembly Constitutional Amendment No. 8

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

CABALLERO Chair

Above resolution re-referred to the Committee on Appropriations.

Date of Hearing: August 22, 2007

Mr. Speaker: Your Committee on Local Government reports:

Assembly Bill No. 490

With the recommendation: That the Senate amendments be concurred in.

CABALLERO, Chair

Above bill ordered to unfinished business.

Committee on Appropriations

Date of hearing: August 22, 2007

Mr. Speaker: Your Committee on Appropriations reports:

Assembly Bill No. 1274

With the recommendation: Do pass.

LENO, Chair

Above bill ordered to second reading.

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

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

Senate Bills Nos. 356, 594, 614, 661, 773, and 1028, ordered to third reading.

RESOLUTIONS

The following resolutions were offered:

ASSEMBLY CONCURRENT RESOLUTION NO. 72—Mendoza. Relative to California Native American Day.

ASSEMBLY CONCURRENT RESOLUTION NO. 73—Bass and Duvall. Relative to the Nathan Shapell Memorial Highway.

ADJOURNMENT

At 3:30 p.m., the Assembly adjourned until 7 a.m., Thursday, August 23, 2007.

FABIAN NUÑEZ, Speaker

SUE PARKER, Minute Clerk

**AMENDMENTS CONSIDERED BY THE
ASSEMBLY ON AUGUST 22, 2007**

The following measure was amended in the Assembly on this day:

SB RN

345 0726299

Daily Total: 1

Cumulative Total: 2619

O