

CALIFORNIA LEGISLATURE

2001-02 REGULAR SESSION

# ASSEMBLY JOURNAL

RECESS JOURNAL NO. 13

INTERIM STUDY RECESS

Assembly Chamber, Sacramento  
October 1, 2002

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2001-02 Regular Session was printed while the Assembly was in Interim Study Recess:

**COMMUNICATIONS**

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

September 1, 2002

*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 Assemblymember Sarah Reyes to replace Assemblymember Rod Wright as Chair of the Assembly Utilities and Commerce Committee.

I am also removing Assemblymember Reyes as chair of the Jobs, Economic Development, and the Economy Committee, where she remains a member of the committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Patricia Wiggins to replace Assemblymember Lou Papan as Chair of the Assembly Banking and Finance Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Jackie Goldberg to replace Assemblymember Virginia Strom-Martin as Chair of the Assembly Education Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Fran Pavley to replace Assemblymember Hannah-Beth Jackson as Chair of the Assembly Environmental Safety and Toxic Materials Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Dario Frommer to replace Assemblymember Helen Thomson as Chair of the Assembly Health Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Carol Liu to replace Assemblymember Elaine Alquist as Chair of the Assembly Higher Education Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Juan Vargas to replace Assemblymember Tom Calderon as Chair of the Assembly Insurance Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Simon Salinas to replace Assemblymember Patricia Wiggins as Chair of the Assembly Local Government Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember Hannah-Beth Jackson to replace Assemblymember Howard Wayne as the Chair of the Assembly Natural Resources Committee.

Sincerely,

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

September 1, 2002

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

Dear Dotson: Please be advised that I have appointed Assemblymember Gloria Negrete McLeod to replace Assemblymember Sally Havice as Chair of the Assembly Public Employees, Retirement and Social Security Committee.

Sincerely,

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

September 1, 2002

*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 Assemblymember George Nakano to replace Assemblymember Dion Aroner as Chair of the Democratic Caucus.

Sincerely,

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

September 5, 2002

*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 Assemblymember Judy Chu to replace Assemblymember Gil Cedillo as Chair of the Assembly Budget Subcommittee #1—Health and Human Services.

Sincerely,

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

September 25, 2002

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

RE: Appointment of Ryan Rauzon  
to Tahoe Regional Planning Agency

Dear Mr. Wilson: Please be advised I have withdrawn the appointment of Mr. Ryan Rauzon to the Tahoe Regional Planning Agency. The previous appointee, Ms. Catherine Derringer, will continue as my appointee.

Sincerely,

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

October 1, 2002

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

RE: Appointment of Faye Washington to  
Education Commission, California Postsecondary

Dear Mr. Wilson: Please be advised I have appointed Ms. Faye Washington to the Education Commission, California Postsecondary. This is a term appointment starting October 1, 2002 and the expiration date is December 31, 2007. Ms. Washington will be replacing Mr. Lance Izumi.

Sincerely,

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

The following communication was presented by the Chief Clerk from:

Walter Barnes, Chief Deputy Controller, Finance, transmitting information regarding the new electronic report of the 250 California special districts with the largest revenues (Pursuant to Senate Bill 282, Chapter 288, Statutes of 2001)

Referred by the Speaker to the Committee on Local Government.

#### **Proposed Initiatives**

The following communications were presented by the Chief Clerk from:

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

#### **State and County Clemency Boards. Initiative Constitutional Amendments. SA 2002RF0016**

Referred by the Speaker to the Committee on Judiciary.

#### **Personal Income Tax. Treatment of Stock Purchased Through Incentive Stock Options. Initiative Statute. SA 2002RF0017**

Referred by the Speaker to the Committee on Revenue and Taxation.

#### **REPORTS**

The following reports were presented by the Chief Clerk:

#### **2000–01 Report on Lottery Expenditures for K–12 Education (Pursuant to Budget Act 2001)**

Above transmitted report, together with letter of transmittal from B. Teri Burns, Deputy Superintendent, Government Affairs Branch, Department of Education, dated September 13, 2002, referred by the Speaker to the Committee on Budget.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Gloria Merk, Deputy Director, Administration Division, Department of Social Services, dated September 10, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Tim Lynn, Chief, Administrative Services Division, Department of Personnel Administration, dated August 30, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Denise Brown, Chief Deputy Director, State and Consumer Services Agency, dated August 26, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Status Update on Security Construction Modifications at  
Porterville and Lanterman Developmental Centers  
(Pursuant to Senate Bill No. 160, Chapter 50, Statutes of 1999)**

Above transmitted report, together with letter of transmittal from Cliff Allenby, Director, Department of Developmental Services, dated August 19, 2002, referred by the Speaker to the Committee on Budget.

**Semi-Annual Report on the California Innocence Protection Program  
(Pursuant to Budget Act 2001, Chapter 106, Statutes of 2001  
Item 8100-101-001)**

Above transmitted report, together with letter of transmittal from N. Allen Sawyer, Chief Deputy Director, Office of Criminal Justice Planning, dated August 23, 2002, referred by the Speaker to the Committee on Budget.

**Annual Report Fraud Deterrence and Detection Activities  
(Pursuant to Unemployment Insurance Code, Section 2614)**

Above transmitted report, together with letter of transmittal from Michael S. Bernick, Director, Employment Development Department, dated August 14, 2002, referred by the Speaker to the Committee on Insurance.

**Senior Legal Services Task Force  
(Pursuant to Assembly Bill 830, Chapter 682, Statutes of 2001)**

Above transmitted report, together with letter of transmittal from Virginia Strom-Martin, Assembly Member, 1st District, Task Force Chair, Department of Aging, dated August 22, 2002, referred by the Speaker to the Committee on Aging and Long-Term Care.

**Prevalence of Hepatitis C in Correctional Facilities  
(Pursuant to Senate Bill 1256, Chapter 754, Statutes of 2000)**

Above transmitted report, together with letter of transmittal from Edward S. Alameida, Jr., Director, Department of Corrections, dated August 29, 2002, referred by the Speaker to the Committee on Health.

**Plan for Delivering Pharmaceutical Services:  
An Implementation of the Recommendations of FOX Systems, Inc.  
(Pursuant to Budget Act 2001-02, Item 5240-001-0001, Provision 9)**

Above transmitted report, together with letter of transmittal from Edward S. Alameida, Jr., Director, Department of Corrections, dated September 4, 2002, referred by the Speaker to the Committee on Budget.

**Child Care Funds  
(Pursuant to Senate Bill 1703, Chapter 704, Statutes of 2000)**

Above transmitted report, together with letter of transmittal from B. Teri Burns, Deputy Superintendent, Government Affairs Branch, Department of Education, dated August 28, 2002, referred by the Speaker to the Committee on Human Services.

**Quarterly Report for the  
California School Information Services Independent Project Oversight  
(Pursuant to Education Code Section 49080)**

Above transmitted report, together with letter of transmittal from B. Teri Burns, Deputy Superintendent, Government Affairs Branch, Department of Education, dated August 29, 2002, referred by the Speaker to the Committee on Education.

**Dental Board's Enforcement Monitor's Initial Report  
(Pursuant to Business and Professions Code, Section 1601.3)**

Above transmitted report, together with letter of transmittal from Kristy Wiese, Assistant Deputy Director, Division of Legislative and Regulatory Review, Department of Consumer Affairs, dated August 28, 2002, referred by the Speaker to the Committee on Business and Professions.

**Report on the Scope of Practice for Dental Auxiliaries  
(Pursuant to Business and Professions Code, Section 1620.1)**

Above transmitted report, together with letter of transmittal from Kristy Wiese, Assistant Deputy Director, Division of Legislative and Regulatory Review, Department of Consumer Affairs, dated August 30, 2002, referred by the Speaker to the Committee on Business and Professions.

**Biannual Report of  
Research Conducted in the California Department of Corrections  
July 31, 2000 through December 31, 2000  
(Pursuant to Penal Code Section 3520)**

Above transmitted report, together with letter of transmittal from Edward S. Alameda, Jr., Director, Department of Corrections, dated September 5, 2002, referred by the Speaker to the Committee on Public Safety.

**Average Statewide Employment in Manufacturing  
(minus Aerospace Industries)  
Annual Report  
(Pursuant to Revenue and Taxation Code,  
Sections 6377, 17053.49, and 23649)**

Above transmitted report, together with letter of transmittal from Michael S. Bernick, Director, Employment Development Department, dated August 14, 2002, referred by the Speaker to the Committee on Revenue and Taxation.

**California Community and Faith-Based Initiative  
Diversity Report  
(Pursuant to Supplemental Language of the Budget Act of 2001)**

Above transmitted report, together with letter of transmittal from Michael S. Bernick, Director, Employment Development Department, dated August 30, 2002, referred by the Speaker to the Committee on Budget.

**Employment Development Building Fund Transfer to  
the Federal Unemployment Fund  
(Pursuant to Budget Act 2001, Item 5100-311-0690,  
Chapter 106, Statutes of 2001)**

Above transmitted report, together with letter of transmittal from Michael S. Bernick, Director, Employment Development Department, dated August 30, 2002, referred by the Speaker to the Committee on Budget.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Ronald J. Lucero, Chief, Business Management Bureau, Department of Insurance, dated September 5, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Ray Hague, Business Service Office, California State Library, dated September 3, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Anna Schneider, Office Technician, Coastal Conservancy, dated August 30, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from David L. Crippens, Interim Executive Director, California African American Museum, dated August 19, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Thomas L. Morrison, Deputy Executive Director, California Building Standards Commission, dated August 28, 2002, referred by the Speaker to the Committee on Utilities and Commerce.



**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code, Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Denise Choye, Administrative Services Manager, Fair Employment and Housing Commission, dated September 28, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001/02  
(Pursuant to Public Contract Code Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from Nancy E. Bither, Deputy Director, Gambling Control Commission, dated September 11, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Disabled Veterans Business Enterprise Report 2001-02  
(Pursuant to Public Contract Code Section 10115.5 and  
Military and Veterans Code 999.7)**

Above transmitted report, together with letter of transmittal from James E. Speed, Executive Director, Board of Equalization, dated September 23, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

**Crime and Delinquency in California, 2001, Advance Release  
(Pursuant to Penal Code Section 13010(g))**

Above transmitted report, together with letter of transmittal from Chris Janzen, Director, Administrative Services Division, Department of Justice, dated September 13, 2002, referred by the Speaker to the Committee on Public Safety.

**Hate Crime in California, 2001  
(Pursuant to Penal Code Section 13023)**

Above transmitted report, together with letter of transmittal from Chris Janzen, Director, Administrative Services Division, Department of Justice, dated September 18, 2002, referred by the Speaker to the Committee on Public Safety.

**CalWorks: Multidisciplinary Services Teams  
(Pursuant to Assembly Bill 1518, Chapter 919, Statutes of 1999)**

Above transmitted report, together with letter of transmittal from Rita Saenz, Director, Department of Social Services, dated April 1, 2002, referred by the Speaker to the Committee on Human Services.

**The Natural Heritage Preservation Tax Credit Act of 2000  
(Pursuant to Supplemental Language of the Budget Act of 2001)**

Above transmitted report, together with letter of transmittal from Al Wright, Executive Director, Wildlife Conservation Board, dated September 23, 2002, referred by the Speaker to the Committee on Revenue and Taxation.

**Legislation Necessary to Maintain the Codes  
(Pursuant to Government Code Section 10242)**

Above transmitted report, together with letter of transmittal from Jeffrey A. DeLand, Chief Deputy, Office of Legislative Counsel, dated September 24, 2002, referred by the Speaker to the Committee on Judiciary.

**The California Master Plan for Education  
(Pursuant to Senate Concurrent Resolution 29, Chapter 43, Statutes of 1999)**

Above transmitted report, together with letter of transmittal from Dede Alpert, Chair, Joint Committee To Develop A Master Plan For Education-Kindergarten Through University, dated August 31, 2002, referred by the Speaker to the Committee on Education.

**2001 Federal Annual Report Children's Health Insurance Program  
(Pursuant to Insurance Code Section 12693.92 (b))**

Above transmitted report, together with letter of transmittal from Lesley Cummings, Executive Director, Managed Risk Medical Insurance Board, dated September 13, 2002, referred by the Speaker to the Committee on Insurance.

**Advanced Placement Challenge Grant Program:  
A Preliminary Report on the First Two Years of Implementation  
(Pursuant to Senate Bill 1689, Chapter 73, Statutes of 2000)**

Above transmitted report, together with letter of transmittal from B. Teri Burns, Deputy Superintendent, Government Affairs Branch, Department of Education, dated September 13, 2002, referred by the Speaker to the Committee on Education.

**Consulting Services Contract Report 2001-02  
(Pursuant to Public Contract Code Section 10359)**

Above transmitted report, together with letter of transmittal from Harry W. Low, Insurance Commissioner, Department of Insurance, dated September 5, 2002, referred by the Speaker to the Committee on Budget.

**Consulting Services Contract Report 2001-02  
(Pursuant to Public Contract Code Section 10359)**

Above transmitted report, together with letter of transmittal from Andrea E. Tuttle, Director, Department of Forestry and Fire Protection, dated September 2, 2002, referred by the Speaker to the Committee on Budget.

**Consulting Services Contract Report 2001-02  
(Pursuant to Public Contract Code Section 10359)**

Above transmitted report, together with letter of transmittal from David Nahigian, Chief, Business Management Unit, Department of Managed Health Care, dated September 12, 2002, referred by the Speaker to the Committee on Budget.

**Amendment No. 1 to Energy Resource Investment Plan of  
the California Power and Conservation Financing Authority  
(Pursuant to Senate Bill X1)**

Above transmitted report, together with letter of transmittal from S. David Freeman, Chairman, Consumer Power Conservation Financing Authority, dated September 23, 2002, referred by the Speaker to the Committee on Utilities and Commerce.

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

California State Auditor

2001-017  
September 10, 2002

*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 157, Statutes of 2001, the Bureau of State Audits presents its audit report concerning whether the labor commissioner in the Department of Industrial Relations (department) has an operational process for verifying whether farm labor contractors have current licenses.

This report concludes that the department’s process for verifying the status of licenses issued to farm labor contractors is operational but needs some improvement.

Respectfully submitted,

ELAINE M. HOWLE  
State Auditor

Above report referred to the Committee on Labor and Employment.

California State Auditor

2002-031  
September 12, 2002

*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 Section 19640.5 of the California Welfare and Institutions Code, the Bureau of State Audits presents its audit report concerning the Department of Rehabilitation’s (department) Business Enterprise Program for the Blind (program).

This report concludes that the department’s delays in addressing known problems have hampered its ability to provide blind persons with meaningful business opportunities that allow them to be independent. In recent years, the department has achieved only a limited level of success in terms of program participation and operator income. In fiscal year 2000–01, more than half the blind operators earned less than \$2,500 per month, the program’s minimum for opening a new vending location, and almost a third of the operators earned less than what a person could earn working full time at California’s 2001 minimum wage. In a step forward, the department recently completed its first strategic plan for the program, but the plan lacks defined outcomes and important performance measures. In contrast, after more than seven years of work, the department has yet to update its regulations for administration of the program, which may lead to disparate service delivery. Lacking guidelines, the department has not ensured that partnerships between blind operators and private food-service companies are consistent with federal law and pay their fair share of

program costs. Finally, the department has neither adequately addressed significant flaws in its process for collecting past-due commissions from private vending businesses nor consistently fulfilled its responsibilities to program participants by providing adequate consulting and monitoring services.

Respectfully submitted,

ELAINE M. HOWLE  
State Auditor

Above report referred to the Committee on Human Services.

#### **ENGROSSMENT AND ENROLLMENT REPORTS**

Assembly Chamber, September 3, 2002

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

Assembly Concurrent Resolution No. 168  
Assembly Concurrent Resolution No. 177  
Assembly Concurrent Resolution No. 178  
Assembly Concurrent Resolution No. 193  
Assembly Concurrent Resolution No. 223  
Assembly Concurrent Resolution No. 225  
Assembly Concurrent Resolution No. 237  
Assembly Joint Resolution No. 30  
Assembly Joint Resolution No. 39  
Assembly Joint Resolution No. 49  
Assembly Joint Resolution No. 50

And reports the same correctly enrolled, and presented to the Secretary of State on the 3rd day of September, 2002, at 3:15 p.m.

E. DOTSON WILSON, Chief Clerk

#### **MESSAGES FROM THE GOVERNOR**

The following message from the Governor was received and ordered printed in the Journal:

September 4, 2002

*To the Members of the Assembly:*

AB 2785, in my opinion, constitutes an emergency bill within the meaning of that term as used in Section 12 of Article IV of the Constitution of the State of California, the consideration of which should not await the final enactment of the Budget Bill.

I, therefore, recommend consideration of AB 2785 as an emergency measure.

Sincerely,

GRAY DAVIS

#### **ENGROSSMENT AND ENROLLMENT REPORTS**

Assembly Chamber, September 4, 2002

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

Assembly Bill No. 425  
Assembly Bill No. 2065  
Assembly Bill No. 2785

And reports the same correctly enrolled, and presented to the Governor on the 4th day of September, 2002, at 3 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 4, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 51   | Assembly Bill No. 2048 |
| Assembly Bill No. 776  | Assembly Bill No. 2083 |
| Assembly Bill No. 892  | Assembly Bill No. 2254 |
| Assembly Bill No. 1282 | Assembly Bill No. 2292 |
| Assembly Bill No. 1393 | Assembly Bill No. 2311 |
| Assembly Bill No. 1544 | Assembly Bill No. 2321 |
| Assembly Bill No. 1855 | Assembly Bill No. 2441 |
| Assembly Bill No. 1868 | Assembly Bill No. 2470 |
| Assembly Bill No. 1928 | Assembly Bill No. 2504 |
| Assembly Bill No. 1990 | Assembly Bill No. 2506 |

And reports the same correctly enrolled, and presented to the Governor on the 4th day of September, 2002, at 3 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 5, 2002

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

- Assembly Concurrent Resolution No. 188
- Assembly Concurrent Resolution No. 190

And reports the same correctly enrolled, and presented to the Secretary of State on the 5th day of September, 2002, at 11:45 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 5, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 55   | Assembly Bill No. 2616 |
| Assembly Bill No. 736  | Assembly Bill No. 2648 |
| Assembly Bill No. 947  | Assembly Bill No. 2695 |
| Assembly Bill No. 1139 | Assembly Bill No. 2776 |
| Assembly Bill No. 1155 | Assembly Bill No. 2891 |
| Assembly Bill No. 1235 | Assembly Bill No. 2935 |
| Assembly Bill No. 1379 | Assembly Bill No. 2937 |
| Assembly Bill No. 1486 | Assembly Bill No. 2972 |
| Assembly Bill No. 1830 | Assembly Bill No. 3033 |
| Assembly Bill No. 2550 |                        |

And reports the same correctly enrolled, and presented to the Governor on the 5th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 5, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 1140 | Assembly Bill No. 2352 |
| Assembly Bill No. 2001 | Assembly Bill No. 2462 |
| Assembly Bill No. 2059 | Assembly Bill No. 2583 |
| Assembly Bill No. 2092 | Assembly Bill No. 2652 |
| Assembly Bill No. 2136 | Assembly Bill No. 2888 |
| Assembly Bill No. 2149 | Assembly Bill No. 2973 |
| Assembly Bill No. 2313 | Assembly Bill No. 3045 |
| Assembly Bill No. 2338 | Assembly Bill No. 3055 |
| Assembly Bill No. 2339 |                        |

And reports the same correctly enrolled, and presented to the Governor on the 5th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 5, 2002

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

- Assembly Bill No. 1850

And reports the same correctly enrolled, and presented to the Governor on the 5th day of September, 2002, at 4 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 6, 2002

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

Assembly Bill No. 2596

And reports the same correctly enrolled, and presented to the Governor on the 6th day of September, 2002, at 2:15 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 6, 2002

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

Assembly Bill No. 138

Assembly Bill No. 320

Assembly Bill No. 709

Assembly Bill No. 1163

Assembly Bill No. 1342

Assembly Bill No. 1746

Assembly Bill No. 1794

Assembly Bill No. 1795

Assembly Bill No. 1859

Assembly Bill No. 1943

Assembly Bill No. 1986

Assembly Bill No. 2072

Assembly Bill No. 2175

Assembly Bill No. 2208

Assembly Bill No. 2264

Assembly Bill No. 2361

Assembly Bill No. 2388

Assembly Bill No. 2397

Assembly Bill No. 2413

Assembly Bill No. 2459

And reports the same correctly enrolled, and presented to the Governor on the 6th day of September, 2002, at 3 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 9, 2002

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

Assembly Bill No. 381

Assembly Bill No. 428

Assembly Bill No. 496

Assembly Bill No. 879

Assembly Bill No. 1788

Assembly Bill No. 1825

Assembly Bill No. 1835

Assembly Bill No. 1847

Assembly Bill No. 1906

Assembly Bill No. 1926

Assembly Bill No. 1996

Assembly Bill No. 2045

Assembly Bill No. 2206

Assembly Bill No. 2211

Assembly Bill No. 2274

Assembly Bill No. 2328

Assembly Bill No. 2406

Assembly Bill No. 2438

Assembly Bill No. 2440

Assembly Bill No. 2457

And reports the same correctly enrolled, and presented to the Governor on the 9th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 9, 2002

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

Assembly Bill No. 2529

Assembly Bill No. 2532

Assembly Bill No. 2533

Assembly Bill No. 2539

Assembly Bill No. 2612

Assembly Bill No. 2671

Assembly Bill No. 2709

Assembly Bill No. 2735

Assembly Bill No. 2783

Assembly Bill No. 2798

Assembly Bill No. 2807

Assembly Bill No. 2826

Assembly Bill No. 2883

Assembly Bill No. 2909

Assembly Bill No. 2912

Assembly Bill No. 2920

Assembly Bill No. 2930

Assembly Bill No. 2950

Assembly Bill No. 2967

Assembly Bill No. 2987

And reports the same correctly enrolled, and presented to the Governor on the 9th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 9, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 555  | Assembly Bill No. 3022 |
| Assembly Bill No. 666  | Assembly Bill No. 3023 |
| Assembly Bill No. 2235 | Assembly Bill No. 3024 |
| Assembly Bill No. 2401 | Assembly Bill No. 3034 |
| Assembly Bill No. 2964 | Assembly Bill No. 3049 |
| Assembly Bill No. 2990 | Assembly Bill No. 3059 |

And reports the same correctly enrolled, and presented to the Governor on the 9th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 10, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 1421 | Assembly Bill No. 2127 |
| Assembly Bill No. 1881 | Assembly Bill No. 2130 |
| Assembly Bill No. 1886 | Assembly Bill No. 2192 |
| Assembly Bill No. 1907 | Assembly Bill No. 2198 |
| Assembly Bill No. 1923 | Assembly Bill No. 2238 |
| Assembly Bill No. 1957 | Assembly Bill No. 2263 |
| Assembly Bill No. 1973 | Assembly Bill No. 2289 |
| Assembly Bill No. 1984 | Assembly Bill No. 2296 |
| Assembly Bill No. 2010 | Assembly Bill No. 2305 |
| Assembly Bill No. 2069 | Assembly Bill No. 2314 |

And reports the same correctly enrolled, and presented to the Governor on the 10th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 10, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 74   | Assembly Bill No. 1823 |
| Assembly Bill No. 275  | Assembly Bill No. 2267 |
| Assembly Bill No. 363  | Assembly Bill No. 2295 |
| Assembly Bill No. 410  | Assembly Bill No. 2330 |
| Assembly Bill No. 499  | Assembly Bill No. 2466 |
| Assembly Bill No. 625  | Assembly Bill No. 2486 |
| Assembly Bill No. 746  | Assembly Bill No. 2851 |
| Assembly Bill No. 1119 | Assembly Bill No. 2823 |
| Assembly Bill No. 1316 | Assembly Bill No. 2865 |
| Assembly Bill No. 1742 | Assembly Bill No. 2913 |

And reports the same correctly enrolled, and presented to the Governor on the 10th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 10, 2002

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

- Assembly Bill No. 2936
- Assembly Bill No. 2993
- Assembly Bill No. 3028

And reports the same correctly enrolled, and presented to the Governor on the 10th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 11, 2002

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

Assembly Bill No. 857	Assembly Bill No. 2673
Assembly Bill No. 1599	Assembly Bill No. 2676
Assembly Bill No. 2055	Assembly Bill No. 2750
Assembly Bill No. 2359	Assembly Bill No. 2842
Assembly Bill No. 2366	Assembly Bill No. 2892
Assembly Bill No. 2420	Assembly Bill No. 2899
Assembly Bill No. 2521	Assembly Bill No. 2965
Assembly Bill No. 2637	Assembly Bill No. 2981
Assembly Bill No. 2650	Assembly Bill No. 3025
Assembly Bill No. 2669	Assembly Bill No. 3054

And reports the same correctly enrolled, and presented to the Governor on the 11th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 11, 2002

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

Assembly Bill No. 2058  
Assembly Bill No. 2214

And reports the same correctly enrolled, and presented to the Governor on the 11th day of September, 2002, at 2:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 11, 2002

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

Assembly Bill No. 1838	Assembly Bill No. 2645
Assembly Bill No. 2156	Assembly Bill No. 2672
Assembly Bill No. 2496	Assembly Bill No. 2729
Assembly Bill No. 2531	Assembly Bill No. 2753
Assembly Bill No. 2580	Assembly Bill No. 3005
Assembly Bill No. 2619	

And reports the same correctly enrolled, and presented to the Governor on the 11th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 11, 2002

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

Assembly Bill No. 2312

And reports the same correctly enrolled, and presented to the Governor on the 11th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 12, 2002

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

Assembly Bill No. 299	Assembly Bill No. 1916
Assembly Bill No. 323	Assembly Bill No. 1942
Assembly Bill No. 748	Assembly Bill No. 1962
Assembly Bill No. 982	Assembly Bill No. 1972
Assembly Bill No. 1381	Assembly Bill No. 2030
Assembly Bill No. 1408	Assembly Bill No. 2067
Assembly Bill No. 1773	Assembly Bill No. 2131
Assembly Bill No. 1793	Assembly Bill No. 2179
Assembly Bill No. 1840	Assembly Bill No. 2431
Assembly Bill No. 1901	Assembly Bill No. 2436

And reports the same correctly enrolled, and presented to the Governor on the 12th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk



Assembly Chamber, September 12, 2002

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

- Assembly Bill No. 2399
- Assembly Bill No. 2701
- Assembly Bill No. 2740

And reports the same correctly enrolled, and presented to the Governor on the 12th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 12, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 1866 | Assembly Bill No. 2326 |
| Assembly Bill No. 1974 | Assembly Bill No. 2333 |
| Assembly Bill No. 2013 | Assembly Bill No. 2360 |
| Assembly Bill No. 2024 | Assembly Bill No. 2403 |
| Assembly Bill No. 2041 | Assembly Bill No. 2410 |
| Assembly Bill No. 2085 | Assembly Bill No. 2442 |
| Assembly Bill No. 2128 | Assembly Bill No. 2444 |
| Assembly Bill No. 2212 | Assembly Bill No. 2471 |
| Assembly Bill No. 2271 | Assembly Bill No. 2477 |
| Assembly Bill No. 2279 | Assembly Bill No. 2587 |

And reports the same correctly enrolled, and presented to the Governor on the 12th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 12, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 2600 | Assembly Bill No. 2811 |
| Assembly Bill No. 2607 | Assembly Bill No. 2817 |
| Assembly Bill No. 2626 | Assembly Bill No. 2818 |
| Assembly Bill No. 2668 | Assembly Bill No. 2855 |
| Assembly Bill No. 2670 | Assembly Bill No. 2902 |
| Assembly Bill No. 2706 | Assembly Bill No. 3032 |
| Assembly Bill No. 2795 |                        |

And reports the same correctly enrolled, and presented to the Governor on the 12th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 13, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 65   | Assembly Bill No. 1895 |
| Assembly Bill No. 117  | Assembly Bill No. 1945 |
| Assembly Bill No. 421  | Assembly Bill No. 1947 |
| Assembly Bill No. 498  | Assembly Bill No. 2018 |
| Assembly Bill No. 552  | Assembly Bill No. 2027 |
| Assembly Bill No. 692  | Assembly Bill No. 2044 |
| Assembly Bill No. 878  | Assembly Bill No. 2258 |
| Assembly Bill No. 1454 | Assembly Bill No. 2269 |
| Assembly Bill No. 1781 | Assembly Bill No. 2356 |
| Assembly Bill No. 1891 | Assembly Bill No. 2451 |

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 13, 2002

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

Assembly Bill No. 2474	Assembly Bill No. 2853
Assembly Bill No. 2549	Assembly Bill No. 2905
Assembly Bill No. 2554	Assembly Bill No. 2922
Assembly Bill No. 2642	Assembly Bill No. 2985
Assembly Bill No. 2780	Assembly Bill No. 2989
Assembly Bill No. 2787	Assembly Bill No. 3036
Assembly Bill No. 2816	Assembly Bill No. 3057
Assembly Bill No. 2850	

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 13, 2002

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

Assembly Bill No. 42	Assembly Bill No. 1227
Assembly Bill No. 80	Assembly Bill No. 1357
Assembly Bill No. 164	Assembly Bill No. 1422
Assembly Bill No. 248	Assembly Bill No. 1652
Assembly Bill No. 467	Assembly Bill No. 1914
Assembly Bill No. 643	Assembly Bill No. 1975
Assembly Bill No. 818	Assembly Bill No. 2370
Assembly Bill No. 966	Assembly Bill No. 2656
Assembly Bill No. 1000	Assembly Bill No. 2659
Assembly Bill No. 1108	Assembly Bill No. 2732

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 13, 2002

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

Assembly Bill No. 116	Assembly Bill No. 2574
Assembly Bill No. 1170	Assembly Bill No. 2704
Assembly Bill No. 1250	Assembly Bill No. 2717
Assembly Bill No. 2023	Assembly Bill No. 2859
Assembly Bill No. 2188	Assembly Bill No. 2862
Assembly Bill No. 2293	Assembly Bill No. 2915

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 16, 2002

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

- Assembly Concurrent Resolution No. 123
- Assembly Concurrent Resolution No. 125
- Assembly Concurrent Resolution No. 154
- Assembly Concurrent Resolution No. 158
- Assembly Concurrent Resolution No. 189
- Assembly Concurrent Resolution No. 204
- Assembly Concurrent Resolution No. 205
- Assembly Concurrent Resolution No. 213
- Assembly Concurrent Resolution No. 215
- Assembly Concurrent Resolution No. 221
- Assembly Concurrent Resolution No. 234
- Assembly Concurrent Resolution No. 235
- Assembly Concurrent Resolution No. 236
- Assembly Concurrent Resolution No. 238
- Assembly Concurrent Resolution No. 240
- Assembly Concurrent Resolution No. 241
- Assembly Joint Resolution No. 52
- Assembly Joint Resolution No. 57
- Assembly Joint Resolution No. 60

And reports the same correctly enrolled, and presented to the Secretary of State on the 16th day of September, 2002, at 11 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 16, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 15   | Assembly Bill No. 1173 |
| Assembly Bill No. 337  | Assembly Bill No. 1314 |
| Assembly Bill No. 364  | Assembly Bill No. 1694 |
| Assembly Bill No. 500  | Assembly Bill No. 1698 |
| Assembly Bill No. 629  | Assembly Bill No. 1776 |
| Assembly Bill No. 787  | Assembly Bill No. 2003 |
| Assembly Bill No. 885  | Assembly Bill No. 2197 |
| Assembly Bill No. 930  | Assembly Bill No. 2217 |
| Assembly Bill No. 1059 | Assembly Bill No. 2277 |
| Assembly Bill No. 1156 | Assembly Bill No. 2297 |

And reports the same correctly enrolled, and presented to the Governor on the 16th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 16, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 2386 | Assembly Bill No. 2604 |
| Assembly Bill No. 2395 | Assembly Bill No. 2721 |
| Assembly Bill No. 2540 | Assembly Bill No. 2774 |
| Assembly Bill No. 2567 | Assembly Bill No. 2907 |

And reports the same correctly enrolled, and presented to the Governor on the 16th day of September, 2002, at 11:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 16, 2002

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

Assembly Bill No. 551	Assembly Bill No. 1858
Assembly Bill No. 630	Assembly Bill No. 1959
Assembly Bill No. 690	Assembly Bill No. 1969
Assembly Bill No. 741	Assembly Bill No. 2004
Assembly Bill No. 915	Assembly Bill No. 2036
Assembly Bill No. 1401	Assembly Bill No. 2075
Assembly Bill No. 1634	Assembly Bill No. 2125
Assembly Bill No. 1638	Assembly Bill No. 2166
Assembly Bill No. 1710	Assembly Bill No. 2178
Assembly Bill No. 1713	Assembly Bill No. 2184

And reports the same correctly enrolled, and presented to the Governor on the 16th day of September, 2002, at 3 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 16, 2002

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

Assembly Bill No. 2294	Assembly Bill No. 2879
Assembly Bill No. 2424	Assembly Bill No. 2903
Assembly Bill No. 2473	Assembly Bill No. 2928
Assembly Bill No. 2525	Assembly Bill No. 2954
Assembly Bill No. 2741	Assembly Bill No. 2957
Assembly Bill No. 2751	Assembly Bill No. 2963
Assembly Bill No. 2759	Assembly Bill No. 3027
Assembly Bill No. 2837	Assembly Bill No. 3029
Assembly Bill No. 2845	Assembly Bill No. 3030
Assembly Bill No. 2867	Assembly Bill No. 3042

And reports the same correctly enrolled, and presented to the Governor on the 16th day of September, 2002, at 3 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 17, 2002

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

Assembly Bill No. 34	Assembly Bill No. 925
Assembly Bill No. 325	Assembly Bill No. 989
Assembly Bill No. 424	Assembly Bill No. 1008
Assembly Bill No. 481	Assembly Bill No. 1045
Assembly Bill No. 634	Assembly Bill No. 1234
Assembly Bill No. 669	Assembly Bill No. 1403
Assembly Bill No. 687	Assembly Bill No. 1412
Assembly Bill No. 716	Assembly Bill No. 1506
Assembly Bill No. 843	Assembly Bill No. 1511
Assembly Bill No. 858	Assembly Bill No. 1872

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2002, at 11 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 17, 2002

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

Assembly Bill No. 1243

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2002, at 11 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 17, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 1814 | Assembly Bill No. 2308 |
| Assembly Bill No. 1904 | Assembly Bill No. 2351 |
| Assembly Bill No. 1905 | Assembly Bill No. 2363 |
| Assembly Bill No. 1968 | Assembly Bill No. 2367 |
| Assembly Bill No. 1994 | Assembly Bill No. 2469 |
| Assembly Bill No. 2078 | Assembly Bill No. 2495 |
| Assembly Bill No. 2124 | Assembly Bill No. 2507 |
| Assembly Bill No. 2132 | Assembly Bill No. 2514 |
| Assembly Bill No. 2138 | Assembly Bill No. 2534 |
| Assembly Bill No. 2251 | Assembly Bill No. 2578 |

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2002, at 11 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 17, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 2588 | Assembly Bill No. 2825 |
| Assembly Bill No. 2630 | Assembly Bill No. 2849 |
| Assembly Bill No. 2770 | Assembly Bill No. 2869 |
| Assembly Bill No. 2792 |                        |

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2002, at 11 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 17, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 14   | Assembly Bill No. 2875 |
| Assembly Bill No. 52   | Assembly Bill No. 2880 |
| Assembly Bill No. 58   | Assembly Bill No. 2886 |
| Assembly Bill No. 2481 | Assembly Bill No. 2994 |
| Assembly Bill No. 2674 | Assembly Bill No. 2998 |
| Assembly Bill No. 2683 | Assembly Bill No. 3004 |
| Assembly Bill No. 2727 | Assembly Bill No. 3010 |
| Assembly Bill No. 2838 | Assembly Bill No. 3048 |
| Assembly Bill No. 2874 |                        |

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2002, at 4 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 17, 2002

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

- Assembly Bill No. 1010

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2002, at 4 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 18, 2002

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

- |                        |                        |
|------------------------|------------------------|
| Assembly Bill No. 468  | Assembly Bill No. 2739 |
| Assembly Bill No. 523  | Assembly Bill No. 2752 |
| Assembly Bill No. 593  | Assembly Bill No. 2833 |
| Assembly Bill No. 700  | Assembly Bill No. 2834 |
| Assembly Bill No. 822  | Assembly Bill No. 2887 |
| Assembly Bill No. 1100 | Assembly Bill No. 2890 |
| Assembly Bill No. 2240 | Assembly Bill No. 2944 |
| Assembly Bill No. 2384 | Assembly Bill No. 2997 |
| Assembly Bill No. 2390 | Assembly Bill No. 3009 |

And reports the same correctly enrolled, and presented to the Governor on the 18th day of September, 2002, at 9:30 a.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 18, 2002

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

Assembly Bill No. 312	Assembly Bill No. 2080
Assembly Bill No. 374	Assembly Bill No. 2781
Assembly Bill No. 442	Assembly Bill No. 2793
Assembly Bill No. 444	Assembly Bill No. 2841
Assembly Bill No. 486	Assembly Bill No. 2996
Assembly Bill No. 1677	Assembly Bill No. 3000
Assembly Bill No. 1768	Assembly Bill No. 3006
Assembly Bill No. 1818	

And reports the same correctly enrolled, and presented to the Governor on the 18th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 18, 2002

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

Assembly Constitutional Amendment No. 11

And reports the same correctly enrolled, and presented to the Secretary of State on the 18th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

Assembly Chamber, September 18, 2002

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

Assembly Concurrent Resolution No. 79  
 Assembly Concurrent Resolution No. 229  
 Assembly Concurrent Resolution No. 242  
 Assembly Concurrent Resolution No. 243  
 Assembly Concurrent Resolution No. 249  
 Assembly Concurrent Resolution No. 250  
 Assembly Concurrent Resolution No. 251  
 Assembly Joint Resolution No. 37  
 Assembly Joint Resolution No. 45  
 Assembly Joint Resolution No. 53  
 Assembly Joint Resolution No. 61  
 Assembly Joint Resolution No. 63

And reports the same correctly enrolled, and presented to the Secretary of State on the 18th day of September, 2002, at 3:30 p.m.

E. DOTSON WILSON, Chief Clerk

### MESSAGES FROM THE GOVERNOR

The following veto messages from the Governor were received and ordered printed in the Journal and the bills ordered to the unfinished business file:

#### **Veto Message—Assembly Bill No. 1074**

Governor's Office, Sacramento  
 September 11, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1074 without my signature.

This bill is an exact re-introduction of a bill vetoed two years ago. This bill would make it illegal for a floral vendor to misrepresent its business location by either using a fictitious local name or telephone number in its advertisement or telephone listing without listing the true physical location of its business location.

I have the same concern with this bill as I did two years ago with the previous bill. In our global economy of today, it is not reasonable to restrict out-of-area businesses from using local names or telephone numbers. Consumers are accustomed to purchasing products made all over the world.

Even if it were appropriate to restrict floral businesses in such a fashion, how would a local business name be defined? How many miles away from the Pacific coast would a business have to be located before it could not use the word “Pacific” in its name? This legislation would be problematic to define and enforce. Additionally, I fear that this bill would create a slippery slope of unnecessary restrictions on all kinds of businesses.

Lastly, a similar law in Delaware has been found unconstitutional by a trial court because it violates the U.S. Constitution’s commerce clause.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2068**

Governor’s Office, Sacramento  
September 11, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2068 without my signature.

This bill would make early childhood development special education teachers eligible for the State’s student loan forgiveness program, the Assumption Program of Loans for Education.

While early childhood development programs for special needs students are an important component of the State’s education policy, the bill could displace eligible teachers who are serving in our highest need communities and top priority subject areas such as science and math. In addition, expanding the APLE Program to pre-kindergarten programs could reduce the State’s ability to meet its constitutional obligation to provide K–12 instruction. Lastly, given the State’s current fiscal condition, it would be imprudent to enact a program that may create a General Fund cost pressure.

In addition, California is currently undertaking the task of ensuring that all K–12 pupils have a highly qualified teacher, pursuant to the federal No Child Left Behind Act. It would be untimely to make any changes to current law that may reduce the State’s pool of K–12 teachers.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2648**

Governor’s Office, Sacramento  
September 11, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2648 without my signature.

This bill is intended to give the San Diego County Board of Supervisors more authority over county law library expenditures by granting the Board the right to review reimbursement claims submitted by the law library trustees and to reject any claims the Board deems outside the county’s obligation to the law library.

Current law already gives county supervisors discretion in funding law library operations and requires law library trustees to use law library fund monies, when available, toward maintenance costs. A law library is an essential component of any court facility, and the local court system

would be seriously weakened without county support. This bill creates a poor precedent for counties to follow in providing support for county law libraries.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2025**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2025 without my signature.

This bill would require the State Department of Education to convene a working group to develop a five-year master plan for pupil support services, determine appropriate pupil-to-school counselor ratios for elementary, middle, and high schools, and design a plan for offering incentives to schools to meet pupil-to-school ratios by 2009. It would also require that a report on the master plan be provided by January 1, 2004.

Less than a year ago, I signed AB 722 (Corbett), Chapter 250, Statutes of 2001, which appropriated \$125,000 to study a number of pupil support issues, including some of those referenced in this bill. The results of that study are not due until January 2003, and it would be premature to commit to the development of a long-term master plan until the results of the study can be evaluated. In addition, while I realize the importance of pupil support services, this bill requires funding for a study that is not included in the pending budget bill. The master plan recommendations could create an expectation of substantial future funding that may not be available given the uncertainty in the availability of General Fund revenues for education.

For these reasons, I cannot support this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2048**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2048 without my signature.

This bill would free transit agencies from current requirements to keep all routine monitoring videos for one year, and also would consolidate current records retention requirements for cities, counties, and special districts.

While AB 2048 is intended to free transit agencies from the added expense of processing and storing these videotapes, such tapes can be a valuable tool to help solve crimes. The fact that a monitoring video contains useful information may not be known in time to preserve a particular tape under the terms in this bill. Requiring transit agencies to hold tapes for a least a short period of time could prevent the loss of useful evidence. The law requiring local governments to preserve monitoring videotapes was drafted to be all inclusive. The fact that



transit agencies were not aware the law applied to them or chose to ignore the requirements, does not necessarily justify a change in law on their behalf.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2803**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2803 without my signature.

This bill makes various findings and declarations suggesting inadequate state funding for pupil transportation and would require the Legislative Analyst Office to conduct a study on the current home to school transportation funding formula.

This bill would likely create significant pressure to increase state funding for pupil transportation, a discretionary program, during a period of significant budget uncertainty. No information has been provided suggesting that the current funding formula does not optimize the distribution and use of funds for pupil transportation, and the current proposed budget includes \$524 million for home to school transportation. School districts also have the option of using discretionary funding to provide transportation to students. For these reasons, I am unable to support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2920**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill No. 2920 without my signature.

This bill would require the Health and Human Services Agency (HHSA) to contract with a public or nonprofit entity to develop a California Center on Social Work Careers (Center) to help recruit potential social workers. It would also establish a Social Work Careers Concurrence Committee comprised of representatives from various organizations.

Although the bill's attempts to foster social work careers is meritorious, it would impose ongoing cost pressure during a period of limited resources and uncertain future economic conditions. In order to maintain existing core functions already performed by the HHSA, it is necessary at this time to restrain any discretionary new programs. I would urge advocates of this measure to work informally to accomplish its goals by collaborating with career centers at the University of California, the California State University, the California Community Colleges, and others to encourage their students to consider social work careers.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 12th day of September 2002 at 2 p.m., of Assembly Bills Nos. 1074, 2025, 2048, 2068, 2648, 2803, and 2920, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

LAWRENCE A. MURMAN  
Assistant Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 51**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 51 without my signature.

Current law allows a new citizen to register to vote up to 7 days before an election. For all others the deadline is 14 days before elections. This bill would permit new citizens to register to vote until 8:00 p.m. on election day. It would make other conforming changes to existing elections laws.

While extending the deadline to register could potentially increase voter participation, this legislation could pose logistical problems for local elections officials in the final days of preparation prior to an election. Additionally, it could result in confusion of poll workers and voters by having voting and registration activities occurring simultaneously on Election Day.

I would encourage the proponents of this bill to continue working with the U.S. Immigration and Naturalization Service to schedule naturalization ceremonies several weeks before the voter registration deadline, thereby ensuring that our newest citizens are able to cast their first vote.

For the above reasons, and because it could create a reimbursable state-mandated cost to the General Fund, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1544**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1544 without my signature.

This bill would deem the East-West Ranch Annexation to the Cambria Community Services District for assessment and taxation purposes to be effective for the 2002–03 fiscal year if the required documents were filed by June 1, 2002.

Existing law establishes a document filing date of December 1 in order for such annexations to be effective for the next fiscal year. In this circumstance, the District purchased the East West Ranch property in November 2000 with monies received from the state budget. On June 28, 2001 the District's board of directors adopted its resolution of application to LAFCO for the purpose of annexation. On December 18,

2001, the District's staff submitted a completed application to LAFCO, 18 days beyond the date required for completion of the annexation itself. Approval of the annexation was not granted by LAFCO until February 21, 2002, and the annexation was effective on March 12, 2002. Unfortunately, the district was 3 months late in obtaining approval of its annexation which is a precondition for tax relief.

Although I realize that circumstances within the District caused a missed statutory deadline, I am obligated to evaluate this bill within the overall context of its effect on the General Fund during these uncertain fiscal times. Therefore, I am vetoing this bill because any reduction in local property tax revenue to K-14 school districts would subsequently result in a General Fund backfill of the same amount.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1789**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1789 without my signature.

This bill would provide create a special provision for Sierra Elementary School in the Cutler-Orosi Joint Unified School District, allowing the school to qualify for augmented funding through the necessary small school apportionment. State law regarding necessary small school funding is drafted to limit applicability to cases in which a small school district has no choice other than to operate a very small school. Cutler-Orosi Joint Unified School District does not meet the necessary small school funding criteria because it exceeds the maximum district size of 2,500 pupils. Allowing a special provision for this particular school, despite their ineligibility under the general law, would increase pressure to allow similar exemptions for other districts.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2361**

Governor's Office, Sacramento  
September 12, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2361 without my signature.

This bill would create an exemption from the Outdoor Advertising Act by granting authority for a proposed not-for-profit arts academy to construct and lease a rooftop billboard along a section of landscaped freeway in the City of Los Angeles. AB 2361 would also preempt local ordinances regulating billboards in that city as well as bypass the neighborhood process specified for the Supplemental Use Districts in Los Angeles.

I recommend that the proponents of this measure avail themselves of the City of Los Angeles' applicable procedures.

Existing federal law, the Highway Beautification Act of 1965, requires states to monitor and control outdoor advertising adjacent to and within certain distances of the national system of highways. California's Outdoor Advertising Act of 1970 similarly regulates outdoor advertising and vests responsibility for enforcement of the

federal act with Caltrans. The intent of both acts is to protect the public investment in highways, promote the safety and recreational value of public travel, and to preserve scenic beauty.

California expends tremendous time and resources to preserve and beautify the State Highway System, through its maintenance, litter removal and landscaping operations. I am concerned that continued enactment of exceptions to the landscaped freeway provisions of the Outdoor Advertising Act will erode the effectiveness of this important statute.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 12th day of September 2002 at 2:01 p.m. of Assembly Bills Nos. 51, 1544, 1789, and 2361 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

LAWRENCE A. MURMAN  
Assistant Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 388**

Governor's Office, Sacramento  
September 15, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 388 without my signature.

This bill would request that the University of California conduct a study of the economic opportunities associated with the production of alternative fiber crops, including industrial hemp, flax, and kenaf.

There are a number of significant concerns regarding the legality of producing industrial hemp in the United States. The U.S. Department of Agriculture concluded that "legal issues currently preclude research into the viability of industrial hemp fiber production in the United States. In addition, the Drug Enforcement Administration applies the same strict controls to industrial hemp as it does to marijuana. That is, it is a Schedule I Controlled Substance under federal law. For these reasons, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2010**

Governor's Office, Sacramento  
September 15, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2010 without my signature.

This bill would require the Department of Health Services (DHS) to develop, by July 1, 2003, two consolidated application forms for specified clinics. One form would allow primary care clinics to apply for licensure and obtain a Medi-Cal provider identification number. The other form would allow specified clinics to apply for participation in any of various Medi-Cal programs. In addition, the DHS would be

required to submit a report to the Legislature on the effectiveness of the consolidated application procedure.

The purpose of this bill is to shorten the licensure and application times for certain clinics. However, the approach the bill takes would not achieve that result. The bill would allow clinics to obtain licensure and Medi-Cal participation with one form. However, existing law requires licensure as a predicate to participation in Medi-Cal. I do not think it appropriate that these two activities be performed simultaneously.

This bill would require 3.5 two-year limited term positions at a cost of \$203,000 (\$130,000 General Fund). It would not be fiscally prudent to increase General Fund expenditures in these times of economic uncertainty. For these reasons, I cannot support this legislation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2208**

Governor's Office, Sacramento  
September 15, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2208 without my signature.

This bill would require the California Department of Aging (CDA) to develop and implement a procedure for the electronic transfer of funds to the area agencies on aging by July 1, 2003. This bill would result in estimated General Fund costs of \$256,000 in 2002–03 and \$105,000 annually thereafter for the CDA to comply with the provisions of this measure. These costs are not absorbable by the CDA.

While I support the intention of this bill to pay area agencies on aging accurately and promptly, I believe that this can be accomplished administratively without the need to spend additional limited General Fund resources. The State Controller is required under the Prompt Payment Act to process payments to the area agencies within two weeks. I encourage the Department of Aging and the State Controller's Office to work together to ensure that payments are mailed to the correct addresses.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2254**

Governor's Office, Sacramento  
September 15, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2254 without my signature.

This bill would make various clarifications, changes, and adjustments to current laws governing school district reorganizations. Among the more significant changes, the bill would: require county committees on school district reorganizations to hold public hearings on reorganization proposals from school boards; permit mail ballots for reorganization elections; and provide county committees with expanded authority to approve specified reorganization proposals.

By increasing the responsibilities of county committees, this bill could create new Proposition 98 General Fund costs through the imposition of reimbursable mandates. In this regard, I am particularly

concerned by the provision that would expand the circumstances in which county committees must hold public hearings to consider reorganization proposals.

Lastly, by providing county committees discretion to approve certain reorganizations, this bill may result in local entities using this authority to take actions that would not incorporate a statewide perspective on the funding and other ramifications of a reorganization. These decisions should be left to the State Board of Education, as it would provide a broader perspective on these matters.

For these reasons, I cannot support this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2296**

Governor's Office, Sacramento  
September 15, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2296 without my signature.

This bill would require the Department of Mental Health (DMH) to examine problematic reporting requirements for mental health programs, to make recommendations to simplify these requirements, and to report to the Legislature no later than January 1, 2004. This bill would require the DMH to form a workgroup consisting of specified members.

This bill would result in costs to the DMH, and potentially the Department of Alcohol and Drug Programs, to establish a workgroup, review mental health services reporting procedures, and report recommendations to the Legislature. While this bill would make its provisions subject to the availability of resources already appropriated by the annual Budget Act, it would create pressure for the DMH to absorb unfunded workload. This is especially true since the bill requires that the DMH complete its work and submit a final report to the Legislature no later than January 1, 2004. Funds are not included in the budget for these activities. Furthermore, the pending elimination of vacant positions pursuant to the proposed budget and recent reductions to the DMH support budget likely will reduce the ability of the DMH to absorb the new duties within existing resources.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2740**

Governor's Office, Sacramento  
September 15, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2740 without my signature.

This bill requires the Department of Mental Health (DMH) to develop and implement a grant program to encourage each county to voluntarily develop a plan which identifies and addresses any mental health services needed for children in that county. This bill requires DMH to award grants on a competitive basis, and each county recipient of a grant to develop a mental health plan for children. This bill establishes specified goals for this plan. The bill also provides that

implementation of the provisions of the bill is *contingent* on an appropriation in the annual Budget Act of \$150,000 from the General Fund for the purposes of the program.

The \$150,000 General Fund contained in the 2002–03 budget for the purpose of this bill was vetoed because counties are already required to assess mental health needs and develop plans to meet those needs. Section 5772 of the Welfare and Institutions Code requires local mental health boards at the county level to complete these responsibilities. Since these bodies already exist and have the responsibility for developing plans to meet mental health needs and given the difficult fiscal situation of the state, I did not support the augmentation. Because implementation of this bill was contingent upon funding that has been vetoed, I cannot sign this bill.

Sincerely,

GRAY DAVIS

#### RECEIPT

I acknowledge receipt this 16th day of September 2002 at 9:34 a.m., of Assembly Bills Nos. 388, 2010, 2208, 2254, 2296, and 2740 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

#### **Veto Message—Assembly Bill No. 421**

Governor's Office, Sacramento

September 18, 2002

*To the Member of the California State Assembly:*

I am returning Assembly Bill 421 (Wayne) without my signature. This bill would delete requirements that the operator of recording equipment for the deposition of an expert witness may not have a financial interest in the action or be related to or employed by an attorney of any party, thus allowing an attorney or his or her employee or relative, to be the operator of the video equipment.

Although there is speculation that this bill would save money for California courts, I am not convinced that it ensures a neutral, unbiased video recording of expert witness depositions. There are many ways to manipulate a video recording to reflect the witness in a negative or unfavorable manner, and I believe that removing the requirement for a certified videographer would increase the chances of fraudulent video recordings.

I look forward to legislation in the future that would address these concerns, while also reducing litigation costs in California.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1638**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1638 without my signature.

This bill assigns four additional representatives to the Long-Term Care Council, an entity currently housed within the California Health and Human Services Agency. Two of the representatives would be members of the Assembly, appointed by Speaker of the Assembly, and two of the representatives would be Senate members, appointed by the Senate Rules Committee.

Adding members of the Legislature to the council would significantly change the nature of the council, which acts as a coordinating body for departments within the Administration. Additionally, expanding the council in this manner during these tight fiscal times would provide additional strain on the already stretched staff support resources. Further, the Legislature has other methods of guiding California's long-term care policy. In particular, the Assembly operates a standing committee on Aging and Long-Term Care, and the Senate maintains a subcommittee to address these issues. These bodies may conduct a variety of activities, including developing recommendations, issuing reports, and holding hearings that have contributed to policy discussions in the past and will continue to influence long-term care discussions in the future.

It is for these reasons that I am returning this measure to the Assembly.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1916**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1916 without my signature.

This bill would, until January 1, 2008, codify an existing Board of Equalization regulation that allows a sales and use tax exemption for lancets and blood glucose test strips that are furnished by a registered pharmacist. In addition, it would expand the regulation by allowing the exemption for these items, regardless of whether or not they are furnished by a registered pharmacist.

I am sympathetic to those who have a legitimate medical need for lancets and glucose test strips and whose medical treatment is under the supervision of a medical doctor. However, those persons may already purchase these products from a pharmacist without paying sales tax on these products.

I am therefore vetoing this bill because it would continue to erode the tax base and could result in annual General Fund revenue losses in excess of \$1 million.

Sincerely,

GRAY DAVIS



**Veto Message—Assembly Bill No. 1973**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1973 without my signature.

This bill would exempt kindergarten classes maintained by the Castaic Union School District from the provision of law that reduces a district's apportionment for providing fewer instructional minutes than was provided in the 1982–83 school year. The District seeks a reduction in kindergarten classroom time from 232 to 210 minutes per day but wants to retain the financial incentives provided for longer classroom time.

I am very sympathetic to the overcrowding experienced by the District, and the resulting kindergarten overlap in the classroom. However I am concerned about the precedent and the pressure to exempt more districts that would be created by signing this bill. The cost to the state for this 10% reduction in classroom time would be \$150,000 per year.

Last year, I approved Senate Bill 178 (Chapter 573, Costa) that provided modifications to the instructional time penalties, in part, to also reduce requests for exemptions for districts that fail to maintain the base year instructional time. Considering the state's severe \$24 billion shortfall, I believe those modifications were a reasonable step to assist school districts such as Castaic Union.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2001**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2001 without my signature.

This bill would require the Curriculum Development and Supplemental Materials Commission to (a) examine high school ethnic studies, (b) identify ways to train teachers to work effectively with diverse pupils and encourage respect for diversity in the classroom, and (c) submit a report with specified information (including recommendations for establishing a new ethnic studies course at the high school level) by January 1, 2004.

While I support encouraging respect for diversity and educating children about the impact of California's different ethnic groups, this bill is duplicative of existing efforts. Current law specifically requires instruction about various ethnic groups and existing teacher training programs already train teachers in how to work with pupils from diverse backgrounds. In addition, existing state academic content standards and curriculum frameworks include substantial discussion of the history and contributions of various ethnic groups, and how to implement programs teaching this information.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2128**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2128 without my signature.

This bill would provide the Hot Springs Elementary School District (HSESD) with \$100,000 for the Hot Springs Elementary School in addition to the revenue limit funding generated by the school's average daily attendance (ADA), as long as the school's average daily attendance does not exceed 28.

This district receives a necessary small school (NSS) apportionment, which provides it with greater levels of funding per ADA than districts normally receive. Because the district's enrollment declined to 23 students, their NSS apportionment declined by \$95,000. The district's request to maintain the current revenue enhancement of \$197,150 is certainly understandable, but I cannot justify amending current NSS funding provisions for the benefit of the district. The NSS funding levels increase annually by the statewide average growth in district revenue limits per unit of ADA, and the funding levels have kept pace with revenue limit augmentations.

Further, the state is facing a \$24 billion revenue shortfall. Providing enhanced funding for HSESD will create pressure to fund augmentations for other districts in similar circumstances.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2175**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2175 without my signature.

This bill would require the Office of Planning and Research (OPR) to develop and adopt guidelines for addressing human services matters within the context of a local government's general plan with the objective of improving the overall quality of life of both the targeted community members and the community. This certainly is a worthy objective.

However, most departments and agencies, including OPR, have experienced budget reductions for 2002–03. To accomplish the objective of this bill unfortunately would require an unbudgeted General Fund appropriation of \$100,000. In light of the State's current fiscal situation, we must restrain funding for new programs. Therefore I am returning this bill without my signature because it would result in increased General Fund costs at a time when existing programs are being reduced.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2305**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2305 without my signature.

This bill would require the Department of Health Services (DHS) to provide to a beneficiary starting at age 55 an itemization of the cost of the medical services paid by Medi-Cal.

Under current law, the federal government will not reimburse the state for the cost of providing an itemized cost information statement to a beneficiary unless it is directly related to the administration of the Medi-Cal program such as suspected provider fraud. The federal Center for Medicaid Services has indicated to DHS that requests for claim detail information in anticipation of an Estate Recovery (ER) claim are not authorized as no ER claim exists until the beneficiary is deceased and therefore such requests are for estate planning and not related to administration of the Medi-Cal program. As a result, the bill states it cannot be implemented unless federal funding participation is available.

However, such fee-for-service information is currently available to Medi-Cal beneficiaries at their own cost through Electronic Data Systems, the Medi-Cal fiscal intermediary, for a fee of \$25 for the three most recent years (maximum of 6 years), but limited to requests for legitimate Medi-Cal related administration, such as cases of suspected fraudulent billing. The bill, however, does not allow the state to charge a fee for the itemization required by the bill. As a result, if the state could obtain a waiver from the federal government for release of such information for a broader range of purposes than is currently allowed, the state would have to pay for 50% of the cost, resulting in an estimated cost of \$1.8 million (\$900,000 General Fund) and six positions.

These funds were not budgeted in the 2002–03 budget and I am unable to support the expenditure of new, discretionary General Fund resources.

For this reason, I cannot sign this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2333**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2333 without my signature.

This bill would require the Southern California Association of Governments to provide a fair share distribution of the burdens of commercial aviation when compiling the aviation component of its Regional Transportation Plan. The bill would also require the Association to adhere to the principles of environmental justice.

I concur with the author that the potential adverse impacts of airport expansion require the consideration of regional strategies to decentralize aviation demand. This demand will likely be met by the expansion of existing commercial airports and the development of former military air bases. However, the term "fair share distribution" of

commercial aviation burdens is not defined in this bill. As such, I am concerned the Association's interpretation may be vulnerable to challenge by other regional participants.

While this bill is intended to bring about a more balanced distribution of the expected increase in aviation traffic, it also ignores the will of many Orange County residents. On two occasions the voters have rejected a new international airport at the former El Toro Marine Base. In addition, this bill imposes additional requirements upon the Association, resulting in a state mandated local program at a time when we must avoid the costs of expanded initiatives.

For these reasons I am unable to sign this legislation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2363**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2363 without my signature.

This bill would require four members of the State Board of Education (SBE) to meet specified qualifications and require the SBE to comply with certain notice requirements regarding its public meetings.

This bill would reduce the flexibility of a Governor to appoint members that are highly qualified and have diverse experience and insight and are dedicated to improving student achievement, but do not meet the criteria specified in the bill.

Moreover, I am proud of the world class academic standards adopted by the current Board.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 19th day of September 2002 at 1 p.m., of Assembly Bills Nos. 421, 1638, 1916, 1973, 2001, 2128, 2175, 2305, 2333, and 2363, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

LAWRENCE A. MURMAN  
Assistant Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 2521**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2521 without my signature.

This bill would require that any traffic signal that is installed or replaced be equipped with detectors that are capable of detecting bicycles and motorcycles as well as other motor vehicles.

While I recognize the merits of this measure, I am vetoing this bill because it would result in unknown reimbursable state-mandated costs on local government by requiring them to install these new detectors. I

would also note that local governments and the Department of Transportation are already free to use the detectors required in this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2616**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2616 without my signature.

This bill would state legislative intent that the Trustees of the California State University (CSU) fund programs to increase the number of teachers qualified to serve blind and visually impaired pupils, through means that include the delivery of off-campus instruction through interactive television and the internet.

This bill's goal of encouraging the California State University to increase the number of preparation programs for teachers who serve blind and visually impaired pupils is meritorious. However, enactment of this bill would create a General Fund cost pressure in excess of \$1.5 million for CSU that is not included in the 2002–03 State budget, and that CSU indicates is not absorbable.

In view of the State's current fiscal situation, I am unable to support this otherwise worthy legislation that would create a cost pressure of this magnitude.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2642**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2642 without my signature.

While I agree with Assemblymember Maddox that the elimination of paper filings may be the next logical step with regard to the Online Disclosure Act, I must concur with the Fair Political Practices Commission's argument that they, not the Secretary of State, are the proper authority to determine when paper filings with local offices are no longer needed.

The FPPC's Enforcement Division relies on local filings to substantiate candidate contentions that campaign statement filings were made timely. Since the FPPC can recommend substantial fines, it is incumbent upon them to thoroughly investigate and determine that the filing was timely. The FPPC cites occasions when the Secretary of State's office could not produce an original filing, but one was found at the local filing office, establishing the date of the filing.

As it is better to err on the side of caution, local filings should continue until the FPPC determines that they are no longer necessary.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2676**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2676 without my signature.

This bill would require the governing board of each school district to discuss, at a regularly scheduled meeting, the Academic Performance Index (API) ranking and scores on the STAR, English Language Development, and local assessments for every school in the district's jurisdiction. This bill also would require the agenda for that meeting to include a discussion of STAR test results for each school by grade level.

I am supportive of providing information to parents and the general public regarding a school's academic performance, which is why the State's assessment and accountability systems provide a great deal of information regarding performance at the school, district, and state levels. Additionally, the governing boards of school districts are currently required to discuss a school's API ranking. The structure and content of those discussions is left for local districts to decide so that they may focus on issues that are specific to them. As such, the need for this bill is unclear. I also am concerned that this bill constitutes a state mandate for activities the District already performs, with a cost estimated by the Department of Finance to be in excess of \$800,000 per year.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2894**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2894 without my signature.

This bill would exempt the Manchester Union Elementary School District (MUESD) from the provision of law requiring a district to continue offering the number of instructional minutes it provided in 1982–83 and allow the MUESD to retain its incentive funding.

Last year, I signed legislation (SB 178, Costa, Chapter 573, Statutes of 2001) to address this type of issue related to the Longer Day and Year Incentive Program by allowing a district to only lose revenue limit funding in proportion to the percentage of unoffered time. Prior to SB 178, districts would have lost their incentive funding and all cost of living adjustments since the initial receipt of the incentive funding.

This bill would unfairly reward the MUESD for failing to meet its commitment to provide additional instructional time. While I am sympathetic to the MUESD's desire for flexibility, the state cannot continue to pay incentive funding, if the district does not meet the

criteria for longer instructional time. Additionally, it would be unfair to those districts that chose not to participate in the incentive funding in 1982–83, because they wanted to retain their flexibility.

Moreover, at a time when teachers are using every minute of instructional time to teach students to meet the state standards, I am unable to support decreasing instructional time.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2899**

Governor's Office, Sacramento  
September 18, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2899 without my signature.

This bill would establish a pilot project administered by the Judicial Council to evaluate the effectiveness of homeless courts. The participating courts, prosecutors, and defense attorneys would be required to conduct outreach at homeless shelters and service agencies for the homeless and sponsor special courts sessions to address the cases and problems related to homeless people accused of a crime.

Actions or cases related to homeless people are already within the responsibility of the established court system. It is not clear that further delineation of areas of responsibility within the court is necessary, and such delineation could result in inefficiencies and duplication of efforts.

In addition, establishing the program proposed by this bill would result in General Fund costs of more than \$1 million over 3 years and a reimbursable State-mandated local program. Given the State's \$24 billion deficit, I cannot reasonably justify the use of General Fund resources at this time. It is my hope that the State's Trial Courts attempt to fund a pilot project using existing resources.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 19th day of September 2002 at 1 p.m., of Assembly Bills Nos. 2521, 2616, 2642, 2676, 2894, and 2899, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

LAWRENCE A. MURMAN  
Assistant Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 2027**

Governor's Office, Sacramento  
September 19, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2027 without my signature.

Current law authorizes school districts to operate programs of multi-track year-round education (MTYRE) scheduling, including the Concept 6 MTYRE schedule, in which a district operates for as few as

163 days in each fiscal year. Effective July 1, 2008, this bill would eliminate only the option of Concept 6 MTYRE scheduling for school districts.

This bill would result in significant cost pressure at the state and local level to fund the costs associated with consequences of eliminating Concept 6 MTYRE, including the costs associated with providing additional school facilities and the need for additional teachers. The Department of Finance estimates those costs could result in hundreds of millions in additional General Obligation bond dollars and General Fund costs. Moreover, this bill would result in a significant loss of local flexibility for school districts operating a Concept 6 MTYRE schedule. The State Department of Education has indicated that there are approximately 344,000 students attending school districts that operate Concept 6 MTYRE schedules. Given the fiscal and resource implications associated with eliminating Concept 6 MTYRE, and the increase in resources required to provide the same level of classroom availability, I believe that school districts should continue to have discretion in choosing their own education program schedule.

For these reasons, I am unable to sign this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2069**

Governor's Office, Sacramento  
September 19, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2069 without my signature.

This bill would (a) require the Superintendent of Public Instruction to administer a pilot program for five schools to provide a course on leadership in grades 6 to 8 and (b) appropriate \$100,000 (Proposition 98 General Fund) for that purpose.

I share the author's belief in the value of teaching leadership skills to California's youth. However, school districts are already able to provide a leadership course at their discretion. I encourage them to do so.

The state faces a severe fiscal shortfall of \$24 billion and this bill seeks an unbudgeted General Fund appropriation. When our fiscal condition improves I would consider legislation establishing a pilot program on leadership skills.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2759**

Governor's Office, Sacramento  
September 19, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2759 without my signature.

This bill would require each school district serving grade 12 to (1) annually request county election officials to furnish schools with a voter registration card for every graduating senior; (2) distribute voter registration cards with each pupil's diploma; (3) establish procedures for handling the cards; and (4) provide a written notice informing students about eligibility and processing. In addition, the bill would



encourage schools requiring students to perform community service to allow participation in elections-related events to fulfill those service requirements.

While I support the author's efforts to encourage voter registration among graduating seniors, this bill would impose state-mandated costs on school districts of at least \$500,000. In addition, the Secretary of State currently provides a voting information curriculum to California high schools. Furthermore, I believe student groups or other civic groups should undertake voter registration activities instead of the State mandating this activity.

Because of the unbudgeted costs of this well-intentioned bill, and because of the current fiscal condition of the state, I am unable to sign AB 2759.

Sincerely,

GRAY DAVIS

#### RECEIPT

I acknowledge receipt this 20th day of September 2002 at 1:30 p.m., of Assembly Bills Nos. 2027, 2069, and 2759, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

#### **Veto Message—Assembly Bill No. 552**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 552 without my signature.

This bill would create an advisory committee, headed by the Director of the Office of California-Mexico Affairs and the Secretary of the Technology, Trade, and Commerce Agency, to study the establishment of a California-based international development program with Mexico to assist community-based groups perform economic development projects in Mexican migrant regions.

This bill would attempt to address factors that could eventually reduce immigration from Mexico by supporting technical assistance to stimulate economic development in Mexico. Migration is certainly an issue of real interest to California; however, the issue of development in foreign countries, even those that neighbor California, is a federal, not state, responsibility. In addition, the study envisioned by this bill could create an expectation for future State funding.

I am proud of the strong relationship that my Administration has forged with Mexico on a wide range of topics and I intend to build upon these successes in the future. However, for the reasons stated above, I cannot sign this legislation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 748**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 748 without my signature.

This bill would require the Bureau of State Audits to conduct an analysis of the effectiveness and fiscal status of the Cal-Vet program, including projections for future needs, revenues, and reserves to meet the financial obligations of the program. I am very proud of the progress we have made in assisting our brave veterans, and am particularly gratified that the Legislature has allowed me to sign legislation that will result in the construction of five new veterans homes throughout California.

I do not think, however, that it is appropriate for the Department of Veterans Affairs to pay for a study by the Bureau of State Audits. In keeping with the intent of this measure, I am instead directing the Inspector General, within existing resources, to undertake an analysis of the Cal-Vet program, using the same criteria described by this bill, and report his findings to me by January 1, 2004.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 843**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 843 without my signature.

This bill would require the Department of Health Services (DHS) to develop and implement an electronic enrollment confirmation process for the purpose of confirming continuous 12-month Medi-Cal eligibility for newborn children born to a Medi-Cal recipient, and would establish the Newborn Children Electronic Confirmation Fund.

This bill does not expand Medi-Cal eligibility, as newborn children born to Medi-Cal recipients are currently deemed eligible to receive Medi-Cal benefits continuously for the first twelve months once the parent notifies the county. These infants are covered under the mother's Medi-Cal identification card for the first two months, and are qualified to receive health care treatment within the Medi-Cal program.

Many of these infants are currently receiving health care either through Healthy Families or the Child Health and Disability Prevention program (CHDP). The proposed 2002 budget includes funding to implement the CHDP gateway program. The purpose of the gateway program is for all eligible infants to be enrolled in Medi-Cal automatically; thus ensuring that all eligible infants have access to quality health care. I am concerned that this bill would result in increased expenditures and would not increase access to health care for California's children. The Department of Finance estimates one time additional costs of \$1 million and ongoing additional costs of \$2 million a year.

Furthermore, there are existing methods for enrolling newborn children in Medi-Cal. Hospitals, midwives, and facilities where newborns are served use the Newborn Referral Form to report the newborn's birth to the county welfare's department. In addition, the

mother or father could report the birth to the mother's eligibility worker, who in turn would include the baby in the mother's Medi-Cal case file. By using existing methods, the State would not incur any financial liability, including ongoing system costs once the electronic process is developed and implemented, and for the additional State staff resources that would be required.

Given the recent \$24 billion state revenue shortfall, I believe it is not in the best interests of Californians to increase State expenditures for both one-time and ongoing system changes when the CHDP gateway program will accomplish the same purpose.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2380**

Governor's Office, Sacramento

September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2380 without my signature.

Group homes house children with diverse needs and their operators and staff are required to have appropriate training. Current regulations mandate that an Administrator for a group home of 6 or less beds without a Master's degree in a behavioral science will have a certain number of years of administrative and/or supervisory experience over staff that provide direct services to children in an agency with a licensed capacity of 7 or more.

Assembly Bill 2380 would allow experience obtained at a community care facility with a licensed capacity of six or more to satisfy the above-described work experience requirement.

I see no reason, at this time, to weaken California's standards.

The California Department of Social Services currently has authority to grant exceptions to regulatory requirements on a case by case basis. This provision allows the Department to carefully weigh each requested exception to make a determination based on the specific experience and education of staff. The Department also looks at the facility's compliance record and other factors before granting an exception. Exceptions to current standards should be considered on a case by case basis so that the most qualified persons administer group homes.

I cannot support this bill without additional data. I am therefore requesting that the Department track information on waivers and exceptions for the next year. Such information shall include the number of waivers and exceptions requested; the specific reason for the waiver or exception request; the number that were approved; the conditions of the approval; the number that are denied; and reasons for denial.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2514**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2514 without my signature.

This bill would require the California Department of Social Services, in consultation with Department of Alcohol and Drug Programs to establish a joint committee to study issues relating to substance abuse in families in child welfare programs. This committee would develop and submit a plan to the Governor and Legislature no later than January 1, 2004.

While I support the concept of this bill, its purpose can be carried out through existing administrative structures within these Departments. In addition, the tasks outlined in this bill are being reviewed by the Child Welfare Stakeholders Group that I convened two years ago and that is currently working on system evaluation activities directly to those proposed in this bill.

Due to the \$24 billion dollar budget shortfall, it would not be prudent to incur the additional costs necessary to establish yet another committee to carry out tasks that can be accomplished by the existing Stakeholders Group.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2721**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2721 without my signature.

This bill would require the Department of Health Services (DHS), in conjunction with the Department of Education (CDE), to conduct a study on expanding access to dental health services for children. The bill would require the study to be delivered to the Legislature within 24 months from the date that private funding to undertake the study is secured.

While the goals of this bill are laudable, it is very likely that the study would create General Fund pressure to provide additional funding for dental health care for children. Over the last 4 years the state has greatly expanded access to dental health care for children with the Healthy Families and Medi-Cal for Children programs which have together provided health insurance for 1 million additional children. Given our \$24 billion dollar deficit, we must concentrate on maintaining the services we are already providing.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2739**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2739 without my signature.

This bill would create statutory requirements regarding culturally and linguistically appropriate services for health plans contracting with the State under the Healthy Families program or the Medi-Cal program to provide services to plan beneficiaries.

California is a vibrant multicultural and multilingual society. I support efforts to ensure that government services appropriately account for the many languages spoken in California. The Department of Health Services and the Managed Risk Medical Insurance Board already require contracting health plans to provide language services. Requiring cultural and linguistic competencies in the contracting process is less rigid than statute; especially if such requirements are likely to be amended or strengthened over time. While I am supportive of the goal of this bill, I prefer such standards to remain in the purview of the contracting process.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2795**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2795 without my signature.

This bill would require the Department of Health Services (DHS), when denying a request for prior authorization for inpatient acute hospital services, to include specific detailed information in a written denial notice. This bill would result in a cost of \$2.8 million (\$698,000 General Fund) and 29 positions not included in the current budget.

This bill represents a reasonable goal. However, with 7,000 positions to cut and a \$24 billion budget deficit, all of our efforts and scarce dollars must go toward maintaining existing services at this time.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 3004**

Governor's Office, Sacramento  
September 22, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 3004 without my signature.

AB 3004, proposed as trailer bill legislation to the 2002–03 Budget Bill, would defer for one year a repayment of a Natural Disaster loan borrowed by the City of Millbrae from the Office of Emergency Services (OES). No interest would compound on the principal amount due during the time of deferment.

I am vetoing this bill because it would delay the receipt of revenues during a time of fiscal constraint, establish a precedent by which other local governments could request similar extensions from repayment of

disaster loans owed to the State, and is premature since payment is not due during the 2002–03 fiscal year.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 23rd day of September 2002 at 9:33 a.m., of Assembly Bills Nos. 552, 748, 843, 2380, 2514, 2721, 2739, 2795, and 3004, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 323**

Governor's Office, Sacramento

September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 323 without my signature.

This bill would require the State Department of Education (SDE) in conjunction with the Department of Finance (DOF) and the Legislative Analyst Office (LAO) to conduct a study to examine and assess the special education and funding needs of students who are enrolled in juvenile court schools.

I believe that current law affords the same access to special education services to students enrolled in juvenile court schools as those students enrolled in any other setting. Thus, I am concerned that this bill could inadvertently create a situation where students in juvenile court schools would receive benefits or services not available to students in other settings. I would also note that the revenue limit funding for juvenile court schools is already substantially higher than the amount provided for local district schools.

Finally, I am concerned that this bill would result in the diversion of \$200,000 of budgeted special education federal funds from local assistance needs to state operations. I believe priority should be placed on maximizing the amount of funding available for serving all special education students at the local level.

For these reasons, I am unable to support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 481**

Governor's Office, Sacramento

September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 481 without my signature.

This bill would require a credentialed school nurse or other licensed nurse, or in the absence of a nurse, teachers who have volunteered and school administrators with appropriate DHS-approved training, to administer insulin or glucagon and perform testing and monitoring of a pupil's blood glucose level in accordance with instructions set forth by the pupil's physician. Designated school personnel would be prohibited

from being required to administer assistance to pupils with diabetes unless the parent or guardian has signed a waiver of liability. In addition, pupils can test their blood glucose level and provide diabetes self-care in any area of the school or during school-related activities at the request of a parent or guardian and with physician authorization.

Existing law already provides that any pupil who is required to take prescription medication during the regular school day *may* be assisted by school personnel if a written statement is obtained from a physician and a written request is made by the pupil's parent/guardian.

This bill, while well-intentioned, would create a costly new state reimbursable mandate estimated by the Department of Finance to be potentially tens of millions of dollars. Neither this bill, nor the 2002 Budget Act contains an appropriation for this purpose. In addition, I am advised by school district personnel that the immunity from liability language may protect neither the school district or school personnel from liability.

For these reasons, I cannot sign this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 634**

Governor's Office, Sacramento

September 26, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 634 without my signature.

This bill, commencing July 1, 2004, makes the compulsory education law apply to a child (and the parents or guardian of the child) between the ages of 5 and 6 years, if the child is enrolled in a public school kindergarten that accepts children under six years of age, and attends the kindergarten for at least 30 days during the school year.

I commend the author for his interest in early childhood education. However, I am concerned that this bill would unduly restrict a parent's or guardian's education choices for their children, I believe parents should retain the right to choose an education program for their 5-year old children.

Additionally, the state is already poised to study the effect of similar policy through AB 25, (Chapter 1022, Statutes of 2000). This bill creates the Kindergarten Readiness Pilot Program, a voluntary project, to test the effectiveness of providing kindergarten-readiness programs and increasing the age of entry to kindergarten. AB 25 also requires an independent evaluator to submit a final report by January 1, 2008. Therefore, it would be premature to sign AB 634 prior to receiving the results of the evaluation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 687**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 687 without my signature.

This bill requires any Local Emergency Medical Services Agency (LEMSA) that has established an Emergency Medical Services Program, but has not implemented a trauma care system by July 1, 2003, to develop and implement a trauma care system by January 1, 2005. The bill states that previous funds provided for the development of trauma plans are intended to offset the costs of the State-mandated local program established by this measure.

Local trauma system planning is inherently a local responsibility. Nonetheless, I have actively supported trauma care planning through a one-time \$2.5 million augmentation in the 2001–02 Budget Act and trauma center funding through \$20–\$25 million augmentations in the last two budgets. The funding for trauma care planning was optional for counties and I am pleased that all but two counties that were eligible submitted planning proposals. However, this bill makes such planning and implementation mandatory for counties and as such creates a state-mandated local program.

The planning funds in the 2001–02 budget were one-time in nature but the Department of Finance indicates this bill will incur ongoing state General Fund costs of up to \$9.7 million annually by 2005–06. I cannot support the imposition of a state-mandated local program at significantly increased General Fund cost during this time of fiscal uncertainty.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1652**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1652 without my signature.

This bill would exempt private relocation assistance payments from eligibility determinations and aid payment calculations for recipients of CalWORKs, In-Home Supportive Services (IHSS), Medi-Cal, and other public assistance programs.

This bill would expand the CalWORKs, IHSS, and Medi-Cal programs by extending benefits to additional individuals and increasing the amount of the CalWORKs assistance payment that some families receive. Because the budget allocates the entire amount of available federal Temporary Assistance for Needy Families Block Grant and State maintenance-of-effort (MOE) funds for support of the CalWORKs program, this bill would result in General Fund costs above the federally-required MOE level. While this bill has merit, given the reduction in General Fund revenues, I cannot support an expansion of the CalWORKs, IHSS, and Medi-Cal programs.

Sincerely,

GRAY DAVIS



**Veto Message—Assembly Bill No. 1776**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1776 without my signature.

This bill would permit a Board of Supervisors to fill a vacancy on that board if the Governor has failed to do so within 180 days. This bill would apply only to counties with a population of 50,000 or less. The Board of Supervisors could either fill the vacancy by appointment or by calling a special election.

The Governor is statutorily charged with appointing a supervisor if a vacancy occurs. I believe this authority should remain with the Governor unless he or she chooses to relinquish it, which I do not.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1794**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1794 without my signature.

This bill would:

- Authorize an adult education program to offer supplemental instruction in preparation for the California high school exit examination (CAHSEE), notwithstanding any other provision of law, exclusively to a person who completed grade 11, and be reimbursed for instruction hours through the supplemental instruction program currently provided for pupils enrolled in grade 7 through 12.
- Authorize reimbursements from supplemental instruction entitlements for pupil hours attributable to any adult or high school student enrolled in supplemental instruction in preparation for the CAHSEE. It is unclear whether the reimbursement could be claimed by the adult education program or the regular K–12 district.
- Increase the percent of adult education funds that could be provided for alternative methods of delivery, such as distance education and independent study from 5 percent to 10 percent.
- Require that any pupil who successfully passes the CAHSEE after completing grade 12 be eligible for a regular high school diploma.

I am concerned that this bill would create Proposition 98 General Fund costs in the tens of millions of dollars annually by allowing Adult Education programs to receive funding provided to the Supplemental Instruction Program. Furthermore, it appears that adult education programs would be authorized to receive both adult education funds and supplemental instruction funds for any adult, as well as grade 12 students enrolled in adult education courses designated as CAHSEE preparation. Such an incentive of double funding for the same student

could lead to districts redefining related existing courses as CAHSEE preparation to gain additional funding for course that they already provide.

Furthermore, by authorizing grade 11 completers to enroll in adult education programs for CAHSEE preparation *notwithstanding any other provision of law*, this bill appears to waive existing laws that cap the level of concurrently enrolled and funded high school students in adult education programs. This change would erode adult education reforms of the early 1990s, further increasing state costs per student.

I would also note that by increasing the percentage of adult education funds that could be delivered through alternative instructional methods, this bill is inconsistent with recent policies governing independent study to reduce funding and discourage its expansion. I am not aware of any evidence demonstrating that alternative methods of delivering instruction are more effective than classroom instruction and therefore believe that the existing five percent cap is warranted.

For these reasons, I am unable to support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1905**

Governor's Office, Sacramento

September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1905 without my signature.

This bill would establish a three year pilot program whereby the State Department of Education would select one school district each from the counties of Contra Costa, Merced and San Bernardino to provide for the screening of 7th grade female and 8th grade male pupils for the risk of developing type 2 diabetes mellitus (DM II).

A statewide program of this nature could result in Proposition 98 General Fund costs in the millions of dollars annually. Given the state's current fiscal situation, I believe that expansion of state-reimbursable local mandates should be held to a minimum.

Further, as I have stated previously, governing boards of local educational agencies have a clear statutory responsibility to give diligent care to the health and physical development of pupils as well as the authority to determine their staffing needs consistent with fulfilling this obligation. I continue to believe that school health staffing needs are determined at the local level based on local priorities and should remain so. For these reasons, I cannot sign AB 1905.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1959**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1959 without my signature.

AB 1959 significantly alters the CalWORKs 18- or 24-month welfare-to-work participation period by allowing Alameda, San Diego, Santa Clara and Ventura counties, at their option, to implement a pilot project in which CalWORKs recipients in an approved registered nurse training program would be allowed to remain in that program for a cumulative period of up to 48 months, after they sign their initial welfare-to-work plans. Under current law, educational or training hours only count towards the first 18–24 months of CalWORKs, after which time the recipient must meet their work participation requirement solely through employment and/or community service. These recipients would be able to receive more time for education and training than recipients that are preparing for careers in other occupational fields.

This bill would also change the 18- or 24-month time limit by requiring that it be extended for a period of up to 12 months for participants diagnosed as having a physical, mental, or emotional condition or learning disability that prevents full-time employment. Additionally, CalWORKs recipients with learning disabilities already receive credit towards the 18- or 24-month time limit if the disability is determined after the person became a CalWORKs recipient.

This bill may also impact the state's ability to meet federal work participation requirements, by allowing extended participation in educational and training activities. Program costs will increase because of the lengthier participation in activities and the delay of participants' entry into the labor force.

Because the budget allocates the entire amount of available federal Temporary Assistance for Needy Families Block Grant and State maintenance-of-effort (MOE) funds for support of the CalWORKs program, this bill would result in General Fund costs above the federally-required MOE level. Given the significant reduction in General Fund revenues, I cannot support an expansion of the CalWORKs program. Further, I have committed \$60 million for a Nurse Workforce Initiative. This initiative is intended to address the shortage of nurses in California through training, recruiting, and retention programs.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2136**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2136 without my signature.

This bill requires the Superintendent of Public Instruction (SPI) to appoint a State School Health Advisory Council (SSHAC) to identify model school health services programs and practices that directly serve students by January 1, 2004. The bill appropriates \$144,000 General Fund for this purpose.

I signed SB 19 in 2001 which established the "Pupil Nutrition, Health, and Achievement Act of 2001," to improve the nutrition and eating habits of California's school children. Furthermore, the state already provides school health services through a variety of programs including, Healthy Start, the Comprehensive School Health Program, the Child Health Disability Prevention Program, and the Offices of School Health Connections.

The cost pressure associated with the council's required recommendations could easily reach into the hundreds of millions of dollars annually. Further, neither the bill's \$144,000 non-Proposition 98 General Fund appropriation nor the cost of the additional workload at the SDE is included in the Budget totals. Given the State's difficult fiscal condition, I cannot support legislation that creates expectations for significant future increases in funding.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 27th day of September 2002 at 10:36 a.m., of Assembly Bills Nos. 323, 481, 634, 687, 1652, 1776, 1794, 1905, 1959, and 2136, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 2212**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2212 without my signature.

This bill would authorize the Santa Cruz County Office of Education, in collaboration with the California Center for Baldrige in Education, to establish a pilot program for twelve schools to train educators in the development and use of individualized pupil data portfolios. This bill would appropriate \$165,000 in federal Title II funds to conduct the pilot.

I am in agreement with the author on the need to train educators in the use of assessment data to assist students in meeting academic achievement goals. To that end, I am supportive of the State Board of Education's initiative to use \$1.3 million in funding to provide statewide staff training on the use of student performance data through the Standardized Testing and Reporting program. I believe that it is more prudent to provide an opportunity to establish that program which

would benefit all local education agencies, rather than to redirect federal funds away from other staff development priorities for a pilot that appears to be duplicative of existing efforts.

In addition, while this pilot program would be funded by redirecting federal funds from existing programs, the bill creates future General Fund (Prop 98) pressures of nearly \$100 million to provide this training statewide.

Given the State's severe financial shortfall, I cannot sign this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2240**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2240 without my signature.

This bill would require additional activities for the local child support agencies by making changes to the current paternity establishment process, including a requirement that the summons and complaint be personally served on the alleged father in any action to establish paternity. In addition, the bill would expand the court's ability to set aside default paternity judgments based on genetic testing and upon determination of the best interest of the child.

The intent of AB 2240 is to provide relief to individuals who are victims of paternity fraud. I recognize that paternity fraud is a serious issue and has the potential of damaging an individual's livelihood. However, AB 2240 is flawed in its attempt to address this issue.

Personal service, as required in the bill, would establish a higher standard of service for paternity actions than all other civil actions. This higher standard does not directly address paternity fraud or prevent fraud in the future but instead would adversely impact the establishment of paternities. Thousands of paternity judgments are established timely each year by serving individuals by substitute service or by mail. The bill's requirement of personal delivery service would severely delay this process, but more important, would provide biological fathers the ability to evade service of process, preventing the establishment of paternity in the majority of these cases and allowing the avoidance of parental responsibilities. This would directly impact child support collections and would jeopardize California's ability to meet federally required performance measures putting California at risk of losing up to \$40 million in federal funds.

In addition, AB 2240 has substantial federal compliance problems that would adversely affect California. The bill's requirement of a paternity questionnaire, signed by the mother, would prevent the filing of a paternity action in cases against the father if the mother is deceased or unavailable, or if she simply refuses to cooperate. This would prevent moving ahead on cases even if other evidence establishes paternity. This would also apply to foster care cases where federal law requires the establishment of paternity and child support. AB 2240 would prevent

California from proceeding on a large number, if not most, of foster care cases, putting California out of compliance with federal law.

Therefore, I direct the Department of Child Support Services to work with the Legislature and advocates on both sides of this issue to develop recommendations that will address paternity fraud.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2386**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2386 without my signature.

This bill would create an exemption from the CalWORKs work participation requirement for recipients who are enrolled in an educational, vocational, or job training program and have been diagnosed with a physical, mental, or emotional condition or learning disability that prevents full-time participation in or completion of the program.

This bill would expand the CalWORKs program by allowing certain CalWORKs recipients to remain on aid for longer periods of time than they would under current law. It could also hinder the ability of the State to meet the federally-required work participation rate. Because the budget allocates the entire amount of available federal Temporary Assistance for Needy Families Block Grant and State maintenance-of-effort (MOE) funds for support of the CalWORKs program, this bill would result in General Fund costs above the federally-required MOE level. Given the significant reduction in General Fund revenues, I cannot support an expansion of the CalWORKs program.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2395**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2395 without my signature.

This bill would require a school district that (1) hasn't met its Academic Performance Index (API) growth target, (2) has an API rating at or below 700, (3) has 20% or more low income students and (4) doesn't offer breakfast through the federal school breakfast program, to hold a public hearing at a regularly scheduled meeting to discuss student nutritional needs, the impact of poor nutrition on scholastic achievement and the cost of starting a federal School Breakfast Program, potentially within existing resources. The bill also requires the Department of Education to give priority in any start-up grants for a school breakfast program to these same schools. I strongly support the school breakfast program which is currently targeted towards

low-income students. Start-up funds for good nutritional breakfast should be made available to schools based on the need of their students, not academic performance measures. I'd be pleased to revisit a way to maximize participation by low-income students in the federal school breakfast program unrelated to API scores.

For this reason I cannot sign AB 2395.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2466**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2466 without my signature.

This bill would allow school districts to use general obligation bond monies provided by the State for school facility construction to fund deferred maintenance programs.

School districts have an obligation to ensure that local resources are directed to maintaining school facilities, and, in fact, are required to provide a dollar-for-dollar local match to access State monies. Allowing districts to use bonds approved by the voters for this purpose undermines that obligation. In addition, given the State's limited capital outlay resources, allowing these funds to be diverted for other purposes is not appropriate.

By allowing school districts to utilize bond fund savings for deferred maintenance purposes, this bill would represent a significant departure from the original intent of the School Facilities Program. As such, it would likely be found unconstitutional and threaten the tax-exempt status of the bonds. Moreover, I believe that these bond fund savings should continue to be used only for high priority capital outlay purposes. This bill would result in the State subsidy of what is intended to be a local commitment to facilities maintenance required as a condition of program participation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2561**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2561 without my signature.

This bill would allow a city council to form a business improvement district (BID) in an area containing a mass transit station that will spend at least 25% of its budget promoting or encouraging mass transit.

The advocates for this legislation believe that the laws governing BIDs are too restrictive and do not allow for the expansion of such districts into the vicinity of mass transit stations. Currently, all new BIDs have a maximum assessment period of 5 years, while this bill would allow mass-transit oriented BIDs to have a 10 year period before they must be reviewed. However, this bill offers no compelling reason

why the assessment period should be extended so significantly, or for why the percentage of property owners signing a petition in support of such a BID is reduced from 50% to 30%.

I am committed to the principles of smart growth and urban revitalization, but I do not believe that this bill provides the proper balance between these principles and those of fair and just taxation. Allowing BIDs to continue without review for a period of 10 years is unsuitable for an otherwise worthwhile program sponsored and supported by the State. For these reasons, I cannot sign this legislation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2600**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2600 without my signature.

This bill would require the Superintendent of Public Instruction and an associated advisory committee to develop guidelines regarding the method and content of an assessment alternative to the high school exit examination (HSEE) for individuals with exceptional needs who cannot participate in the examination regardless of accommodations or modifications. The State Board of Education (SBE) would be required to adopt the standards effective for the 2003–04 school year.

These assessments are now required to come into compliance with the federal No Child Left Behind Act. Detailed federal guidelines for this purpose are expected to be provided to states soon, and the 2002 Budget Act provides \$3.5 million for the State Department of Education to develop alternate assessments aligned with those guidelines for pupils who cannot participate in the HSEE with accommodations or modifications.

In addition, the SBE is already required to study the appropriateness of other criteria by which high school pupils, who are regarded as highly proficient but unable to pass the HSEE, can demonstrate their competency and receive a high school diploma. The SBE is required, if it determines that other criteria are appropriate and do not undermine the intent of the HSEE, to forward its recommendations to the Legislature for enactment.

Finally, this bill would cost \$150,000 in state and \$1 million in federal funds.

For these reasons, I am unable to sign this bill.

Sincerely,

GRAY DAVIS



**Veto Message—Assembly Bill No. 2874**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2874 without my signature.

This bill would prohibit a license-exempt family day care provider from caring for more than six, state or federally subsidized, children at a time.

While low provider-to-child ratios are clearly desirable, this bill could lead to situations where a large family would have to receive childcare from more than one provider.

For these reasons, I am returning AB 2874 without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2930**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2930 without my signature.

AB 2930 would change the current requirement that a pregnant woman be offered a voluntary HIV test to a requirement that physicians inform the pregnant woman of their intention to perform an HIV test at any time during pregnancy up until the time of delivery unless the patient refuses. The bill requires the laboratory result to be reported to the woman and her provider and could result in a provider informing a patient of her HIV status prior to confirmatory testing.

The State's existing HIV reporting requirements currently prohibit informing a patient of her HIV status prior to a confirmatory test. This is good policy; it ensures the test results are accurate before informing the patient. It can take up to two weeks for preliminary positive results to be confirmed.

I support the goal of more testing, but I believe this bill represents a fundamental shift from voluntary testing toward a mandatory system, which may reduce an at-risk woman's willingness to receive prenatal care. The current universal voluntary system seems to be working well. According to recent information received by the state Department of Health Services (DHS), as many as 90% of pregnant women will accept an HIV test when it is offered. The Centers for Disease Control and Prevention (CDC) estimate the number of infants born with HIV since 1991 has decreased from 1,760 to as few as 280 infants nationwide in 2000. The CDC has also reported that the prevalence of HIV infection among childbearing women is lower in California than in other large, urban states. There is no reason to assume that health care professionals cannot carry out the best professional practice and informed consent procedures under current law to continue to reduce the prevalence of HIV transmission from mother to infant.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 27th day of September 2002 at 10:37 a.m., of Assembly Bills Nos. 2212, 2240, 2386, 2395, 2466, 2561, 2600, 2874, and 2930, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 1972**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1972 without my signature.

This bill requires the Office of Environmental Health Hazard Assessment to prepare a statement of health concerns associated with the ingestion in drinking water of any contaminant for which there is a public health goal and include this information in the consumer confidence reports.

This bill imposes new requirements that have the unintended effect of confusing, rather than informing, the public by potentially overstating the health risk effect. Moreover, the bill will result in a cost of \$75,000 to the Office of Environmental Health Hazard Assessment at a time when the state is dealing with a \$24 billion shortfall.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2774**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2774 without my signature. This bill would require CalEPA to appoint a voluntary stakeholder-based task force to develop a public education campaign encouraging the use of low-emission advanced technology vehicles.

This bill is unnecessary. While I support this new technology that improves our air quality, I believe the bill inappropriately assigns promotion responsibilities to state government. These efforts are best left to the vehicle manufacturers who already have advertising programs to promote their own products. Moreover, the bill creates new costs of \$50,000 to \$100,000 a year at a time when the state is dealing with a \$24 billion shortfall.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 27th day of September 2002 at 4:55 p.m., of Assembly Bills Nos. 1972 and 2774, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 627**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 627 without my signature.

This bill would require the California State University to conduct a two year study on existing delivery systems for export services for businesses in California and recommend the most appropriate and efficient division of work and resources among both public and private sector agencies and organizations, including the Technology, Trade, and Commerce Agency.

While such a study may provide useful information, this activity would require the expenditure of additional General Fund dollars. Given the state's \$24 billion deficit, I cannot support such expenditures at this time. In addition, it is important to note that the TTCA could arrange for an evaluation of the export services available to California businesses such as would be required by this bill without any additional legislative authority.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 787**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 787 without my signature.

This bill would require the Office of Planning and Research to evaluate the function of each State department and make recommendations to the Legislature by January 1, 2004 regarding how to improve the delivery of State services.

I agree with the author that there could be value in evaluating the functions of statewide agencies and departments. The authority to undertake this tremendous task already exists under the Statewide Government Strategic Planning and Performance Review Act. This existing law requires the Controller, Bureau of State Audits, and the Department of Finance, to develop a plan for performance reviews of state operations, in consultation with the Legislative Analyst.

I commend the author for his interest in achieving better coordination between government agencies. The estimated cost for OPR to conduct this evaluation is \$318,000, although a thorough top to bottom review could be much higher. Because the authority presently exists to accomplish the objectives of this bill, and because most departments and agencies, including OPR, have experienced significant budget reductions for 2002–03, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 818**

Governor's Office, Sacramento  
September 27, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 818 without my signature.

This bill deems that the Fremont Unified School District (FUSD) had met the specified minimum time incentives for the 2000–01 fiscal year, thereby avoiding any funding repayments on the condition that any instructional time deficit will be made up twofold before the completion of the 2002–03 school year.

Last year, I signed legislation (SB 178, Costa) that significantly modified the minimum time incentive repayment provisions and waiver procedures statewide. I am unwilling to sign legislation that waives instructional time infractions on a district-by-district basis. This year's AB 1227 (Canciamilla) permits the waiver of any fiscal repayment for minimum instructional time infractions in the 2000–01 fiscal year and thereafter, in exchange for making up twice the instructional time lost. That bill would apply to all school districts. AB 1227 is a reasonable alternative to AB 818 and other bills that would only benefit individual districts.

My signature on AB 1227 will achieve the intended objective of AB 818 on behalf of the Fremont Unified School District

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1403**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1403 without my signature.

This bill would express legislative intent to divide the \$75 million available from Proposition 40, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, to fund grants for the purposes of agricultural and grazing land protection.

In stating legislative intent, this bill is not binding on future legislative actions and is unnecessary. Further, this bill, while well-intended, would state the intent to appropriate Proposition 40 grant funds for an ineligible loan program at the Department of Conservation. For these reasons, I am vetoing this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1713**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1713 without my signature.

This bill was gutted and amended during the last days of the legislative session and received only one policy hearing two days before adjournment. While I recognize the need for legitimate access to voter information files, there is a more important need, which is to adhere to the rules of the democratic process and ensure that the public has an

adequate opportunity to participate. The confidentiality of voter registration information is very important and changing the laws that protect this information deserves more public scrutiny than AB 1713 received.

To that end, I have signed AB 2832 (Shelley), which would create a task force to study this matter, make recommendations and adopt uniform guidelines governing the protection of voter registration information. The issue of “certified election data vendors” is one that could easily and more appropriately be addressed by this task force.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1939**

Governor’s Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1939 without my signature.

This bill would require the Legislative Analysts’ Office (LAO) to study a property tax shift mechanism, intended to provide relief to local governments and to incentivize the construction of affordable housing. While I share Assemblymember Daucher’s concern with respect to both issues, AB 1939’s proposal does not appear to be the answer.

On its own, this proposal failed as a bill in the previous half of the session. Nothing the LAO could reveal would enhance its mechanisms. The LAO has a number of other local government financing proposals that it has developed for the Legislature to consider. Another study at this time would not be helpful as neither the LAO nor the State has the budgetary flexibility to undertake yet another study nor finance the kind of relief local government is seeking.

Nevertheless, I commend Assemblymember Daucher on her creative work on behalf of local governments and look forward to working with her.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2124**

Governor’s Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2124 without my signature.

This bill would allow entities previously licensed as skilled nursing facilities that meet specified criteria to remain continuously licensed under certain conditions after their licenses had been suspended. Entities that have been continuously licensed since before new seismic safety standards were imposed are not required to comply with those safety standards.

The goal of this bill is to allow the North Valley Nursing and Rehabilitation Center in Chico to re-open without meeting current seismic safety building standards. This would set a precedent that safety standards that a facility would otherwise be required to meet can be avoided through changes in state statute. In addition, this bill would likely benefit only a single entity, setting another undesirable precedent

of preferential treatment through law change. It is more preferable that elderly or infirmed patients live in the safest possible environment.

Moreover, according to a private sector building evaluation completed in 2000, the evaluation cited numerous building elements of the skilled nursing facility that are substandard and that the building appeared to have had significant code deficiencies at the time it was originally constructed 40 years ago. Finally, this bill would result in additional General Fund costs not included in the current budget. Increasing General Fund expenditures during the current \$24 billion dollar budget shortfall would not be fiscally prudent. Therefore, I cannot support this legislation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2403**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2403 without my signature.

This bill would require county offices of education and school districts to report the number of foster children enrolled in education programs as part of the reporting requirements for the California Basic Educational Data System (CBEDS) and the California School Information Services (CSIS).

California already accounts for the number of foster children through existing programs in the Department of Social Services and the Department of Education. Mandating this data collection would create a reimbursable state mandated local program, putting additional pressure on an already severely strained state budget. Now is not the time to fund new programs that may be worthwhile but compete with existing programs for scarce financial resources.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2507**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2507 without my signature.

This bill would require the Superintendent of Public Instruction to implement a School Accountability Report Card for the State Special Schools for the Deaf and the School for the Blind. Among other provisions, the bill would also require all certificated employees to satisfactorily complete the American Sign Language Proficiency Index test every three years, with exceptions.

I am greatly concerned with the proficiency levels of the staff and pupils attending the state's schools for the blind and deaf. However, given the current shortage of teachers serving the deaf and blind in these schools, this bill would exacerbate the shortage of qualified teachers.

This bill would also result in General Fund costs of \$500,000 for additional testing of pupils, training of employees, the establishment of a School Accountability Report Card, and state operations costs for the State Department of Education when the State has just faced a

\$24 billion shortfall. This bill contains many good things for both the State Special Schools for the Deaf and the School for the Blind. However, in this time of extreme financial austerity, AB 2507 would siphon off existing resources and therefore have a detrimental effect on the schools' budgets and the education of the students attending these schools.

For these reasons, I am unable to support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2741**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2741 without my signature.

This bill establishes the Children's School Readiness and Health Council (CSRHC) within the California Health and Human Services Agency (HHS) to promote policy and coordinate programs that address children's school readiness and health.

I am supportive of coordinating school readiness and health services and state departments participate in a variety of these efforts including the California Children and Families Commission, the Office of School Health Connections, the Interagency Coordinating Council on Early Intervention and the Head Start-State Collaboration Office.

However, this bill would result in a cost of at least three positions and \$270,000 (\$140,000 General Fund) for affected departments to support the Council and related Advisory Committee activities, not including the cost of the required coordination study. State budget reductions of 7,000 positions will severely limit the affected state departments' abilities to take on new activities at this time and these positions cannot be funded by private dollars. The California Health and Human Services Agency will be reviewing its options to better coordinate school readiness and health programs within existing resources and structures.

Therefore, I am unable to support this bill.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 28th day of September 2002 at 4:46 p.m., of Assembly Bills Nos. 627, 787, 818, 1403, 1713, 1939, 2124, 2403, 2507 and 2741 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pam Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 2954**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2954 without my signature.

This bill would require that any general plan land use element adopted or amended after January 1, 2004, address the distribution of childcare facilities in the land use element.

I certainly recognize the importance of childcare facilities and I commend the author for his leadership on this issue. Indeed, I encourage local communities to address the distribution of childcare facilities in their general plan land use element. However, I am obligated to evaluate this bill within the overall context of its effect on the General Fund during these uncertain fiscal times. As written, AB 2954 is a reimbursable mandate. As all 535 general plans are amended over time, the cost to the state would reach \$100 million at a time when the state is facing very difficult financial pressures.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2998**

Governor's Office, Sacramento  
September 27, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2998 without my signature.

This bill would allow charter schools to receive funding from the Instructional Materials Funding Realignment Program directly through the charter school categorical block grant, thereby exempting them from the requirement that the funds be used to purchase standards-aligned instructional materials.

I believe that student access to quality instructional materials that are aligned with state standards is critical to their educational success. That is why I proposed the Instructional Materials Funding Realignment Program to provide funding for standards-aligned quality instructional materials. I cannot support a measure that would fail to hold all schools accountable for using these resources to purchase standards-aligned instructional materials.

I would encourage charter schools to participate in the Instructional Materials Funding Realignment Program so that all of California's school children can benefit from quality instructional materials in their education.

Sincerely,

GRAY DAVIS



**Veto Message—Assembly Bill No. 3057**

Governor’s Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 3057 without my signature.

This bill would impose a new state requirement on cities and counties to amend their General Plans to add Agriculture to their Open Space elements. Forty-five governments have already implemented a local plan to encourage the conservation of agricultural land and I encourage others to take similar steps.

I believe that local governments should consider the importance of agricultural pursuits when amending their General Plans, particularly where the ag-urban interface has generated planning conflicts. However, this bill would impose a state-mandated cost on all cities and counties to comply with its requirements. In light of our state’s \$24 billion deficit, I cannot support a bill that creates a significant new reimbursable mandate on state government.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 28th day of September 2002 at 4:48 p.m., of Assembly Bills Nos. 2954, 2998 and 3057 without the Governor’s signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 2671**

Governor’s Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2671 without my signature.

This bill will mandate increased costs on inactive CalPERS agencies. These agencies will not have agreed to these increases, and in some cases will have no funding sources available to pay for them. This could lead to agencies being forced into contract terminations and reduced benefits for members and retirees in the inactive agencies. At a time when public agencies are facing reduced revenues and rising costs, it would be inappropriate to increase expenditures.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2792**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2792 without my signature.

This bill would, effective January 1, 2003, prohibit local CalPERS-covered agencies from amending their contracts to provide a different level of benefits for new employees. Local agencies that had previously contracted for this provision of the Government Code would be able to continue extending a different level of benefits to new employees but would not be able to subsequently amend their CalPERS contracts to establish an additional level of benefits for new employees.

During these difficult financial times, I do not believe it is appropriate to deny local agencies the flexibility to negotiate, through the collective bargaining process, whether or not a different level of benefits can be applicable to new hires.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2833**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2833 without my signature.

This bill would create a mandatory increase in industrial disability retirement benefits for local safety members and cause a corresponding increase in costs to local employers. This increase is not actuarially sound.

Moreover, I have signed several bills and taken other actions over the past four years that have increased salaries and retirement benefits for local safety employees:

- The 3 percent at age 50 formula has been extended so that most of California's safety employees have an excellent pension, which guarantees that young, agile and able people will be motivated to follow behind them (SB 400, Ortiz and AB 1937, Correa in the 1999–2000 session).
- SB 402 (Burton) strengthened the ban on public safety strikes and instituted binding arbitration for economic issues (1999–2000 session).
- AB 1746 (Liu) which expanded existing law to provide eligible survivors of fallen firefighters, among other public safety employees, free access to California community colleges — a benefit currently afforded to these survivors within the UC and CSU systems (2001–2002 session).
- SB 575 (O'Connell) which requires automatic fire detection alarm and sprinkler systems in public schools (2001–2002 session).

- In negotiations, I have moved toward reducing hours of work for State firefighters, bringing them in line with locals. We have also negotiated improved pensions and pay of State safety employees.
- I have increased funding for the California Firefighter joint apprentice committees.

As much as I believe in supporting our public safety employees, the current fiscal difficulties do not allow me to sign this bill which will create General Fund pressures of \$75 million to provide State safety employees with the same retirement benefit.

Sincerely,

GRAY DAVIS

#### RECEIPT

I acknowledge receipt this 28th day of September 2002 at 10:04 p.m., of Assembly Bills No. 2671, 2792 and 2833 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pam Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

#### **Veto Message—Assembly Bill No. 523**

Governor's Office, Sacramento

September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 523 without my signature.

This bill would restore the pharmacy-dispensing reimbursement to the level prior to the implementation of the 2002 Budget Act. In an effort to save General Fund and reduce the cost of Medi-Cal, the Administration proposed and the Legislature agreed to reduce the pharmacy-dispensing reimbursement. This bill would reverse this agreement and would increase the pharmacy dispensing reimbursement to the amount set prior to the 2002 Budget Act.

This bill would result in additional expenditures of \$21.4 million (\$10.7 million GF) not included in the 2002 Budget Act and would negate an agreement between the Administration and the Legislature in the development of the 2002 Budget Act that reduced the pharmacy-dispensing fee and assumed savings of \$21.4 million (\$10.7 million GF).

I am unable to support legislation that would increase expenditures above those in the 2002 Budget Act. During the budget development process, my Administration has worked with the Legislature in crafting a budget that will continue to service Californians but address our projected revenue shortfall. Difficult decisions were made for the reduction of State expenditures during this time of revenue decline and this legislation would increase State expenditures above the 2002 Budget Act approved by the Legislature and signed into law.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 741**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 741 without my signature.

This bill would add new requirements on local education agencies and the State related to pupils of limited English language proficiency. The bill would change the criteria for reclassifying English learner pupils as English proficient. I believe that English literacy reclassification should continue to be based solely on students' English proficiency. With respect to instructional materials, the State Board of Education is already adopting instructional materials for English language arts and English language development that respond to the needs of English learners. Furthermore, development and purchase of separate materials would entail substantial costs beyond the State's current resources.

Finally, I have concerns that the bill would threaten the credibility of the state's accountability system for schools. While I agree with the bill's intent to promote improved academic performance among English learners, the bill's proposal to compare year-to-year growth in the Academic Performance Index scores for English learners does not consider changes in the English learner population due to literacy reclassification, and thus would not measure and reward schools for actual improvement in pupil performance. Also and very importantly this measure according to the Department of Finance, would result in hundreds of millions of additional dollars for new instructional materials. For those reasons, I cannot support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1802**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1802 without my signature.

I have great respect for classified school employees. Without their outstanding efforts, we would not have clean, well-lit, well-run schools and community colleges. California citizens are all in their debt for their dedicated efforts.

However, I am concerned that this bill may cause a significant increase in costs for local school and community college districts at a time of great financial stress. Therefore, I believe that this extended sick leave benefit is better dealt with through collective bargaining. In the bargaining process experienced negotiators can find savings to offset and balance out the cost.

For these reasons, I cannot sign this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1907**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1907 without my signature.

This bill would limit the amount of federal funds that may be applied towards funding requirements when determining the amount from the General Fund to be used for special education in California.

The Department of Finance estimates that this measure could result in an ongoing General Fund cost of \$132 million beginning in 2003–04.

Over the last four years, I have signed budgets providing special education General Fund increases totaling \$748.4 million, plus an additional pass through of more than \$271 million in federal funds for California special education programs.

Given the severe revenue shortfall California has faced, I am unable to support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1986**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1986 without my signature.

This bill would eliminate the prohibition of local agency elective or appointive officials from obtaining retirement coverage under the California Public Employees' Retirement System. I believe that this should be at the discretion of each local agency and not mandated.

I would be willing to sign a bill once there has been either a vote of the people or the adoption of an appropriate resolution at a duly noticed public meeting by the governing body.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2063**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2063 without my signature.

This bill authorizes the Fresno County Board of Supervisors to adopt retirement formulas for its county employees of 3.275 percent at age 55 for safety members, and 3.275 percent at age 60 for non-safety members. This would be a higher retirement formula than any other safety or miscellaneous employees currently receive.

This creates a bad policy precedent and is unfair to employees of other public agencies. I have signed a number of bills in the last three years that have significantly improved the retirement prospects of

public employees state-wide. I am concerned that this bill will contribute to a benefit spiral affecting public agencies throughout the State.

This bill would also create additional cost pressures on government pension funds at a time when their assets are strained by the decline of the stock market.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2130**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2130 without my signature.

This bill, together with Senate Bill No. 1671, would extend indefinitely the waiver of a cap on state reimbursement to local education agencies for supplemental instruction provided to students in grades 2–6 who are at-risk of retention which would otherwise be reinstated January 1, 2003. Extension of this uncapped reimbursement could result in a Proposition 98 General Fund cost in the millions of dollars, at a time when the State is dealing with a \$24 billion shortfall.

In addition, the proposed provisions allowing the Superintendent of Public Instruction to transfer funds between supplemental instruction programs does not contain proper advance notice to maintain adequate fiscal oversight. For these reason, I cannot support this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2188**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2188 without my signature.

This bill would create a pilot program that would authorize the State Department of Education (SDE) to establish up to five regional career technical high schools (RCTs), by combining existing Regional Occupational Center/Programs (ROC/P) with an academically comprehensive high school.

The bill envisions a new program, which may well be meritorious, but the State is not in a position to expand services and programs given our efforts to address a \$24 billion deficit. This bill would require the State Department of Education to redirect available Federal funding to administer and provide technical assistance for a new program at a time when the Administration is required to eliminate 7,000 positions and prepare for additional budget reductions.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2604**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2604 without my signature.

This bill would require the California Research Bureau (CRB), in consultation with the State Department of Education (SDE) and the Commission on Teacher Credentialing (CTC), to contract with an independent evaluator to conduct a study of the availability and effectiveness of the cross-cultural professional development programs for teachers and administrators in culturally diverse schools. The results of the study would be submitted to the Legislature and Governor by July 1, 2004.

I continue to support the need to provide high quality instruction and professional development to California's teachers. However, in light of the State's current fiscal condition, I do not believe it is prudent to invest in a study focused on the past cross cultural training that teachers have received and in a manner which may not produce valid and reliable recommendations. The CTC has already studied past Cross-cultural, Language and Academic Development (CLAD) requirements, made any necessary revisions and has developed a new protocol for such training which embeds cultural sensitivity within all courses in teacher preparation programs. Furthermore, this study could be used as the basis for supporting new cross-cultural training programs, which could cost \$100 million Proposition 98 General Fund to establish, at a time when the new requirements have not had the opportunity to demonstrate their efficacy. I believe it is important to first focus available funds on teacher training programs that have already been determined to be beneficial to our students in meeting their core academic needs. Therefore, I am unable to support this bill, which could direct funds away from these programs.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2607**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2607 without my signature.

This bill would allow highly gifted pupils to have their proficiency in basic skills verified according to criteria established by the State Department of Education (SDE) and to receive a certificate of proficiency equivalent to a high school diploma. The basic skills included in the old State proficiency test are not aligned to California standards, therefore these students would not be required to meet the rigorous standards California is requiring for all other students.

Current law already allows the governing board of any school district to authorize pupils to attend a community college as special part-time

students and provides for the authorization of a student's attendance at a community college as a special full-time student.

For these reasons, I am unable to support this bill.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 28th day of September 2002 at 10:06 p.m., of Assembly Bills Nos. 523, 741, 1802, 1907, 1986, 2063, 2130, 2188, 2604 and 2607 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pam Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 1890**

Governor's Office, Sacramento

September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1890 without my signature.

This bill would authorize the legislative body of a city to appoint a personnel or civil service board or commission. If approved, this act would require that one-half of the members be appointed from persons nominated by the local employee organization(s), if one exists, and require this board to select an independent, neutral chairperson.

This bill is not necessary, as current law does not prohibit a local legislative body from including other organizations, including employee organizations, in the nominations and selection process. Requiring each city to utilize this process would force many cities to completely restructure their city commissions and would remove a considerable amount of local control. Furthermore, this bill would create a serious conflict of interest by allowing members of employee organizations to essentially govern their own employment structure, deleting the ability of cities to manage their own employees.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1975**

Governor's Office, Sacramento

September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 1975 without my signature.

This bill would require governing boards of community college districts to grant leaves of absence to their employees to allow them to work as employees of any public employee organization for up to eight years. Additionally, this bill would limit the total allowable leave time for each campus to the annual time base of one full-time equivalent employee and permit governing boards to deny requested leaves if they would reasonably result in an employee shortage or hardship to the district.

Community college district employees are covered by the Higher Education Employer-Employee Relations Act (HEERA) which allows



them to bargain over matters including wages, benefits, and terms and conditions of employment. Therefore, the changes in leave of absence provisions sought by this bill are unnecessary and should be bargained rather than legislated.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2189**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2189 without my signature.

This bill would require a contractor or subcontractor that is awarded a contract for public transit services to retain for a period of 60 days the employees of the contractor or subcontractor that previously held a contract to service the same sites.

Although I signed a nearly identical bill presented to me last year that provided transitional employment for janitorial workers, I am unable to do so on this occasion. Unlike the problems that plague workers in the janitorial industry, workers that labor under public contracts are not subject to the exploitation that motivated me to sign the legislation for janitorial workers. In addition, local governments have the authority and option of setting higher wage and benefit requirements for contract bids for public transportation when necessary to meet the needs and the best interests of their communities.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2752**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2752 without my signature.

This bill would expand the protection of workers who experience employment discrimination because they have exercised their rights to report hazardous working conditions or have refused to perform unsafe work.

I greatly appreciate the importance of protecting workers from retaliation when they refuse to perform unsafe work or report dangerous working conditions to their employers or to government agencies and others who share the charge of keeping our workplaces safe and injury-free. There are currently in law significant protections for these workers. Moreover, the measure could reduce the Department of Industrial Relations' ability to properly enforce those protections.

For these reasons, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2771**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2771 with out my signature.

This bill would preclude the Employment Development Department (EDD) from subjecting former temporary services employees to any additional eligibility, suitable work, or seek work requirements for the purposes of receiving Unemployment Insurance (UI) benefits.

Requiring an employee to report back to the temporary agency before applying for unemployment benefits is not a barrier to obtaining benefits, and is designed to ensure that all opportunities for employment are exhausted before applying for aid. This bill precludes EDD from requiring the claimant use due diligence before applying for unemployment benefits. Therefore, I must return this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2827**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2827 without my signature.

This bill would require the Department of Industrial Relations (DIR) to conduct a study of the graduation rates of various kinds of apprenticeship programs administered by the Department.

It is my understanding that DIR already has this data. Under the current budgetary constraints facing the State, undertaking a study of existing data can take resources away from other priority programs within DIR. Therefore, in place of signing this bill, I am directing DIR to release this data in a timely manner.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2892**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2892 without my signature.

This bill would nullify a California Supreme Court decision that requires public employees to exhaust judicial remedies from an adverse administrative finding on a discrimination claim before filing a civil lawsuit arising out of the same claim. It would also nullify an appellate court decision that requires exhaustion of any internal public employer administrative process, as well as the Department of Fair Employment and Housing's administrative process before public employees could file a civil lawsuit against the same claim.

While I fully support the right of employees to a full and fair review of discrimination claims, I do not want to sign a bill that would foster duplicative and conflicting litigation. Such a result runs counter to the

State's strong public policy in favor of judicial economy, and serves neither the interests of employees nor their employers.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2903**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2903 without my signature.

I have no problem with employee organizations disseminating their own political recommendations through all appropriate private vehicles, such as employee lockers, mail boxes, and electronic mail. However, I object to postings on billboards or other places that may be seen by members of the public as opposed to just members of the employee organization.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2990**

Governor's Office, Sacramento  
September 28, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2990 without my signature.

This bill would only aggravate a practice by some employees, who, upon learning they are being investigated for misconduct, report groundless allegations of misconduct by their supervisors or co-workers. The purpose of fabricating a prophylactic retaliation claim is to forestall the employer from bringing an adverse action. This practice by disgruntled employees will have a chilling effect on a supervisors' willingness to legitimately discipline problem employees.

AB 2990 creates a significant, irreconcilable conflict with the burden of proof and presumption of innocence in criminal proceedings. This bill provides that those violations of Labor Code §98.6(b) may be punished as a misdemeanor. The presumption of retaliation created by this bill conflicts with the constitutional presumption of innocence to which every criminal defendant is entitled.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 28th day of September 2002 at 10:08 p.m., of Assembly Bills Nos. 1890, 1975, 2189, 2752, 2771, 2827, 2892, 2903 and 2990 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 2263**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2263 without my signature.

This bill would require a study of projects or programs that serve children and their families while the parents are in the process of obtaining a divorce or legal separation.

Under this study, the Judicial Council would be required to assess the results of, among other things, changes in the mental health of children and any change in the attitude of parents. The Judicial Council, however, may not be well suited to conduct this type of study.

For this reason, I must return this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2269**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2269 without my signature.

This bill would require the Los Angeles Unified School District to provide two days of training for up to 1,000 of its substitute teachers. This bill would require the State to provide qualifying districts with \$150 per day for the training and additional funding for the costs of modifying training curriculum that has been designed by the Los Angeles County Office of Education.

Additionally, by requiring the Los Angeles Unified School District to administer this program and by stating that the State will provide reimbursement for the curriculum modification costs, this bill creates a reimbursable State mandate, that would result in significant General Fund costs.

I believe the role of substitute teachers is important, and I would be willing to consider a bill in which the Commission on Teacher Credentialing develops an appropriate curricula for training substitutes.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2424**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2424 without my signature.

This bill would authorize a school district to establish a local school construction authority (LSCA) and delegate to the authority all of the school facilities construction duties relating to that school district. This bill would also require the State Allocation Board (SAB) to adopt regulations to expedite the release of state bond funds for projects administered by a LSCA, even if the district has not entered into a binding contract for completion of the approved project.

This bill would dilute accountability for providing adequate school facilities. Local school boards are the appropriate entity to be fully

responsible and accountable for providing school facilities for their students, and they should not be able to pass this responsibility on to another public entity. Additionally, this bill is not necessary since local boards can already establish informal working groups to advise them on site acquisition and other school construction matters.

Finally, by requiring the SAB to expedite the release of funds for LSCA projects, this bill would give these projects favorable treatment over all other projects participating in the School Facilities Program, effectively allowing LSCA projects to receive their funding ahead of other equally qualified projects. This alternate and inequitable funding mechanism is a departure from what was agreed to during the development of the Kindergarten–University Public Education Facilities Bond Acts of 2002 and 2004 (AB 16 (Hertzberg), Chapter 33, Statutes of 2002).

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2540**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2540 without my signature.

This bill would establish the Superintendent Training Program to provide specific training and instruction to school superintendents.

This Administration-sponsored bill was substantially amended by the Legislature in a manner that drastically deviates from the negotiated agreement reached by the Administration and relevant stakeholders. The Administration pursued and received funding from the Gates Foundation for the Principal Training Program and the Superintendent Training Program. The amendments taken by the Legislature remove the role of the Administration in implementing the Superintendent Training Program. I would welcome urgency legislation next year that carries out the negotiated agreement for the Superintendent Training Program.

For this reason, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2575**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2575 without my signature.

This bill is inconsistent with federal law, which requires that new elementary teachers pass a “rigorous State test” on subject knowledge and teaching skills.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2588**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2588 without my signature.

This bill would establish the School Facilities Collaborative Implementation Advisory Commission (Commission) to review and consider best practices on strategic planning for school facilities, facility planning and architectural design, and joint-use facility planning. This bill would also amend the Joint-Use Facilities Program to authorize the use of available funds as provided by Chapter 33, Statutes of 2002 (AB 16) to fund the local planning costs associated with collaboration between school districts and their joint-use partners engaged in the development of joint-use facilities.

While I am supportive of cooperation between the local governmental jurisdictions, I am opposed to this bill for several reasons. First, requiring that at least twenty percent (\$10 million) of the funds available for joint-use projects be used to pay for the planning costs associated with the development of K–12 joint-use projects would result in fewer resources for joint-use construction and more funding for program administration. Second, many of the duties proposed for the new Commission are either already performed by existing state and private agencies, or could easily be incorporated into the duties of existing agencies.

For example, as staff to the SAB, the Office of Public School Construction (OPSC) implements and administers the State School Facilities Program (SFP), which includes the New Construction and Modernization grant programs. OPSC possesses extensive programmatic knowledge on school facilities and school site experience. To the extent that additional review and recommendations of best practices for school facilities are needed, it would seem reasonable to maximize the provision of services through existing agencies and departments, such as OPSC, prior to establishing new service providers.

For these reasons, I am unable to sign this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2626**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2626 without my signature.

This bill would authorize K–12 school districts to meet the educational needs of “exceptionally gifted pupils” by allowing independent study programs to include enrollment in community college courses. This bill authorizes K–12 governing boards to pay for these students’ fees, tuition, instructional materials and other supplies. Finally, it provides that the average daily attendance apportionments for

this population of students, goes to school districts, but not to community college districts.

This bill creates additional General Fund pressures of more than \$1 million a year. Moreover, it requires the State for the first time to pay more than is required by current law to educate a student at the California Community Colleges. Given the State's current fiscal situation, I cannot sign this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2886**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill No. 2886 without my signature.

This bill would increase from three percent to ten percent the maximum percentage of students under the age of 16 that Regional Occupational Centers and Programs (ROC/Ps) may claim for State funding.

Although I recognize the potential benefit of offering ROC/P instruction to younger students, I have concerns with this measure. This bill could result in the displacement of thousands of adult CalWORKs recipients who attend ROC/Ps to learn occupational skills necessary to compete for new and emerging careers that lead to high wage, high skill employment opportunities. This could result in a substantial cost pressure to provide equivalent services to displaced CalWORKs recipients. Given the state's current fiscal constraints, I believe current law, which allows the State Board of Education to increase the cap above three percent when beneficial, provides ample opportunity for younger students to be served in ROC/P's, without excessively reducing services to CalWORKs recipients.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 29th day of September 2002 at 10:09 p.m., of Assembly Bills Nos. 2263, 2269, 2424, 2540, 2575, 2588, 2626 and 2886 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 164**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 164 without my signature.

This bill would require the State Department of Education (SDE) to establish and administer a statewide program of grant funding to establish alternative dispute resolution (ADR) programs for special education.

Although I support establishing ways to resolve disputes, current law already allows for the non-adversarial resolution of special education issues through mediation prior to filing for due process. This bill appropriates \$300,000 to the SDE for administration of the ADR program and could result in local assistance costs between \$17.8 and \$13.1 million for three years and ongoing costs of between \$3.3 million and \$4.4 million annually. Since the proposed 2002–03 budget appropriates \$8.9 million for dispute resolution services including mediation and fair hearing services, and this bill would redirect federal funds, which are necessary to provide essential services to students with disabilities, I am unable to support this measure.

**Veto Message—Assembly Bill No. 248**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 248 without my signature.

This bill would require all proprietary security guards to register with the Bureau of Security and Investigative Services.

Recognizing that private security guards serve in a public safety role, I recently signed several bills this year that will greatly improve the quality of private security services, including SB 1241 (Figueroa, 2002) that will ensure that regulated security guards pass criminal background checks and AB 2880 (Chavez, 2002) which increases training standards for these security guards from three to forty hours. Notwithstanding the potential merits of this bill, I am returning it because it would result in substantial growth in government operations and new positions resulting in costs of over \$2.5 million annually at a time when the state is experiencing a severe fiscal strain. Moreover, the Department of Finance has estimated the need for 40 new positions to implement this bill at a time when the Legislature has required we remove 7,000 positions. Furthermore, most employers conduct background checks on perspective employees which can indicate if an individual applying for a security guard position has been convicted of a crime. For these reasons, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 259**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 259 without my signature.

Unfortunately, the recently created Education Audit Appeals Panel is not staffed nor budgeted to address adult education audits. I am directing the Secretary of Education to work with the new Superintendent of Public Instruction to suggest a plan of action to address this issue.

Sincerely,

GRAY DAVIS



**Veto Message—Assembly Bill No. 878**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 878, which addresses various aspects of the Cal Grant program, without my signature. Specifically, the bill would codify current administrative practice allowing Cal Grant B awards to be reserved for later use, authorize the California Community Colleges (CCC) Chancellor's Office to develop a database to assist in the transfer of students from community colleges to four-year institutions, and require the California Student Aid Commission (CSAC) to send information to all Cal Grant recipients about maximizing their financial aid benefits.

While the bill is well intentioned, CSAC is currently providing information on the Cal Grant program. In addition, this bill creates cost pressures on CSAC and the CCC Chancellor's Office that cannot be supported given the State's fiscal situation.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1100**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1100 without my signature.

This bill would allow a basic aid district to retain a significant portion of funding for a pupil that is no longer served by that district. Specifically, it would reduce the transfer of funds required for each resident pupil that moves to a charter school approved by non-basic aid districts or county offices of education. This bill also makes various technical changes in an attempt to further clarify current law mechanisms for transfers of property taxes between applicable districts and charters.

By limiting in-lieu property tax transfers by basic aid districts, this bill exposes the State to excessive General Fund costs for instruction of pupils residing in those districts. This is inconsistent with Chapter 586 of the Statutes of 2001 (SB 955, Alpert) which I signed last year and is inappropriate because the operation of charter schools is intended to be cost neutral to the State. By allowing basic aid districts to shift costs to the General Fund, this bill reduces the State's capacity to fund other education priorities.

I believe that current law is reasonable and adequate, and can be implemented without further legislation. Therefore, I cannot sign this bill. Rather, I direct the State Department of Education to promptly implement existing law. This action will save the State an additional \$700,000 in Proposition 98 General Fund in fiscal year 2002–03, \$500,000 in fiscal year 2003–04, and \$300,000 in 2004–05.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1462**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1462 without my signature.

This bill would require the Superintendent of Public Instruction (SPI) to convene a 15-member committee of experts to develop guidelines and topics needed for conducting an independent study to determine programs and processes that will increase the number of, and improve the quality of, career technical education teachers.

While the study deserves merit, this bill fails to provide the State Board of Education with the opportunity to modify the parameters of questions that would be developed by the advisory committee created by this bill. I believe this bill misses an important step by not allowing the State Board to balance the desires of the committee with current policy direction and the needs of all students.

I continue to support the need to provide high quality instruction and professional development to California's teachers. However, as the federal regulations for No Child Left Behind are not finalized, this bill is premature. In light of the State's current fiscal condition, I believe it is important to focus available funds on programs that have already been determined to be beneficial to our students in meeting their core academic needs. Therefore, I am unable to support this bill, which could direct funds away from these programs.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1511**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 1511 without my signature.

This bill would allow school districts to purchase or lease commercial buildings for use as school buildings that meet the structural requirements of the 1976 Uniform Building Code, or subsequent additions to that code, if the school finds that specified criteria had been met. The bill would also delete the current January 1, 2003 sunset on the use of commercial buildings as school buildings as described in EC §17285.

The author has worked tirelessly on this issue and I commend him for his dedication. I share his belief that we must be creative in applying adaptive reuse to existing commercial buildings if we are to meet the need for additional classrooms.

However, I am concerned that the use of the 1976 Uniform Building Code, and subsequent additions to that code, as an alternative or replacement for the Field Act standards may not result in equally safe school buildings for students in California public schools. I do not believe that it would be appropriate to jeopardize the student safety by allowing the permanent use of non-Field Act compliant buildings as school buildings without a thorough study and recommendations from the Seismic Safety Commission.

Earlier this year I signed AB 16, a bipartisan agreement that places \$25.8 billion in school bonds on statewide ballots and makes major

substantive and specific improvements in the state's school facility program. These improvements include instituting a review of Field Act equivalency options by the Seismic Safety Commission. I look forward to working closely with this author on Field Act equivalency legislation once the seismic safety review has taken place and recommendations have been submitted for our consideration.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1879**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1879 without my signature.

This bill would provide the Inglewood Unified School District's (IUSD) Inspector General with enhanced investigative and subpoena powers. This authority would sunset in 2007. The bill would also require the submission of annual interim reports from 2003 to 2006.

Authorizing investigative and subpoena powers by legislation is not a step that should be taken lightly. The Inspector General for Los Angeles Unified School District was created by legislation and initially did not include investigative and subpoena powers. Based on the progress of that Inspector General's investigation the Legislature subsequently granted such powers.

If the investigation of the Inspector General at IUSD warrants the provision of subpoena powers, I would be pleased to consider appropriate legislation at a later time.

For these reasons, I cannot sign this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1904**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 1904 without my signature.

This bill directs the Superintendent of Public Instruction (SPI) to assume all legal rights, duties, and powers of the governing board of the West Fresno Elementary School District (WFESD) until such time that certain conditions are met, including the elapse of two complete fiscal years. The bill further empowers the SPI with authority to appoint an administrator and any other necessary staff. The bill also authorizes the SPI to request an emergency loan of an unspecified amount, and specifies certain requirements and repayment provisions, including the requirement that WFESD bear 100 percent of all costs associated with implementing the bill.

While I recognize that the West Fresno Elementary School District faces significant management and fiscal problems, I am concerned that this bill would establish a precedent by requiring the State to takeover a school district prior to a district becoming insolvent. I believe the County Superintendent of Schools should either select a neutral

administrator or concur with the SPI in the selection of the administrator and exercise day-to-day supervision of his or her decisions.

Additionally, I am advised that the County Office Fiscal Crisis and Management Assistance Team (FCMAT) is best qualified to initiate and complete comprehensive assessments and improvement plans to guide the district's recovery because it is already familiar with the detailed problems of the district. Further, I am concerned that this bill does not require appropriate authorities to take action and, where fraud is found, recover available assets that could be dedicated to repayment of any loan.

For these reasons, I cannot sign this bill. However, I will consider an urgency measure to aid this district that: a) includes a primary role for the County Superintendent in the selection and oversight of a neutral administrator; (b) assigns FCMAT with the responsibility of developing the recovery plans while specifying the content of those plans; (c) requires the County Superintendent to select a new certified public accountant to perform annual independent audits of the district; and (d) identifies a funding source for FCMAT to develop the recovery plans. In the meantime, I encourage the County Superintendent of Schools to exercise all existing legal authority to restore operational integrity to the district and to preempt potential fiscal insolvency. Further, the County Superintendent should consider FCMAT's continued assistance in this endeavor.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2138**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2138 without my signature.

This bill would amend current law as it pertains to school districts audit and county office of education budget procedures.

The provisions of this bill would weaken the state's fiscal accountability measures for schools by making it more difficult for the state to enforce current budget reporting requirements for county offices of education. Moreover, sections of this bill conflict with Assembly Bill 2834, which I have already signed.

Given the state's current fiscal challenges, it is critical to ensure the fiscal accountability of our schools.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 29th day of September 2002 at 10:10 p.m., of Assembly Bills Nos. 164, 248, 259, 878, 1100, 1462, 1511, 1879, 1904 and 2138 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 1820**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 1820 without my signature.

I greatly appreciate the enormous contribution made by volunteer and partially paid firefighters. In the best of all worlds, I would sign this measure, but given the difficult economic times we are experiencing, I unfortunately cannot do so.

I recently signed legislation greatly enhancing workers' compensation and unemployment insurance benefits for all injured and disabled workers. In a better economy, I would be open to an appropriately drafted bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2004**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning AB 2004 without my signature.

This bill confers a special benefit on legislative employees not available generally to all State employees.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2438**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2438 without my signature.

Salaries for State collective bargaining units are established through good faith negotiations between the State and the employees' exclusive representatives. Mandating "prevailing wage parity" usurps the collective bargaining process and removes the State employer's ability to negotiate future salaries. By mandating parity with the prevailing wages of employees in jurisdictions over which the State does not exercise control, this bill would effectively remove the fiscal control that is exercised by the Governor and the Legislature over State salaries. It is estimated that it will cost the State between \$40 million and \$124 million to achieve the parity mandated by this bill during a period when the State is striving to reduce expenditures.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2451**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2451 without my signature.

This bill would provide retirement service credit for unused sick leave to adjunct temporary faculty members of community college districts who retire on or after January 1, 2004. The benefit would be limited to those community college districts that participate in the California State Teachers' Retirement System's Cash Balance Benefit Program or an alternative retirement plan. Unfortunately, due to the current fiscal limitations facing the State, I cannot sign this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2825**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2825 without my signature.

This bill would authorize any city, county or city and county to form a fire protection finance agency for the purposes of supplementing fire protection services and necessary capital improvements.

This bill is intended to augment and continue existing fire protection services in California. Fire protection is a vital resource and many believe that a special fund for these services will ensure that fire protection services continue. However, this bill may have many unintended fiscal and programmatic consequences that would inherently damage the purpose it is meant to serve.

This bill would unfairly shelter fire protection services from normal budgetary processes in local government by not making them accountable to the same budgetary procedures as other important and necessary services, such as police protection.

Further, many concerns and issues remain unanswered in this measure, for instance, this bill does not specify the formation and operation procedures of a fire protection finance agency, offers no standard process to form an agency, nor does it specify the powers and authority of the fire protection finance agency.

Further, this measure does not specify whether or not these financing authorities are completely separate from other financing entities, similar to special districts, that would have the authority to levy taxes, fees or benefit assessments. If such authority is not granted, there are questions as to where the agency will receive its funding. There is no guarantee that funds will be provided by the state or federal government, so the actual financial protection provided for fire services is questionable.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2839**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2839 without my signature.

Currently, the Department of Personnel Administration (DPA) meets and confers with supervisory organizations and considers their presentations prior to reaching a decision on any matter relating to wages, hours or conditions of employment. Additionally, excluded employees have the right to file grievances up to and including DPA for review and determination.

This bill would dilute the management structure of the State by including managers and confidential employees with supervisors in determining wages, hours, and other terms and conditions of employment. It would also extend arbitration to excluded employees who are responsible for implementing State policy. This could lead to independent arbitrators determining State policy and usurping the Executive and Legislative intent with respect to various regulations and government codes.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2841**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2841 without my signature.

This bill would allow contracts to be negotiated for public works projects for the Los Angeles Unified School District without regard to the competitive bid process. The competitive process ensures that public agencies realize the best pricing for the dollars expended. In addition, this would disenfranchise all contractors wishing to take part in the process be they large, small, or a disabled veteran business enterprise. It is not in the best interest of the Los Angeles Unified School District or a prudent use of taxpayer dollars to eliminate the free and open process.

Furthermore, this bill creates one policy for the Los Angeles Unified School District that is different from all other school districts in the State of California.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2987**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2987 without my signature.

This bill would increase the misdemeanor fines and civil penalties that apply to the violation of specified labor laws.

I fully appreciate the work that has been done by the Committee on Labor and Employment in examining the persistence of labor law violations. However, in these sensitive economic times, we must take

care that the steps we take to correct the problem of labor law violations, committed by a small minority of unscrupulous employers, do not adversely affect the majority of honest employers and their employees. I strongly believe that increased penalties must be accompanied by expanded efforts to reach and educate all employers. I will be happy to consider future legislation that strives to achieve this balance.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2988**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2988 without my signature.

This bill would add a new subsection (g) to Labor Code 62.9 to provide specific statutory authority and a mandate for an agreement to be entered into by the Department of Industrial Relations and the Franchise Tax Board for the collection of delinquent assessments for the Cal/OSHA Targeted Inspection and Consultation Fund.

This legislation is not necessary in that even after the repeal of the authority formerly conferred by Revenue and Taxation Code 19290.1, the Department has maintained in effect the agreement with FTB for the collection of delinquent assessments. Section 2 of the bill confirmed that this legislation was merely declaratory of existing law and that general authority exists even in the absence of a specific statute to formulate an agreement by DIR and FTB for collection of delinquent assessments.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2989**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2989 without my signature.

This bill would entitle employees to severance pay under specified conditions in layoff situations at an industrial or commercial facility that has employed 100 or more persons at any time during the preceding 12-month period. The bill would require the employer to pay severance to laid off employees if severance pay was provided in the past three years to exempt employees.

While I fully understand the plight of workers faced with the loss of employment, I believe that the enactment of this bill at this juncture would prove to be counterproductive to achieving the broader goal of a full recovery of California's economic health. Businesses usually resort to layoffs when they have fallen upon hard economic times. Forcing already troubled businesses to fund severance payouts may accelerate overall job loss by increasing layoffs and business closures.

Sincerely,

GRAY DAVIS



## RECEIPT

I acknowledge receipt this 29th day of September 2002 at 10:12 p.m., of Assembly Bills Nos. 1820, 2004, 2438, 2451, 2825, 2839, 2841, 2987, 2988 and 2989 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 1942**

Governor's Office, Sacramento

September 29, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 1942 without my signature.

This bill would require the Board of Corrections to establish and administer a Youth Anti-Bias Pilot Program that would administer a \$142,500 General Fund grant to reduce the incidence of hate crimes by youthful offenders.

While I support the goal of this bill, there are existing revenues available to establish juvenile prevention programs through the Juvenile Justice Crime Prevention Act. This bill would result in a General Fund pressure to fund a new program similar to juvenile crime prevention programs that currently exist. Two examples are the Crime and Violence Prevention Center which creates and promotes policies and strategies for law enforcement and communities to stop hate crimes, and the Safe from the Start program, which works to educate local policymakers and community leaders to build or strengthen existing local violence prevention efforts.

For these reasons, I am unable to sign this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1947**

Governor's Office, Sacramento

September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1947 without my signature.

This bill would allow an individual convicted of a felony for the possession, use, or distribution of a controlled substance to be eligible for aid under the California Food Assistance Program and the federal Food Stamp program, provided the individual is enrolled in a drug treatment program in accordance with Proposition 36, or is appealing their conviction.

I am returning this bill without my signature because it would result in General Fund costs beginning in 2002–03. Due to the current General Fund shortfall, I am unable to support the expenditure of additional General Fund resources to expand eligibility for the Food Stamp program and the California Food Assistance Program at this time.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2529**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2529 without my signature.

Currently the California Department of Corrections (CDC) has existing programs aimed at providing information to inmates about hepatitis C. For example, when an inmate enters the CDC's Reception Centers they are provided with an orientation program aimed at providing an overview of prison life. The intake process includes videotaped materials, classroom lectures, and printed materials. The subject of communicable diseases including hepatitis C is covered in the orientation program. The CDC also has an Inmate Peer Education Program at most prisons which provides a presentation focused specifically on high-risk behaviors, communicable disease, and blood borne pathogens. In addition, any inmate who wishes to be tested for hepatitis C may do so at any time.

The CDC has existing programs that achieve the objectives of AB 2529, although perhaps not as comprehensively as envisioned by the bill. The goals of this bill are laudable, but would lead to significant General Fund Budget pressures to achieve them. I must return AB 2529 at this time since the State cannot now provide the additional resources to expand these existing programs.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2673**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2673 without my signature.

This bill would require a fire fighting/camp program of up to 120 female inmates be established at the Central California Women's Facility or the Valley State Prison for Women.

I support the efforts of the Legislature to provide additional fire fighting services for Madera County. The conservation program under the joint jurisdiction of the California Department of Corrections and the California Department of Forestry has provided many valuable services for our State. CDF's "Assessment of the Need for Additional Conservation Camps" report (required by AB 1999 Chapter 709, 2000 and the 1999–2000 State Budget), determined that the current number of camps are sufficient to meet the states needs at this time. It also established a method for setting priorities for locating any new camps that might be built. Madera County, one of five locations in the group, ranked as third priority for the location of a new camp.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 29th day of September 2002 at 10:13 p.m., of Assembly Bills Nos. 1942, 1947, 2529 and 2673 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 1877**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1877 without my signature.

This bill grants the Grizzly Challenge Youth Academy the right to use National Guard facilities that were built or purchased for Turning Point Academy, closed in August 2002. The Adjutant General currently has the authority and flexibility to make decisions regarding the use of National Guard facilities and resources. The Military Department's current plan designates these facilities for use by the California National Guard Youth Programs to serve both the Grizzly Challenge Program and the Angel Gate Academy Program. These two very successful programs currently serve over 200 at-risk youth.

Prioritizing the use of these seventeen buildings for one specific program may impair the administrative and operational capabilities of the Adjutant General and the Military Department and could weaken the capability of the Military Department to meet the needs of all the youth they serve.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2258**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2258 without my signature.

This bill would require the Department of the Youth Authority (CYA) to conduct an evaluation of the number of persons who have been released to parole or discharged by CYA within a 10-year period, and who have been recommitted to the jurisdiction of CYA or sentenced to a county jail or the Department of Corrections (CDC). The evaluation must be submitted to the Legislature by January 2, 2004.

While I recognize the importance of attempting to understand the impact of our criminal justice system, particularly on juvenile offenders, this bill would incur substantial costs of potentially \$407,000 that are not included in the 2002/03 Budget Act.

It would be unfair to ask CYA to bear these costs at a time when they are being asked to face the task of adjusting their budgets to meet the current fiscal challenges, while at the same time continuing to provide

services for offenders under their jurisdiction. I encourage the author to work with CYA to fashion a bill that can be implemented within CYA's current budget.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2496**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2496 without my signature.

This bill would require the Board of Corrections (BOC) to collect and report data from every county probation department maintaining a juvenile hall regarding detained minors who are awaiting placement in a non-secure, out-of-home placement, and require specified procedures for minors awaiting non-secure placement who are detained in juvenile hall 15 days or more. The requirements of this bill would apply only to minors who are being detained while they are awaiting placement in a non-secure, out-of-home placement, such as a foster home or community care facility.

While this bill has some merit, I am vetoing it because it would impose additional state operations costs on BOC and the Judicial Council for which they are not budgeted. In addition, this bill would create a state reimbursable mandate on county probation departments. Because of the difficult fiscal situation confronting both the state and local governments, I cannot support this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2905**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2905 without my signature.

This bill would require the Department of Corrections (CDC) to offer human immunodeficiency virus (HIV) testing and HIV prevention education to every inmate without charge upon commitment to the state prison system. The measure also requires CDC to report annually to the Department of Health Services and the Legislature on the prevalence of HIV in prison. Currently, inmates are tested for HIV upon their request, when determined to be medically appropriate, or pursuant to Title 8 of the Penal Code (commencing with Section 7500) following a gassing incident. Additionally, CDC's Inmate Peer Education Program, currently implemented at 24 institutions, provides inmates with current health information and education regarding HIV, as well as other health issues regarding infectious diseases and high-risk behaviors.

I am vetoing this bill since it would result in a new General Fund cost to fund additional health information and education programs at all 33 CDC institutions at a time when the state is facing a difficult financial situation.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 29th day of September 2002 at 10:14 p.m., of Assembly Bills Nos. 1877, 2258, 2496 and 2905 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 468**

Governor's Office, Sacramento

September 30, 2002

*To the Members of the California State Assembly:*

I am returning AB 468 without my signature.

This bill requires, with the approval of the applicable state agency, the director of the Department of Transportation or the director of the Department of General Services to negotiate a lease with any wireless telecommunications provider for their facilities on state property. This bill would also establish the Digital Divide Account and deposit 15% of the revenues collected from wireless telecommunication providers to this account.

I am returning this bill for two reasons. By *requiring* approval of the applicable state department, the location of telecommunication facilities is then exempt from local land use review. In some communities the location of cell towers is a matter of great community interest. I am unwilling to thwart the discretionary review of local governments. I certainly am supportive of bridging the digital divide as evidenced by my recent signatures of SB 1863 (Bowen) which increases funding to community technology centers and SB 1563 (Polanco) which requires the Public Utilities Commission to develop a meaningful plan to improve access to the Internet. However, the deposit of revenues into a new Digital Divide Account is nothing more than a transfer of the same revenues from the General Fund. Because of the \$24 billion revenue shortfall the state has faced and continuing fiscal pressures, I am unwilling to create this new account at the expense of the General Fund.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1309**

Governor's Office, Sacramento

September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1309 without my signature.

This bill would require certain employers, labor unions and apprenticeship programs to file annual workforce composition reports with the Department of Fair Employment and Housing (DFEH).

Although the bill has merit, it requires an employer to submit specific information on the race, sex, and job classifications of its workforce but does not provide for the confidentiality of these records. Similar information reported under federal requirements is kept confidential. Unfortunately, this bill does not contain that same protection.

In addition, given the fiscal problems facing our state and the budget reductions imposed by the Legislature, I cannot sign a measure that will

increase the workload for the DFEH when they are making every effort to focus their limited resources on investigating allegations of discrimination and civil rights violations.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1814**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 1814 without my signature.

While well intended, AB 1814 does not define key terms and unfairly burdens Internet Service Providers (ISPs) by requiring them to give a 30-day notice before any termination or transfer of service.

I have already signed Senate Bill 772 (Bowen) which requires electronic mail service providers to give at least 30 days notice before permanently terminating a customer's e-mail address. SB 772 is narrower in scope and addresses the main problem that consumers and businesses face—permanent disruption of e-mail service without a legitimate reason. AB 1814, on the other hand, does not allow for circumstances where ISP service may be temporarily disrupted due to circumstances not within an ISP's control nor does it contain a definition of the term "without cause." Without a clear definition of this term, ISPs may not have the option of appropriately terminating service when a customer abuses the service by conducting illegal activities or fails to pay for the service.

Disruption of Internet service can be especially harmful to individual consumers and small businesses. I would be willing to consider a measure next year that ensures that they receive prior notice of termination provided that the bill also gives ISPs, in the same manner that SB 772 does, the option of terminating service if a customer abuses the service by conducting illegal activities or fails to pay for the service.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2297**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2297 without my signature.

This bill would enact the Online Privacy and Disclosure Act of 2002, which would require online businesses to clearly post and comply with their online privacy policies. While this bill is well intended, it is too vague and does not clearly define what entities are covered. Additionally, the bill requires an entity posting a privacy policy to post the past three privacy policies it used which will most certainly lead to confusion to consumers attempting to view the privacy policy.

I am proud to have signed 13 bills which strengthened privacy rights and identity theft law, including AB 700 (Simitian) which gives consumers notice of a breach of security and AB 1219 (Simitian) which provides for expedited hearings to rectify issues regarding identity theft. I also signed SB 1239 (Figueroa) which requires a credit reporting agency to provide a free copy of a consumer credit report every month

for up to 12 months. I was pleased to sponsor SB 1614 (Speier) which exempts birth and death records from disclosure under the Public Records Act.

I would be willing to work with Assembly Member Simitian next year to craft a more suitable measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2862**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2862 without my signature.

Last year, I signed one of the strongest domestic partner laws in the nation, which, among other things, provided health care coverage to the surviving domestic partner of a State annuitant.

AB 2862 would allow State annuitants who had retired before last year's law change went into effect or who file a Declaration of Domestic Partnership after they have retired to take advantage of this new law.

Given the budget shortfall of \$23.6 billion, I have no choice but to oppose additional General Fund spending at this time. However, when the State's economic condition improves, I would be willing to reconsider providing this new option.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 30th day of September 2002 at 4:05 p.m., of Assembly Bills Nos. 468, 1309, 1814, 2297 and 2862 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 1156**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1156 without my signature.

This bill would prohibit the Department of Mental Health from requiring 24-hour onsite nursing staff at community treatment facilities and forbid the use of mechanical restraints in Community Treatment Facilities (CTF).

The use of mechanical restraints on patients in a Community Treatment Facility is troubling to me. But I believe the decision as to whether or not to use such restraints should be made by professionals based on medical best practices, safety, and the best interests of the patient. Denying CTF facilities the option of using mechanical restraints could potentially put other clients and employees at risk. The Legislature's Senate Select Committee on Developmental Disabilities and Mental Health is scheduled to hold a public hearing this fall to

address the use of restraint and seclusion in all psychiatric facilities with a report due to the Legislature next March. Without the benefit of that report, this bill is premature.

I am prepared, however, to immediately sign a bill that would remove the obligation for 24-hour nursing services for those facilities that choose not to use mechanical restraints or medical services that require 24-hour nursing coverage. Therefore, I am returning this bill without my signature and without prejudice to the issues raised.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1422**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1422 without my signature.

This bill would create the California Mental Health Advocacy Commission, and require the commission to perform various duties regarding services for the mentally ill.

I am supportive of the concepts embodied in this bill, especially to help remove the stigma associated with mental illness. I am proud of the efforts we've made in the past three years to expand services and strengthen the safety net for those suffering with mental illness. In 1999, I signed Assembly Bill 34 establishing a program to provide comprehensive, integrated services to the homeless mentally ill. Just recently, I also signed Assembly Bill 1421, known as "Laura's Law", which allows for mandatory treatment of persons with severe mental illness who may be incapable of making informed treatment decisions.

However, the Department of Mental Health's resources are stretched too thin to take on additional responsibilities at this time. It would be difficult to ask the Department to take on this task at the same time we are making significant budget reductions and eliminating 7,000 positions in state government. I would consider revisiting this issue when the State's fiscal health improves.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2853**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2853 without my signature.

I appreciate the critical role professional engineers play in our transportation system, and with \$6 billion in transportation infrastructure projects underway this year—more than any time since Governor Pat Brown's administration—we're counting on these highly trained professionals to get the job done.

However, this proposal would increase state costs by more than \$100 million, including \$11 million in General Fund costs, at a time when the State is dealing with a \$24 billion budget gap. Neither the General Fund nor the Highway Account can afford to absorb the increased costs called for in this legislation until the State's fiscal health improves.



Further, I believe that salaries for State collective bargaining units must be established through good faith negotiations between the State and the employees' exclusive representative. I also recognize the problem of retaining trained professionals in State service when our salaries are not competitive with local government and private industry. Therefore, in negotiating future collective bargaining agreements, I am directing the Department of Personnel Administration to consider salaries paid to employees doing comparable work in other governmental agencies. Hopefully, State revenues will permit us to address these concerns at future bargaining sessions.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2887**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2887 without my signature.

This bill is a companion to Senate Bill 807. I have vetoed SB 807 thereby making this bill unnecessary.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 30th day of September 2002 at 4:06 p.m., of Assembly Bills No. 1156, 1422, 2853 and 2887 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 363**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 363 without my signature.

While this bill is well intended, it chips away at the attorney-client relationship which is intended to foster candor between an attorney and client. It is critical that clients know they can disclose in confidence so they can receive appropriate advice from counsel.

The effective operation of our legal system depends on the fundamental duty of confidentiality owed by lawyers to their clients. For these reasons, I must return this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1250**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1250 without my signature.

This bill would require the California Highway Patrol (CHP) to implement a statewide Safety and Farm Labor Vehicle Education Program. The emphasis of the program would be concentrated in, but not limited to, the South Sacramento Valley, the Salinas Valley, the Central Valley and the Imperial Valley.

This bill is unnecessary. The CHP currently administers a Farm Labor Transportation Safety Program that meets the requirements that this bill would impose. The CHP estimates that it will expend about \$3.4 million in 2002–03 and subsequent years on this program, which utilizes 21 officers. The program also maintains several task forces to provide an enhanced enforcement presence at targeted times and locations throughout the State.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1710**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1710 without my signature.

This bill would require community college districts to provide an alternative retirement plan for their part-time classified employees in lieu of Social Security. Under federal law, if a public employer does not provide a qualified retirement plan, the employees and the employer must contribute to Social Security.

This bill requires community college districts to pay a minimum of 4 percent of employees' salary as a contribution to an alternative retirement plan if an employee chooses to participate in the alternate plan. This is likely to increase costs for many districts. The Department of Finance estimates additional costs of \$44 million to the General Fund. These increased costs would come at a time when community college districts are having to confront significant fiscal constraints. Consequently, I do not believe that it is in the best interests of the community college districts to mandate this increase in their costs.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2367**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2367 without my signature.

This bill would allow members of the California Public Employees' Retirement System (CalPERS) whose retirement accounts have been separated due to a community property settlement to purchase retirement service credit awarded by redepositing retirement

contributions previously withdrawn from the member's account. This bill is identical to AB 199 (2001), which I vetoed last year.

This bill would change the method of calculating retirement benefits for divorced CalPERS members. It could result in a higher total benefit being paid to divorced members than for members who do not divorce.

The value of the retirement benefits paid to a divorced member should be the same as for members who do not divorce. Furthermore, this bill would increase retirement liabilities of State and local contracting agencies during a difficult financial environment.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2652**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2652 without my signature.

This bill would establish the California Domestic Violence Court Task Force to create guidelines for establishing and operating domestic violence courts in the State. The bill would appropriate \$100,000 to the Judicial Council to support the task force activities.

Combating domestic violence has been a major focus since I took office. This year alone, I have signed AB 1909, which authorizes counties to develop demonstration projects to identify the best practices in civil, criminal, and juvenile court cases involving domestic violence. I have signed AB 1928, which creates a civil action for injuries resulting from acts of gender-related violence. I have also signed AB 1933, which enhances the civil remedies available to domestic violence victims; makes a person who commits an act of domestic violence liable for monetary damages and permits the court to grant injunctions, costs and reasonable attorney's fees.

In the previous three years, I have signed legislation that increases penalties for stalking, provide that a domestic violence restraining order or criminal protective order has precedence in enforcement over other civil orders, and require active court involvement in performing background checks in domestic violence cases.

In addition, the Office of Criminal Justice Planning currently funds 85 domestic violence shelters. This is the largest number of shelters to be funded in the history of the agency, an expansion of 14 shelters from the prior funding cycle.

Notwithstanding the merits of this measure, I must reluctantly veto this bill because it would result in increased General Fund costs of \$100,000 for the task force. Further, implementation of recommendations by the task force would likely result in significant future costs as well, at a time when the State is dealing with a \$24 billion shortfall.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2729**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2729 without my signature.

This bill would add domestic violence peer counselors to existing law that provides reimbursement to rape peer counselors and would revise the reimbursement rate for peer counselors, currently set at \$15/hour, to a rate that would be determined by the Victim Compensation and Government Claims Board (Board).

Although I am supportive in concept, the Board has estimated that this bill could cost the Restitution Fund (Fund) as much as \$4.5 million per year.

Specifically, during FY 01/02 expenditures for the Victim Compensation Program (VCP) exceeded incoming revenue by \$45 million. This is a direct result of the Board's successful efforts to reach out to crime victims and those who provide services to victims. For FY 02/03 that gap is projected to be approximately \$35 million. Over the past few years, the cash balance reserve in the Restitution Fund has been used to cover the shortfall between revenues and expenditures; however, the reserve will be nearly exhausted by the end of FY 03/04 if we are not fiscally responsible.

I believe the Board's first priority is to protect existing VCP benefits, and therefore, in light of the current fiscal condition of the Fund, I must oppose any bills expanding participation of "peer counselors" when mental health counseling is already a covered reimbursement.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2845**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2845 without my signature.

This bill requires the Occupational Safety and Health Standards Board to adopt revised standards for ergonomics in the workplace designed to minimize the instances of injury from repetitive motion by July 1, 2004.

California, as the only state in the nation that is successfully enforcing a regulation to address repetitive motion injuries, has proven itself to be a leader in the area of ergonomics. Our regulation is the result of significant debate, study and public comment, and represents a concerted effort to balance legitimate, competing concerns regarding repetitive motion injuries.

The Occupational Safety and Health Standards Board has received a petition requesting that it amend California's standard on repetitive motion injuries and I believe that the Board's consideration of that petition will allow for the best evaluation of the existing regulation as well as the relative merits of amending it. In an effort to allow that process to occur, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2850**

Governor’s Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2850 without my signature.

I had hoped to be able to sign this bill. However it is necessary that there be adequate protection so that providing notice of legal services contracts to State Employees Bargaining Unit 2 does not result in a waiver of the attorney-client, work product or deliberative process privileges. Unfortunately, AB 2850 does not address this satisfactorily.

However I am directing the Department of Personnel Administration to work with Bargaining Unit 2 to meet and confer so they can enter into a Memorandum of Understanding that addresses the legitimate concerns of both the Bargaining Unit and the State.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2922**

Governor’s Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2922 without my signature.

AB 2922 requires state agencies to provide to the Office of Privacy Protection (OPP) descriptions of the categories of personal information contained in their systems of records, and requires the OPP to create the State Personal Information Inventory.

While I support the goals of this bill, I am concerned about the potential costs to State agencies to comply with the provisions of this bill. For example, the Department of Health Services alone estimates complying with this bill would cost almost \$4.4 million. At a time of a \$24 billion budget deficit, and when the Legislature has asked agencies to reduce budgets by 20%, I cannot sign this bill.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 30th day of September 2002 at 10:59 p.m., of Assembly Bills Nos. 363, 1250, 1710, 2367, 2652, 2729, 2845, 2850, and 2922 without the Governor’s signature, together with a statement of his objections thereto, signed the Governor, delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Veto Message—Assembly Bill No. 60**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Legislature:*

I am returning Assembly Bill 60 and Senate Bill 804 without my signature.

I publicly stated my willingness to provide driving privileges to hard working, law-abiding immigrants who pay taxes and perform work that many Americans refuse to do. Through their labor, these immigrants confer economic benefits on the rest of society. However, if we are to grant driver licenses to them because they are workers, it is reasonable to require proof that they are, in fact, working.

Furthermore, the tragedy of September 11, made it abundantly clear that the driver's license is more than just a license to drive; it is one of the primary documents we use to identify ourselves. Unfortunately, a driver's license was in the hands of terrorists who attacked America on that fateful day.

For several months, I worked closely with the author of AB 60 and law enforcement officials to develop measures required for the public safety if we are to grant driver licenses to these immigrants. I made it clear to all parties that these bills must contain certain common-sense protections if we are to change the requirements for obtaining a driver's license.

Unfortunately SB 804 does not provide the protections necessary to sign these measures. For example, if there is an outstanding warrant for the arrest of an applicant for treason, espionage, sabotage, homicide, kidnapping, sexual assault, drug trafficking, flight escape, or smuggling, he or she is not disqualified from getting a license.

SB 804 attempted to provide a few of the necessary protections. But even those few are threatened. I insisted that AB 60 and SB 804 be double-jointed so they would rise and fall together. But as written, they do not. Threatened lawsuits could destroy the meager protections of SB 804, while leaving only AB 60, which has none of those protections. That is unacceptable.

As noted, SB 804's "protections" are insufficient for several additional reasons.

1) Valid proof of identify is not required. I insisted that an applicant show a valid birth certificate or some other identification of equal validity. But under SB 804, less reliable documents are acceptable. An applicant could simply provide two forms of identification from a list that includes a foreign voter registration card, an international driver's license or other documents issued by a foreign government. It is unknown what identity verification underlies the issuance of these documents in foreign countries. And, according to the Department of Motor Vehicles, several web sites offer international driver licenses over the Internet without any verification of identity or licensing status.

2) Many egregious, criminal convictions are ignored. I insisted that a person who was convicted of offenses that would preclude him or her from being in this country legally should not be licensed. But SB 804 did not do that. So, for example, a person who has been convicted of two crimes and imprisoned for five years or more could not get legal immigration status, but could get a driver's license.

3) DMV is not given the necessary ability to revoke a license. These bills do not give DMV the ability to revoke the driver's license of a person whose application for legal presence is rejected by the Immigration and Naturalization Service. Since a premise of the program is to permit people who are in the process of gaining legal presence to obtain a driver's license, I required that there be a way to revoke the license if they are no longer eligible.

4) DMV cannot perform background checks when a license is renewed. These bills do not authorize DMV to do background checks or perform the necessary inquiry and verification when a licensee seeks to renew a license. Thus, we might be relicensing felons or those who have lost legal status. This was a critical point, which I made repeatedly.

5) There is no requirement that the applicant be working here. Although the whole premise of the bill was to provide licenses to those who are working, there is (contrary to my requests) no actual requirement that an applicant prove that. Instead, SB 804 allows an applicant simply to "affirm" that he or she is employed and to show a document, such as a utility bill, that may or may not prove that.

I agreed to sign AB 60 if its companion measure, SB 804, provided adequate assurance that an applicant lived and worked in California for fifteen months over the last three years and passed a background check that provided all the protections described above. It is regrettable that the provisions of SB 804 fall short of meeting these requirements, making it impossible for me to sign either bill into law.

For these reasons, I must veto AB 60 and SB 804. However, I remain willing to sign legislation that meets all of the requirements stated above.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 325**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 325 without my signature.

There are proposals in this measure that I fully support and other proposals that I oppose. For example, it is certainly reasonable to prohibit any persons misrepresenting farmworkers into believing that their employment or employee benefits will be jeopardized unless they pay a fee for transportation to and from the worksite.

It is also reasonable to prohibit a farm labor contractor or agricultural employer from requiring their employees to cash paychecks at designated locations.

On the other hand, it is not reasonable to tell an agricultural employer that he or she cannot charge a fee for cashing that paycheck. Furthermore, there are other burdensome requirements in this otherwise well-intentioned measure that prevent me from signing this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 822**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 822 without my signature.

This bill would impose new procedures requiring the Attorney General to issue an opinion on the validity of requests for records under the Public Records Act. The Attorney General would be required to compile and publish such opinions annually. The Department of Finance estimates additional costs of \$1 million annually plus additional positions to the Department of Justice at a time when the Legislature has directed that we eliminate 7,000 positions.

Because the Attorney General is the attorney for most State agencies and advises agencies on responding to such requests, AB 822 would create an inherent conflict of interest. I vetoed similar proposals in 1999 and 2000. AB 822 suffers the same problems.

Additionally, the proponents of AB 822 fail to establish the need for such procedures. In response to similar legislation in 2000, SB 2027, I directed the State and Consumer Services Agency to review the performance of all State departments in responding to Public Record Act requests. The Agency's review found that State departments are responding timely and there is very little litigation challenging their responses.

The State and Consumer Services Agency's review thus found no need for the disruptive and costly procedures proposed by AB 822. However, the Agency made several recommendations to improve the State's response to Public Record Act requests, such as establishing uniform guidelines for reviewing requests and providing updated training materials. Such steps are all the more important to assure appropriate review of sensitive materials following September 11. Accordingly, I am directing the Secretary of the State and Consumer Services Agency to work with the Attorney General, the Department of Personnel Administration and other appropriate parties to implement the Agency's recommendations as soon as possible.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 1677**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 1677 without my signature.

This bill would prohibit employers from charging their employees a fee for cashing an employee's payroll check, and makes changes to wage, hour and meal period requirements under specified circumstances. In addition this measure requires the Labor Commissioner to appoint members to a Garment Manufacturing Advisory Committee by January 1, 2003.

Employees are currently protected from the practice of employers receiving money from the payroll checks of their employees. Additionally, certain provisions of this bill concerning meal and rest



periods for public transit employees may be too costly and overly burdensome to public transit agencies. The term “hours worked” has already been adequately defined in California labor law by the IWC.

Finally, the Labor Commissioner has already complied with the mandate of this bill to appoint members to a Garment Manufacturing Advisory Committee by January 2003.

For these reasons, I must veto this bill.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2268**

Governor’s Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2268 without my signature. I value the hard work of every employee in State Government and I strongly support the rights of California’s state employees to fair and speedy review of disciplinary appeals. However, rather than assist state employees, this bill would add time and confusion to the already lengthy state disciplinary process.

I believe that State employees are already guaranteed a fair hearing for their disciplinary appeals at the State Personnel Board. By requiring a Skelly officer from another State department to hold a hearing on imposed discipline and issue written findings, all prior to SPB involvement, this bill adds further delay and uncertainty to the process.

For these reasons I must veto this bill. However, I am directing all department Directors to review those procedures, and if they feel an appointee from another Agency holding the Skelly hearing is more appropriate, they should see to it that such a process is followed.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2500**

Governor’s Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2500 without my signature.

This bill would revise the provisions governing damages recoverable by a mobilehome owner in a suit against park management to enforce the Mobilehome Residency Law (“MRL”) and would specify change of venue requirements applicable to cases brought under this law.

I am concerned about the quality of life for all Californians and am troubled the MRL, which is designed to regulate the relationships between park owners and their mobilehome owner tenants, may be willfully violated by park owners or residents. I would be willing to sign a bill that confirms the right of plaintiffs bringing actions under the MRL to elect either tort or statutory damages remedies in such cases. Unfortunately, because this bill also makes unprecedented changes to existing laws regarding venue requirements, I cannot sign this bill in its current form. Accordingly, I am returning this bill without my signature.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2651**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am returning Assembly Bill 2651 without my signature.

This measure adds gay and lesbian families to the existing list of minority families for targeted outreach efforts within existing resources and adds optional foster parent training on sensitivity to sexual orientation and gender identity issues. AB 2651 also prohibits discrimination in foster care delivery of benefits, services, licensing, approval and placement decisions.

The Department of Social Services' (DSS) resources are stretched too thin to ask the Department to take on a new priority outreach task at the same time we are making significant budget reductions and eliminating 7,000 positions in state government. In addition, the DSS already conducts outreach for gay and lesbian foster parents as part of its general foster care recruitment and this would have the unintended consequence of diluting the priority recruitment efforts on behalf of minority children who represent an overwhelming 2/3rds of children in the child welfare system.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 2669**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 2669 without my signature.

This measure allows telephone companies that are regulated under the New Regulatory Framework, know as the "price cap" regulatory structure, to issue stock or debt without California Public Utilities Commission (PUC) approval unless the PUC can prove that such an issuance would not be in the public interest.

As I indicated in my veto of AB 1082 (Calderon, 2000), there is no need to duplicate existing PUC procedures that allow the PUC to exempt telephone companies on a case-by-case basis from regulatory review of their financing proposals. For this reason, I am vetoing this measure.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 3010**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 3010 without my signature.

This bill would provide an alternate base period for which unemployment insurance (UI) benefits are calculated if claimants fail to qualify for benefits under the standard base period.

Last year, I signed SB 40 (Alarcón) which raised UI benefits for the first time in nearly a decade, beginning January 2002. Earlier this year, I signed emergency legislation, SB 2XXX (Alarcon), making those

UI benefits retroactive to September 11, 2001 to benefit hundreds of thousands of Californians affected by that terrible tragedy.

This measure would require \$15 million General Fund for 283.5 new permanent positions needed to administer the alternate base period. We cannot significantly increase State government positions at the same time we are forced to make deep budget reductions and eliminate 7,000 positions.

Moreover, this bill would result in additional costs to the UI fund of at least \$13.8 million in 2002–03, \$28.9 million in 2003–04, and \$30.6 million in 2004–05, with annual increases thereafter. Further increases would put additional pressure on the UI fund that may result in increased employer taxes.

Therefore, I cannot support this measure at this time.

Sincerely,

GRAY DAVIS

**Veto Message—Assembly Bill No. 3029**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am returning Assembly Bill 3029 without my signature.

This bill would impose restraints on private arbitration companies who provide arbitration, consulting and solicitation services in connection with consumer arbitrations, including health, employment and consumer product claims.

This bill casts too wide a net and could have the unintended consequences of making California's arbitration provisions so complex that national companies would not be willing to provide services in our state. Thus, the cost of arbitration for consumers could increase thereby discouraging the use of arbitration. That is just the opposite of what is intended with using alternative dispute resolution for consumers. Moreover, I believe it is important that we work towards the adoption of more national standards that allow all states to provide consistent and uniform regulation of this industry.

I want to ensure that the arbitration process is unbiased and fair for all parties and have, in fact, signed SB 475 (Escutia) which provides for ethical standards for conducting arbitration and mediation. This year, I also signed AB 2915 (Wayne) which prohibits "loser-pays" policies in arbitration and AB 2574 (Harman) which prohibits conflicts of interest between private judging companies and the parties they serve in consumer arbitrations.

Because this measure goes too far in the regulation of the arbitration profession and because it may have a chilling effect on the entire arbitration process, I cannot sign this bill.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 30th day of September 2002 at 11:01 p.m., of Assembly Bills Nos. 60, 325, 822, 1677, 2268, 2500, 2651, 2669, 3010 and 3029 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

The following item veto messages from the Governor were received and ordered printed in the Journal and the bill ordered to the unfinished business file:

**Item Veto Message—Assembly Bill No. 425**

Governor's Office, Sacramento  
September 5, 2002

I object to the following appropriations contained in Assembly Bill 425.

**Item 0450-101-0932**—For local assistance, State Trial Court Funding. I reduce this item from \$2,069,477,000 to \$2,068,677,000 by reducing:

(1) 10—Support for the operation of the Trial Courts from \$1,872,495,000 to \$1,871,695,000.

I am deleting the \$800,000 legislative augmentation to increase funding for family court services activities. Although this program is meritorious, deletion of funding for this program expansion is necessary in light of current fiscal constraints. With this action, \$111.5 million remains to support family court services.

**Item 0450-111-0001**—For transfer by the Controller to the Trial Court Trust Fund. I reduce this item from \$1,108,568,000 to \$1,079,568,000.

I am deleting the \$800,000 legislative augmentation to increase funding for family court services activities to conform to the action taken in Item 0450-101-0932.

I am reducing this transfer by \$28,200,000 on a one-time basis. This is a technical adjustment consistent with the January 10 proposal to reduce the 2001–02 transfer by this amount. Since the transfer to the Trial Court Trust Fund for fiscal year 2001–02 was inadvertently not reduced, this action is necessary and will still provide sufficient resources in the Trial Court Trust Fund to meet the level of appropriation provided in this act for 2002–03.

**Item 0860-490**—Reappropriation, Board of Equalization. I revise this item from \$639,000 to \$339,000 as follows:

“Notwithstanding any other provision of law, as of June 30, 2002, the unencumbered balance of the appropriation, not to exceed ~~\$639,000~~ \$339,000, provided in the following citations are reappropriated until June 30, 2003, upon review and approval of the Department of Finance for (1) preliminary plans, working drawings, or construction of any project for the alteration of a state or leased facility to facilitate the transition of new Board of Equalization members; and (2) the upgrade of one of the two CEA 1 allocations to the CEA 2 level in each of the elected Board Member offices to recognize the increased level of duties and responsibilities required.

**0001—General Fund**

- (1) Item 0860-001-0001, ~~10000000~~-Personal services, Budget Act of 2001 (Ch. 106, Stats. 2001)
- (2) Item 0860-001-0001, ~~30000000~~-Operating Expenses and Equipment, Budget Act of 2001 (Ch. 106, Stats. 2001)”

I am deleting \$300,000 of the \$639,000 reappropriation, which was for the purposes of facility upgrades for incoming Board members and upgrades of Board member positions. My reduction will enable \$300,000 to revert to the General Fund.

**Item 0954-101-0001**—For local assistance, Scholarshare Investment Board. I revise this item by deleting Provision 2.

I am deleting Provision 2, which states legislative intent to delay payments for 9<sup>th</sup> and 10<sup>th</sup> grade awards for the Governor’s Scholars Program by one year. Current law requires that awards be provided to all students who meet the criteria for an award under this program. Therefore, this language expresses intent to enact a substantive change of law, which can only be included within a single subject bill, not the Budget Act.

**Item 1730-001-0001**—For support of the Franchise Tax Board. I reduce this item from \$402,384,000 to \$401,298,000 by reducing:

- (1) 10-Tax Programs from \$384,174,000 to \$383,088,000.

I am deleting the legislative augmentation of \$250,000 for the City Business Tax Program that allows the Franchise Tax Board to purchase information regarding local business tax licenses from cities. This reduction is necessary to provide for a prudent General Fund reserve in light of the State’s current fiscal condition.

I am deleting the legislative augmentation of \$836,000 and 21.5 personnel years, which would provide funding for the tax assistance call center. While I am supportive of efforts in this area, I am unable to support this augmentation due to fiscal constraints and limited resources in the General Fund. With this action, approximately \$15 million in funding remains for the call center.

**Item 2240-104-0001**—For transfer, upon order of the Director of Finance, to the Farmworker Housing Grant Fund. I reduce this item from \$13,984,000 to \$10,984,000 and by deleting Provision 2.

I am reducing this item by \$3,000,000 and deleting Provision 2. This reduction is necessary to keep State spending growth in line with revenues and provide for a prudent General Fund reserve for economic uncertainties. At my Homelessness Summit in April 2002, I signed the Housing and Emergency Shelter Trust Fund Act of 2002, which places a \$2.1 billion housing bond on the November 5, 2002, general election ballot. If approved by the voters, that bond would provide an unprecedented \$200 million for farmworker housing programs.

I am deleting Provision 2 to conform to this action. That provision would decrease this item by \$8,500,000 only if the voters in the November general election approve the Housing and Emergency Shelter Trust Fund Act of 2002.

**Item 2640-102-0046**—For local assistance, Special Transportation Programs. I delete this item.

I am deleting the \$5,100,000 legislative augmentation for Special Transportation Programs. The program will receive its statutory allocation of \$98,018,000 even with this deletion. I am taking this action

to conform the budget to the extent possible to the 2002 State Transportation Improvement Program (STIP) Fund Estimate. The Fund Estimate identifies \$39.2 million of Public Transportation Account funds available for allocation by the California Transportation Commission for intercity rail and other projects through the STIP. I cannot support an augmentation for Special Transportation Programs at this time because the resources available for STIP allocations will be less than estimated and I want to ensure the retention of any available resources for that purpose.

**Item 2660-013-0042**—For transfer by the Controller, upon order of the Director of Finance, from the State Highway Account, State Transportation Fund, to the Traffic Congestion Relief Fund. I revise this item by deleting Provision 2.

I am deleting Provision 2 that requires the transfer from the State Highway Account to the Traffic Congestion Relief Fund be made on an “as needed” basis rather than once at the beginning of the fiscal year. This language would require additional monitoring and accounting activities by the Department of Transportation, the Department of Finance, and the State Controller’s Office that would otherwise not be necessary, which results in additional costs to the State. As such, this language is unnecessarily restrictive and interferes with the Administration’s ability to manage State programs.

**Item 2660-491**—Reappropriation, Department of Transportation. I revise this item by deleting Schedule (3) under 0001-General Fund of this item.

I am deleting Schedule (3) by reducing the amount available for reappropriation by \$1,500,000 in unexpended funds in Item 2660-101-0001, Budget Act of 2000, for the purpose of a transit station project in Santa Clara County. My veto will enable the \$1,500,000 to revert to the General Fund. The reappropriation would have redirected the funds to a child care facility project adjacent to the transit station. Notwithstanding the merits of this project, this action is essential due to limited resources in the General Fund. It should be noted that this Budget Act contains \$1,403,396,000 in State funds for the Department of Education to fund child development and childcare programs. Additionally, the Department of Housing and Community Development administers a loan program for the construction of new childcare facilities.

**Item 2660-496**—Reversion, Department of Transportation. I revise this item by decreasing Schedule (1) by \$16,937,000 and Schedule (2) by \$48,720,000.

I am revising Schedules (1) and (2) as follows to provide funds for unanticipated encumbrances for transportation projects:

0042—State Highway Account

(1) Item 2660-101-0042, Budget Act of 1998 (Ch. 324, Stats. 1998)

(a) 20.25-Highway Transportation—State Local Partnership  
~~\$88,937,000~~ \$72,000,000

(2) Item 2660-101-0042, Budget Act of 1999 (Ch. 50, Stats. 1999)

(a) 20.30-Highway Transportation—Local Assistance  
~~\$65,720,000~~ \$17,000,000

**Item 2920-001-0001**—For support of Technology, Trade, and Commerce Agency. I reduce this item from \$20,719,000 to \$20,468,000 by reducing:

- (3) 10-Economic Development from \$7,445,000 to \$7,345,000;
- (4) 20-International Trade and Investment from \$3,814,000 to \$3,664,000;
- (8) 60-Economic Research and Strategic Initiatives from \$563,000 to \$562,000;

and by deleting Provision 2.

I am reducing funding for the Office of Military Base Reuse and Retention by \$100,000. This reduction is necessary to help provide for a prudent General Fund reserve in light of the State's current fiscal condition. This reduction is consistent with the reductions I proposed for this program in the May Revision. With this reduction, \$193,000 still remains to support the Office of Military Base Reuse and Retention. The next round of military facility closures will not take place until 2005, allowing time to reconsider this program's funding in 2003–04 to the extent fiscal conditions then allow.

I am reducing funding for the evaluation of the foreign trade offices by \$150,000. AB 3000, the general government trailer bill to the 2002–03 Budget Bill includes provisions that will require any proponents of a new foreign trade office to submit a proposed business plan for any newly proposed international trade office. The Technology, Trade, and Commerce Agency will evaluate any new offices proposed by this Administration from within its existing funding. As such, additional funds are not required for this activity.

I am reducing this item by \$1,000 from Economic Research and Strategic Initiatives and deleting Provision 2, which would declare the Legislature's intent that, although no additional funds are appropriated in this item, the activities of the California Economic Strategy Panel shall be funded from this item. This agency's budget constraints do not permit redirecting resources to fund the activities of the panel.

**Item 2920-011-0001**—For support of Technology, Trade, and Commerce Agency. I reduce this item from \$5,192,000 to \$4,692,000 by reducing:

- (1) For transfer to the Small Business Expansion Fund (0918) from \$5,162,000 to \$4,662,000,

and by deleting Provision 1.

I am reducing this item by \$500,000 and deleting Provision 1, which would specify that these funds are for the establishment of the Small Business Financial Development Corporation in southeast Los Angeles. The need for such a new financial development corporation has not been demonstrated, and there are several of the 11 existing financial development corporations already located in the Los Angeles area. This reduction is also necessary to limit program expansions and provide for a prudent General Fund reserve in light of the State's current fiscal condition.

**Item 3110-001-0001**—For support of Special Resources Programs. I reduce this item from \$430,000 to \$200,000 and delete Provision 1.

This item provides matching funds for federal grants under the National Sea Grant College Program Act. Over the past three years, I have provided over \$2.3 million for grants associated with this program. I believe this program has merit and have committed this

Administration to increased participation in accordance with my environmental protection priorities. However, these reductions are necessary to limit program expansions and provide for a prudent General Fund reserve in light of the State's current fiscal condition. With these reductions, \$200,000 still remains to support the Sea Grant program. Matching grants for this year should be evaluated and prioritized within the \$300 million research budget for the University of California.

I am deleting Provision 1, which would have allocated \$80,000 of this item to the University of Southern California. I support the existing grant allocation process that is the statutory responsibility of the Resources Agency, acting upon recommendation from the Sea Grant Advisory Panel. This deletion conforms to the appropriation reductions specified above.

**Item 3360-001-0465**—For support of Energy Resources Conservation and Development Commission. I reduce this item from \$51,247,000 to \$49,247,000 by reducing:

- (2) 20-Energy Resources Conservation from \$23,532,000 to \$21,532,000.

I am reducing the legislative augmentation for Dairy Waste-to-Energy Programs from \$5,000,000 to \$3,000,000. I believe that this level of funding will serve the important goals of helping to address water pollution problems associated with dairies and providing an additional source of fuel to generate energy without resulting in the need to increase surcharges on California's electric customers.

**Item 3810-301-6029**—For capital outlay, Santa Monica Mountains Conservancy. I reduce this item from \$20,000,000 to \$12,000,000 by reducing:

- (1) 50.20.001-Capital outlay acquisitions from \$20,000,000 to \$12,000,000.

I have submitted an expenditure plan for Proposition 40 that meets current environmental acquisition priorities for the Santa Monica Mountains Conservancy Zone and the Rim of the Valley Corridor, and is fiscally responsible. Reduction of this item corresponds to the expenditure priorities associated with that plan.

**Item 3835-301-6029**—For capital outlay, Baldwin Hills Conservancy. I reduce this item from \$20,000,000 to \$15,000,000.

- (1) 20-Capital Outlay Acquisition and Improvement Program from \$35,000,000 to \$30,000,000.

I have submitted an expenditure plan for Proposition 40 that meets current environmental acquisition priorities for the Baldwin Hills Conservancy and is fiscally responsible. Reduction of this item corresponds to the expenditure priorities associated with that plan.

**Item 3860-001-6029**—For support of Department of Water Resources. I delete this item and Provision 1 to make a technical correction to the Budget Bill.

This technical veto will conform to the Legislature's intent; the funding provided in this item is duplicative of Item 3860-001-6031. Therefore, in order to correct this technical error in the Budget Bill, I am deleting this item.

**Item 3900-001-0044**—For support of State Air Resources Board. I reduce this item from \$55,654,000 to \$53,854,000 by reducing:



(1) 15-Mobile Source from \$101,157,000 to \$99,357,000.

I am deleting the \$1,300,000 legislative augmentation for Community Health and the \$500,000 legislative augmentation for Global Warming. Although meritorious, these program expansions cannot be funded at this time because of fiscal constraints and limited resources in the Motor Vehicle Account. With this action, \$2,235,000 still remains to support the Community Health program.

**Item 3900-101-0044**—For local assistance, State Air Resources Board. I reduce this item from \$15,111,000 to \$10,111,000 by reducing:

(1) 35-Subvention from \$15,111,000 to \$10,111,000.

I am deleting the \$5,000,000 legislative augmentation for subventions to local air districts. This action is necessary because of fiscal constraints and limited resources in the Motor Vehicle Account. With this action, \$10,111,000 still remains for local air districts.

**Item 3980-001-0001**—For support of Office of Environmental Health Hazard Assessment. I reduce this item from \$12,929,000 to \$12,220,000 by reducing:

(1) 10-Health Risk Assessment from \$15,997,000 to \$15,288,000.

I am deleting the \$709,000 legislative augmentation for risk assessments, evaluations of contaminants, and the development of standards. This action is necessary to keep State spending growth in line with revenues and provide for a prudent General Fund reserve for economic uncertainties. With this action, \$15,288,000 still remains to support the Office of Environmental Health Hazard Assessment.

**Item 4120-101-0001**—For local assistance, Emergency Medical Services Authority. I reduce this item from \$31,486,000 to \$26,486,000 by reducing:

(1) 10-Emergency Medical Services Authority from \$40,005,000 to \$35,005,000,

and by revising Provision 7.

I am sustaining \$20,000,000 and vetoing \$5,000,000 of the \$25,000,000 legislative augmentation for support of the state's trauma system providers. Recognizing trauma centers have experienced increasing fiscal pressure, I sustained \$25,000,000 in 2001–02 to assist the State's trauma care providers. This reduction is necessary in light of the State's current fiscal constraints.

I am revising Provision 7 to conform to this action.

“7. The State Controller shall transfer \$25 \$20 million in funds appropriated in this item to the Trauma Care Fund.”

**Item 4130-490**—Reappropriation, California Health and Human Services Agency Data Center. I revise this item by revising Provision 1.

In order to correct a technical error in the Budget Bill, I am amending Provision 1 by deleting the requirement that the amount of funding reappropriated for automation projects be consistent with the amount approved by the Department of Information Technology (DOIT) in a special project report or equivalent document. As statutory authority for the DOIT expired on June 30, 2002, this language is no longer applicable.

“1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional funding in the following year. Therefore,

notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance and the Department of Information Technology based on an approved special project report or equivalent document not sooner than 30 days after providing notification in writing to the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.”

**Item 4260-001-0001**—For support of Department of Health Services. I revise this item by reducing:

(1) 10-Public and Environmental Health from \$309,846,266 to \$284,446,266;

(41) Amount payable from the Federal Trust Fund (Item 4260-001-0890) from -\$358,240,000 to -\$332,840,000;

and by deleting Provision 4.

I am reducing the amount payable from the Federal Trust fund by \$25,400,000 as a technical adjustment. This funding, intended to support the State’s efforts to combat bioterrorism, has been included in a separate appropriation bill, SB 406. Therefore, inclusion in Budget Act totals is no longer necessary. I am also deleting \$25,400,000 from the Federal Trust Fund in Item 4260-001-0890 to conform to this action.

The May Revision proposed, and the Legislature approved, 91 State positions and funding for 43 contract staff for the Department to expand the Medical Case Management Program (MCMP). The MCMP provides in-home care to severely ill Medi-Cal beneficiaries, allowing them to avoid costly institutional care. Savings of \$18 million (\$9 million General Fund) were adopted to reflect this expansion. To achieve the budgeted savings, the Department requires a total of 91 staff. Therefore, the total of 134 staff approved for this activity is overstated by 43.

In addition to the MCMP expansion, the Legislature also approved additional savings-generating activities proposed in the May Revision. However, an insufficient number of positions were proposed, and subsequently approved by the Legislature, to achieve the estimated savings through those activities. Therefore, I am directing the Department of Health Services to utilize 12 of the excess 43 MCMP positions as appropriate to ensure that the Department meets the savings targets adopted by the Legislature. I am eliminating the remaining 31 excess positions. However, I am allowing the department to retain the funding and directing Department of Health Services to fill the positions as soon as possible to ensure that the savings are achieved.

I am deleting Provision 4 as a technical adjustment. This language was included in the 2001–02 Budget Act to govern funding for the Medi-Cal assisted living waiver benefit. A portion of the funding is reappropriated to 2002–03 through Item 4260-490. Therefore, this provision is no longer necessary.

**Item 4260-001-0890**—For support of Department of Health Services. I reduce this item from \$357,215,000 to \$331,815,000.

I am reducing this item by \$25,400,000 to conform to the action I have taken in Item 4260-001-0001.

**Item 4260-101-0001**—For local assistance, Department of Health Services. I reduce this item from \$9,789,639,000 to \$9,749,203,000 by reducing:

- (1) 20.10.010-Eligibility (County Administration) from \$1,523,866,000 to \$1,464,257,000;
  - (3) 20.10.030-Benefits (Medical Care and Services) from \$23,172,770,000 to \$23,156,945,000;
  - (5) Amount payable from the Federal Trust Fund (Item 4260-101-0890) from -\$14,951,031,000 to -\$14,916,033,000;
- and by deleting Provisions 12 and 15.

I am deleting Provision 12. Due to the delay of the budget, September 30, 2002 is no longer a meaningful date for a facility to apply for reimbursement through the Wage Adjustment Rate Program, as described in Section 14110.65 of the Welfare and Institutions Code. Nonetheless, a specific timeframe for when nursing homes can submit a plan is necessary. As such, I am directing the Department of Health Services to issue instructions that allow submittal of a rate adjustment request form up until 30 days after the effective date of the final regulations.

Partially restoring the rates paid to Medi-Cal providers is a priority of my Administration as well as the Legislature. In order to accomplish the intent of the Legislature, the Director of the Department of Health Services will be reducing the provider rates to the pre-August 2000 level, pursuant to AB 442. I am sustaining funding to allow exemptions, as prescribed in AB 442, from provider rate reductions for the following services: California Children's Services, non-emergency medical transportation, home health services, shift nursing, and family planning physician services. However, the Director can then use existing authority to develop regulations that would partially restore Medi-Cal provider rates by implementing my January 10 budget proposal and rescinding the May Revision rate reductions. The rescission of the May Revision provider rate reductions would take effect retroactively to the date of my signing AB 442, the omnibus health trailer bill. Any funding adjustments needed to effectuate these outcomes will be addressed in my revised 2002-03 budget submitted to the Legislature in January 2003.

I am sustaining \$58,959,000 of the \$87,959,000 legislative augmentation which restored the 20 percent reduction I proposed in Medi-Cal county administration funding. The total funding provided represents an approximate 6 percent reduction for counties to continue the work they perform on behalf of the State. This reduction is necessary in light of the State's fiscal constraints and is consistent with General Fund reductions being applied to State agencies and departments. In addition, I am sustaining the \$58,959,000 of the \$87,959,000 legislative augmentation to the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am deleting the \$5,997,000 legislative augmentation for implementation of the Medi-Cal expansion that on July 1, 2002, would link children's Medi-Cal eligibility with eligibility for the National School Lunch Program, pursuant to Chapter 894, Statutes of 2001 (AB 59). Although I am supportive of this program, it would not be

fiscally prudent to implement this program expansion given the current economic situation. I am deleting \$5,998,000 from the Federal Trust Fund, Item 4260-101-0890 to conform to this action. I am also deleting Provision 15 to conform to this action.

I am deleting the \$5,439,000 legislative augmentation that reflected the rejection of my proposal to implement a county share of cost associated with the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program. The May Revision proposed to require counties to provide a 10 percent match to any new growth in the cost of the EPSDT Program. It is my intention to proceed administratively to implement this reform. This match will give counties an incentive to control costs for this program, which have recently been increasing by over 30 percent per year.

**Item 4260-101-0890**—For local assistance, Department of Health Services. I reduce this item from \$14,951,031,000 to \$14,916,033,000.

I am reducing this Item by \$34,998,000 to conform to the action I have taken in Item 4260-101-0001.

**Item 4260-111-0001**—For local assistance, Department of Health Services. I reduce this item from \$425,121,000 to \$423,121,000 by reducing:

- (2) 10.20.010-Environmental Management from \$26,344,000 to \$944,000;
- (9) 20.40-Primary Care and Family Health from \$1,502,101,430 to \$1,498,101,430; and
- (20) Amount payable from the Federal Trust Fund (Item 4260-111-0890) from -\$1,078,375,000 to -\$1,050,957,000.

I am deleting the \$2,000,000 legislative augmentation to update the Children's Health and Disability Prevention Program (CHDP) periodicity schedule. The Department of Health Services reviews the appropriateness of care provided in CHDP within programmatic and fiscal constraints. Due to fiscal constraints and limited General Fund resources, I cannot support an augmentation for this program expansion. In addition, the administration has proposed the CHDP Gateway to pre-enroll children into Medi-Cal or the Healthy Families Program so that they would receive comprehensive medical care in addition to health screening.

I am also deleting the \$2,000,000 legislative augmentation from the Federal Trust Fund in Item 4260-111-0890 to conform to this action.

I am reducing the amount payable from the Federal Trust fund by \$25,400,000 as a technical adjustment. This funding, intended to support the State's efforts to combat bioterrorism, has been included in a separate appropriation bill, SB 406. Therefore, inclusion in Budget Act totals is no longer necessary. I am also deleting \$25,400,000 from the Federal Trust Fund in Item 4260-111-0890 to conform to this action.

**Item 4260-111-0236**—For local assistance, Department of Health Services. I revise this item by deleting Provision 1.

I am deleting Provision 1 which would redirect funding from the California Healthcare for Indigents Program to the Children's Treatment Program (CTP). Although I am very supportive of children's health care programs, this provision reduces the Administration's flexibility in providing funds to local health care providers. In addition, the new Child Health and Disability Prevention Gateway Program should greatly mitigate the need for CTP funding by placing large

numbers of children in comprehensive health care in either the Medi-Cal or Healthy Families Program.

**Item 4260-111-0890**—For local assistance, Department of Health Services. I reduce this item from \$1,078,357,000 to \$1,050,957,000.

I am reducing this item by \$27,400,000 to conform to the action I have taken in Item 4260-111-0001.

**Item 4260-113-0001**—For local assistance, Department of Health Services. I reduce this item from \$29,791,000 to \$22,125,000 by reducing:

- (1) 20.10.010-Eligibility (County Administration) from \$12,709,000 to \$11,547,000;
- (3) 20.10.030-Benefits (Medical Care and Services) from \$80,620,000 to \$59,722,000; and
- (4) Amount payable from the Federal Trust Fund (Item 4260-113-0890) from -\$63,630,000 to -\$49,236,000.

I am deleting the \$7,666,000 legislative augmentation for the Medi-Cal to Healthy Families two-month bridge. I have already provided \$13.6 million (\$4.7 million General Fund) for a one-month coverage bridge for children. Although I am supportive of providing a coverage bridge for children transitioning from Medi-Cal to the Healthy Families Program, I cannot support extending this program for an additional month or expanding the program to include parents due to fiscal constraints and limited General Fund resources.

I am also deleting the \$14,394,000 legislative augmentation from the Federal Trust Fund in Item 4280-113-0890 to conform to this action.

**Item 4260-113-0890**—For local assistance, Department of Health Services. I reduce this item from \$63,630,000 to \$49,236,000.

I am reducing this item by \$14,394,000 to conform to the action I have taken in Item 4260-113-0001.

**Item 4260-301-0001**—For capital outlay, Department of Health Services. I delete this item to make a technical correction to the Budget Bill.

The May Revision proposed deletion of this item with which the Legislature concurred. However, the item was inadvertently left in the final version of the Budget Bill. This technical veto will conform the Budget Act to the May Revision.

**Item 4260-490**—Reappropriation, Department of Health Services. I revise this item by revising Provision 1.

In order to correct a technical error in the Budget Bill, I am amending Provision 1 by deleting the requirement that the amount of funding reappropriated for automation projects be consistent with the amount approved by the Department of Information Technology (DOIT) in a special project report or equivalent document. As statutory authority for the DOIT expired on June 30, 2002, this language is no longer applicable.

- “1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional funding in the following year. Therefore, notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to

and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance and the Department of Information Technology based on an approved special project report or equivalent document not sooner than 30 days after providing notification in writing to the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.”

**Item 4280-101-0001**—For local assistance, Managed Risk Medical Insurance Board. I reduce this item from \$69,709,000 to \$19,695,000 by reducing:

- (2) 40-Healthy Families Program from \$771,619,000 to \$634,791,000; and
- (4) Amount payable from the Federal Trust Fund (Item 4280-101-0890) from -\$479,448,000 to -\$392,634,000.

I am deleting the \$50,014,000 legislative augmentation for the Healthy Families Program (HFP) Parent Expansion. Although I am supportive of expanding Healthy Families coverage to include parents, I cannot support this augmentation and program expansion due to fiscal constraints and limited General Fund resources. I am also deleting the \$86,814,000 legislative augmentation from the Federal Trust Fund in Item 4280-101-0890 to conform to this action.

**Item 4280-101-0890**—For local assistance, Managed Risk Medical Insurance Board. I reduce this item from \$479,448,000 to \$392,634,000.

I am reducing this item by \$86,814,000 to conform to the action I have taken in Item 4280-101-0001.

**Item 4280-102-0001**—For local assistance, Managed Risk Medical Insurance Board. I reduce this item from \$4,009,000 to \$1,593,000 by reducing:

- (1) 40-Healthy Families Program from \$48,292,000 to \$41,788,000, and
- (3) Amount payable from the Federal Trust Fund (Item 4280-102-0890) from -\$32,869,000 to -\$28,781,000.

I am deleting the \$2,416,000 legislative augmentation for the Healthy Families Program Parent Expansion. Although I am supportive of expanding Healthy Families coverage to include parents, I cannot support this augmentation and program expansion at this time due to fiscal constraints and limited General Fund resources. I am also deleting the \$4,088,000 legislative augmentation from the Federal Trust Fund in Item 4280-102-0890 to conform to this action.

**Item 4280-102-0890**—For local assistance, Managed Risk Medical Insurance Board. I reduce this item from \$32,869,000 to \$28,781,000.

I am reducing this item by \$4,088,000 to conform to the action I have taken in Item 4280-102-0001.

**Item 4300-101-0001**—For local assistance, Department of Developmental Services. I reduce this item from \$1,458,170,000 to \$1,452,555,000 by reducing:

- (2) 10.10.020-Purchase of Services from \$1,780,703,000 to \$1,775,088,000.

I am deleting the \$5,615,000 legislative augmentation for Community Placement Plan activities. The Legislature provided an augmentation for one-time grants to develop community resources. In my January Budget, I proposed a total of \$50,220,000 for Community Placement Plan activities, including an augmentation of \$20,400,000. This reflected my ongoing commitment to provide community-based services to developmentally disabled consumers. With this base reduction, the funding level I proposed in my January Budget will be maintained to facilitate the movement of Developmental Center consumers into the community.

**Item 4440-001-0001**—For support of Department of Mental Health. I reduce this item from \$28,442,000 to \$28,172,000 by reducing:

(1) 10-Community Services from \$33,679,000 to \$33,409,000, and by deleting Provision 2.

I am deleting \$150,000 for county plans for children's mental health services pursuant to legislation (AB 2740) to be enacted during the 2001–02 regular session. The counties are already required to assess mental health needs and develop plans to meet those needs. Section 5772 of the Welfare and Institutions Code requires the local mental health boards at the county level to complete these responsibilities. Since these bodies already exist and have the responsibility for developing plans to meet mental health needs, additional systems and funding do not appear to be needed. Consequently, I cannot support this augmentation at this time.

I am also deleting \$120,000 and Provision 2, which requires that \$120,000 in General Fund savings achieved through the elimination of vacant positions be redirected for the Protection and Advocacy, Inc., contract. In my January Budget, I proposed to reduce the contract for patient rights advocacy from \$800,000 to \$680,000 to achieve General Fund savings. The reduction to the patients' rights contract will reduce administrative expenses and will not affect the availability of services to assist individuals with mental illness. However, the Legislature subsequently redirected \$120,000 to restore the proposed reduction to the patients' rights contract. Although I am supportive of patient rights advocacy, I cannot support this legislative augmentation at this time due to fiscal constraints and limited General Fund resources.

**Item 4440-101-0001**—For local assistance, Department of Mental Health. I reduce this item from \$106,128,000 to \$80,328,000 by reducing:

- (1) 10.25-Community Services—Other Treatment from \$1,142,885,000 to \$1,127,446,000;
- (3) 10.47-Community Services—Children's Mental Health Services from \$33,800,000 to \$20,000,000; and
- (6) Reimbursements from  $-\$1,081,852,000$  to  $-\$1,076,413,000$ ; and by deleting:
  - (2) 10.40-Community Services—Adult System of Care (\$2,000,000).

I am sustaining \$20,000,000 of the \$33,800,000 legislative augmentation provided for Children's System of Care (CSOC). I note with concern that this program has been unable to provide outcome data for all the children served by this program or documented cost savings in the same manner as the Integrated Services for Homeless Adults (ISHA) program. However, I remain supportive of children's mental

health programs, and note that, this Administration provided sufficient funding to implement the CSOC statewide with a \$15.5 million General Fund augmentation in 2000–01, bringing total funding to \$41.9 million General Fund. I reduced the program by \$2.1 million last year because of the State’s economic situation. At that time, I noted that \$13 million for mental health services for children in the Healthy Families Program was available to assist children who were not eligible for Medi-Cal. This year, the fiscal challenges facing the State are even greater. Finally, I am directing the Department of Mental Health to restructure the CSOC to provide better accountability and documented cost savings.

I am reducing \$10,000,000 for ISHA. I note that this Administration launched this program in 1999–00 with \$10 million, and subsequently provided significant augmentations: \$45.6 million in 2000–01, and \$10 million in 2001–02, for a total funding of \$65.6 million. However, the State’s current fiscal challenges necessitate this \$10 million reduction. At my Homelessness Summit in April 2002, I signed the Housing and Emergency Shelter Trust Fund Act of 2002, which places a \$2.1 billion housing bond on the November 5, 2002, general election ballot. If approved by the voters, this bond would provide \$195 million for 2,380 to 2,530 of units of transitional housing and \$195 million for emergency shelters to assist an estimated 31,160 homeless adults.

I am eliminating \$2,000,000 for the Adult Systems of Care. I proposed this reduction as part of the May Revision, and the Legislature restored the funding. The Adult Systems of Care program is a categorical program, supplementing the realignment funding the counties receive. The counties will receive over \$1.1 billion in Realignment funding for mental health services and have an incentive to continue this program as offsetting savings occur predominately at the local level.

I am reducing reimbursements by \$5,439,000 to delete the legislative augmentation that reflected the rejection of my proposal to implement a county share in the costs associated with the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program. The May Revision proposed to require counties to provide a 10 percent match to any new growth in the cost of the EPSDT Program. It is my intention to proceed administratively to implement this reform. This match will give counties an incentive to control costs for this program, which have recently been increasing by over 30 percent per year. This conforms to my action in Item 4260-101-0001. I am highly supportive of children’s mental health programs and note that I am sustaining \$20 million for the CSOC program.

**Item 4440-101-0890**—For local assistance, Department of Mental Health. I reduce this item from \$59,629,000 to \$57,629,000 by deleting: (1.5) 10.47-Community Services—Children’s Mental Health Services (\$2,000,000).

I am reducing \$2,000,000 for the Children’s Mental Health Services to conform to my action for the Children’s Systems of Care Program in Item 4440-101-0001.

**Item 4700-101-0001**—For local assistance, Department of Community Services and Development. I revise this item by reducing: (2) 47-Naturalization Services from \$8,476,000 to \$7,601,000, and (3) Reimbursements from –\$5,875,000 to –\$5,000,000.



I am deleting the \$875,000 legislative augmentation in reimbursements from the Employment Development Department for the Naturalization Services Program (NSP) to conform to the actions taken in Item 5100-001-0869. With these actions, the Budget retains \$7.9 million General Fund for the NSP.

**Item 5100-001-0869**—For support of state programs under the Workforce Investment Act, Employment Development Department. I revise this item by deleting Provisions 3, 4, and 5.

I am deleting Provision 3, which would require the Employment Development Department (EDD) to allocate \$875,000 to the Department of Community Services and Development for naturalization and citizenship services. Under the federal Workforce Investment Act (WIA), the Governor has the authority to allocate 25 percent of WIA dislocated workers funding for Rapid Response allocation to areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in unemployment. This provision would decrease the funding available to the Administration to quickly respond to such events.

I am also deleting Provision 4 because it places a limit of \$4 million on the amount of funds available for the Faith-Based Initiative. Section 128 of the federal WIA allows the Governor to allocate 15 percent of the WIA funds allotted to California, for the purposes of statewide and employment training activities. Although this funding is subject to legislative appropriation, the language in Provision 4 impinges on the authority of this Administration to allocate funding for this critical program, which provides job services and training to many individuals not traditionally served by the current system of workforce development.

However, I have no concerns with the compromise language developed in Provision 4 that pertains to issues other than the funding limitation. I am directing the EDD to provide grants to community organizations, including faith-based and secular organizations that are not owned or operated as pervasively sectarian institutions, and that have been limited in their ability to take advantage of this funding due to limited resources and a lack of experience in dealing with the competitive contracting process and the allocation processes currently in place at the local level. No pervasively sectarian religious organization is eligible for funds under this item, but a separate nonprofit entity or affiliate that is a tax-exempt organization under the federal Internal Revenue Code, may apply for and receive grants under its own auspices. In awarding grants, the EDD shall use a competitive bidding process that includes provisions regarding existing constitutional protections. Grants or contracts awarded shall comply with the California Constitution, State and federal civil rights laws, and the United States Constitution with regard to pervasively sectarian organizations.

Of the amount allocated for the Faith-Based Initiative, it is my intent that the department may use up to \$250,000 for administrative expenses, subject to approval by the Department of Finance.

I am also deleting Provision 5, which would require the EDD to allocate \$300,000 to the Youthbuild program. I sustained General Fund augmentations for this program of \$1 million in 2000–01 and \$250,000 in 2001–02. However, this legislative augmentation is inappropriate.

Specifically, Section 128 of the federal WIA authorizes the Governor to allocate 15 percent of the WIA funds allotted to California, for the purposes of statewide and employment training activities. This Provision would decrease the amount of funding available to the Administration to address critical workforce development needs.

**Item 5100-001-0870**—For support of Employment Development Department. I revise this item by reducing:

- (1) 10-Employment and Employment Related Services from \$206,768,000 to \$204,749,000;
- (2) 21-Tax Collections and Benefit Payments from \$728,916,000 to \$588,751,000; and
- (14.5) Amount payable from the Unemployment Fund-Federal (Item 5100-001-0871) from  $-\$177,120,000$  to  $-\$34,936,000$ .

I am revising this item to conform to the action I have taken in Item 5100-001-0871.

**Item 5100-001-0871**—For support of Employment Development Department. I reduce and revise this item from \$177,120,000 to \$34,936,000 and revise Provisions 2 and 3.

I am sustaining \$500,000 of the \$140,665,000 legislative augmentation from Reed Act funds for various information technology (IT) and infrastructure projects, so that \$140,165,000 can remain in the Unemployment Insurance (UI) Trust Fund. Providing full funding for these projects at this time may increase UI taxes paid by employers in the future. After the IT project proposals have been subjected to the Feasibility Study Review and budget review processes, the projects could be considered for available Reed Act funding at that time. However, I am sustaining the expansion of the Tax System Review, in order to include an analysis of enhanced data capability for Employment Development Department (EDD) information technology systems into an existing study of EDD Tax Branch business processes and automated systems. This analysis is scheduled to be completed in 2002–03.

I am revising this item and Provision 2 to conform to this action.

~~“5100-001-0871—For support of Employment Development Department, for payment to Item 5100-001-0870, payable from the Unemployment Fund Federal; to be available for expenditure until the end of the 2006–07 fiscal year, except that moneys subject to Provision 3 of this item are available for expenditure during the 2002–03 fiscal year.....\$177,120,000 \$34,936,000”~~

“2. The following amounts shall be used as follows:

- (a) ~~\$20,000,000 for administrative costs to create an alternate base period, which would allow for expansion of the Unemployment Insurance (UI) program by using recent wages for the purpose of establishing benefit eligibility.~~
- (b) ~~\$65,000 for administrative costs to create and implement a trigger mechanism for UI extended benefits.~~
- (c) \$500,000 for the review of the Employment Tax System through a contract with a qualified consulting firm to review business operations and automated systems of EDD’s tax programs.
- (d) ~~\$6,500,000 to upgrade the UI call centers to expand capacity and improve customer service.~~

- (e) \$5,100,000 to develop electronic UI claim filing over the Internet.
- (f) \$500,000 to fund a study with a qualified consultant for improving EDD's single client database system to enhance efficiency and effectiveness of claim filing and benefit payments; to improve program integrity; and to reduce fraud.
- (g) \$100,000,000 to upgrade EDD's single client database.
- (h) \$7,000,000 to redesign the UI benefit payment system to enable claimants to certify by using the telephone and Internet.
- (i) \$1,000,000 to redesign the UI adjudication process by the development of a computer-based application.
- (j) \$500,000 to be allocated via competitive process for support of physical and program access to one-stops. These are in addition to any Workforce Investment Act funds allocated for this purpose.<sup>22</sup>

I am also deleting the \$1,519,000 augmentation in Reed Act funds to continue employment services for veterans, so that these funds can remain in the UI Trust Fund and possibly reduce UI taxes paid by employers in the future. In addition, veterans still receive high priority for employment services and benefits in the EDD Employment Services Program, and the EDD indicates that veterans will not lose any assistance as a result of this action. As a result, it is not necessary to appropriate Reed Act funds for this purpose.

I am revising Provision 3 to conform to this action.

“3. During the 2002–03 fiscal year only, \$34,436,000 shall be used to support Employment and Employment Services and Tax Collection and Benefit Payment Programs and \$1,519,000 shall be used to support veteran’s employment activities.”

**Item 5100-011-0890**—For support of Employment Development Department. I reduce this item from (\$775,267,000) to (\$633,083,000).

I am revising this item to conform to the action I have taken in Item 5100-001-0870.

**Item 5120-001-0890**—For support of the California Workforce Investment Board. I revise this item by deleting Provision 3.

Provision 3 would make the expenditure of \$1,120,000 contingent upon the California Workforce Investment Board (CWIB) submitting a report to the Legislature on the role of the CWIB and the Employment Development Department in the California Labor and Workforce Development Agency with respect to the implementation of the Workforce Investment Act (WIA) and other specified information. I believe it would be premature to require the CWIB to define its role within the new agency, before the Secretary for the new agency has a chance to formulate and communicate the agency’s plans to simplify, strengthen, and improve the operation of the State’s workforce development programs. In addition, the CWIB has indicated it has recently released reports to the Legislature demonstrating progress in implementing the WIA. However, I am directing the CWIB to update the Legislature on its progress in the development of certification protocols for local One-Stop Centers during legislative hearings on the 2003–04 Budget.

**Item 5175-101-0001**—For local assistance, Department of Child Support Services. I revise this item by reducing:

(1) 10-Child Support Services from \$974,893,500 to \$974,893,000, and by deleting Provision 8.

In order to correct a technical error in the Budget Bill, I am reducing Schedule (1) by \$500 and deleting Provision 8, which requires a county share of costs for any penalty imposed by the federal government for California’s failure to implement an automated statewide child support collection system. This provision was inadvertently left in the final version of the Budget Bill.

**Item 5175-101-0890**—For local assistance, Department of Child Support Services. I reduce this item from \$282,224,000 to \$281,899,000.

In order to correct a technical error in the Budget Bill, I am reducing this item by \$325,000. This technical veto will conform to the Legislature’s intent, and is consistent with the legislative action taken in Item 5175-101-0001, which reduced the funding for the increase in postage costs.

**Item 5175-495**—Reversion, Department of Child Support Services. I revise this item from \$25,215,000 to \$10,935,000 as follows:

“As of June 30, 2002, ~~\$25,215,000~~ *\$10,935,000* of the unencumbered balance of the appropriation provided in the following citation shall revert to the fund from which the appropriation was made:

0001—General Fund

(1) Item 5175-101-0001, Budget Act of 2001 (Ch. 106, Stats. of 2001)

(a) 10.01-Child Support Administration.....\$640,000

(b) 10.02-Child Support Incentive ..~~\$24,575,000~~ *\$10,295,000.*”

On June 19, 2002, the California State Supreme Court denied the State’s petition for hearing the Statewide Automated Child Support System (SACSS) case. This was the State’s final opportunity to have the amount of the SACSS judgment reduced. The State is now obligated to pay Lockheed Martin the amount of an appellate court ruling, plus interest on the principal amount of the judgment. I am reducing the amount of this reversion by \$14,280,000 to enable the Department of Child Support Services to use these funds towards payment of the judgment, to prevent additional interest charges to the State.

**Item 5180-101-0001**—For local assistance, Department of Social Services. I revise this item by deleting Provision 10:

I am deleting Provision 10, which allows counties to direct \$100,000 from the Mental Health and Substance Abuse services allocation to develop a replicable outcome system for CalWORKs mental health and substance abuse treatment. This language could create a future fiscal pressure to exceed the available amount of federal Temporary Assistance for Needy Families Block Grant funds and maintenance-of-effort funding pursuant to funding outcome systems in other counties, or could force a decrease in CalWORKs spending in other areas because of budgetary constraints in 2003–04.

**Item 5180-141-0001**—For local assistance, Department of Social Services. I reduce this item from \$421,675,000 to \$414,875,000 by reducing:

(1) 16.80-County Administration from \$717,951,000 to \$701,437,000; and

- (4) Amount payable from the Federal Trust Fund (Item 5180-141-0890) from -\$537,945,000 to -\$528,231,000.

I am reducing this item by \$16,514,000 (\$6,800,000 General Fund) to reduce funding for county administration of the Food Stamp Program. This action is necessary due to the significant decline in General Fund revenue. I am sustaining \$372.9 million (\$157.5 million General Fund) for county administration of the Food Stamp Program.

**Item 5180-141-0890**—For local assistance, Department of Social Services. I reduce this item from \$776,573,000 to \$528,231,000.

I am reducing this item by \$9,714,000 to conform to actions taken in Item 5180-141-0001.

I am also reducing this item by \$238,628,000 to correct a technical error in the Budget Bill. This technical veto is consistent with the Legislature's intent and legislative actions taken in this item.

**Item 5180-151-0001**—For local assistance, Department of Social Services. I reduce this item from \$782,148,000 to \$745,606,000 by reducing:

- (1) 25.25-Children's Services from \$1,903,347,000 to \$1,848,623,000;
  - (a) 25.25.010-Child Welfare Services from \$1,802,078,000 to \$1,752,554,000;
  - (b) 25.25.020-Adoptions from \$81,286,000 to \$76,086,000;
- (4) Reimbursements from -\$69,879,000 to -\$68,817,000; and
- (6) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from -\$1,195,571,000 to -\$1,172,876,000.

I am deleting \$17,150,000 General Fund and \$9,974,000 Federal Trust Fund from the Child Welfare Services Program augmentations; and \$10,817,000 General Fund, \$10,521,000 Federal Trust Fund, and \$1,062,000 reimbursements in order to suspend the cost-of-doing business adjustment for the Child Welfare Services Program. I am retaining \$1.8 billion (\$616.7 million General Fund) for the Child Welfare Services Program. As cost-of-living adjustments are not being granted for other social services programs, I am suspending the proposed 2002-03 cost-of-doing business adjustment due to the State's current fiscal situation.

For the last three years, this Administration has aggressively funded the Adoptions and Kinship Guardianship Assistance Payment programs. These two programs, among others, have significantly reduced the caseload for much of the Child Welfare Services (CWS) program. Notwithstanding this reduction in caseload, this Administration has provided funding for the CWS program in excess of that justified by current social worker caseload and workload standards, providing a total of \$420.4 million (\$237.9 million General Fund) more over the last three years to counties than caseload requires: \$68.4 million (\$40 million General Fund) in 1999-00, \$125.9 million (\$74.3 million General Fund) in 2000-01, and \$226.1 million (\$123.6 million General Fund) in 2001-02. In light of the State's current fiscal situation, these reductions are necessary to more closely align funding to current caseload standards.

Similarly, I am deleting \$3,000,000 General Fund and \$2,200,000 Federal Trust Fund for recent Adoptions Program cost-of-doing business augmentations due to fiscal constraints and limited resources

in the General Fund. I am retaining funding of \$76.1 million (\$38.5 million General Fund) for the Adoptions Program.

I am reducing this Item by \$5,575,000 to correct a technical error in the Budget Bill. This technical veto will conform to the Legislature's intent, and is consistent with the legislative action to reduce funding for the Adult Protective Services program by \$5.6 million General Fund. This reduction was correctly reflected in schedule (2) (e) 25.35.050-County Services Block Grant; however, it was not included in the total for this item.

**Item 5180-151-0890**—For local assistance, Department of Social Services. I reduce this item from \$1,195,571,000 to \$1,172,876,000.

I am reducing this item by \$22,695,000 to conform to the actions taken in Item 5180-151-0001.

**Item 5180-491**—Reappropriation, Department of Social Services. I revise this item by revising Provision 1.

In order to correct a technical error in the Budget Bill, I am amending Provision 1 by deleting the requirement that the amount of funding reappropriated for automation projects be consistent with the amount approved by the Department of Information Technology (DOIT) in a special project report or equivalent document. As statutory authority for the DOIT expired on June 30, 2002, this language is no longer applicable.

- “1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional funding in the following year. Therefore, notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance and the Department of Information Technology based on an approved special project report or equivalent document not sooner than 30 days after providing notification in writing to the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.”

**Item 5460-485**—Reappropriation (Proposition 98), Department of the Youth Authority. I delete this item.

I am deleting the \$2,600,000 reappropriation from the Proposition 98 Reversion Account, provided on a one-time basis to the Department of the Youth Authority for the enrichment of educational services. The additional funding for educational services has not been justified. This action will maintain Proposition 98 funding consistent with the level of the current ward population.

**Item 6110-001-0001**—For support of Department of Education. I reduce this item from \$45,131,000 to \$45,081,000 by reducing:

- (2) 20-Instructional Support from \$74,829,840 to \$74,779,840;
- (3) 30-Special Programs from \$43,401,280 to \$43,291,280; and
- (9) Amount Payable from Federal Trust Fund (Item 6110-001-0890) from -\$126,105,000 to -\$125,995,000.

I am reducing this item by \$50,000 to reflect savings that will occur in this item as a result of sustaining a legislative augmentation of \$53,000 as reflected in Provision 17 of Item 6110-001-0890, for monitoring and technical assistance for the California Youth Authority special education activities. That augmentation enables the Department to recover indirect costs that are billable to federal funds. Because the Department's costs for oversight of this activity will not significantly increase overall departmental indirect costs, funds in this General Fund item can be reduced with no effect on services to other programs.

I am reducing Schedules (3) and (9) by \$110,000 to conform to the action taken in Item 6110-001-0890.

**Item 6110-001-0890**—For support of Department of Education. I reduce this item from \$126,105,000 to \$125,995,000.

I am reducing the \$388,000 legislative augmentation for two additional staff for implementation of the 21st Century Community Learning Centers Program by \$110,000. While I am sustaining the two additional positions and \$278,000, the amount reduced reflects indirect costs which have not been adequately justified. Five positions and \$523,000 remain available for the purposes of implementing the new federal program, which should be sufficient.

**Item 6110-113-0001**—For local assistance, Department of Education. I revise this item by reducing:

- (4) 20.70.030.006-STAR Program from \$15,827,000 to \$15,027,000.

This reduction is a technical adjustment to reflect the correct amount in Schedule (4). While the item total reflects the intended funding level, Schedule (4) contains \$800,000 more than intended.

**Item 6110-123-0890**—For local assistance, Department of Education. I delete Provision 2.

I am deleting Provision 2, which would require legislative notification prior to the adoption or amendment of any plan for disbursement of \$39,131,000 in federal funds for innovative programs to local education agencies. This is inconsistent with federal law, which required California to submit its application for funding under the No Child Left Behind Act prior to enactment of the budget. I understand this language was only intended to apply to new programs where allocation is subject to legislative direction. Consistent with this, I am deleting this provision because the reporting requirements for this existing program would needlessly delay the disbursement of these federal funds, which are disbursed based on a federally-mandated formula.

**Item 6110-130-0001**—For local assistance, Department of Education. I reduce this item from \$12,300,000 to \$10,300,000 by revising Provision 1.

I am deleting \$2,000,000 of the legislative augmentation for provision of Advanced Placement teacher training or tutoring services pursuant to Section 52247 of the Education Code. These reductions are necessary to limit program expansions and provide for a prudent General Fund reserve in light of the State's current fiscal condition. With these reductions, \$10,300,000 still remains to support the Advancement Via Individual Determination program.

I am revising Provision 1 to conform to this action.

- “1. Of the funds appropriated, \$1,300,000 is available for administration of the Advancement Via Individual Determination (AVID) centers and \$6,000,000 is available for competitive outreach grants to local education agencies for the AVID program. Notwithstanding any other provision of law, the remaining ~~\$5,000,000~~ \$3,000,000 shall be used solely for the provision of advanced placement teacher training or tutoring services, pursuant to Section 52247 of the Education Code.”

**Item 6110-136-0890**—For local assistance, Department of Education. I revise this item by deleting Provision 8.

I am deleting Provision 8 of this item, which makes the receipt of \$1,495,541,000 in Title I federal funds by school districts contingent upon the reporting of unspecified data that is necessary to meet the data reporting requirements of the federal No Child Left Behind Act of 2001. While it will likely be necessary for school districts to provide data to the State to meet these reporting requirements, federal law does not allow the State to condition the receipt of these funds on the provision of data. Thus, this language may constitute a state mandate requiring reimbursement from the General Fund. Item 6110-113-0890 contains \$6,880,000 for federally required data collection.

**Item 6110-137-0890**—For local assistance, Department of Education. I revise this item by deleting Provision 1.

I am deleting Provision 1 of this item, which requires legislative notification prior to adopting or amending any plan for the expenditure of \$2,426,000 in federal Rural and Low Income School Grant funds pursuant to the federal No Child Left Behind Act. This provision conflicts with federal law that required the State Board of Education to submit the State’s consolidated application prior to enactment of the budget bill. These funds are provided on a formula basis and are intended to provide small school districts with general purpose discretionary funding. I believe the notification requirement would delay the allocation of the funds and also impede the intended flexibility.

**Item 6110-156-0001**—For local assistance, State Department of Education. I reduce this item from \$605,038,000 to \$582,038,000 by reducing:

- (2) 10.50.010.008-Remedial education services for participants in the CalWORKs from \$31,739,000 to \$8,739,000, and by revising Provision 2.

I am reducing the \$23,000,000 augmentation for remedial education services for CalWORKs participants. This augmentation consisted of \$10,000,000 for support services and \$13,000,000 for additional instruction for CalWORKs recipients in adult education programs or regional occupation centers and programs (ROC/Ps). With this action, \$9,900,000 in federal Temporary Assistance for Needy Families (TANF) funds remains in the Adult Education and ROC/P items to provide additional instruction for CalWORKs recipients in programs that are at or above their authorized average daily attendance cap. Support services are also provided through the federal Perkins Vocational and Technical Education Act, funded at \$138,445,000 and required to target CalWORKs participants in the welfare-to-work



program. The funds reduced from this item are reserved for Proposition 98 contingencies in 2002–03. I am revising Provision 2 to conform to this action.

“2. The funds appropriated in Schedule (2) constitute the funding for both remedial education and job training services for participants in the CalWORKs program (Art. 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code). Funds shall be apportioned by the Superintendent of Public Instruction for direct instructional costs only to school districts and Regional Occupational Centers and Programs (ROC/Ps) that certify that they are unable to provide educational services to CalWORKs recipients within their adult education block entitlement or ROC/P block entitlement, or both. However, of the funds appropriated in Schedule (2) of this item, an amount not to exceed \$10,000,000, as negotiated through an interagency agreement between the State Department of Education and the State Department of Social Services, shall be provided for Adult Education Programs, and ROC/Ps for the purposes of providing instructional and training supportive services for CalWORKs eligible members. These services shall include any of the following:

- (a) Career and educational guidance and counseling.
- (b) Training-related assessment.
- (c) Transportation to the classroom or worksite during training.
- (d) Job readiness training and services.
- (e) Job development and placement.
- (f) Postemployment support and followup to ensure job retention.
- (g) Coordination and referrals to other services provided through the State Department of Social Services, the Employment Development Department, the Local Workforce Investment Boards, community colleges, the Department of Rehabilitation, the Economic Development Agency, and other community resources.
- (h) Curriculum and instruction development to provide short-term integrated programs leading to employment.
- (i) Staff development costs resulting from policy development and training occurring between instructional staff and county welfare agencies in the coordination of the program.
- (j) One-time excess program startup costs.

Allocations shall be distributed by the Superintendent of Public Instruction as equal statewide dollar amounts, based on the number of CalWORKs eligible family members served in the county and subject to instructional and training support services needed annually by each agency as identified in the county CalWORKs Instruction and Job Training Plan required by Section 10200 of the Education Code.”

**Item 6110-161-0001**—For local assistance, Department of Education (Proposition 98). I am revising this item by revising Provision 15.

I am revising Provision 15 of this item by \$754,000 to conform to reductions required as a result of the Legislature’s revision to the level of Education Revenue Augmentation Fund available in 2002–03, and as

a result of technical changes required to conform to providing a 2.0 percent cost of living adjustment for special education.

“15. Of the amount provided in Schedule (1) of this item, ~~\$8,943,000~~ *\$8,189,000* shall be appropriated in the following priority sequence:

- (a) The Superintendent of Public Instruction shall allocate any additional amount, if needed, to augment the amounts appropriated in Schedules (1) and (2) of this item to ensure full funding for the 2002–03 fiscal year.
- (b) Once the Superintendent of Public Instruction has determined that none of the programs in Schedules (1) and (2) of this item require any additional funding pursuant to the statutory formulas contained in Chapter 854 of the Statutes of 1997 (AB 602), the remaining amount shall be allocated pursuant to Section 56836.158 of the Education Code.”

**Item 6110-161-0890**—For local assistance, Department of Education. I reduce this item from \$800,319,000 to \$798,369,000 by reducing:

- (4) 10.60.050.021-IDEA, Capacity Building, Special Education from ~~\$44,858,000~~ to ~~\$42,908,000~~,

and by revising Provision 3 and 12.

I am deleting the \$1,700,000 legislative augmentation provided to expand the existing Family Empowerment Centers on Disabilities. I share the desire to improve results for all children, especially those with disabilities, which is why I signed legislation last year establishing the Family Empowerment Centers funded in this item. However, given that my Budget already provides \$2,372,000 for local assistance grants for Family Empowerment Centers on Disabilities, and given that the 12 centers funded through the existing resources have only recently been established, I believe funding to expand this program would not be prudent until results from existing efforts are reviewed.

I am deleting the \$250,000 legislative augmentation to fund licensed children’s institution growth. My Budget already provides \$1,000,000 for local assistance grants for emergency impaction on Special Education Local Plan Areas as the result of licensed children’s institution growth, and I have not been provided with adequate justification to warrant a program augmentation.

I am revising Provisions 3 and 12 to conform to these actions.

“3. Of the funds appropriated in Schedule (4) of this item, up to ~~\$1,250,000~~ *\$1,000,000* may be used to fund licensed children’s institution growth pursuant to Section 56836.18 of the Education Code.”

“12. Of the funds appropriated in Schedule (4) of this item, ~~\$4,072,000~~ *\$2,372,000* shall be used for the purposes of establishing Family Empowerment Centers on Disabilities pursuant to Chapter 690, Statutes of 2001.”

**Item 6110-194-0001**—For local assistance, Department of Education. I reduce this item from \$1,105,000 to \$105,000 by deleting:

- (1) 20.60.101.001-Administrator Training and Evaluation Program (~~\$1,000,000~~),

and by revising Provision 2.

I am reducing the legislative augmentation of \$1,000,000 in support costs for the Administrator Training and Evaluation Program. This reduction is necessary to provide for a prudent General Fund reserve and eliminate the former Administrator Training and Evaluation Program. With this reduction, \$14,336,000 still remains for Principal and Administrator Training and Evaluation Program training activities in programs established by this Administration.

**Item 6110-194-0890**—For local assistance, Department of Education. I reduce this item from \$5,000,000 to \$4,350,000, and delete Provisions 2, 3 and 4.

I am deleting \$250,000 and Provision 2 which would be used for data collection and evaluation related to the effectiveness of professional development programs. While I recognize the importance of evaluating the effectiveness of programs, given many of these programs are relatively new and the scarcity of resources, I believe funds should be focused on providing training.

I am deleting \$400,000 and Provisions 3 and 4 which would earmark these funds for an evaluation of cultural competency training for teachers and provide professional development to substitute teachers, respectively. Both of these programs could be established by pending legislation. I believe it is premature to set aside these funds before the policy merits of the respective related legislation have been decided. In addition, according to the legislation which would establish the substitute teacher training, funding would not be necessary until 2003–04.

**Item 6110-195-0890**—For local assistance, Department of Education. I reduce this item from \$317,526,000 to \$317,026,000 by reducing:

(1) 20.60.280-Improving Teacher Quality Local Grants from \$315,472,000 to \$314,972,000, and by deleting Provision 1.

The reduction in Schedule (1) funding is a technical veto to account for this item over-appropriating the total amount of available federal funds by \$500,000.

I am deleting Provision (1), which specifies the uses of these federal funds. I would have preferred language that would have directed these funds to be used on a priority basis to ensure that class size reduction programs are maintained and teachers receive standards-aligned training. As federal law requires, the State has submitted an application for these funds that specifies their uses; therefore this language is unnecessary.

**Item 6110-197-0890**—For local assistance, Department of Education. I revise this item by deleting Provisions 2(b), 2(c), 2(d), and 2(h), and revising Provision 2(i).

I am deleting Provision 2(b) because this language is unnecessarily restrictive. It would limit the availability of \$3,500,000 to direct grants for programs serving middle and elementary school pupils to provide equitable access to and participation in programs. Analysis has not been performed to indicate the level of need for these types of grants. Furthermore, placing restrictions on these funds would limit the number of slots that could be created to serve additional children.

I am deleting Provision 2(c) because this language would restrict the availability of \$1,000,000 to fund direct grants for family literacy

services for families of students participating in the 21st Century Community Learning Programs. Although I support family literacy programs, this allocation duplicates existing efforts funded through federal Title 3 Literacy funds and other available federal and state funding sources to provide family literacy. Limiting the availability of these funds would restrict the creation of additional before and after school slots.

I am deleting Provision 2(d) because this language is unnecessarily restrictive. It would limit the availability of \$2,500,000 to grants for high school programs. Denying accessibility to these funds to middle and elementary school programs, would restrict the creation of additional slots in an area where there is a known need. I am also deleting Provision 2(h) because the language would establish a program with reimbursement policies that conflict with those contained in existing statute, Article 22.5 (commencing with Section 8483.7) of Chapter 2 of Part 6 of Division 1 of the Education Code.

I am revising Provision 2(i) because this language conflicts with language contained in Provision 2(f) of this Item which requires programs to adhere to daily funding rates pursuant to Article 22.5 (commencing with Section 8482.5) of Chapter 2 of Part 6 of Division 1 of the Education Code.

“(i) Earned but unexpended funds may be carried forward to subsequent years consistent with federal requirements. ~~In year one, the full grant may be retained.~~”

As stated above, this language is unnecessarily restrictive and would result in higher costs per pupil. There is approximately \$14 million in quality applications pending for the existing Before and After School Learning and Safe Neighborhoods Partnership Program. The overall state need, however, is much greater. Given the success of this program in showing consistent patterns of positive results on student achievement, attendance, behavior, and reductions in grade attendance, I would prefer that the 21st Century federal funds be used to expand the existing program rather than creating additional cost pressures.

**Item 6110-200-0001**—For local assistance, Department of Education. I reduce this item from \$19,000,000 to \$2,000,000.

I am reducing the legislative augmentation of \$19,000,000 for Healthy Start Support Services by \$17,000,000. This reduction is necessary to limit program expansions and provide for a prudent General Fund reserve in light of the State’s current fiscal condition. The program level started with this augmentation would cause costs to multiply in future years. This action will have no effect on schools currently operating this program, as full funding for the multi-year grant period has been provided in past budgets.

The funds reduced from this item are reserved for Proposition 98 contingencies in 2002–03.

**Item 6110-205-0001**—For local assistance, Department of Education. I revise this item by deleting Provision 3.

I am deleting Provision 3 of this item, which authorizes the Department of Education to establish a pilot program for allocating this funding for the Elementary School Intensive Reading Program as a block grant for up to 20 districts, rather than through hourly reimbursement for services rendered. This proposed pilot is a significant alteration in the program’s current structure. The proposal

does not contain any reasonable accountability to ensure that students receive necessary remedial services through this program, and may in fact reduce the total hours of service provided to students. Any program change of this magnitude should be considered in policy legislation, including review by legislative policy committees rather than solely through the budget process.

**Item 6110-211-0001**—For local assistance, Department of Education (Proposition 98). I reduce this item from \$49,721,000 to \$35,650,000.

I am reducing this Item for two reasons. First, technical reductions are necessary to reflect both the Legislature's action to shift the calculation methodology for the block grant to appropriations made in the final Budget Act as well as the adjustments made to final school district funding levels, including the deferrals and reductions to categorical programs included in the final version of the Budget, that have the effect of reducing this item's statutory growth calculation. Second, I am reducing the item to reflect my objection to the Legislature's intent to include the Instructional Materials Realignment Program (IMRP) in the block grant. I believe that allowing charter schools to use equivalent funding intended for IMRP purposes in any manner they choose would both undermine the Administration's objective to ensure availability of standards-aligned instructional materials for all students and unnecessarily increase state costs. Charter schools would still be eligible to receive their share of over \$400,000,000 available for IMRP remaining in the Budget.

The funds reduced from this item are reserved for Proposition 98 contingencies in 2002–03.

**Item 6110-223-0001**—For local assistance, Department of Education. I delete this item and Provisions 1 and 2.

I am deleting the legislative augmentation of \$36,000,000 for PERS offset mitigation because the May Revision already provided \$97,000,000 to fund the state's share of PERS costs for school classified employees. As rates increase in the future, the state will fund the entire amount of the employer's share of this cost, and the offset will diminish.

I am also deleting the legislative augmentation of \$42,000,000 for equalization adjustments for school district revenue limit apportionments. Given the subsequent \$406,000,000 augmentation contained in AB 2781 to be provided commencing with 2003–04 for revenue limit equalization, this one-time appropriation should be set aside for Proposition 98 contingencies in light of the State's current fiscal conditions.

The funds reduced from this item are reserved for Proposition 98 contingencies in 2002–03.

**Item 6110-241-0001**—For local assistance, Department of Education. I delete this item and Provision 1.

I am deleting this item, which provides \$150,000 for low-performing high schools, as it inadvertently made an appropriation for local assistance that was intended to provide state operations funding to support a new program to be created in pending legislation. This local assistance appropriation cannot be used for the intended purpose. In addition, I believe it is premature to earmark funding in the Budget until the policy merits of the legislation are decided.

The funds reduced from this item are reserved for Proposition 98 contingencies in 2002–03.

**Item 6360-001-0407**—For support of the Commission on Teacher Credentialing. I revise this item by deleting Provision 6.

I am deleting Provision 6, which would require the Commission to reduce processing times for first-time and new-type credential applications to 25 days. This is inconsistent with current statute that requires credentials to be processed in 60 days. The Teacher Credentialing Service Improvement Project will not be sufficiently complete to allow the Commission to realize significant savings in the staff time required to process credential renewal applications in 2002–03. Consequently, this provision could force the Commission to redirect resources from the processing of credential renewal applications, thereby generating an unacceptable increase in the time required to process these applications. Alternatively, this language could result in the Commission requesting additional funding and positions to meet this timeframe.

**Item 6610-001-0001**—For support of California State University. I reduce this item from \$2,617,173,000 to \$2,616,983,000 by reducing:

(1) Support from \$3,494,437,000 to \$3,494,247,000, and by deleting Provisions 18, 19, and 20.

I am deleting \$190,000 legislative augmentation to conduct a California State University (CSU) Export Delivery Study (\$140,000) and to fund the CSU Centers for Excellence (\$50,000), pursuant to separate legislation. Notwithstanding the potential merits of the subject legislation, it is premature to include funding in the budget for these activities. I am willing to consider the legislation on its merits, and any funding necessary, once it is approved by the Legislature. I am deleting Provisions 18 and 19 to conform to these actions.

I am deleting Provision 20 because it requires the CSU to defer new expenditures for the CMS/Peoplesoft project, prohibits the University from entering into any new agreements needed to maintain the implementation schedule, and delays the completion of the project by one year. This language would increase project costs for the University and would delay the operational efficiencies the University believes will be achieved when the project is completed and delay staff training. I encourage the University to cooperate fully in the audit currently in progress of the project and expect continued adherence to all relevant information technology policies and bid procedures.

**Item 6870-101-0001**—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I reduce this item from \$2,670,792,000 to \$2,659,792,000 by reducing:

(12) 20.10.070-Matriculation from \$64,307,000 to \$54,307,000; and by deleting:

(12.5) 20.20.015-Faculty and Staff Development (\$1,000,000); and by revising Provision 1.

I am reducing the legislative augmentation for Matriculation by \$10,000,000, and I am also deleting the proposed augmentation of \$1,000,000 to continue the Faculty and Staff Development program. With this action, \$54,307,000 still remains to support Matriculation services. I also note that the general apportionment funding increase of over \$192 million in this Budget is more than \$43 million above the statutory requirement. Therefore, this Budget provides sufficient funds for colleges to sustain matriculation services if they are a priority. Further, funding for the Faculty and Staff Development program

contains little meaningful accountability and represents only a fraction of the funds used by districts for training. I believe this is a significantly lower priority for state assistance than direct classroom instruction. Districts may use discretionary funds, as necessary, to fund these activities on a priority basis. I am revising Provision 1 to conform to this action.

“1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (8), (10), (11), (12), (~~12.5~~) (14), (15), (16), (17), (18), (22), and (25) are for transfer by the Controller during the 2002–03 fiscal year to Section B of the State School Fund.”

The funds reduced from this item are reserved for Proposition 98 contingencies in 2002–03.

**Item 6870-485**—Reappropriation, (Proposition 98) California Community Colleges. I revise this item from \$53,189,000 to \$34,497,000 by deleting Schedule (3).

In order to correct a technical error in the Budget Bill, I am reducing this item by \$9,692,000. I am also deleting the legislative augmentation of \$9,000,000 for Special Services for CalWORKs Recipients. I am supportive of this program as indicated by the \$20,000,000 General Fund restoration I provided for this program in the May Revision, for which local districts will provide an additional \$20,000,000. With this reduction, a total of \$63,000,000, will remain to support CalWORKs recipients attending community colleges.

**Item 6870-486**—Reappropriation, (Proposition 98) California Community Colleges. I delete this item.

I am deleting Item 6870-486, which would provide authority for the Chancellor to reappropriate for specified purposes up to \$20 million in prior year savings from categorical programs in Item 6870-101-0001. Such authority would limit the flexibility of the Administration and Legislature to allocate Proposition 98 Reversion Account funds for future high priority K–14 demands.

**Item 7980-001-0001**—For support of Student Aid Commission. I revise this item by reducing:

- (1) 15-Financial Aid Grants Program from \$12,342,000 to \$12,244,000, and
- (5) Reimbursements from –\$3,195,000 to –\$3,097,000.

I am revising this Item to delete a \$98,000 legislative augmentation for reimbursements from the Student Loan Operating Fund to cover administrative costs for the Assumption Program of Loans for Education related to 1,000 additional awards added as part of an action to suspend the Governor’s Teaching Fellowships for one year. The 2001 Budget Act included \$253,000 for three additional positions to administer this program, conduct a study to assess the administrative process for this and other Specialized Programs, and make recommendations for efficiency measures. The need for additional resources for this purpose has not been justified. In addition, it would be premature to provide additional funding until those recommendations have been made and considered.

**Item 8100-101-0001**—For local assistance, Office of Criminal Justice Planning. I reduce this item from \$45,856,000 to \$45,687,000 by reducing:

- (6) 50.20.352-Youth Emergency Telephone Referral from \$338,000 to \$169,000.

This reduction is necessary to provide for a prudent General Fund reserve for economic uncertainties. With this action, \$169,000 remains to support the Youth Emergency Telephone Referral program. I am revising Provision 3 to make two technical changes to this provision.

- “3. Of the amount appropriated in this item, \$800,000 appropriated in Schedule (20.5) shall be available for competitive grants for the California Innocence Protection Program. The OCJP shall make the funds available for the purpose of assisting convicted persons who are attempting to establish their actual innocence through the use of postconviction DNA testing. Grants shall only be used to represent indigent inmates convicted of a crime in a California court. Applications for funding provided pursuant to this item shall only be received from qualified nonprofit organizations meeting guidelines established by the American Bar Association for operating legal clinics using law students. It is the intent of the Legislature that funds provided to qualifying nonprofit organizations shall be made *available* as soon as possible in the interest of justice and shall be disbursed within 60 days of receipt of an application for funding. For qualified nonprofit organizations receiving funding under this program, at least 25 percent of their total budget for these purposes must come from other sources, which may include in-kind contributions.

Funding for this program shall not be expended for the purpose of court-approved DNA forensic testing under Section 1405 of the Penal Code.

Entities receiving funding under this program shall report to the OCJP the number of the requests received and the number of cases in which any of the following have occurred: (1) a preliminary investigation was conducted, (2) a full investigation was conducted and DNA testing was sought, (3) the appellant was represented in court proceedings or an attempt was made to vacate a conviction, and (4) an appellant’s conviction was vacated or overturned as a direct result of the representation by the entity ~~or attorney~~. The entities shall also provide detailed expenditure reports semiannually and annually on the use of funds provided under this program. These semiannual and annual reports shall also list all staff positions supported by this funding and their compensation. The OCJP shall prepare and submit a report to the Joint Legislative Budget Committee on or before February 1, 2003, on the foregoing information for each entity receiving funding under this program.”

**Item 8100-112-0001**—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund. I reduce this item from \$13,518,000 to \$13,300,000.

I am reducing the amount available for transfer to the High Technology Theft Apprehension and Prosecution Program Trust Fund by \$218,000. This is a technical correction to this General Fund transfer



item. The amount shown here reflects the total local assistance program funding, including federal funds, rather than the General Fund transfer portion that is appropriately scheduled in this item.

**Item 8350-001-0001**—For support of Department of Industrial Relations. I reduce this item from \$141,031,000 to \$136,815,000 by reducing:

- (3) 30-Workers' Compensation Administration from \$99,405,000 to \$94,805,000;
- (5) 36-Commission on Health & Safety and Workers' Compensation from \$2,666,000 to \$1,408,000; and
- (20) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 8350-001-0223) from -\$20,992,000 to -\$19,938,000;

and by deleting:

- (38) Amount payable from the Workers' Occupational Safety and Health Education Fund (Item 8350-001-3030) (-\$588,000).

I am deleting the legislative augmentations provided to the Department of Industrial Relations for AB 749-related activities for training grants, workers' compensation studies, and workload in the Division of Workers' Compensation. Although I agree that AB 749 will increase the responsibilities of the department, these augmentations have not been fully justified. AB 749 does not take effect until January 1, 2003, and in light of the state's current fiscal condition, I have instructed the department to absorb the associated workload during the first six months of implementation for these purposes. To the extent that a comprehensive justification based on actual workload needs is available in the future, I would consider funding at that time. I am, however, retaining the \$1 million augmentation included in this item for fraud prevention activities.

**Item 8350-001-0223**—For support of Department of Industrial Relations. I reduce this item from \$20,992,000 to \$19,938,000 to conform to my action in Item 8350-001-0001.

**Item 8350-001-3030**—For support of Department of Industrial Relations. I delete this item.

I am deleting this item to conform to my previous action in Item 8350-001-0001.

**SEC. 9.40**—Proposition 40 Administration Cost Limits. I delete this Control Section.

I am deleting this control section which would restrict administrative expenditures for Proposition 40 bond funds to five percent of budget appropriations for all grant programs and property acquisitions made in the budget year. This is inconsistent with the provisions of Proposition 40, which require all program delivery and administrative costs be paid through the Bond Act. I have submitted an expenditure plan for Proposition 40 that meets current environmental acquisition priorities and is fiscally responsible. This plan sets aside adequate funds to deliver these necessary projects in a timely manner, in accordance with the

intent of the electorate. I am directing all affected agencies and departments to provide for effective program delivery while controlling their administrative costs.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 425.

GRAY DAVIS

RECEIPT

I acknowledge receipt this 5th day of September 2002 at 12:45 p.m., of the Governor's statement of the items of appropriation reduced or eliminated from Assembly Bill 425 delivered to me personally by Casey Elliott.

LAWRENCE A. MURMAN  
Assistant Chief Clerk of the Assembly

**Item Veto Message—Assembly Bill No. 2717**

Governor's Office, Sacramento  
September 26, 2002

*To Members of the California State Assembly:*

I am signing Assembly Bill 2717, however, I am reducing the appropriation from the Renewable Resources Investment Fund to \$100,000.

This bill would require the Department of Water Resources to convene a Water Desalination task force to make recommendations related to potential opportunities for the use of seawater and brackish water desalination.

The revenues from the Renewable Resources Investment Fund are below projections and the fund is expected to have a significant shortfall this year. At a time when the state is dealing with a \$24 billion shortfall, any available funds should be used for on-going environmental activities and programs now supported by the General Fund that would otherwise be reduced or eliminated.

Studying the potential opportunities and impediments for the use of water desalination is an important step toward helping the state meet its water needs. Therefore, I am directing the Department of Water Resources to explore funding partnerships with interested local and private entities to accomplish this goal.

Sincerely,

GRAY DAVIS

**Item Veto Message—Assembly Bill No. 52**

Governor's Office, Sacramento  
September 27, 2002

*To Members of the California State Assembly:*

I am signing Assembly Bill 52, however, I am vetoing the \$2.4 million appropriation for the California Environmental Quality Improvement Loan Program and the \$2.4 million appropriation for the Coastal Farmland Preservation program.

Proposition 40 requires funds to be used for *grants* for the preservation of agricultural and grazing lands, including oak woodlands and grasslands. The California Environmental Quality Improvement Loan Program is not a grant program and is therefore ineligible.

Additionally, this bill creates the Coastal Farmland Preservation program at the Department of Conservation. This program is duplicative of the existing California Farmland Conservancy Program and other efforts by the State Coastal Conservancy to protect coastal agricultural and rangeland currently funded through Propositions 12 and 40.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 27th day of September 2002 at 4:55 p.m., of the Governor's statement of the items of appropriation reduced or eliminated from Assembly Bills Nos. 52 and 2717 delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

**Item Veto Message—Assembly Bill No. 2583**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2583, which would establish the California Campus Sexual Assault Task Force to develop a uniform system for gathering information pertaining to campus sex crimes and to create a set of model guidelines for addressing these crimes on higher education campuses. The 15-member task force would be required to present a report to the Legislature by April 1, 2004. The bill also appropriates \$125,000 to the Office of Criminal Justice Planning (OCJP) for support of the task force.

Addressing campus sex crimes is a worthwhile endeavor. However, this bill appropriates \$125,000 General Fund at a time when the State is experiencing a severe revenue shortfall. Therefore, I am deleting the funding and directing OCJP to absorb the costs of the task force from within existing resources.

Sincerely,

GRAY DAVIS

## RECEIPT

I acknowledge receipt this 29th day of September 2002 at 10:08 p.m., of the Governor's statement of the items of appropriation eliminated from Assembly Bill No. 2583 delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Item Veto Message—Assembly Bill No. 716**

Governor's Office, Sacramento

September 30, 2002

*To Members of the California State Assembly:*

I am signing Assembly Bill 716 because it highlights the importance of the state's historical and cultural resources and because it appropriates funds specified in Proposition 40. In particular, it is important to disburse the monies that Proposition 40 allocated for San Francisco, Los Angeles and other specific areas in a timely manner that meets the local recreation needs of these communities and the expectations of the voters.

However, with respect to the \$128 million earmarked for the California Cultural and Historical Endowment that this bill seeks to create, I regret that I must delete the monies for this purpose. There are several reasons for this action. First, given the state's fiscal condition, now is not the time to establish a new, permanent bureaucratic entity with broad new duties. Second, the duties of the Endowment as proposed in this measure extend well beyond competitive grant-making responsibilities and would create significant general fund cost pressure. For example, while the comprehensive study the bill would require by January 1, 2005 may be desirable, such a multi-million dollar study could not be funded with bond money.

Moreover, the proposed endowment appears to be significantly redundant and unnecessary given the duties and expertise of the Department of Parks and Recreation, the Office of Historic Preservation (OHP) and the State Historic Resources Commission. In particular, by directing the Endowment to conduct competitive grantmaking for historical preservation purposes, the bill undermines the successful efforts of the OHP and the Commission in disbursing Proposition 12 historical preservation monies. Failure to take advantage of such expertise will lead to unnecessary costs and delays in implementation of competitive grants. For this reason, I am directing the Secretary for Resources to seek \$10 million in the budget to fund an initial competitive grants program to be administered by the Office of Historic Preservation that will build upon the success of its current program.

Additionally, while I applaud the authors for their admirable efforts to craft a high-profile structure for enhancement of historical and cultural resources, I am concerned that the timing of the conference committee and the conference report language did not allow for meaningful discussion among stakeholders. Such stakeholder input is key to ensuring that an effective, efficient and respected process for disbursing Proposition 40 monies is crafted. For this reason, I am directing the

Secretary for Resources to conduct a series of stakeholder meetings during the legislative recess for the purpose of discussing the best approaches for funding historical, cultural and museum projects.

Finally, there are many significant, high-priority state and local cultural and historical projects that should be funded. These include the Department of Parks and Recreation's projects as included in the May Revise—the Statewide Indian Museum, California Heritage Center, the John Marsh home and the Adamson House collection, as well as local assistance funding for the California Academy of Sciences in San Francisco. For this reason, I am directing the Department of Parks and Recreation to utilize \$5 million in Proposition 40 monies for the development of the Statewide Indian Museum. Moreover, the other projects should be directly funded from the cultural and historical monies and I am directing the Department of Finance to include these important projects in my 2003–04 budget.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 30th day of September 2002 at 4:03 p.m., of the Governor's statement of the items of appropriation eliminated from Assembly Bill No. 716 delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Item Veto Message—Assembly Bill No. 1768**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I have signed Assembly Bill 1768, but I am deleting the provision for funding up to \$15,000,000 for the Governor's Security Advisor upon receipt of funding from federal allocations for Homeland Security. Given the uncertainty of the availability of federal funds, it is premature to require that the expenditure be limited to equipment standards placed in statute given that the existing Public Safety Radio Strategic Planning Committee is developing a statewide solution for radio interoperability systems for all first responders. Their standards will assure that California's emergency first responders will have equipment that complies with the statewide interoperability radio standards and that this equipment, subject to federal funding, will provide badly needed equipment for all of the State's emergency personnel in the improvement of public safety.

Use of these funds should be consistent with established communication plans and systems authorized under the California Emergency Services Act including the California Emergency Plan, the California State Mutual Aid Radio System Plan, and other state and local plans providing for multi-discipline radio interoperability. This bill would unnecessarily specify a technology standard that could be overly restrictive. It is my preference that instead of being restrictive, the State in its procurements should maximize the use of business

competition, thereby ensuring reasonable cost to the State and acquisition of proven, established, stable technology and equipment.

Sincerely,

GRAY DAVIS

RECEIPT

I acknowledge receipt this 30th day of September 2002 at 4:03 p.m., of the Governor's statement of the items of appropriation eliminated from Assembly Bill No. 1768 delivered to me personally by Pamela Oto.

HUGH R. SLAYDEN

Acting Chief Clerk of the Assembly

**Item Veto Message—Assembly Bill No. 1634**

Governor's Office, Sacramento

September 30, 2002

*To Members of the State Assembly:*

I am signing Assembly Bill 1634, which would require new curriculum development in nutrition and would create a new school garden grant program.

I certainly share the author's belief in the importance of nutrition education. Many studies have demonstrated that infancy, toddler years, and early childhood are the most important developmental stages for children. During these early years of a child's development, it is essential to establish healthy eating and exercise patterns.

As evidenced by a letter to the Assembly Journal, the author intended that the \$200,000 appropriation contained in this bill would be a subset of an appropriation contained in the Budget Act for similar purposes. While she has committed to carrying cleanup language next year to rectify the error, a more expeditious remedy is for me to strike the \$200,000 appropriation from this legislation.

Lastly, it is my intent that the State Department of Education will develop the nutrition curricula and related best practices from existing departmental resources.

With that understanding, I am pleased to sign this legislation, but am vetoing the \$200,000 appropriation.

Sincerely,

GRAY DAVIS

**Item Veto Message—Assembly Bill No. 2781**

Governor's Office, Sacramento

September 30, 2002

*To the Members of the State Assembly:*

I am signing Assembly Bill 2781. However, I am reducing the portion of the appropriation for school district revenue limit equalization by \$203,000,000 that is based on revenue limits prior to the re-benching of excused absences in 1997-98. I intend to set this amount aside for subsequent legislation that accomplishes the intent of legislation I signed last year (Chapter 155, Statutes of 2001), which established a statewide equalization goal.

Let me be clear. I am fully committed to providing full funding for equalization in the 2003-04 Budget Year. However, I am opposed to the

formula used to determine equalization funding in this bill. By splitting equalization into disparate allocation methods, as proposed by AB 2781, the State does not actually reach an equalized endpoint. Consequently, this bill creates continued pressure to fund further rounds of equalization in future years. It is estimated that an additional \$195 million to \$200 million would still be required to fully equalize revenue limits computed on the basis of current state policy. As mentioned above, I intend to sign subsequent legislation that appropriates up to \$203,000,000 to complete full equalization consistent with the current statutory goal. That subsequent legislation should also delete Section 7 and subdivision (c) of Section 42 of this statute to conform.

Further, I am reducing the appropriation for the Standardized Testing and Reporting (STAR) program by \$800,000 to correct an unintentional overappropriation of the item.

The effect of my actions are reflected as follows:

SEC. 44. The sum appropriated in Item 6110-113-0001 of Section 2.00 of the Budget Act of 2002 is hereby augmented by ~~forty-six million six hundred nine thousand dollars (\$46,609,000)~~ *forty-five million eight hundred nine thousand dollars (\$45,809,000)* and the amount appropriated in Schedule (4) of that item is augmented by ~~forty-five million eight hundred nine thousand dollars (\$45,809,000)~~.

SEC. 51. (a) The amount of ~~four hundred six million dollars (\$406,000,000)~~ *two hundred three million dollars (\$203,000,000)* is hereby appropriated from the General Fund to the Superintendent of Public Instruction for the 2003-04 fiscal year for the following purposes:

(1) Two hundred three million dollars (\$203,000,000) for purposes of Section 42238.44 of the Education Code, to be allocated to school districts on a pro rata basis.

(2) ~~Two hundred three million dollars (\$203,000,000) for purposes of Section 42238.46 of the Education Code, to be allocated to school districts on a pro rata basis.~~

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by this section shall be deemed to be "General Fund revenues appropriated to schools districts," as defined in subdivision (c) of Section 41202 of the Education Code for the 2003-04 fiscal year and be included within the "total allocations to schools district and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XVII B," as defined in subdivision (e) of Section 41202 of the Education Code for the 2003-04 fiscal year.

Sincerely,

GRAY DAVIS

**Item Veto Message—Assembly Bill No. 2838**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the State Assembly:*

I am signing Assembly Bill 2838, but reducing the appropriation from the Public Utilities Commission Utilities Reimbursement Account from \$445,000 to \$222,500.

This bill requires the Public Utilities Commission (PUC) to act on water utilities' rate applications within specified timelines and allows water utilities to enact interim rates at the rate of inflation when their rate cases are delayed, subject to refunds by the PUC. The bill also requires water utilities to file a rate application with the PUC every three years.

Sincerely,

GRAY DAVIS

**RECEIPT**

I acknowledge receipt this 30th day of September 2002 at 10:58 p.m., of the Governor's statement of the items of appropriation reduced or eliminated from Assembly Bills Nos. 1634, 2781 and 2838 delivered to me personally by Casey Elliott.

HUGH R. SLAYDEN  
Acting Chief Clerk of the Assembly

The following messages from the Governor were received and ordered printed in the Journal:

**Governor's Message—Assembly Bill No. 1833**

Governor's Office, Sacramento  
September 7, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1833 which (1) revises procedures for payment of claims from locally-funded Maddy Emergency Medical Services Funds (Maddy Fund); (2) requires counties to develop fee schedules and reimbursement methodology; and (3) requires counties to notify physicians and surgeons who provide, or are likely to provide, emergency services in the county of the availability of the Maddy Fund.

I vetoed a similar bill last year (AB 900-Papan) because its contents were amended into the bill at the end of session and not fully vetted. I am signing AB 1833 because it was fully vetted through the legislative hearing process and believe it will assist physicians in alleviating some of the burden of providing uncompensated care.

Sincerely,

GRAY DAVIS



**Governor's Message—Assembly Bill No. 3026**

Governor's Office, Sacramento  
September 7, 2002

*To the Members of the California State Assembly:*

I am signing AB 3026, which will make various technical and policy changes and repeal obsolete code sections or references. Most notably, this bill would allow the State to issue Grant Anticipation Revenue Vehicle (GARVEE) bonds and allow regional transportation authorities to issue such bonds for Toll Bridge Seismic Retrofit Projects, Traffic Congestion Relief Act projects, and the State Highway Operation and Protection Program (SHOPP) projects, without having that borrowing count against their county share of State Transportation Improvement Program (STIP) funds.

While I recognize the additional benefits and flexibility of these federal funds, no official policy has been set regarding the issuance of GARVEE bonds. If GARVEE bonds are issued, I believe that Caltrans should develop a model to track outstanding GARVEE debt and its relationship to future project resources, specifically Obligation Authority and Advanced Construction. I am directing Caltrans, in conjunction with the California Transportation Commission and the Department of Finance, to develop guidelines on the issuance of GARVEE debt and to develop a model to track outstanding GARVEE debt for this purpose.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2002**

Governor's Office, Sacramento  
September 11, 2002

*To the Members of the California State Assembly:*

I am signing AB 2002 which directs the Seismic Safety Commission, in consultation with the Director of the Office of Emergency Services, to establish an Urban Search and Rescue (USAR) Advisory Committee to prepare a strategy, plan, and recommendations to address the resource needs of local USAR units in California.

USAR teams are a vital part of California's public safety infrastructure and the strategies and recommendations developed by this Committee will be a useful tool for both state and local government. Given the current condition of the State's General Fund, I am directing that the report generated by this Committee be completed within the existing resources of the SSC.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2462**

Governor's Office, Sacramento  
September 11, 2002

*To the Members of the California State Assembly:*

I am signing AB 2462, which provides that a child who resides in the home where crimes of domestic violence have occurred may be presumed to have suffered physical injury for the purposes of reimbursement from the Victim of Crime Program.

This measure codifies existing practice of the board, however, I am concerned that the fund is being depleted. Thus, I will undertake to determine what steps can be taken to strengthen the solvency of the fund, including increasing fines and penalties paid by criminals into the Restitution fund.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2324**

Governor's Office, Sacramento  
September 12, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill No. 2324, with the understanding that an after school component of the Before and After School Learning and Safe Neighborhoods Partnership Programs would continue to be required to operate a minimum of three hours per day commencing with the end of the school day and on every regular school day. I am also requesting clean-up legislation to clarify this requirement.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2156**

Governor's Office, Sacramento  
September 13, 2002

*To the Members of the California State Assembly:*

I am signing AB 2156 which, until January 1, 2010, establishes the San Diego River Conservancy to acquire and direct the management of specified public lands in the San Diego River area and prescribes the management, powers, and duties of the conservancy.

Existing law establishes conservancies in order to promote the conservation of the State's resources. The State Legislature has created seven conservancies that acquire, restore and protect undeveloped lands in specific regions of the state. Existing conservancies are explicitly required to comply with Property Acquisition Law (Part 11, commencing with Section 15850, of Division 3 of Title 2 of the Government Code). The importance of Property Acquisition Law is to ensure appropriateness of a transaction and to perform due diligence by the State Public Works Board. This layer of review is there to protect the taxpayers of the state as well as giving conservancies peace of mind when performing high profile real estate transactions. It is this layer of protection that has allowed California to be free of scandal when the state has acquired or sold real property.

I believe creation of the San Diego River Conservancy is appropriate, and therefore I am signing this measure. However, I am requesting the author return next year with a clean up bill requiring the San Diego

River Conservancy to comply with the provisions of Property Acquisition Law and to conform the duties of this conservancy with that of existing conservancies.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2202**

Governor's Office, Sacramento  
September 14, 2002

*To the Members of the California State Assembly:*

Assembly Bill 2202 declares the intent of the Legislature that certain California State University (CSU) students who will be serving the senior population (such as social workers, gerontologists, nurses, physical therapists and psychologists) must complete a curriculum in the field of gerontology, requires the CSU to provide courses and training in the field, and requires that each CSU develop guidelines for gerontology training and a plan for recruiting students into the field. This bill also requires the CSU to submit a report to the Legislature on the establishment of the gerontology curricula established by the bill.

I am signing Assembly Bill 2202 because the CSU indicates that many campuses already offer a gerontology curriculum and that any costs associated with developing the guidelines, recruitment of students and reporting to the Legislature would be absorbable.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2326**

Governor's Office, Sacramento  
September 17, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2326 which requires the Superintendent of Public Instruction (SPI) to form an advisory task force to develop appropriate grade level standards for the mastery of Braille.

I am signing this bill with the understanding that the proposed standards will not be implemented on either a mandatory or a voluntary basis until its fiscal implications are fully understood. I am also directing the State Board of Education not to act upon any proposed standards arising from this measure until its fiscal implications can be weighed against available educational and state resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2985**

Governor's Office, Sacramento  
September 17, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2985 which would require the Labor and Workforce Development Agency to conduct an independent study that includes information identifying federal and state resources available to determine the most effective and efficient means of enforcing wage and hour laws.

This bill will help to improve the efficiency of state government through enabling the Labor and Workforce Development Agency to more effectively enforce wage and hour laws and ensure worker protection under existing state law. I am directing the Agency to conduct the study from existing resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1010**

Governor's Office, Sacramento  
September 18, 2002

*To the Members of the California State Assembly:*

I am signing AB 1010, which fulfills a policy goal of this administration that when and wherever possible, existing toll roads should be converted to free roads. This bill will make that happen faster.

AB 1010 would authorize a transfer of ownership of the State Route 91 (SR-91) toll road from a private company to a public entity. The results of traffic and revenue analyses currently underway for Orange County should be considered in approving this transfer. The public entity, the Orange County Transportation Authority (OCTA), who will own and operate the facility, will now be able to allocate any revenues over the cost of debt service to make needed improvements to SR-91. However, it is my expectation that OCTA will have as its goal the lowest possible fees, broadest possible access, and the shortest possible time frame that is responsible to fund the purchase of this franchise and protect the interests of southern California's motorists.

Additionally, with the purchase of the SR-91 toll lanes by OCTA, the "non-compete clause" which precluded any improvements on SR-91 by State and County agencies will no longer be in force. This will allow plans by Orange and Riverside Counties for freeway improvements to proceed expeditiously, and I urge them to do so. The bill also establishes a formal mechanism to promote improved transportation planning between elected officials and transportation planning experts in Orange, Riverside and San Bernardino counties and Caltrans. By signing this measure, commuters should realize both congestion relief and financial relief.

It is time that we put the interests of the traveling public back into the hands of the public agencies whose mission it is to protect them.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 499**

Governor's Office, Sacramento  
September 20, 2002

*To the Members of the California State Assembly:*

I am signing AB 499, which would require the Director of General Services to transfer the title of the administration building (Building 101) on the premises of the California Rehabilitation Center, to the City of Norco.

This transfer will save the State the long-term costs of maintaining an unoccupied building while simultaneously providing a historic landmark for the citizens of Norco to use and enjoy.

I am directing the Director of General Services to enter into a contract with the city of Norco to ensure that all costs related to removal of the perimeter fencing will be borne by the city of Norco. Given the state's \$24 billion deficit, such costs could have a significant impact on the General Fund.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2534**

Governor's Office, Sacramento  
September 20, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2534; however, I am directing the State Water Resources Control Board to ensure that the most meritorious projects are approved for funding.

This bill would create various clean water programs at the State Water Resources Control Board, to improve and protect coastal water quality, reduce storm water runoff pollution, increase control of nonpoint source pollution, improve agricultural water quality, develop local watershed management plans, and implement watershed protection and watershed management projects. The bill would also create an accelerated selection process to allow immediate funding for projects that are already fully permitted. Finally, the bill would provide funding from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act for these programs and existing programs at the State Coastal Conservancy and the Department of Forestry and Fire Protection.

While I support the concept of expediting projects, it is important to ensure the most meritorious projects are funded with these limited resources, regardless of whether they qualify for an accelerated process. I am directing the State Water Resources Control Board to give careful consideration to *all* project proposals and to approve those that will have the most significant effect on improving water quality in California.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2630**

Governor's Office, Sacramento  
September 20, 2002

*To the Members of the California State Assembly:*

I am signing AB 2630, which would, for a limited time, allow the California Transportation Commission to pay the entire local match requirement for small general aviation airports to secure federal Airport Improvement Program (AIP) grants for airport security. This bill to increase security measures at small airports allows the State to contribute 10% of the program costs, while the federal government pays the remaining 90%.

While I generally favor local match requirements as a way of ensuring that a local project is locally supported and is successful, the potential threat to California's smaller airports and to homeland security generally requires special consideration. Many of our state's smaller general aviation airports simply do not have the operating funds necessary to meet local match requirements for federal AIP grants. At the same time, these airports may, in fact, be the most vulnerable to potential security threats. While I will not support future attempts to eliminate local agency participation in project funding, I am making an exception in this case to ensure continued security for all Californians.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2709**

Governor's Office, Sacramento  
September 20, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2709, which encourages the use of personal testimony related to World War II and the role of the United States in that war.

World War II instruction is already part of existing academic content standards and the author's intent was simply to encourage the use of personal testimony as part of that instruction. Therefore, I am signing the bill with the understanding that the author will introduce legislation to eliminate the potential state mandate.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 885**

Governor's Office, Sacramento  
September 22, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 885, which establishes a distance learning pilot program for a limited number of California public high schools. This pilot program is a pivotal first step in exploring an important new mode of instruction. The potential benefits to expanding internet-based instruction are immense, including more one-on-one communication between teachers and students, increases in technology training to prepare students for the workforce, and improvements in the breadth

and quality of curriculum in urban, small, and remote schools. In pursuing this pilot, California will continue its tradition as a world leader in information technology.

However, I am signing AB 885 with the understanding that the author will introduce legislation at the beginning of the next legislative session to tighten provisions in the bill's funding formula. Specifically, it is my intent, and that of the author, that schools participating in this pilot program are held accountable for providing instructional services equivalent to those that would be provided in a traditional setting, including an assessment of whether the pilot program achieves its goals and assessing the cost of this form of instruction. It is important that the standards for instructional services are both rigorous and consistent across participating schools. I am directing the Secretary for Education and the Department of Finance to assist the author in drafting this clean-up legislation.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1781**

Governor's Office, Sacramento  
September 22, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1781, which revises the state's instructional materials grant programs. This bill and the \$400 million provided for the program in the Budget will help ensure that California's students are provided with standards-aligned reading language arts textbooks. However, I am signing the bill with the expectation that the Legislature will approve appropriate cleanup language to address one of the bill's provisions that is too broadly worded.

The instructional materials funding realignment in this bill is intended to ensure that pupils receive basic standards-aligned instructional materials in core curricula areas as expeditiously as possible as well as to increase local flexibility once these basic materials are provided. The current language related to school district certification that pupils have been provided with standards-aligned materials is too vague. As written, this could potentially result in a portion of funds being used to purchase supplementary or non-standards-aligned materials prior to providing basic standards-aligned materials.

Appropriate cleanup language should ensure that priority for use of funding is to provide basic standards-aligned instructional materials for all pupils in the four core curriculum areas, as they become available. In addition, the language should provide the flexibility afforded to school districts by the State Board of Education to use funding for other materials, including supplemental or non-standards-aligned materials, at the percentages specified by the State Board of Education. Finally, the language should clarify that the \$150 million provided in the Budget Act, on a one-time basis, is to be used to defray the costs of the English Language Arts materials, which must be purchased for each pupil by the beginning of the 2003 school year.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2420**

Governor's Office, Sacramento  
September 22, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2420 which would prohibit an HMO from requiring or allowing a doctor group to be at financial risk for certain items, including self-injectable medications and adult vaccines unless the Provider requests to assume the risk in writing during contract negotiations.

I agree with the bill's goal of strengthening the financial solvency of doctor groups. Some have been experiencing significant financial difficulties during the last few years. This may be due, at least in part, on an inability to manage expenses within budgets required by their negotiated rates. HMOs can spread the financial risk over a larger population of enrollees, and thus could be in a better position than the doctor groups to manage budgets for these services. Better management of financial risk helps to ensure continued access to care for HMO consumers.

However, I favor undertaking a more comprehensive analysis of doctor group solvency and quality issues than the approach taken in this bill, and I am concerned that the enactment of this proposal could lead to additional legislative proposals to prohibit the delegation of other services. I am heartened by the fact that the Legislature is intending to have such a comprehensive discussion during the upcoming 2002–2003 legislative session.

Since the bill still allows doctor groups and HMOs to voluntarily agree that the risks associated with these services can be delegated, an approach I endorsed by signing SB 168 in 2000, I will sign this measure into law. I recognize that many doctor groups continue to have financial difficulties that impact consumers' access to care, and the enactment of this legislation may keep some from encountering further financial problems that can cause disruptions in continuity of care.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2996**

Governor's Office, Sacramento  
September 22, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2996, a trailer bill to the 2002–2003 Budget Act. However, one of the provisions in the bill contains an unintended error that occurred when an urgency clause was attached to the bill after it was initially drafted.

The suggested amendments to Vehicle Code Section 14905 enact an increase in the fee for the reinstatement of a driver's license following a suspension or revocation action. The twenty-five dollar increase was supposed to be implemented by the Department of Motor Vehicles on January 1, 2003. When the urgency clause was included in this bill, it had the unintended effect of causing the increase to take effect immediately upon chaptering.

Because the department needs time to modify its programs, and law enforcement agencies must change the information on the notices they



provide to an offender at the time of an arrest, this provision cannot be implemented any earlier than January 1, 2003.

This delay will have no effect on the 2002–2003 budget, as the additional revenue was not intended to be collected until January 1, 2003.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2794**

Governor's Office, Sacramento  
September 23, 2002

*To the Members of the California State Assembly:*

I am signing AB 2794, which will expand the type of sex crimes requiring a defendant to submit to a court-ordered test for the HIV virus, allow the court to order a saliva test for HIV rather than a blood test, and require the inmate to submit to a court-ordered HIV test within 180 days of the date of the conviction.

This bill will close a loophole in existing law and will ensure that victims of sexual assault can have the peace of mind provided by knowing the HIV status of their attacker and, if necessary, to receive early intervention. In addition, the provision allowing the testing to be done on saliva, in addition to blood, will make HIV testing on behalf of crime victims more efficient and less expensive than the current process. According to the Department of Public Health, as well as HIV experts from around the country, the oral saliva test is more expedient than, just as accurate as, and less intrusive than, testing with blood samples.

I encourage District Attorneys to request the use of saliva testing in cases where an order for HIV testing is requested, as authorized by this bill. I also encourage judges to consider ordering saliva testing rather than blood testing. Saliva testing is a more cost effective and efficient method of testing for HIV, which has proven to be as reliable as blood testing. Given the State's current fiscal situation, utilizing the most cost-effective methods to provide services to the public is appropriate.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 80**

Governor's Office, Sacramento  
September 24, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 80 which allows the cities participating in the Magnolia Power Project to aggregate their electricity loads and provide service directly to their residents.

This bill contains a subdivision with legislative intent language regarding a cost-recovery mechanism for the California Department of Water Resources' uncollected costs for power purchases. It is my understanding that nothing in this subdivision requires the California Public Utilities Commission to allocate any cost responsibility for the

Department of Water Resources' long-term power purchase contracts to customer load served by generation constructed for a customer's own use.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 117**

Governor's Office, Sacramento  
September 24, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 117 which allows cities and counties to aggregate their electric loads and provide service directly to their residents.

This bill contains a subdivision with legislative intent language regarding a cost-recovery mechanism for the California Department of Water Resources' uncollected costs for power purchases. It is my understanding that nothing in this subdivision requires the California Public Utilities Commission to allocate any cost responsibility for the Department of Water Resources' long-term power purchase contracts to customer load served by generation constructed for a customer's own use.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2409**

Governor's Office, Sacramento  
September 25, 2002

*To the Members of the California State Assembly:*

I am signing AB 2409 which requires the Office of Emergency Services (OES) to conduct a study of the emergency notification systems in use at California television and radio stations, to determine their 24 hour emergency broadcast capability. However, I am directing that OES, in conjunction with the California Highway Patrol (CHP), conduct this study, and that both entities use existing resources to complete the task outlined by this legislation.

With regard to emergency notification systems in California, OES is responsible for responding to natural disasters, while the CHP has focused its efforts on emergency alerts involving missing persons, among the many important responsibilities that these agencies bear. Therefore, it is important to have the involvement of both agencies in this study.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2907**

Governor's Office, Sacramento  
September 25, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2907 which would establish a "Health Care Providers' Bill of Rights." Specifically, it would prohibit certain provisions in contracts between HMOs and health care Providers and would authorize the Director of the Department of Managed Health Care (Department) to take an enforcement action against a Plan for violating the provisions of this bill. This bill also incorporates similar provisions into the Insurance Code.

This bill, by helping to level the playing field for Providers during contract negotiations with Plans, will help ensure that consumers enrolled in HMOs have continuity of care. Moreover, this bill follows through on a promise I made in a February speech at the California Medical Association's Annual Meeting to create a "Doctors' Bill of Rights" by incorporating the principles that I outlined during that speech. Although this is a significant step in the right direction, I was hopeful that its passage would be coupled with the enactment of a strong continuity of care law along the lines developed by the Department of Managed Health Care and this Administration.

The Department's HMO Help Center operates 24-hours-a-day and seven-days-a-week and has assisted thousands of consumers whose access to health care has been disrupted by the severing of relationships between HMOs and their contracting doctor's groups and hospitals. Many of these terminations are due in large part to bad contracts. Better contracting can result in better outcomes for consumers. And it is for this reason that I am signing this bill. However, while it will take time for this new law to get fully implemented, we must move ahead proactively so that thousands of other consumers are not forced to sever their relationships with doctors that they trust because of HMO/doctor disputes.

Last year, I proposed a comprehensive set of amendments to legislation authored by Assembly Member Thomson (AB 1522) and Senator Speier (SB 103) to ensure continuity of care for all consumers affected by the severing of a contract between an HMO and a Provider. Unfortunately, that legislation did not move out of Conference Committee and pass the Legislature this year.

My Continuity of Care proposal was a continuation of the 1999 Health Care Reforms that we worked on together and I signed into law that put patients first. In order to ensure that patients can keep their doctors for longer periods of time and under more circumstances, I am calling on the Legislature, consumers, HMOs, doctors, hospitals, employers, and other interested parties to work with this Administration and in particular the Department of Managed Health Care to act promptly.

I will not sign a bill that forces California consumers to switch doctors in the middle of their benefit year. HMOs and doctor groups have a choice about whether to renew or terminate a contract. Consumers deserve the same right.

Consumers should be able to stay with their doctors until the effective date of coverage following their next open enrollment period, not to exceed 12 months. Continuation of coverage for only six months would

be confusing for consumers and force many of them to change their doctors during the benefit year. They were promised their doctors when they signed up with an HMO and it is unacceptable for consumers to lose access to these health care professionals.

I look forward to continuing to work with you to ensure greater continuity of care for consumers so that we continue to put patients first and keep them out of HMO/doctor disputes.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 630**

Governor's Office, Sacramento  
September 26, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 630, which would require the Los Angeles Metropolitan Transportation Authority (MTA) to perform a security assessment, once every five years of its own operations and those of other transit agencies in Los Angeles County.

In the interest of public safety, and given this bill's minimal costs, I believe that it is important for one of the country's largest urban transit systems to perform the security assessments required by this bill. Furthermore, the MTA has expressed its willingness to help any municipal transit operators in Los Angeles County who do not have the resources available to perform such an assessment.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1227**

Governor's Office, Sacramento  
September 26, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1227, which specifies that the recently revised waiver provisions for minimum time infractions by school districts apply for infractions committed in the 2001–02 fiscal year or thereafter. This bill also requires the time repayment option must be no later than the fiscal year following the year in which the waiver is approved.

In signing this bill I note the waiver repayment provisions may conflict with existing state law that requires a school district to maintain equal amounts of time among similar schools in its district. This should be clarified as an exemption in the law. I encourage school districts and county offices of education to commence the time repayment option as soon as possible after the infraction is discovered. I believe it would be preferable for schools to accelerate the time repayment option within a single year. This will benefit the students who missed the instructional time. Moreover, I am not inclined to sign future legislation waiving penalties for those districts that do not avail themselves of the provisions of this bill.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1793**

Governor's Office, Sacramento  
September 26, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1793, which requires the State Department of Education to develop model content standards for physical education. This bill also imposes new duties on the Department to monitor the number of hours of physical education offered to grades 1 to 12.

I believe development of model standards would help schools focus more attention on the physical fitness of students. I commend the author for her continued interest in this important area. However, given the fiscal situation of the State, I am not able to commit any additional resources to this task and expect the Department to make its best efforts within existing resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2678**

Governor's Office, Sacramento  
September 26, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2678 because of the tragic circumstances that surrounded the death of Lt. Leonard Estes, a 30-year veteran of the Butte County Sheriff's Department, who was killed in the line of duty on July 26, 2001. I am signing this legislation due to strong support from the community to increase the survivor allowance payable to his widow, and the willingness of Butte County taxpayers to fully fund the cost.

However, I am not comfortable with the precedent that this legislation establishes of retroactively increasing benefits for one person, and I am aware that Butte County is not alone in having failed to contract for this higher survivor allowance.

Most local agencies have not contracted for this particular benefit. I would encourage all agencies to review and update the benefits they provide to their peace officers so that this is the last time this type of legislation is considered.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2704**

Governor's Office, Sacramento  
September 26, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2704, which makes several improvements to the Urban Streams Program at the Department of Water Resources.

I am directing the Department of Water Resources to implement this bill and update the program regulations as necessary using Proposition 40 bond funds earmarked for this program. The Department's General Fund budget will not be augmented for this purpose.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1173**

Governor's Office, Sacramento  
September 27, 2002

*To the Members of the California State Assembly:*

I am signing AB 1173, which requires the Air Resources Board, by January 1, 2004, to report on the health effects of indoor air pollution, including possible mitigation options for homes, schools and non-industrial workplaces.

In signing this measure, I am also directing the Air Resources Board, and other affected agencies, to implement the provisions of this bill within existing resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1412**

Governor's Office, Sacramento  
September 27, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1412, which would require the Superintendent of Public Instruction to develop, and the State Board of Education to adopt, model curriculum standards for career-technical education by January 1, 2005. This bill would also require the California State University (CSU) and request the University of California (UC) to develop model academic standards and develop a process by which high schools may obtain approval of their career courses as meeting UC and CSU admissions requirements. Finally, the bill states legislative intent that school districts are not required to make changes in curriculum pursuant to this act.

I fully support encouraging school districts to improve career-technical education through development of voluntary standards and I commend the author for his work in this area. However, I am signing this bill with the understanding that the curriculum standards are to be completed and adopted using federal Perkins Vocational and

Technical Education Act funds currently allocated for state administration. I do not support redirecting for state administrative purposes any federal Perkins funds available for local grants.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2312**

Governor's Office, Sacramento  
September 27, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2312, which establishes an Environmental Justice Small Grant Program within the California Environmental Protection Agency to provide environmental justice grants to local community groups.

This measure empowers local community groups to address public health concerns and strengthens community involvement in the environmental decision making process.

I am directing the Boards and Departments within the California Environmental Protection Agency to allocate sufficient monies from sources other than General Fund to implement this program. This would include funds continuously appropriated to those organizations, including funds established for the cleanup of waste tires, used oil, and water pollution.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 444**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 444, which would make statutory changes to human service programs administered by the Office of Statewide Health Planning and Development, Department of Alcohol and Drug Programs, Department of Community Services and Development, Employment Development Department, California Workforce Investment Board, Department of Rehabilitation, Department of Child Support Services, and Department of Social Services, primarily to implement the provisions of the Budget Act of 2002. However, I note the following concerns:

I do not support the provision in this bill that would allow counties to set aside up to \$10 million in CalWORKs mental health funding to match federal Title XIX Medicaid funding, beginning in 2003–04. This provision would allow counties to redirect funding that was appropriated in the budget to meet the federal Temporary Assistance for Needy Families Block Grant maintenance-of-effort (MOE) requirement. This redirection would result in the need for additional General Fund resources in future years for the State to meet its MOE requirement.

I also do not support the provision that would provide an adjustment to the foster care group home rate structure to allow the staffing of fewer low-skilled positions in order to increase the pay of higher-skilled staff positions. Any change in staffing and funding levels may adversely

affect the level of services provided at group homes. Furthermore, this adjustment essentially would allow a cost-of-living adjustment (COLA) for certain workers at a time when we are suspending COLA's for many social services programs.

I intend to revisit these issues in the development of the 2003–04 State Budget.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 692**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 692 because it would restore the January 1, 2003 pass-through date for the Supplemental Security Income/State Supplementary Payment federal cost-of-living adjustment to reflect Legislative intent and the 2002 Budget Act.

However, I do not support the provisions that would implement the California Savings and Asset Project to match savings in California Work Opportunity and Responsibility to Kids participants' Individual Development Accounts. To the extent that special or federal funds could not be used for the purposes specified in this bill, General Fund resources would be needed to fund the California Savings and Asset Project. This program would not become operational without an appropriation by the Legislature or an allocation of Workforce Investment Act (WIA) Discretionary funding. WIA funds cannot be used to implement this program and I do not support the use of General Fund monies for this purpose.

**Governor's Message—Assembly Bill No. 857**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 857. I commend the authors for their dedication and commitment to the important environmental and long-term planning needs of California.

This bill establishes three specific planning priorities for the state, to be used in determining which state infrastructure projects should be financed. It further requires state agencies, when requesting such financing to state how projects would conform to these priorities. Finally, this measure requires my OPR to establish a protocol for resolving conflicts between state agencies, agency functional plans, or state infrastructure projects.

To allay concerns about the bill's balanced implementation, I am directing OPR to implement the bill's three planning priorities and their effect on the infrastructure plan in a fair and equitable manner and to do so within existing resources. I ask that OPR, with the assistance of all state agencies, prepare the 2003 Environmental Goals and Policy Report and to examine conflicts, which may exist between and within state agencies and their policies and programs.

I remain committed to seeing these important responsibilities through. Further, I am appointing members to the Planning Advisory



and Assistance Council to assist my Administration in the completion of these various tasks and to ensure a comprehensive product, inclusive of local government and regional perspectives.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2217**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2217. This bill would establish the California Quality Education Commission to, among other things, develop a model for prototype schools and provide information to the Legislature and other policy makers regarding the costs associated with developing schools most likely to produce high quality outcomes.

However, I am concerned about the fiscal impact of establishing the proposed Commission. Therefore, I am signing this bill with the expectation that the Office of the Secretary for Education, the State Board of Education, and the Department of Education will support the Commission from their existing budgets and that the members of the Commission would not be compensated or reimbursed for their participation. In addition, I encourage the Commission to utilize other available resources, including the Legislative Analyst's Office, legislative committees, the Senate Office of Research, and the California Research Bureau.

Further, given the austere financial conditions likely to be facing the State for a number of years, I expect the Commission to limit its recommendations to options that can be funded within the Proposition 98 guarantee and that also preserve current education reform programs and core local instructional resources. Finally, I am requesting that the Commission considers the effectiveness of existing programs and possible efficiencies that would help school districts focus on improving student achievement.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2410**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2410.

This bill would require the Employment Development Department, in consultation with the Technology, Trade and Commerce Agency, and the California Film Commission (CFC), to report to the Legislature on the economics of the film industry, review the effects of various laws on the industry, and to examine the ethnic diversity of the industry. The bill would also require the CFC to release the number of motion picture starts that occur in California on an annual basis.

In signing this bill, I am directing the affected agencies to implement its provisions within existing resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2531**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2531, which would establish the High School Pupil Success Act to provide eight school districts grants for the purpose of planning and implementing five-year reform efforts at high schools. Priority in funding would be given to districts with high schools in the first and second deciles of the Academic Performance Index.

I have been, and continue to be, a proponent of implementing reforms to improve low-performing schools, as evidenced by my support for the Immediate Intervention/Underperforming Schools Program and the High Priority Schools Grant Program.

However, I am concerned that this bill could obligate the State to provide an indeterminate level of planning and implementation funding of over \$100 million over the five years of this reform effort. Considering the State's current financial situation, it is highly doubtful the State would be able to support this program in future years.

Therefore, I am signing this bill with the understanding that the \$100,000 appropriated from the General Fund in this bill would serve as "seed" money to raise non-State funds and that the planning and implementation phases of the pilot program will only be undertaken to the extent that non-state resources are available.

Further, I am directing the Secretary for Education to ensure that the pilot program will be implemented in a manner so as not to conflict or hamper existing reform efforts through the Immediate Intervention/Underperforming Schools Program or the High Priority Schools Grant Program.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2549**

Governor's Office, Sacramento  
September 28, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2549 with the express understanding that the proponents of this measure have agreed not to seek implementation of this measure before July 1, 2005 through the collective bargaining process.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 746**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 746 which would allow a non-California resident to file an adoption petition, receive adoption services and finalize the adoption in California. It would also require that a nonresident petitioner's homestudy report be reviewed and endorsed by a California agency to the court as being "substantially commensurate" with California adoption homestudy standards.

While I support efforts to place children waiting to be adopted in loving homes, I also must ensure that adequate protections for the child are in place before an adoption in California is finalized. Therefore, I am directing the CDSS to promulgate regulations for these adoptions that will ensure the protection of involved children by including applicable Interstate Compact for the Placement of Children (ICPC) procedures and criminal background investigations that are commensurate with California's existing standards.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 925**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 925 which establishes goals for Secretary of the Labor and Workforce Agency to bring adults with disabilities into gainful employment at a rate that is close as possible to that of the general population. This bill requires Local Workforce Investment Boards (LWIBs) with "one-stop" employment centers to ensure access services for persons with disabilities and to the extent permitted by federal law, include disabled persons on their boards. Finally, this bill allows Medi-Cal personal care services to be used in a workplace, as long as the number of hours allowed is no more than they would have been allowed to receive at home.

I am signing this measure with the understanding that the State Department of Social Services will work with local government to develop appropriate guidelines and oversight to ensure that the total number of personal care hours utilized at work are within the total hours that would otherwise be authorized in the home.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1381**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1381.

AB 1381 would revise eligibility criteria for the Governor's Scholarship Programs to allow students who have achieved qualifying scores on the required statewide achievement tests, but do not meet the current program's attendance requirements to qualify for Governor's Scholar Awards and Governor's Distinguished Mathematics and Science Awards. In doing so, this bill will allow migrant students to qualify for these scholarship awards.

I am signing AB 1381 because I believe that it is important to reward high performing students, and these student should not be penalized for attendance disruptions caused by the work schedules of their families. It is imperative that all students are given incentive to excel and acknowledgment when they succeed. It is precisely for these reasons that I established the Governor's Scholarship Programs. In signing this bill, it is my expectation that the Legislature will fully fund the Governor's Scholar Awards Program and Governor's Distinguished Mathematics and Science Awards Program for all eligible students.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1795**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1795 which allows the Kerman Unified School District (KUSD) to extend its repayment period concerning an audit finding.

I note that KUSD has made payments each of the past three years. I appreciate their willingness to fulfill their obligation to the State, while still providing a good education for their students.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2211**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2211.

This measure will require the Judicial Council to study the policy and the effect of misdemeanor crimes on Communities and to report to the Legislature its findings and recommendations by December 31, 2004.

However, due to the cost to the General Fund, I am requesting that the Judicial Council implement this measure within existing resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2314**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2314, which requires the Chancellor of the California Community Colleges (CCC) to encourage community college districts to standardize all nursing program prerequisites on a statewide basis and to implement articulation agreements with campuses of the California State University to which they send significant numbers of nursing students. It requires the Chancellor of the California State University (CSU) to require that all CSU campuses that maintain nursing education programs standardize nursing program prerequisites and implement articulation agreements with community college districts from which they receive a significant number of nursing students. Both Chancellors would be required to implement the recommendations of the Intersegmental Major Preparation Articulated Curriculum project (IMPAC) by September 1, 2004.

This bill, part of my Nurse Workforce Initiative announced earlier this year, will ease access to nursing education, assure transfer for better educated nurses, and support the faculty direction of academic programs, including articulation.

I am signing this bill with the understanding that this bill requires the implementation of the IMPAC recommendations solely related to nursing programs.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2506**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2506.

This bill requires the California State Teachers' Retirement System (CalSTRS) to establish a vendor registry where information about tax-deferred retirement investment products will be made available to employees of local school districts, community college districts, and county offices of education. CalSTRS will maintain this registry and investment information on its web site. However, it should be made clear that providing this information is not an endorsement or a validation by CalSTRS of the information provided to them by various vendors. With this understanding, I am signing this measure.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2532**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2532 which would require the State Board of Education (SBE) to adopt maximum weight standards for elementary and secondary school textbooks. This bill differs from the

vetoed AB 1030 of last year in its simplicity. AB 1030 required: (1) a statewide study of school districts to examine the lack of student locker space on campuses; (2) the weight of hardcover textbooks; and (3) any correlation between students carrying heavy instructional materials in backpacks and spinal damage.

The mere adoption of maximum weight standards by the SDE will not resolve the issues of excessive backpack weight and the long-term health of pupils. Rapid advances in electronic technology demand that we look beyond the present system of providing a set of textbooks to each student. As the SBE accepts the challenge of implementing this legislation, I encourage them to not be constrained by the narrow drafting of AB 2532. The SBE should additionally review the cost/benefit of approving hard cover texts, and they should be mindful of the expected explosive growth of internet based instructional materials and texts on CD ROM.

I note that this bill was drafted to require the study, expected to cost in excess of \$100,000, without a source of funding identified. The state has faced a \$24 billion shortfall and financial pressures will continue. As such, I am directing that this bill be implemented within the existing resources of the State Board of Education.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2750**

Governor's Office, Sacramento  
September 29, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2750, which, beginning with the 2003–04 fiscal year, would adjust the funding formula for adult education in correctional facilities by increasing the maximum average daily attendance (ADA) a school district could claim by 2.5 percent over the previous fiscal year.

I am supportive of ensuring that jail-based adult education, particularly in the areas of domestic violence and substance abuse prevention, is available in the counties that experience the greatest need. I am also aware that the current method for allocating state funding for these programs does not protect providers from short-term enrollment fluctuations and may contribute to overall declines in the number of prisoners served by this program. However, as drafted, this bill provides all school districts, whether they are experiencing enrollment increases or not, a 2.5 percent annual growth entitlement.

I am therefore signing AB 2750 with the understanding that subsequent legislation will be proposed next year that will further refine the funding formula to:

- Establish a base year and methodology to compute the baseline ADA for the program.
- Ensure that additional funding only goes to those programs that experience enrollment growth.
- Ensure that programs with static or declining enrollment are held harmless by providing that their ADA will not be reduced below the base level or their highest adjusted level determined by actual enrollment.

- Eliminate legislative intent language stating that additional adjustments to increase allocations will be provided in a subsequent measure.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2816**

Governor's Office, Sacramento  
September 29, 2002

*To Members of the California State Assembly:*

I am signing Assembly Bill 2816.

This bill requires that when a temporary agency enters into a contract with a licensed contractor to provide the licensed contractor with the services of an individual, the temporary agency must pay the workers' compensation premiums for that individual based on the experience modification of the licensed contractor. This bill also clarifies that the temporary agency shall be solely responsible for workers' compensation for that individual.

Any additional costs in workers' compensation premiums paid by temporary agencies will almost certainly be passed on to contractors with a history of unsafe working conditions. These additional costs to contractors will serve as a strong incentive to improve their worksite safety, thus leading to a subsequent reduction of those costs.

For these reasons, I am supportive of this measure.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 442**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 442, the Omnibus Health trailer bill, which, among other things, rescinds the 2000–01 Medi-Cal provider rate increases in their entirety, with specified exemptions.

The intent of the Legislature was to rescind the provider rate reductions proposed in the May Revision and maintain those reductions proposed in the January 10 Governor's Budget. However, due to the late enactment of the 2002–03 Budget, the Department of Health Services (DHS) would be unable to implement the partial rate reductions until January 2003. This late implementation of the rate reductions would place the DHS in the position of paying providers rates that are higher than those statutorily authorized. If the rate reductions were implemented, providers would be forced to return overpayments or the DHS would withhold significant payments to make up for the difference. Return of overpayments or significant withholding of payments could cause providers to drop out of the Medi-Cal program, thus reducing access.

For these reasons, I will also be signing AB 3006.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 551**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing AB 551 in accordance with the federal prohibition against mixing banking and commerce, as intended by the seminal 1999 law, Gramm-Leach-Bliley (GLB). Before GLB, the U.S. Congress spent several years considering what the national policy should be regarding relationships between commercial companies and financial institutions. The U.S. Congress determined that affiliations between banks and non-financial, commercial companies pose great risks to the safety and soundness of our financial system, can distort credit decisions, and can lead to an aggregation of economic power that can be injurious to consumers. Both Alan Greenspan, current Chairman of the Federal Reserve, and Paul Volcker, former Chairman of the Federal Reserve, shared that view.

The authors of GLB, U.S. Representatives Jim Leach and Tom Bliley, and the current chairman of the U.S. Senate Banking and Commerce Committee, Senator Paul Sarbanes, weighed in with our State Assembly's Committee on Banking and Finance when they were considering AB 551. These Congressional leaders made clear that their intent in passing GLB was to foreclose the mixing of banking and commerce. The senior Counsel for the U.S. Senate Banking and Commerce Committee stipulated to my office that AB 551 is not only consistent with GLB, but more importantly, furthers the underlying objectives of this important law.

Given the recent spate of accounting and balance sheet irregularities in the corporate world, such as Enron, WorldCom, Tyco, the separation between banking and commerce, now more than ever, is critical. In keeping with the intent and objectives of the important national law, Gramm-Leach-Bliley, I am signing AB 551.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 982**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 982, which establishes three loan repayment programs to be developed and administered collaboratively by the Office of Statewide Health Planning and Development (OSHPD), the Medical Board of California, and the Dental Board of California, with the two Boards using existing fund balances from license fee revenues.

The shortage of health professionals in rural, minority, and low-income areas contributes greatly to California's healthcare crisis. This bill provides a multi-pronged, long-term approach to move between 30–60 physicians and an equal amount of dentists into these areas quickly, to focus medical training programs on placing trainees in underserved areas, and on outreach and promotional efforts to draw more young people toward the medical and dental professionals. I am pleased to be able to join the Medical Board of California, Dental Board



of California in this effort. I am also signing this bill with the understanding that the Boards and OSHPD will implement this bill within existing resources.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 1045**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 1045, which establishes two separate pilot programs for up to 30 physicians and up to 30 dentists from Mexico to be granted three-year nonrenewable licenses/permits and an additional program for international medical graduates (IMGs). The bill limits pilot program participants' practice of medicine and dentistry to California's areas of unmet health care needs.

California is one of the most diverse states in the nation and has a large population with limited English proficiency (LEP), many of whom are Spanish-speaking. Provider difficulties in understanding a patient's culture and impaired communications between providers and patients are two factors that can affect the delivery of health care and negatively impact outcomes. A substantial portion of California's LEP population live in rural, underserved, and farming communities. According to a recent publication by the Legislative Analyst Office (LAO), the ratio of residents per doctor in these areas is much higher (935 to 1) than in urban communities (460 to 1). The LAO also indicates that one in three rural areas has a shortage of dentists, compared to one in ten urban areas.

This bill would increase the number of culturally and linguistically competent physicians and dentists in California by creating the Licensed Physicians and Dentists from Mexico (LPDM) Pilot Program and a separate pilot program for international medical graduates. The pilot program would be implemented in geographically dispersed, but primarily rural, counties in California that tend to have large rural, Latino, and farm worker populations. This would improve access and health outcomes among California's LEP patients, particularly Spanish-speaking.

To ensure that the pilot programs are not a burden on the general fund, the bill specifies that the programs shall not proceed unless funding is secured from nonprofit philanthropic entities. The LPDM is designed to serve the population most in need of access to culturally and linguistically competent health care by requiring that participants specialize in family practice, internal medicine, pediatrics, and/or obstetrics and gynecology. AB 1045 further specifies that LPDM participants practice in non-profit community health centers.

AB 1045 contains numerous requirements to ensure that participating physicians are well qualified to provide high quality health care. Among these requirements are:

- Licensure, specialty certification, and "good standing" in Mexico;
- Passage of the relevant board review course for U.S. specialty certification;
- For obstetricians and gynecologists, fellowship in good

standing in the American College of Obstetricians and Gynecologists;

- Completion of a six-month orientation addressing medical protocol, community clinic operations, hospital operations and protocol, medical ethics, the California medical delivery system, health maintenance organizations and managed care practices, and pharmacology differences. The orientation must be jointly developed by the National Autonomous University of Mexico and a medical school or facility conducting an approved medical residency training program in California, approved by the Medical Board of California, and completed prior to arrival in the United States;
- Both prior and subsequent to arrival in the United States, successful completion of English as a second language courses to obtain English proficiency commensurate with the level of English spoken at the participating community clinic;
- Completion of 75 units of continuing education credit while in the United States;
- Participation in a supervised six-month externship at the place of U.S. employment and affiliated with a California medical school;
- Assurance that the sponsoring nonprofit community health clinic has medical quality assurance protocols and is either accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHCO) or has protocols similar to those required by JCAHCO; and
- Provision by the sponsoring nonprofit community health clinic of malpractice insurance coverage.

Quality assurance provisions for dentists participating in the LPDM pilot project include:

- Meet all criteria for licensure in Mexico, including obtaining a minimum grade point average, demonstrating a specified English comprehension and conversational level, and passing an oral interview;
- Completion of a curriculum taught by an instructor affiliated with a California dental school that is approved by the Dental Board of California that includes practical issues in pharmacology, practical issues and diagnosis in oral pathology, clinical applications, biomedical science, clinical history management, special patient care, sedation techniques, and infection control guidelines; and
- Complete continuing education credits as required by the Dental Practice Act while participating in the pilot project.

To ensure that the LPDM pilot project does not, de facto, become permanent, AB 1045:

- Prohibits the temporary licenses/permits from being used as a standard for issuing a license to practice medicine or dentistry in California on a permanent basis; and
- Requires a full evaluation of the LPDM pilot, overseen by the Medical Board of California; the evaluation must

recommend whether the pilot should be continued, expanded, altered, or terminated.

Concerns have been raised that the LPDM pilot project might create a “brain drain” of talented professionals from Mexico. To ensure that this would not be the case, the bill’s sponsors have worked extensively with government and professional school officials in Mexico. The limited term of the licenses or permits to practice in the United States ensures that pilot project participants will not remain and practice in the United States more than three years.

The International Medical Graduate pilot program is intended to facilitate residencies for participants that could lead to their full licensure in California. The bill addresses the difficulty that qualified IMGs experience in obtaining residency slots in California, a prerequisite to California licensure.

- The IMGs must complete a six-month orientation and a one-year residency training program. AB 1045 calls for two residency programs under the auspices of an approved medical school, one in northern California and one in southern California.
- The training institution can transfer IMG participants to an approved residency program after they complete the one-year residency program and meet legally required medical curriculum requirements. If transferred into an approved program, participants must work in nonprofit community health centers or disproportionate share hospitals for at least three years after being fully licensed. The training institution can recommend full licensure to the Medical Board upon the applicant’s successful completion of the one-year residency.
- Participating IMGs must complete the same continuing medical education classes per year as licensed physicians.

AB 1045 is part of a far-reaching package of bills I have signed this year to assist California in meeting its health care workforce needs. This includes AB 982 (Firebaugh) which establishes and funds 2 loan repayment programs for physicians and dentists serving up to 57 providers each; AB 2872 (Thomson) which requires the Medical Board of California to review additional U.S. clinical residency opportunities for U.S. citizen graduates of foreign medical schools; SB 1162 (Polanco) which requires a U.C. assessment of expanding the Charles R. Drew/UCLA Undergraduate Medical Education Program; and AB 2935 (Strom-Martin) which would provide privately-funded scholarships and loan repayments for pharmacists.

A recent report by the California Endowment entitled “Suffering in Silence, A Report on the Health of California’s Agricultural Workers” pointed to a shortage of culturally compatible health care providers in rural areas and that dental care, in particular, was in short supply. This bill is a reasoned approach to addressing the lack of access to preventive primary care and dental services impacting limited-English speaking

population residing in rural and other underserved areas. As a pilot program, I expect the affected Departments and Boards to carefully monitor its implementation, quality of care and effectiveness.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2023**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing AB 2023 because I believe that the men and women who prosecute crimes are an integral part of our criminal justice system and, more and more, they put their own safety on the line to protect the public. The evidence of this has mounted in recent years: a prosecutor killed in the courtroom in Washington; a public defender attacked while on duty in Sacramento; a deputy District Attorney found stabbed to death in his home in Kern County just weeks ago.

This legislation is significantly more limited in scope than Senate Bill 1018, which I vetoed last year. I vetoed that bill because I do not support giving the same safety benefits to prosecutors and defenders that is reserved for police and firefighters who face life-threatening danger every day and are required to maintain an enhanced level of physical strength and agility to perform their duties.

Last year's bill, for example, offered the highest retirement formula, 3% at 50, which is reserved for sworn officers and designed to encourage early retirement in order to maintain a force with physical strength and agility. This bill limits the allowable benefit to 3% at 55, which not only encourages prosecutors to stay in the job longer, but also reduces the cost pressures on counties by as much as \$500 million dollars.

This bill also eliminates virtually all of the death and disability benefits available to sworn officers that were in last year's bill, including:

- Safety Death Benefits
- Safety Survivor Benefits
- "4850" Disability Time (up to one year of full paid leave for injuries),
- Industrial Safety Disability
- Workers' Compensation presumptions available to peace officers:

Blood Borne Pathogen  
Heart Disease  
Cancer

This bill contains none of those benefits. By eliminating these enhanced benefits from the bill, the potential cost to counties is reduced by tens of millions of dollars.

Finally, the benefits in this bill are not automatic, but negotiable through the collective bargaining process. Counties who wish to do so can provide these benefits as local funding permits.

It is my hope that this measure will attract and retain the best and the brightest to the fight against crime.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2596**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California Legislature:*

I am signing Assembly Bill 2596 and Senate Bill 1156.

Twenty-seven years ago, California made a promise to the men and women who toil in California's agricultural fields that they would have the right to fight for decent wages and working conditions, just as other workers have had since the passage of the National Labor Relations Act in 1935.

Today, with the signing of these two bills, California will fulfill that promise.

The 1975 law that gave farmworkers the right to be recognized at the bargaining table, the Agricultural Labor Relations Act (ALRA) had a significant impact on the rights, wages and working conditions of California farmworkers. But it is clear that some parts of the system are broken. In nearly 60% of the cases in which a union wins an election, management never agrees to a contract. For example, in one case, the parties have been negotiating since 1975. The appeals process, coupled with a complicated formula for determining damages, often takes so long that the farmworkers can no longer be located by the time the award is made. The bottom line is that too many people who were supposed to benefit from the protections of the ALRA are left without a contract, without a remedy and without hope.

These bills, which were the product of lengthy negotiations between my office and the sponsors in the final days of the legislative session, will offer a blueprint for addressing the most serious failings in the system when negotiations between growers and farmworkers cannot be resolved.

SB 1156 and AB 2596 would require the ALRB in an unresolved labor dispute to provide the parties with a neutral mediator. If they are still unable to reach agreement after 30 days, the mediator will propose the terms of a binding contract. If either party is dissatisfied with that, then the ALRB must approve any final agreement and either party can appeal the decision to the Court of Appeal or the California Supreme Court.

These bills represent a significant improvement over SB 1736 in a number of ways:

- Limited to a pilot program-5 years with a total of 75 cases
- Limited to farms with 25 or more workers
- Applies to first contracts only
- The parties must have attempted to negotiate for one year if the contract was completed before January 1, 2003, or have negotiated for 6 months for contracts entered into

after January 1, 2003.

- If the bargaining unit was first certified before January 2003, the employer must have been found to have committed an unfair labor practice if there is to be ALRB supervised mediation

I appreciate the sponsors working with me on this truly historic effort. I look forward to working with all the stakeholders to ensure that this pilot program benefits all parties and forms the basis of a permanent program that will be a model for the nation.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2645**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 2645, which expands the scope of closed meetings for local government agencies under the Ralph M. Brown Act to include matters involving the security of water and electricity infrastructure and services.

In the wake of the terrorist attacks on September 11, 2001, greater confidentiality for local and state public meetings is warranted when issues of public safety are being discussed. Though I am signing this bill, I am concerned that state agencies cannot meet in closed session to address security issues relating to the state's critical infrastructure. Therefore, I am directing the State and Consumer Services Agency, in consultation with the Office of Emergency Services, to work with the Legislature on legislation that would permit all public entities to meet in closed session when discussing certain security issues that, if revealed, would compromise public safety and the state's critical infrastructure.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 2650**

Governor's Office, Sacramento  
September 30, 2002

*To Members of the California State Assembly:*

I am signing Assembly Bill 2650, which imposes fines for specified instances of extended engine idling at the ports of Long Beach, Los Angeles and Oakland.

However, it is my understanding that this bill does not create a State mandate on local air districts and that this program will be self-funded with no impact to the State General Fund. For this reason, I am signing this measure.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 3000**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill No. 3000, which is the omnibus General Government trailer bill related to implementation of the Budget Act of 2002–03. However, I am directing the Department of Consumer Affairs, Bureau of Barbering and Cosmetology to implement this bill in a manner that maximizes security for staff and ensures the integrity of the examination process.

In addition, due to the limited resources available following significant reductions to its budget, the Legislature should anticipate a report that reflects the difficulty the Technology, Trade and Commerce Agency will encounter in redirecting personnel to perform the additional tasks required by this bill given the reductions imposed by the budget.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 3006**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 3006.

Before I took office, California had nearly the lowest reimbursement rate for physicians in the Medi-Cal system of any state in the country. These low reimbursement rates reduced access to medical care by reducing the number of physicians willing to serve Med-Cal patients. In the last three years, we've made substantial efforts to improve reimbursement rates, expand eligibility, and increase the number of people with health coverage.

We've made great progress. More than a million children have health coverage today who did not have coverage three years ago. Fewer seniors and disabled persons have to spend down to poverty before accessing Medi-Cal services, and persons with HIV don't have to wait to develop full blown AIDS to receive coverage.

In this difficult budget year, the Administration and legislative leaders discussed rolling back some of the rate increases approved in recent years. However, any savings that might accrue by signing AB 442, the omnibus health budget trailer bill, and rolling back rates to pre-August 2000 levels would be offset by costs associated with increases in emergency room visits, administrative costs of implementing the rate reductions, and the loss of physicians who would surely leave the Medi-Cal program.

Although next year will be a difficult budget year, this bill maintains California's commitment to improving health care in this state, and demonstrates our support for the physicians who are making these improvements possible.

Sincerely,

GRAY DAVIS

**Governor's Message—Assembly Bill No. 3036**

Governor's Office, Sacramento  
September 30, 2002

*To the Members of the California State Assembly:*

I am signing Assembly Bill 3036. This bill enhances child protection for foster children by requiring guardians and conservators to annually complete and return a status report to the Court. Additionally, the Judicial Council will be responsible for reporting to the legislature the benefits of utilizing the annual status report.

This measure insures that the Court has updated information on the health and whereabouts of a foster child. We have a responsibility to these children to ensure they are not lost in the system.

Sincerely,

GRAY DAVIS



**INDEX OF GOVERNOR'S MESSAGES**

The following is an index of the Governor's messages contained in this day's Journal:

Assembly Bill	Journal Page
51 veto	8852
52 item veto	8965
60 veto	8928
80 signing message	8979
117 signing message	8980
164 veto	8905
248 veto	8906
259 veto	8906
323 veto	8872
325 veto	8929
363 veto	8923
388 veto	8854
421 veto	8857
425 item veto	8934
442 signing message	8993
444 signing message	8985
468 veto	8919
481 veto	8872
499 signing message	8975
523 veto	8893
551 signing message	8994
552 veto	8867
627 veto	8885
630 signing message	8982
634 veto	8873
687 veto	8874
692 signing message	8986
716 item veto	8966
741 veto	8894
746 signing message	8989
748 veto	8868
787 veto	8885
818 veto	8886
822 veto	8930
843 veto	8868
857 signing message	8986
878 veto	8907
885 signing message	8976
925 signing message	8989
982 signing message	8994
1010 signing message	8974
1045 signing message	8995
1074 veto	8848
1100 veto	8907
1156 veto	8921
1173 signing message	8984
1227 signing message	8982
1250 veto	8924
1309 veto	8919

1381	signing message	8990
1403	veto	8886
1412	signing message	8984
1422	veto	8922
1462	veto	8908
1511	veto	8908
1544	veto	8852
1634	item veto	8968
1638	veto	8858
1652	veto	8874
1677	veto	8930
1710	veto	8924
1713	veto	8886
1768	item veto	8967
1776	veto	8875
1781	signing message	8977
1789	veto	8853
1793	signing message	8983
1794	veto	8875
1795	signing message	8990
1802	veto	8894
1814	veto	8920
1820	veto	8911
1833	signing message	8970
1877	veto	8917
1879	veto	8909
1890	veto	8898
1904	veto	8909
1905	veto	8876
1907	veto	8895
1916	veto	8858
1939	veto	8887
1942	veto	8915
1947	veto	8915
1959	veto	8877
1972	veto	8884
1973	veto	8859
1975	veto	8898
1986	veto	8895
2001	veto	8859
2002	signing message	8971
2004	veto	8911
2010	veto	8854
2023	signing message	8998
2025	veto	8850
2027	veto	8865
2048	veto	8850
2063	veto	8895
2068	veto	8849
2069	veto	8866
2124	veto	8887
2128	veto	8860
2130	veto	8896
2136	veto	8878

2138	veto	8910
2156	signing message	8972
2175	veto	8860
2188	veto	8896
2189	veto	8899
2202	signing message	8973
2208	veto	8855
2211	signing message	8990
2212	veto	8878
2217	signing message	8987
2240	veto	8879
2254	veto	8855
2258	veto	8917
2263	veto	8902
2268	veto	8931
2269	veto	8902
2296	veto	8856
2297	veto	8920
2305	veto	8861
2312	signing message	8985
2314	signing message	8991
2324	signing message	8972
2326	signing message	8973
2333	veto	8861
2361	veto	8853
2363	veto	8862
2367	veto	8924
2380	veto	8869
2386	veto	8880
2395	veto	8880
2403	veto	8888
2409	signing message	8980
2410	signing message	8987
2420	signing message	8978
2424	veto	8902
2438	veto	8911
2451	veto	8912
2462	signing message	8972
2466	veto	8881
2496	veto	8918
2500	veto	8931
2506	signing message	8991
2507	veto	8888
2514	veto	8870
2521	veto	8862
2529	veto	8916
2531	signing message	8988
2532	signing message	8991
2534	signing message	8975
2540	veto	8903
2549	signing message	8988
2561	veto	8881
2575	veto	8903
2583	item veto	8965

2588	veto	8904
2596	signing message	8999
2600	veto	8882
2604	veto	8897
2607	veto	8897
2616	veto	8863
2626	veto	8904
2630	signing message	8976
2642	veto	8863
2645	signing message	9000
2648	veto	8849
2650	signing message	9000
2651	veto	8932
2652	veto	8925
2669	veto	8932
2671	veto	8891
2673	veto	8916
2676	veto	8864
2678	signing message	8983
2704	signing message	8984
2709	signing message	8976
2717	item veto	8964
2721	veto	8870
2729	veto	8926
2739	veto	8871
2740	veto	8856
2741	veto	8889
2750	signing message	8992
2752	veto	8899
2759	veto	8866
2771	veto	8900
2774	veto	8884
2781	item veto	8968
2792	veto	8892
2794	signing message	8979
2795	veto	8871
2803	veto	8851
2816	signing message	8993
2825	veto	8912
2827	veto	8900
2833	veto	8892
2838	item veto	8970
2839	veto	8913
2841	veto	8913
2845	veto	8926
2850	veto	8927
2853	veto	8922
2862	veto	8921
2874	veto	8883
2886	veto	8905
2887	veto	8923
2892	veto	8900
2894	veto	8864
2899	veto	8865

2903	veto	8901
2905	veto	8918
2907	signing message	8981
2920	veto	8851
2922	veto	8927
2930	veto	8883
2954	veto	8890
2985	signing message	8974
2987	veto	8913
2988	veto	8914
2989	veto	8914
2990	veto	8901
2996	signing message	8978
2998	veto	8890
3000	signing message	9001
3004	veto	8871
3006	signing message	9001
3010	veto	8932
3026	signing message	8971
3029	veto	8933
3036	signing message	9002
3057	veto	8891

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HERB J. WESSON, JR., Speaker

PAM CAVILEER, Minute Clerk