

CALIFORNIA LEGISLATURE

2001-02 REGULAR SESSION

SENATE JOURNAL

IN RECESS

Senate Chamber, Sacramento
Tuesday, October 1, 2002

REPORTS OF STANDING COMMITTEES

Committee on Rules

State Capitol, September 3, 2002

Mr. President: The Senate Rules Committee has made the following appointments to boards and commissions:

Appointed Mr. Sal Canella of Ceres as a member of the Integrated Waste Management Board to serve for a term ending January 1, 2003.

Appointed Mr. Don Novey of Rocklin as a member of the Unemployment Insurance Appeals Board to serve for a term ending January 1, 2003.

BURTON, Chair

Senate Chamber, September 3, 2002

Mr. President: The Committee on Rules has examined:

SB 21	SB 556	SB 1287	SB 1346
SB 145	SB 686	SB 1315	SB 1365
SB 399	SB 972	SB 1316	SB 1389
SB 403	SB 1162	SB 1337	SB 1396
SB 444	SB 1230	SB 1345	SB 2022

And reports that the same have been correctly enrolled, and presented to the Governor on the 3rd day of September, 2002, at 10 a.m.

BURTON, Chair

Senate Chamber, September 3, 2002

Mr. President: The Committee on Rules has examined:

SB 97	SB 1701	SB 2053
-------	---------	---------

And reports that the same have been correctly enrolled, and presented to the Governor on the 3rd day of September, 2002, at 1 p.m.

BURTON, Chair



Senate Chamber, September 3, 2002

Mr. President: The Committee on Rules has examined:

SCR 91	SCR 99	SCR 103	SJR 39
SJR 49	SJR 50	SJR 51	

And reports that the same have been correctly enrolled, and presented to the Secretary of State on the 3rd day of September, 2002, at 9:30 a.m.

BURTON, Chair

Senate Chamber, September 4, 2002

Mr. President: The Committee on Rules has examined:

SB 406	SB 1831	SB 1834
--------	---------	---------

And reports that the same have been correctly enrolled, and presented to the Governor on the 4th day of September, 2002, at 3:30 p.m.

BURTON, Chair

Senate Chamber, September 5, 2002

Mr. President: The Committee on Rules has examined:

SB 1409	SB 1617	SB 1777	SB 1977
SB 1410	SB 1653	SB 1818	SB 2009
SB 1432	SB 1656	SB 1821	SB 2017
SB 1492	SB 1677	SB 1828	SB 2039
SB 1531	SB 1714	SB 1879	SB 2093
SB 1540	SB 1717	SB 1915	SB 2097
SB 1554	SB 1743	SB 1924	SB 688
SB 1555	SB 1751	SB 1949	SB 1422
SB 1586	SB 1755	SB 1976	

And reports that the same have been correctly enrolled, and presented to the Governor on the 5th day of September, 2002, at 1 p.m.

BURTON, Chair

Senate Chamber, September 6, 2002

Mr. President: The Committee on Rules has examined:

SB 372	SB 1353	SB 1724	SB 1867
SB 649	SB 1470	SB 1735	SB 2094
SB 695	SB 1624	SB 1832	
SB 1329	SB 1645	SB 1866	

And reports that the same have been correctly enrolled, and presented to the Governor on the 6th day of September, 2002, at 10 a.m.

BURTON, Chair



Senate Chamber, September 6, 2002

Mr. President: The Committee on Rules has examined:

SB 43	SB 362	SB 1011	SB 1391
SB 59	SB 390	SB 1135	SB 1411
SB 105	SB 540	SB 1175	SB 1412
SB 174	SB 682	SB 1244	SB 1418
SB 180	SB 783	SB 1298	SB 1419
SB 199	SB 796	SB 1328	SB 1420
SB 253	SB 827	SB 1331	SB 1156
SB 278	SB 898	SB 1357	
SB 283	SB 987	SB 1362	
SB 319	SB 1010	SB 1381	

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

BURTON, Chair

Senate Chamber, September 9, 2002

Mr. President: The Committee on Rules has examined:

SB 339	SB 1934	SB 1629	SB 1896
SB 398	SB 1962	SB 1630	SB 1918
SB 460	SB 1975	SB 1652	SB 1937
SB 772	SB 2008	SB 1654	SB 1950
SB 1045	SB 2027	SB 1657	SB 1951
SB 1350	SB 1423	SB 1665	SB 1952
SB 1386	SB 1447	SB 1771	SB 1953
SB 1408	SB 1466	SB 1778	SB 1983
SB 1453	SB 1471	SB 1785	SB 1984
SB 1464	SB 1476	SB 1793	SB 1988
SB 1478	SB 1530	SB 1796	SB 2019
SB 1534	SB 1538	SB 1799	SB 2021
SB 1590	SB 1539	SB 1801	SB 2026
SB 1622	SB 1542	SB 1816	SB 2064
SB 1695	SB 1544	SB 1870	SB 2066
SB 1731	SB 1563	SB 1873	SB 2076
SB 1753	SB 1573	SB 1882	SB 2090
SB 1856	SB 1591	SB 1891	
SB 1926	SB 1619	SB 1894	

And reports that the same have been correctly enrolled, and presented to the Governor on the 9th day of September, 2002, at 1 p.m.

BURTON, Chair



Senate Chamber, September 9, 2002

Mr. President: The Committee on Rules has examined:

SB 192	SB 1241	SB 1914	SB 2051
SB 247	SB 1413	SB 1927	SB 2083
SB 482	SB 1609	SB 1954	SB 2099
SB 489	SB 1614	SB 1955	
SB 953	SB 1804	SB 1961	
SB 1164	SB 1911	SB 1970	

And reports that the same have been correctly enrolled, and presented to the Governor on the 9th day of September, 2002, at 2 p.m.

BURTON, Chair

Senate Chamber, September 10, 2002

Mr. President: The Committee on Rules has examined:

SB 238	SB 1038	SB 1857	SB 1703
SB 240	SB 1078	SB 2073	SB 1730
SB 336	SB 1092	SB 2079	SB 1759
SB 441	SB 1093	SB 1407	SB 1767
SB 483	SB 1278	SB 1427	SB 1835
SB 510	SB 1289	SB 1457	SB 1858
SB 533	SB 1310	SB 1467	SB 1868
SB 572	SB 1312	SB 1473	SB 1884
SB 621	SB 1333	SB 1479	SB 1925
SB 631	SB 1384	SB 1482	SB 1938
SB 646	SB 1393	SB 1523	SB 1957
SB 689	SB 371	SB 1536	SB 2010
SB 737	SB 426	SB 1551	SB 2011
SB 789	SB 804	SB 1595	SB 2028
SB 800	SB 807	SB 1613	SB 2055
SB 905	SB 842	SB 1637	SB 2065
SB 984	SB 1580	SB 1661	
SB 993	SB 1732	SB 1672	

And reports that the same have been correctly enrolled, and presented to the Governor on the 10th day of September, 2002, at 1 p.m.

BURTON, Chair

Senate Chamber, September 11, 2002

Mr. President: The Committee on Rules has examined:

SCR 55	SCR 93	SCR 105	SJR 52
SCR 88	SCR 94	SCR 106	
SCR 89	SCR 102	SJR 38	
SCR 92	SCR 104	SJR 41	

And reports that the same have been correctly enrolled, and presented to the Secretary of State on the 11th day of September, 2002, at 10 a.m.

BURTON, Chair



MESSAGES FROM THE GOVERNOR

Governor's Office, State Capitol
August 31, 2002

To the Members of the Senate:

I am signing SB 1809 (Machado) which adds the new license category of medical laboratory technician (MLT) to the existing statutory categories of licensed clinical laboratory personnel. This bill requires the Department of Health Services (DHS) to adopt emergency regulations to implement licensure, and authorizes DHS to establish licensing standards and fees.

While this bill addresses a critical shortage in clinical laboratory personnel, I am also concerned about increasing the size of state government. I am therefore directing the Department of Health Services to accomplish the tasks created by this bill with their existing personnel and existing resources.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 10, 2002

To the Members of the California Senate:

I am returning **Senate Bill 2047** without my signature.

This bill would establish a Chronic Disease Prevention Council (Council) within the Department of Health Services (DHS). The purpose of the Council would be to coordinate disease prevention efforts, develop long-term priorities and strategies, examine the interplay of existing programs and assets, and serve as a credible, independent resource for government officials and policymakers. The Council would consist of ten members with varied expertise, and would be required to report to my office and the Legislature on or before December 31, 2004, and annually thereafter, regarding its activities and findings. The bill would be implemented to the extent DHS is able to support the Council's efforts through existing General Fund dollars or from funding from private or federal sources.

Although this is a worthy proposal that attempts to address the State's growing burden from chronic diseases, DHS committees similar to the proposed Council are already in existence, such as the Preventive Health and Health Services Block Grant Advisory Committee. Since external funding sources and General Fund dollars would be difficult to obtain for the purpose of this Council, I am directing DHS to utilize an existing advisory committee or council to fulfill the objectives of the proposed council.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 11, 2002

To the Members of the Senate:

I am signing SB 564 in the hopes that specific coursework for therapists in handling spousal and partner abuse will, over time help to educate and thus, lower the staggering statistics of reports of violence against women. Normally, I would be reluctant to have the legislature establish course curriculum, but given the real world consequences of spousal and partner abuse, this training seems necessary and in fact, long overdue. A "1998 Survey on Women's Health" reports that one-third of women report being abused by a husband or boyfriend in their lives. In 1999, 33 percent of women murdered in California were killed by their husbands, ex-husbands or boyfriends. The California Department of Justice Criminal Justice Statistics Center reported law enforcement received 196,406 domestic violence calls in 2000.

I would, however, discourage further legislation dictating specific course content and curriculum as this role is better left to academicians whose special skill and knowledge enables them to set over arching goals and policies affecting their course studies.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 11, 2002

To the Members of the Senate:

I am signing SB1251 because it will provide additional services to veterans. However, I am directing the Department of Veterans Affairs to use a methodology similar to that specified in Military and Veterans Code section 987.87, which is currently used for determining rates for general Cal-Vet Loans, to set rates for Cal-Vet Home Improvement Loans in order to assure the solvency of the building fund, as well as cover the associated administrative costs and general obligation bonds.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 11, 2002

To the Members of the Senate:

I am signing SB 1470 which provides funding for California State Military Museum in Sacramento because I believe that it is very important to preserve California's storied military heritage. However, I am directing the Military Department to propose legislation in 2003 that would correct two concerns that I have with this bill.

First, I believe that the operations of the Military Museum should be subject to annual fiscal review. As such, any new appropriations beyond this fiscal year should be subject to the annual Budget Act. Second, it is my intent that the Adjutant General retains authority for the operations and



management of the Military Museum. As written, the bill imposes various responsibilities on the Military Department, but removes the Adjutant General's authority to ensure that the Museum and any appropriated funding is properly administered.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 11, 2002

To the Members of the Senate:

I am signing SB 1493, which expresses the Legislature's intent to permit the Department of Health Services (Department) to waive all or part of any Medi-Cal overpayment made to any acute care hospital in San Diego County that operates a pediatric convalescent facility. There is only one hospital in San Diego County that meets the criteria of this bill. San Diego Children's Hospital is seeking debt relief that accrued between ten and twenty years ago, which is hindering their ability to begin construction on a replacement pediatric Children's Convalescent Hospital.

This urgency measure is necessary to provide improved access to quality pediatric sub-acute services; however, the language in the bill does not clearly reflect the intent of the Legislature to limit the bill to just one particular audit period for one facility. I am therefore directing the Department to pursue technical amendments in the 2003 session to clarify that the Department's authority to forgive past debt is limited in scope to the audit findings for services rendered prior to July 1, 1989, related to San Diego Children's Hospital and is not intended to allow forgiveness of any future Medi-Cal overpayments.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 11, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1663** without my signature.

This bill would authorize the City of Pomona to enforce, until December 31, 2007, mobilehome park laws and regulations as set forth in the Mobilehome Parks Act and related regulations. The City of Pomona would be allowed to enforce these provisions for all or some qualifying parks in its jurisdiction.

In addition to providing special rights to only one specified city, this bill would allow the city to select which parks to oversee. This will likely result in confusion for mobilehome park residents about who is responsible for enforcement activities for a particular park, the State or the city. Also, the city may unevenly enforce the requirements from one park to another.

Moreover, I will sign SB 1788 which expands the Department of Housing and Community Development's enforcement powers. These new



powers should improve the condition of mobilehome parks in the City of Pomona.

For these reasons, I must return this bill without my signature.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 11, 2002

To the Members of the Senate:

I am signing SB 1924 which requires that children under 18 years of age must wear a helmet while using in-line skates, skateboards, non-motorized scooters. This bill is an important extension of current law that requires that children under 18 must wear a helmet while riding a bike.

According to the American Academy of Pediatrics, skateboard-related injuries account for an estimated 50,000 emergency room visits and another 1,500 hospitalizations among children each year. The Academy further noted that non-motorized scooters contributed to an estimated 9,400 emergency room visits between January and August 2000. 90% of these emergency room patients were children under 18.

This bill provides important safety protections to children and teenagers from serious injury or death due to head injuries. Such injuries can be avoided if the proper protective gear is worn.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 11, 2002

To the Members of the Senate:

I am signing SB 1945 an Administration sponsored measure which extends the statute of limitations for filing claims pursuant to the Ralph Civil Rights Act from one year from the date of harm to three years from the date of harm.

SB 1945 is based on recommendations made by my blue ribbon panel formed to examine and minimize the impact of hate groups and hate crimes. The panel co-chaired by former Gov. Deukmejian and former Secretary of State of the United States, Warren Christopher recognizes the absolute rights of Californians to be free of violence or threats based on race, religion, national origin, disability, or sexual orientation. The current one-year statute of limitations is inadequate time to conduct criminal investigations and to identify the defendants and hence does not permit meritorious civil cases to be brought by the victims.



This bill extends that time period to three years from the act of harm and will provide victims of hate crimes with their day in court in order that justice may be served.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 12, 2002

To the Members of the California Senate:

I am returning **Senate Bill 902** without my signature.

This bill seeks to recruit college and university students as poll workers by requiring notices to be posted year-round at all campuses of the California State University (CSU) and California Community Colleges (CCC) and requesting the University of California (UC) to post notices about the benefits of becoming a poll worker.

While I support voluntary activities that encourage and facilitate the recruitment of college students for the purpose of becoming poll workers, this bill would result in state reimbursable mandated costs. The bill does not define how the CSU and the CCC would comply with these requirements; therefore those costs could be significant. In addition, county election offices would be required to provide assistance and information to the CCC board of governors, the CSU trustees and the UC regents.

I strongly encourage these public educational institutions to support civic engagement and responsibility among their student bodies.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 12, 2002

To the Members of the Senate:

I am signing SB 1374, which requires the Integrated Waste Management Board to adopt model ordinances that will help aid local governments in diverting construction and demolition materials from the waste stream.

This bill presents the next important step Californians can take in diverting recyclable products from landfills. The diversion of construction and demolition waste materials will go a long way to help local governments meet the AB 939 diversion requirements approved in 1989. Promoting the re-use of these materials will also help the state address the growing need for building and construction materials as our communities continue to expand throughout this century.

In signing SB 1374, I am directing the Integrated Waste Management Board to include the Regional Council of Rural Counties (RCRC) in its consultation on the development of model ordinances. Rural counties often have a difficult time in meeting recycling mandates due to the lack of available markets and a shortage of resources. RCRC has unique expertise



and experience in dealing with solid waste issues in rural counties and should be included in this process.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 12, 2002

To the Members of the Senate:

I am signing SB 1962.

This bill would require the State Coastal Conservancy to accept any outstanding "offers to dedicate" that have not been accepted by another public agency or nonprofit organization within 90 days of its expiration date and requires the Conservancy to open at least three public access ways each year either directly or by awarding grants to public agencies or nonprofit organizations for that purpose.

The existing Public Works Board process is valuable and necessary to insure that the State performs due diligence review of all issues related to capital acquisitions and development prior to accepting an offer to dedicate. Without such review, significant statewide issues concerning a property's condition, value, or future mitigation costs may not be fully vetted. I am not supportive of exempting any state entities' property acquisitions from review by the Public Works Board.

Although "offers to dedicate" do not result in fee title, I am directing the State Coastal Conservancy to perform the same due diligence process that the Public Works Board would otherwise perform. In addition, I am calling on the Legislature to pass clean up legislation next year to clarify that opening public access ways will only be done to the extent funds are available and if the access ways are safe for public use. With this understanding, I am signing SB 1962.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 13, 2002

To the Senate of the State of California:

I have the honor to transmit to you herewith the following appointments and reappointments heretofore made by me to offices which are by law to be filled by the Governor. These appointments are subject to Senate confirmation and consent. I hereby nominate these appointees to you and request your confirmation and consent.

Sincerely,

GRAY DAVIS, Governor

Robert E. Hoffman, Chief at Los Angeles County Sheriff's Department.

Appointed 8/12/02. Effective 9/9/02:

Member, Board of Corrections vice Taylor K. Moorehead, resigned, term ending 1/1/05.

└

Terry D. Lee, Chief Probation Officer, Trinity County Probation Department. Appointed 8/12/02. Effective 8/20/02:
Member, Board of Corrections vice David L. Lehman, resigned, term ending 1/1/04.

Billy J. Nettles, Independent Living Program Coordinator, Los Angeles County Probation Department. Appointed 8/12/02. Effective 8/22/02:
Member, Board of Corrections vice Timothy B. Jenkins, resigned, term ending 1/1/04.

Stephanie Lee, high school student. Appointed 8/16/02. Effective 9/9/02:
Member, State Board of Education vice Erika I. Goncalves, term expired, term ending 7/31/03.

Helen R. Mars, business owner. Appointed 8/23/02. Effective 9/4/02:
Member, Fair Employment and Housing Commission vice George C. Aguilar, resigned, term ending 9/18/03.

David Nawi, attorney. Appointed 8/27/02. Effective 9/4/02:
Member of the State Board of Forestry and Fire Protection vice Darryl W. Young, resigned, term ending 1/15/03.

Michael R. Yamaki, Appointments Secretary to the Governor. Appointed 7/2/02. Effective 7/16/02:
Member, Commission on Peace Officer Standards and Training vice Monty D. Holden, term expired, term ending 7/1/05.

Ayanna A. Bledsoe, student, California State University, Dominguez Hills. Appointed 8/16/02. Effective 8/22/02:
Member, Student Aid Commission vice Ana M. Misic, term expired, term ending 6/1/04.

Robert L. Moore, interim Executive Director, California Postsecondary Education Commission. Appointed 8/22/02. Effective 9/12/02:
Member, Western Interstate Commission for Higher Education vice Warren H. Fox, term expired, term ending 10/12/05.

Rita Cameron-Wedding, served since 10/99; reappointed 8/26/02. Effective 9/12/02:
Member, Commission on the Status of Women, term ending 7/1/06.

Elena Ong, served since 10/99; reappointed 8/26/02. Effective 9/11/02:
Member, Commission on the Status of Women, term ending 7/1/06.
Above appointments referred to the Committee on Rules.

Governor's Office, State Capitol
September 13, 2002

To the Members of the Senate:

I am signing SB 18 which requests that the University of California prepare a study of the membership and governance structure of the



Los Angeles County Metropolitan Transportation Authority (LA-MTA).
If UC agrees to perform this study, I would ask that no state funds be used.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 13, 2002

To the Members of the Senate:

I am signing SB 953, a bill that helps California move closer to the development of a more coordinated long-term care system, thereby improving the quality of life for our seniors.

This bill establishes into law the California Integrated Elder Care and Involvement Act of 2002. Under this bill, the Health and Human Services Agency and the Long Term Care Council will develop a coordinated system of care. Through the development of a "care navigation system," the State will assist seniors, caregivers and adults with disabilities to access State and local community services and resources that can help them. The bill also sets forth a foundation for "CalCareNet"—an internet-based portal to link local service provider systems.

Because the quality of each and every one of our lives depends on wellness, the bill enhances the California Department of Aging's "StayWell" program by including themes of age diversity and elder involvement into the current program. The bill also promotes the work of the Governor's Office of Service and Volunteerism by expanding volunteer opportunities for California's seniors with the development an Elder Corp master plan. It is vital that we utilize and encourage the use of valuable skills and knowledge that seniors bring to our local communities.

The bill encourages the California Employment Development Department and the Commission on Aging to work with the entertainment industry and the Industry Coalition on Age Equity in Media to change cultural attitudes and negative perceptions of aging. To further promote positive images of aging and to educate our youth, the bill incorporates themes of healthy aging and financial preparedness into curricula of schools.

This bill will enhance future services and care for older persons through the development of new standards and guidelines on aging and long-term care for professions serving older adults such as psychologists, marriage and family therapist, and social workers.

With the ever-growing population of California's seniors, this bill will greatly improve our State's ability to provide care and opportunities for our most valued citizens, the elderly.

The author has committed to pursuing non-state funding for many of the activities included within SB 953. In consideration of the constraints already placed on departmental staff due to existing responsibilities, I am



directing the departments to implement the bill only to the extent funding and resources are made available.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 15, 2002

To the Members of the California Senate:

I am returning **Senate Bill 827** without my signature.

This bill would require the Department of Health Services (DHS) to design an integrated model for adult day services with the ultimate goal of implementing a program to improve access to adult day services. While the development of an integrated model may be beneficial, this bill would require an additional five State positions and annual General Fund expenditures of \$251,000. Given recent budget reductions and the abolishment of vacant positions, the DHS has little or no ability to redirect resources to implement SB 827. Therefore, I cannot support this legislation.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 15, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1418** without my signature.

This bill would require the Department of Health Services (DHS) to determine within 60 days of receipt if a provider's application for enrollment or certification in the Medi-Cal program is incomplete. In addition, the bill would require the DHS to approve or deny an application within 120 days after receiving the completed application, and pay the applicant's reasonable costs if the provider prevails in an appeal.

While I recognize that there is a need for Medi-Cal providers to provide accessible health care services to Medi-Cal beneficiaries, this bill threatens the fiscal integrity of the Medi-Cal program by allowing applicants to access Medi-Cal funds before the in-depth enrollment review process is adequately completed.

In addition, if DHS were to conduct the same rigorous review it currently conducts within the new timeline in this bill, DHS would require an additional 30 staff for onsite review and 10 for provider appeals at a cost of \$4 million (\$2 million General Fund) which is not budgeted.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 15, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1500** without my signature. This bill would amend the Natural Hazard Disclosure Statement, given to prospective buyers of real property, to indicate if a seismic hazard existing on the real property has been mitigated, in part, in accordance with standards established by the State Mining and Geology Board.

A vital part of any successful real estate transaction is disclosure of all material facts. Although the purpose of this bill is laudable, i.e. to disclose whether a natural hazard has been mitigated, in this case, the additional disclosures may lead to consumer confusion. This bill could have the unintended consequence of leaving a potential buyer with the impression that a hazard that has been mitigated in accordance with state approved standards is one that is no longer a concern, when in fact the mitigation may not necessarily have that effect.

Furthermore, SB 1500 erroneously presumes that the State's "Guidelines for Evaluation and Mitigation of Seismic Hazards" are the equivalent of state building standards and that they are appropriate for use by the general public in understanding seismic hazards and their mitigation. In reality, that document is a technical publication intended for the development of local standards and intended for a geologic professional audience.

The proposed new disclosure form would advise homeowners, buyers, and sellers. This suggestion essentially directs the homeowners away from service that should be freely available from the local planning department, both confusing the consumer and incurring unnecessary costs in home purchase transactions.

Finally, SB 1500 fails to include any reference to the mitigation of earthquake-induced liquefaction hazards, which can cause damaging ground failure as well.

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

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 15, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1789** without my signature.

This bill would require the State Controller to compile data regarding the total assessed valuation of all taxable property in each school district in the state and to post the findings on a county basis on the Internet by June 1 of each year.

Although I recognize the intent of this measure is to provide a tool for comparing individual school districts' financial circumstances, I am



obligated to evaluate the bill within the overall context of its effect on the State General Fund during these uncertain fiscal times. Therefore, I am vetoing this bill because it could result in a reimbursable State mandated cost because local tax officials would have to compile and report assessed valuation information to the State Controller's Office.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 15, 2002

To the Members of the California Senate:

I am returning **Senate Bill 2097** without my signature.

This bill would expand the membership of the Lyme Disease Advisory Committee, would require the creation of a subcommittee of the same for the purpose of revising the Lyme Disease Reporting System, and would, to the extent that departmental resources allow, require the preparation and submission by the Department of Health Services (DHS) of a comprehensive annual report on consequential changes in the incidence of Lyme disease by December 15, 2003 and annually thereafter.

Although the bill's attempt to improve information and understanding about Lyme disease is meritorious, it would grow the size of State government and create a General Fund pressure during a period of limited resources and uncertain future economic conditions. In order to maintain existing core State services already provided by the DHS, it is necessary at this time to restrain any discretionary new programs. Even more significantly, this bill would inappropriately change the role of the advisory committee from an advisory role into one that has veto power over Lyme-disease-related issues instead of the health care professionals in the department.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 16, 2002

To the Members of the Senate:

I am signing SB 482 to address the wildlife resource issues necessary to permit the transfer of Colorado River water from the Imperial Irrigation District to the San Diego County Water Authority.

This important legislation recognizes that California must reduce its reliance on Colorado River water, but must also ensure the protection and stewardship of the wildlife of the Lower Colorado River, the Imperial Valley and the Salton Sea.

Although this bill addresses the impediments to the transfer, there are technical drafting errors that will need to be clarified in future legislation. I am, therefore, directing the Department of Fish and Game to work with



the author to introduce legislation to provide technical clarification as well as expedite the report on the restoration of the Salton Sea.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 17, 2002

To the Members of the Senate:

I am signing SB 283, which expands the role of health plans in providing application assistance to Medi-Cal and Healthy Families program applicants and extends the sunset on the authorization for health plans to provide application assistance to January 1, 2006.

This bill requires the Managed Risk Medical Insurance Board (MRMIB) to evaluate the impact of the changes required by this bill and to submit a biennial report to the Legislature on or before March 1 of every other year. Existing law requires MRMIB to periodically survey those families assisted by plans to determine if families are given ample information about the choice of plans available to them.

As part of the required activities noted above, I am directing MRMIB to closely monitor and any trends that may suggest that families who apply as a result of health plan application assistance are not advised of all the choices available to them.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 17, 2002

To the Members of the Senate:

I am signing SB 1735 which specifies that the Victim Compensation Program benefits may not be denied solely because a victim of domestic violence did not file a police report. This bill codifies the existing practice of the Victims Compensation and Government Claims Board and provides them with the ability to establish guidelines and principles for determining what may be submitted as evidence of being a victim of a crime.

However, I am concerned with the solvency of the Victim's restitution fund and would not be willing to sign legislation next year that expands the pool of those eligible to receive restitution from the fund.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 17, 2002

To the Members of the Senate:

I am signing SB 1867 which clarifies existing policies of the Victims Compensation and Government Claims Board which provide that participation and/or failure to cooperate with law enforcement are not



necessarily grounds for denying assistance for victims of sexual assault or domestic violence.

I recognize that the crimes of sexual assault and domestic violence are unique in that the victims are often fearful of retribution and are reluctant to involve law enforcement. However, I am concerned with the solvency of the Victim's restitution fund and would not be willing to sign legislation next year that expands the population of those eligible to receive restitution from the fund.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 18, 2002

To the Members of the California Senate:

I am returning **Senate Bill 336** without my signature.

This bill would require the Department of Health Services (DHS) and the Managed Risk Medical Insurance Board to require Medi-Cal and the Healthy Families Program (HFP) applicants to submit independent eligibility documentation only to the extent required by federal law. This bill would also require the DHS to undertake measures to change the definition of "unemployed parent" for purposes of determining Medi-Cal eligibility.

From the beginning of my Administration, I have made providing health coverage for children a major priority. I have launched an aggressive outreach campaign, expanded eligibility, and dramatically simplified the application process. As a result, enrollment of children in the Healthy Families Program is projected to reach 624,000 by June 30, 2003, up from 50,000 in 1999. In addition, Medi-Cal eligibility has been expanded to provide no-cost benefits to low-income families with incomes at or below 100 percent of the federal poverty level (FPL); to aged, blind, and disabled persons with income below 133 percent FPL; and to working disabled individuals up to 250 percent FPL. Additionally, I have supported continuous eligibility for children and continuing coverage eligibility for persons leaving CalWORKS until their annual Medi-Cal redetermination date.

Although I support increasing the number of eligible children within the Medi-Cal and Healthy Families Programs, I am unable to approve a significant eligibility expansion for State-sponsored health care during this time of declining State revenue. It is estimated that the cost of this bill is at least \$20.5 million General Fund annually. I cannot support this discretionary, new spending when we are struggling to provide sufficient funding to continue existing Medi-Cal benefits and eligibility categories.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 18, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1412** without my signature.

This bill would require the Trustees of the California State University (CSU) and the governing board of each community college district (CCC), and request the Regents of the University of California (UC), to direct campus officials to distribute voter registration forms to students at the beginning of each term, as specified. The bill would also require each institution's officials to provide information on how to obtain voter registration forms and make voter registration materials available at central campus locations.

In 1999, I vetoed a similar bill, AB 164 because it imposed a state-mandated cost on the California community college districts. Instead of alleviating these state-mandated costs, this bill increases them by increasing the frequency of distribution of voter registration forms and the number of students required to receive these forms.

While I support good faith efforts to distribute voter registration materials at our institutions of higher learning, I continue to believe that it is not necessary to impose costs or create a mandate for an activity that could easily be undertaken by campus groups or other civic groups.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 18, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1554** without my signature.

This urgency measure would establish a pilot program to set up laptop computer labs accessing the University of California's Web-based Inquiry Science Environment (WISE) at up to four middle schools and one high school and require the Legislative Analyst's Office to evaluate and report on the program's effectiveness.

While I support the appropriate use of technology in education, my educational priority is core standards-aligned instruction. Although the WISE program may be worthwhile, the projects are designed as supplemental capstone activities and do not constitute a full yearlong curriculum. I believe the State should focus its efforts on effective basic standards-aligned instruction before supplemental programs. Schools that wish to access the supplemental WISE program can already do so, using existing technology or local resources to obtain the technology.

In addition, the bill may partially duplicate existing programs, as the State has already provided over \$700 million through the Digital High School and Education Technology Grant programs to provide computers



to California's high schools, and middle/junior high schools are eligible to compete for state and federal technology funds.

Finally, the bill would result in a significant cost pressure of at least \$250,000 per year, which the state cannot afford in these difficult financial times. For these reasons, I cannot support this measure.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 18, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1743** without my signature.

This bill would require the Department of Motor Vehicles (DMV) to establish an occupational licensing program for salvage pools, and to develop, when funds become available, an Internet-accessible database of vehicles required to be "branded" to show that they were previously salvaged or junked. The bill also revises provisions pertaining to the sale, inspection and reregistration of salvage vehicles.

Although I commend the intent of the bill to strengthen consumer protections through the licensing of salvage pools, as the DMV indicates, historically, there has been high voluntary compliance by salvage pools with existing requirements and very few consumer complaints. Thus, I do not believe that the considerable expenditure of more than \$450,000 to license a very small number of salvage pools is warranted during the State's current fiscal situation. I believe my signature of Senator Speier's SB 1331 and Senator Bowen's SB 2076 sufficiently strengthens consumer protections pertaining to salvage vehicles by establishing more stringent inspection, disclosure, and safety requirements.

Additionally, I am concerned that the bill would create an expectation that funding to develop the branded vehicle database will be appropriated from the Motor Vehicle Account when resources become available. The Account revenues are currently under significant pressure to support existing core programs, and decisions as to the use of future revenues should not be inhibited by this expectation of funding.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 18, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1813** without my signature.

This bill would require schools' Academic Performance Index (API) scores at schools operating on a single track, traditional, or multitrack year



round education program to be compared to the scores of other schools operating on the same type of calendar.

Schools are already ranked by API score among schools that are most similar to them in the following categories:

- pupil mobility,

- pupil ethnicity,

- pupil socioeconomic status

- percentage of teachers who are fully credentialed

- percentage of teachers who hold emergency credentials

- percentage of pupils who are English language learners

- average class size per grade level

- whether the schools operate multitrack year round educational programs.

The additional comparisons required by this bill would make the API reports more complex, with little value added. For this reason I cannot sign SB 1813.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 18, 2002

To the Members of the California Senate:

I am returning **Senate Bill 2017** without my signature.

This bill would authorize districts to contract with other than the lowest bidder for the purchase of cafeteria supplies, equipment and materials that could affect the health and safety of children.

Public Contract Code Section 20111 specifies that a contract shall be let to the lowest responsible bidder. This gives local school districts enough flexibility to ensure high quality bids. I believe that school districts should address health and safety concerns in the bidding process to ensure that potential vendors are responsible and aware of the high standards to which they should be held.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 19, 2002

To the Members of the Senate:

I am signing SB 1432, because this legislation clarifies that local governments in San Diego County which self-certify their housing elements, under Section 65585.1 of the Government Code, are fully eligible to obtain any housing bond funds which will become available if Proposition 46 is approved by the voters. Furthermore, this legislation clarifies that this self-certification pilot program is to be considered, for purposes of housing bond funded programs, in an identical manner



and to the same degree as those local governments with a housing element certified by the Department of Housing and Community Development (HCD).

In recent years, the Legislature has required, as either a condition of eligibility or for priority consideration for various housing funds, that local governments possess a housing element that has been certified by HCD. A recent example is the Jobs-Housing Balance Improvement Program contained in AB 2864 (Torlakson), Chapter 80, Statutes of 2000. In addition, the California Infrastructure and Economic Development Bank offers additional points for applicants meeting this criteria. These requirements have been established as a reward to those local governments with HCD-certified housing elements, and as an incentive to other local governments to obtain this certification.

In 1995, the Legislature established an alternative pilot-project for San Diego County which enabled local governments which met established housing performance standards to self-certify their housing elements, without sending their elements to HCD for review. Given that state review of local housing elements has long been controversial, this pilot-project offered the creative solution of exempting local governments from state review, and returning a measure of local control, in exchange for actual housing production.

The San Diego program can not be properly evaluated as a pilot project if certification under this program is not treated in the identical manner as those housing elements certified by HCD. Furthermore, the concept behind this program of rewarding local governments for actual housing production is consistent with my support for AB 2864 in 2000. I support rewarding performance rather than process.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 19, 2002

To the Members of the Senate:

I am signing SB 1614 which would exempt specified birth and death indices from disclosure under the California Public Records Act and would require the State Registrar to establish separate noncomprehensive indices for public release, law enforcement purposes and for preventing fraud.

Implementation of the security mechanisms and system safeguards proposed in SB 1614 will permit necessary public access to birth and death records, as well as enable state and local registrars to carry out their administrative duties while assuring personal privacy.

One of the primary purposes of SB 1614 was to enact legislation that would help deter identity theft crimes that occur through the use of California's birth and death information. Since identity theft is one of the nation's fastest growing crimes, penalties need to match the serious nature of the crime and need to be strong enough to assure that investigation and prosecution of the crimes will occur. The misdemeanor penalties



ultimately included in SB 1614 are better than nothing, but still fall short of their full effect as a deterrent. It is my intention to ask the legislature to strengthen the penalties in the next legislative year.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 20, 2002

To the Members of the Senate:

I am signing SB 372 which would establish two new programs to preserve housing units at risk of losing existing subsidies that would otherwise no longer remain low-cost units. The Housing and Emergency Shelter Trust Fund Act of 2002 will fund these programs if passed by the electorate in the November 2002 elections. If the bond does not pass, it is not my intent to fund these programs using General Fund, given the projected status of the General Fund over the next few fiscal years.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 20, 2002

To the Members of the Senate:

I am signing SB 1769 which would provide the Secretary of Food and Agriculture with the fiscal flexibility to replace moneys withdrawn from the Milk Producers Security Trust Fund, after consultation with this fund's Advisory Board.

I am concerned, however, that this bill does not provide a clear definition of "alternative financial instruments," which could result in investment decisions that do not carefully weigh investment risks.

I am directing the Secretary of Food and Agriculture to consult with, and seek the guidance of, the State Treasurer and Attorney General in determining the types of financial instruments that can be considered for investment pursuant to this bill. It is my expectation that such a review will lead to prudent investment decisions that properly balance risks and rates of return and ensure the solvency of the fund.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 22, 2002

To the Members of the Senate:

I am signing SB 59 which would require the Managed Risk Medical Insurance Board to report to the Legislature by January 30, 2004 regarding new uses of federal State Children's Health Insurance Program funding for the provision of health coverage to children in vulnerable populations.

I am very proud of the growth of the Healthy Families Program from 50,000 to 550,000 and have fully budgeted to continue that growth to



624,000 in the budget year. This report will provide useful information in reviewing our outreach efforts to vulnerable populations to-date and looking at innovative ways to provide health care services to children within available resources.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 22, 2002

To the Members of the Senate:

I am returning **Senate Bill 390** without my signature.

This bill requires the State Department of Education to establish an oversight task force to develop a California Child Care and Development Master Plan, through public input, and submit an interim plan to the Governor and the Legislature by March 31, 2003. The final plan would be completed and submitted to the Governor and the Legislature by January 1, 2004, with updates required at least every five years. The bill sets forth extensive and specific goals for the master plan which include: 1) high quality universal child care and development services, 2) comprehensive services including nutrition, violence prevention, health care services and other family support programs, 3) strategies to address turnover in child care staff, and 4) methods of financing the plan.

Development of a Master Plan as required by this bill would create unsustainable Proposition 98 General Fund and non-Proposition 98 General Fund cost pressures of several hundred million annually, according to the Department of Finance at a time when resources are limited. Furthermore, until resolution is reached with the Legislature and stakeholders regarding reforms to the State's child care policy, a bill of this nature is premature.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 22, 2002

To the Members of the California Senate:

I am returning **Senate Bill 444** without my signature.

This Legislation would allow the California Disaster Assistance Program to allow loan assumptions and loan subordinations in certain circumstances. This bill would also make a number of administrative changes to the Program.

I recognize the difficult circumstances in which a number of people in Berkeley and Oakland find themselves with respect to the need for repairs to their homes and the difficulty in securing additional loans due to the requirements of the CALDAP loan. Nevertheless, I am troubled that this



bill will not even help all of the Loma Prieta earthquake loan recipients, let alone loan recipients from other natural disasters.

Since this bill does not assist all borrowers equally, and given the rapid decline of revenue into the General Fund which would only be exacerbated by delayed loan repayments, I regretfully have no choice but to veto this legislation.

I am however directing HCD to follow its existing policy of working with a family when faced with extraordinary circumstances to insure the loan is repaid in a manner that is agreeable to both the family and the state.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 22, 2002

To the Members of the California Senate:

I am returning **Senate Bill 533** without my signature.

This bill would require the collection of detailed information regarding the services and supports that would enable each Developmental Center (DC) client to live in the community. This bill would also require the Department of Developmental Services (DDS) to submit a quarterly report to the Legislature on the movement of DC clients into community placements, and the availability of resources to facilitate these placements.

The purpose of this bill is to collect accurate and timely data to assist the DDS, the Regional Centers and the Legislature in understanding the needs of DC clients so they can be moved into community placements. However, I believe developing the actual resources necessary to move DC clients into the community would be a better use of funds than creating discretionary reporting requirements. I demonstrated my ongoing commitment to developing these resources by proposing a \$20.4 million increase for the Community Placement Plan activities in my 2002–03 budget.

I have been advised that this bill would result in 2002–03 General Fund costs of \$35.5 million. Given our current economic climate, now is not the time to fund new, discretionary data systems when we are struggling to maintain and fund existing services to clients.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 22, 2002

To the Members of the Senate:

I am signing SB 842, which clarifies existing law and confirms the Department of Managed Health Care's authority to regulate prescription drug benefits when offered by an HMO.

Access to medically necessary prescription drugs is not only vitally important to treat serious medical conditions but also to prevent illness or



complications that may arise during treatment. Although prescription drug coverage is not a required health care benefit, the vast majority of employers in California offer this coverage to their employees. Moreover, individuals who purchase health care on their own usually have the option to purchase coverage for prescription drugs.

In enacting our HMO laws, the Legislature gave the Department of Managed Health Care and its predecessor the authority to regulate all products offered by an HMO, and clearly, this was intended to include prescription drug coverage. However, the results of two recent court cases threatened the Department's ability to regulate in this area and put consumers at risk. The courts asserted that the only authority the Department had to regulate prescription drugs was related to those drugs required to be provided by statute (i.e., contraceptives; pain management medications for terminally ill patients; diabetes medications; AIDS vaccines; and drugs prescribed in connection with mental health conditions under mental health parity). The courts stated incorrectly that the Department had no other authority to prohibit an HMO from excluding a drug or class of drugs from coverage. Without such a role for the Department, HMOs could deny consumers access to prescription drugs to treat life threatening and chronic and seriously debilitating medical conditions.

In light of this development, it is critically important and necessary to protect HMO consumers by signing this legislation. I am, however, concerned about the cost of prescription drug coverage and am therefore particularly pleased that in addition to ensuring that important protections will remain in place for consumers, this legislation requires the development of detailed standards outlining how the Department will review the prescription drug products that HMOs want to offer consumers and employers.

Due to concerns that were raised by all parties during discussion on the bill about the increasing costs of prescription drugs and its effect on continued access to prescription drug coverage, the Department is required to consider alternative benefit designs as a part of the standards. This includes, but is not limited to different packages negotiated between employers and HMOs and tiered pharmacy benefits.

In line with the legislative intent behind the development of standards to implement this legislation, I am directing the Department to gather information on current and past experience and trends relating to prescription drug coverage offered by HMOs. In addition, I am requesting that the Department hold hearings involving major stakeholders on key issues to further inform the Department's work in this area.

We do not want to take regulatory actions that would reduce coverage or increase the number of uninsured. I am therefore directing the Department to develop its regulations so employers can continue to work with HMOs to provide reasonable drug benefit packages that are affordable. These regulations should allow innovation and act as an



incentive to employers to continue and expand employer-based quality prescription drug benefits.

I believe that these initiatives will better enable the Department to strike an appropriate balance between consumers, employers and HMOs while ensuring that consumers, especially those with life threatening and chronic and seriously debilitating conditions, are appropriately protected and that HMOs and employers are able to continue to provide comprehensive drug benefits to HMO members.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 22, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1804** without my signature.

This bill would require, effective August 1, 2003, applicants for licensure and specified staff in skilled nursing and intermediate care facilities to obtain a criminal background clearance from the Department of Health Services (DHS), prior to licensure or direct contact with residents. Additionally, it would expand the type of staff required to obtain criminal background clearances in intermediate care facilities for the developmentally disabled.

I have sponsored legislation during the last two years that would have strengthened both Department of Health Services and Department of Social Services background check requirements for its licensed facilities and just signed a Davis Administration-sponsored measure, Assembly Bill 1454, the first-ever requirement for background checks for direct care workers in certain mental health facilities.

While this bill is well-intentioned, its provisions would apply a lower criminal background clearance standard on employees in skilled nursing facilities than for every other facility type or licensed/certified staff currently subject to clearance by the Department of Health Services. For example, the bill would remove receiving, selling, withholding or concealing stolen property from the list of mandatory denial criteria if the individual had no conviction in the last five years. Protecting our most vulnerable citizens is very important and this diminution of background check standards is not acceptable. It would also set a precedent by requiring the employer to pay for the background check with an immediate pass-through of those costs to the state.

I will, however, support a bill that extends the current procedures for background checks to all direct care workers in skilled nursing facilities and intermediate care facilities and I encourage the Legislature to send me such a bill in its next legislative session.

For these reasons, I cannot support this bill.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 23, 2002

To the Members of the Senate:

I am signing SB 1894, an urgency measure, which would require the Department of Health Services (DHS) to fund domestic violence shelters that had previously received funding but were not funded in 2000, using funds payable from the Domestic Violence Training and Education Fund appropriated in the Budget Act of 2002.

I strongly support the efforts of domestic violence shelters to protect vulnerable women and children throughout the state. I am signing this bill with the understanding that the author's intent (as shared with me in her letter of September 5) is to limit funding to five shelters that is already provided for in the budget. As a result, this bill will not result in any fiscal costs beyond those already included in the Budget.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 25, 2002

To the Members of the Senate:

I am signing SB 1536, which makes broad changes to the Public Employees' Medical and Hospital Care Act, and is intended to assist the California Public Employees' Retirement System (CalPERS) Board of Administration to achieve two goals: 1) to manage health care costs; and 2) to minimize adverse selection.

In signing this measure, I am directing the Director of Finance to personally review all requests for appropriations pursuant to this legislation.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 25, 2002

To the Members of the Senate:

I am signing SB 1657, which requires the Technology, Trade and Commerce Agency to open an international trade and investment office in Yerevan, Armenia, funded by private donations, as a pilot project.

This is a demonstration of a public-private partnership that may provide economic dividends to California through increased exports to the region. The office will facilitate our State's ability to promote trade relations with



countries in eastern Europe and western Asia that could generate long term benefits to California.

However, in light of the State's severe fiscal situation, I am signing this bill with the understanding that only private funds will be used to develop and operate this trade and investment office.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 25, 2002

To the Members of the Senate:

I am signing SB 1932, which would allow the California State Lottery to use bingo as a gaming theme.

There are 38 states, including the District of Columbia that operate Lotteries in the United States. California is the only one that currently prohibits its Lottery from using a bingo theme in its games.

Implementing a bingo theme does not require new machines. Instead, the Lottery may simply use bingo themes in existing games.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 25, 2002

To the Members of the Senate:

I am signing SB 2065 which would require generators of low-level radioactive waste in California to report waste production, storage, transportation and disposal information to the State and require the State to maintain this information, making it available to Members of the Legislature upon request, and to the public only in aggregated form. This information will assist in developing long-term, low-level radioactive waste management policies.

Given the security concerns in the aftermath of September 11, 2001, SB 2065 includes key provisions to limit the release of any information that could potentially be used for unlawful purposes, including terrorism. To emphasize the need for security with these data, I am directing the Department of Health Services to develop rigorous standards further restricting access to and use of the non-aggregated information to all except those who demonstrate a need-to-know.

I am fully committed to protecting the safety and security of our residents by maintaining accurate and secure records concerning low-level radioactive waste produced in California.

Sincerely,

GRAY DAVIS, Governor

└

Governor's Office, State Capitol
September 26, 2002

To the Members of the California Senate:

I am returning **Senate Bill 145** without my signature.

This bill would extend the sales and use tax exemption for water common carrier fuel (bunker fuel) from January 1, 2003, to January 1, 2013.

While I would ordinarily sign this measure, the state's very difficult financial condition requires me to veto this bill because it would result in total state and local revenue losses in the range of \$22.3 to \$35.5 million depending on the consumption of bunker fuel.

In the current fiscal environment, enacting a measure with such losses would not be prudent.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 26, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1367** without my signature.

This bill would require the State Board of Education, commencing in 2010, to (a) periodically review and adopt changes to the State's academic content standards, (b) hold specific regional hearings as part of the review and adoption process, and (c) time the review to coincide with and provide a foundation for the adoption of curriculum frameworks and instructional materials.

California has adopted world-class academic content standards as an essential part of its school accountability system. The review process specified in this bill is unnecessary and could result in administrative activities that yield no improvement to the academic content standards. In addition, this statutory process and timeline eliminates flexibility that would otherwise allow the Board to adopt changes to these standards as it deems necessary.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 26, 2002

To the Members of the Senate:

I am signing SB 1468, which would require cities and counties to consider military facilities and training areas when updating their general plans. The bill would also require the Office of Planning and Research (OPR) to publish a handbook for local officials and planners, and to develop guidelines for reducing conflicts between civilian development



and military readiness activities. OPR must develop this handbook within existing resources.

This bill also provides the U.S. Department of Defense with a mechanism for working with local governments and the State to incorporate military bases and needs into State and local general plans. If federal funding were to become available through an agreement between the federal government and OPR, local governments would be required to include new information regarding military bases in the general plan at the time of their next scheduled update. My understanding is that the Commission on State Mandates does not allocate federal funding. As such, it is appropriate that OPR establish a mechanism for allocating these funds to local entities. OPR should propose legislation in 2003 that replaces the mandates process required in this bill with an alternative method for allocating federal funds to local governments.

Sincerely,

GRAY DAVIS, Governor

September 26, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1714** without my signature.

This bill would require the State Controller to report to the Legislature the annual loss of property tax revenues in each county resulting from state land acquisition by purchase, outright donation, conservation easement, land trust, or easement. The bill also requires the Controller to report to the Legislature the annual loss of property tax revenues in each county from the same actions for fiscal years 1997–98 to 2001–02, inclusive. In addition, this bill requires the Department of General Services to estimate the annual loss of property tax revenues in each county that will result from any planned state acquisition. No funding is identified to accomplish these requirements.

The information required may be of interest to local governments and most of it can already be provided by county assessors. Departments within the Resources Agency and the Department of General Services have lost significant funding and staff resources because of budget reductions. The state has most recently faced a revenue shortfall of \$24 billion. Consequently, the ability of impacted departments to perform new duties within existing resources is severely restrained.

Therefore I am unable to sign SB 1714.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 26, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1767** without my signature.

This bill would authorize the Department of Health Services (DHS) to pursue all federal waivers or state plan amendments necessary to allow Medi-Cal beneficiaries with a share of cost (SOC) to enroll in managed care plans.

I agree that Medi-Cal beneficiaries with a share of cost should have the option of enrolling in managed care plans, when this arrangement can be implemented in an efficient manner and when it would not increase State costs. I am concerned, though, that this bill would place DHS in a situation where well-meaning individuals and groups will expect — and reasonably so — that DHS will act on the authorizations provided by the bill. Pursuing waivers and state plan amendments would require significant staff resources to design a program for Medi-Cal beneficiaries with a share of cost to enroll in managed care plans, to prepare and submit a waiver request to the federal government, and to make necessary systems changes.

Given the continuing gap between State revenues and projected expenditures, I must oppose additional General Fund spending.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 26, 2002

To the Members of the Senate:

I am signing SB 1918, which would establish a framework for local control and regulation governing the use of electric personal assistive mobility devices (EPAMD). This new and innovative means of individual transportation would allow people to move throughout urban environments without pollution, significant levels of noise, or massive parking areas.

The ability of local governments to regulate the time, place, and manner of EPAMD use, including banning the use of these devices in some or all areas of a community is appropriate. Furthermore, the delayed implementation of this bill will give local agencies additional time to consider whether to enact local ordinances governing the use of these devices.

Sincerely,

GRAY DAVIS, Governor



COMMUNICATIONS AND LETTERS OF TRANSMITTAL

The following communication was ordered printed in the Journal:
September 26, 2002

The Honorable John L. Burton
President pro Tempore of the Senate

RE: Budget Act of 2002
Arts Council Budget Bill Language—Legislative Intent

Dear Senator Burton: This letter is to clarify legislative intent as contained in AB 425 (Chapter 379, Statutes of 2002), Item 8260-101-0001, Provision 5.

During Budget Subcommittee deliberations, the Senate and Assembly Subcommittees #4 denied the Administration's May Revision proposal to eliminate \$15 million (General Fund) Arts Council funding and instead reduced funding by \$7.5 million retaining \$7.0 million for local assistance grants. Both Subcommittees further adopted budget bill language specifying how the \$7.0 million would be used. This proposal was ultimately adopted by the Legislature of both houses and the action was sustained by the Governor.

Specifically, Item 8260-101-0001, Provision 5 of the Budget Act of 2002 states that \$7 million . . . *shall be used to support grants for programs assisting to economically disadvantaged children in urban regions and to support grants for rural regions of California.* Provision 4 under this item, refers to the same schedule that includes the \$7 million general fund local assistance grant money and states that funds appropriated in this schedule . . . *shall consist of federal funds, reimbursements, and special funds*

A concern has been raised about a potential misinterpretation of legislative intent as a result of the interaction between Provisions 4 and 5.

This is to clarify that the language contained under Provision 5 of Item 8260-101-0001 is intended to reference the manner in which \$7million *General Fund* local assistance grant funding shall be used.

Sincerely,

Senators

STEVE PEACE

Chair

Budget & Fiscal Review Committee

RICHARD G. POLANCO

Chair Subcommittee #4

Budget & Fiscal Review Committee

Assembly Members

JENNY OROPEZA

Chair

Budget Committee

GEORGE NAKANO

Chair Subcommittee #4

Budget Committee

MESSAGES FROM THE GOVERNOR

Governor's Office, State Capitol

September 27, 2002

To Members of the California State Senate:

I am returning **Senate Bill 240** without my signature.

This bill would establish the Capistrano Unified School District Categorical Funding Flexibility Pilot Project to allow the district to receive state categorical funding in the same manner as the categorical block grant provided to charter schools. While I believe that school districts should have the necessary flexibility to meet the particular needs of students in their districts within the policy objectives established by the State and the districts themselves, the bill's proposed block grant is too broad. It would include funding for programs that promote high priority state program objectives such as training teachers that I believe should remain a distinct categorical program, not subject to the expenditure flexibility proposed in the measure. This broad flexibility could compromise state policies to increase accountability and improve student performance.

Furthermore, while I share the author's belief that schools should be given every opportunity to advance quality education, current law already establishes the Categorical Education Program (Pilot Project) under which a school district would have flexibility in the expenditure of categorical funds in three areas: school improvement and staff development; alternative and compensatory education; and school district improvement. The program allows for the first 75 districts that meet the size criteria to participate in the program and permits participating districts a minimum of five years of funding flexibility. The Capistrano Unified School District could apply to participate in this program.

Finally, this bill would create an unfavorable precedent and could prompt other school districts to request similar pilot project authorizations.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 27, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 403** without my signature.

This bill would define "recycled concrete" and authorize its use if the end user has been fully informed that the concrete is recycled.

I am concerned that this bill would circumvent the process by which standards for construction and building materials are appropriately developed. According to CalTrans, the bill would pose a substantial risk to public safety. Moreover, this bill will result in a cost of \$3.9 million in the first year and \$3.2 million annually thereafter at a time when the state is dealing with a \$24 billion shortfall.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 27, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1509** without my signature.

This bill would reduce a city or county's Educational Revenue Augmentation Fund (ERAF) contribution by an amount equal to that city or county's share of property tax lost due to new tax-exempt affordable housing. The state General Fund would have to backfill lost ERAF revenues.

Although I recognize the need for greater affordable housing opportunities for low-income Californians, the state's \$24 billion deficit would make the redirection of funds necessary to backfill ERAF revenues very difficult. Any reduction in total property tax revenues to K-14 school districts would result in a General Fund cost of the same amount because Prop. 98 requires the state to backfill property tax revenue losses to these local agencies. This bill, while otherwise meritorious, could result in losses exceeding \$2 million in 2003-04, increasing each year thereafter. For these reasons, I cannot sign this legislation.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 27, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1551** without my signature.

This bill would transfer an additional \$1 million from the General Fund to the Armory Fund and appropriate that amount to the Military Department for the maintenance of specified National Guard armories used to support emergency shelters for the homeless. The 2002 Budget Act already contains \$1 million for the modernization of armories. Given the state's \$24 billion deficit, however, I am unable to sign this legislation as its costs are not included in the 2002 Budget Act.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 27, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1555** without my signature.

This bill would create the Pedestrian and Bicyclist Mobility and Safety Fund, to be administered by the Department of Health Services, to provide grants to local governments, state agencies, and non-profit organizations to fund bicycle and pedestrian safety programs. The fund would be



established through a \$5 assessment on drivers' license renewal fees for drivers who have 2 or more points on their records.

I am a strong supporter of pedestrian and bicyclist safety programs, and I have been pleased to sign legislation such as the "Safe Routes to Schools" program and the "Pedestrian Safety Act" since 1999. These laws provide funds to local agencies and other organizations to develop pedestrian and bicyclist safety enhancements in school areas. In addition, the Office of Traffic Safety administers a grant program similar to the one proposed by this legislation, and beginning October 1, will award \$7.5 million for local pedestrian and bicyclist safety programs.

However, given the state's \$24 billion deficit, I do not believe that this is the appropriate time to implement new programs. The Department of Motor Vehicles estimates that startup costs will exceed \$850,000 and annual ongoing costs will approach \$180,000. The bill would place added pressures on the Motor Vehicle Account, the State Transportation Fund, and would create additional unfunded workload.

Finally, the imposition of a \$5 assessment on a drivers' license renewal fee may violate Article XIX of the state Constitution. The Constitution specifies the uses for which fees and taxes imposed by the state upon vehicles may be used and funding for safety programs is not included.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 27, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1731** without my signature.

This bill would establish the California and Mexico Border Economic Infrastructure Financing Authority to issue revenue bonds for the acquisition, construction, and improvement of infrastructure projects along a 100-kilometer band on either side of the California-Mexico border.

Although it is widely known that the California-Mexico border areas need economic infrastructure financing, California already has a program through Senate Bill 207 (Peace) that I signed into law in 1999. That program authorizes California counties and cities to create infrastructure financing districts within three miles of the California-Mexico border to finance public works that provide significant benefits to the border development zone. Those public works include but are not limited to: highways; roads; facilities for sewage collection, flood control, child care, and waste disposal; libraries and parks. In addition, Mexico and the United States participate as equal partners in the North American Development (NAD) Bank, a bilaterally-funded, international financial institution, created for the purpose of financing environmental infrastructure projects on both sides of the United States-Mexico border. The authorized capital of NAD Bank totals \$3 billion.



Furthermore, this bill does not provide Mexican government officials and the community with equal participation in decision-making processes. This difference may pose troublesome questions regarding California's right to approve and fund infrastructure projects in Mexico without Mexico's equal participation and approval of these projects. While the goals of Senate Bill 1731 are praiseworthy, numerous state, federal and binational programs are currently addressing the border region's significant infrastructure needs.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 27, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1882** without my signature.

This bill requires the California Integrated Waste Management Board (CIWMB) to compile information from the City of Santa Clarita's pilot diaper recycling facility and make this information and guidelines available to local governments.

The study and guidelines in this bill are less important than other pressing matters before the CIWMB, such as cleaning up illegal solid waste sites. Diapers represent a tiny fraction of the waste stream and do not merit this specialized attention. The CIWMB is directing their recycling efforts to larger portions of the waste stream, such as organics and paper, which are much easier to collect and cost effective to recycle. Moreover, this bill would impose significant costs to the CIWMB at a time when the state is dealing with a \$24 billion shortfall.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 27, 2002

To the Members of the Senate:

I am signing SB 1884. SB 1884 would require that labels of dietary supplements containing ephedrine alkaloids or steroid hormone precursors list the quantity of ephedrine alkaloids from herbal abstracts, specific warnings, and the federal Food and Drug Administration's Medwatch number, and would prohibit sales of these supplements to minors.

I vetoed a similar bill two years ago citing the need for federal regulatory action. It was my expectation that the federal government would take a more aggressive regulatory approach toward this substance. Ephedra has been linked to adverse health effects and, according to the New England Journal of Medicine, at least 54 deaths. SB 1884 would protect minors from the health risks of dietary supplements containing ephedrine alkaloids and



would provide consumers with a reliable resource for reporting adverse reactions.

In June, United States Department of Health and Human Services Secretary Tommy Thompson ordered a review of reports on the adverse effects of ephedra. Because of this inadequate response on the part of the federal government, on August 16, 2002, I directed the State Director of the Department Health Services to send a letter to the FDA requesting aggressive action to regulate the sale or inform the public of the possible health risks associated with this product. They have declined to do so.

While regulatory of dietary supplements and interstate commerce is the responsibility of the Federal government, Californians can't wait forever for federal action that is already long overdue.

In signing this legislation, I am also relying on a letter from Senator Speier dated September 18, 2002, which further explains that the bill does not affect the definition of "anabolic steroids" as that term is used in the Civil Code law or under any other provision of state law.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 27, 2002

To the Members of the Senate:

I am signing SB 1934, which requires the State Board of Education to adopt model curriculum standards for career-technical education by June 1, 2005. Upon adoption of the standards, the Superintendent of Public Instruction shall develop a voluntary curriculum framework for career-technical education by June 1, 2006. Additionally, the bill encourages districts to provide a course of study that integrates academic and career skills, incorporates applied learning in all disciplines, and prepares all students for high school graduation and career entry. The development of both the curriculum standards and the frameworks for career-technical education would only be implemented if federal funds are available for this purpose.

I support encouraging school districts to improve career-technical-education through development of voluntary frameworks, however I am not supportive of redirecting any federal Perkins funds available for local grants to complete these frameworks. Therefore, I am signing this bill with the understanding that the curriculum frameworks are to be completed and adopted using federal Perkins Vocational and Technical Education Act funds currently allocated for state administration and leadership.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 27, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1988** without my signature.



This bill would create an Environmental Education Fund for the purpose of providing grants to public schools for environmental education and funding to non-profits for training district attorneys and others on the enforcement of environmental laws and the advancement of environmental justice.

While I support environmental education, I cannot support this measure. The State Department of Education (SDE) already receives funding from the California Environmental License Plate Fund to promote students' understanding of and responsibility for the environment. Also, this bill creates a presumption that environmental education and environmental justice is a priority use of funds over other vital uses, such as environmental cleanups.

I believe it is imperative that any new efforts are coordinated with existing State programs to ensure cost efficiency, particularly when the state is dealing with a \$24 billion shortfall. Last year, I signed legislation that created the Office of Integrated Environmental Education at the Integrated Waste Management Board to create a unified environmental education strategy for all State departments. I have also just signed two bills creating programs within the California Environmental Protection Agency; AB 2312 establishes an environmental justice grant program and AB 2486 funds local environmental enforcement and training. SB 1988 is not consistent with these programs.

For these reasons, I cannot sign this bill.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 27, 2002

To the Members of the Senate:

I am signing SB 2083, which provides guidelines for implementing Title III (English Language Acquisition Program) of the new federal No Child Left Behind Act. Specifically, the bill details definitions and requirements consistent with the act for parental notification, local plans, teacher qualifications, funding for immigrant education programs, and application for and awarding of funds.

I am signing the measure with the understanding that clean-up legislation will be introduced to ensure that the bill is consistent with and neither exceeds nor revises federal requirements, and correctly references the State Board of Education, rather than the State Department of Education, as the State's lead education agency. These technical modifications are necessary to clarify the policy intent of ensuring federal compliance without inadvertently creating a state-mandated local program.



I am directing my Secretary of Education to approach an author with clean up language to be introduced next year.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 360** without my signature.

This Administration strongly believes that State employees should be paid on a timely basis, and we have worked diligently with the State Controller to accomplish that.

This bill is unnecessary. Federal law (Fair Labor Standards Act) already provides for the payment of wages, including overtime, prior to the following pay period. The State is also subject to Labor Code Section 207, which requires regular pay days.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 362** without my signature.

This bill would allow a CalPERS local contracting agency or a '37 Act county, when adopting either the 2.5% at age 55 formula, the 2.7% at age 55 formula, or the 3% at age 60 formula, the option of making the new retirement formula applicable to either members who are employed by the agency on or after the agency has elected to be subject to the formula, or to past and current employees who retire after the new formula is adopted.

The bill also eliminates a '37 Act county's ability to provide, after January 1, 2003, different retirement benefits for any subgroup of members within a membership classification including newly hired employees.

The cost of enhanced retirement benefits places a significant burden on future generations if the benefits of former employees are increased along with those of current employees. When the new formulas were added last year, it was with the understanding that they would only be applicable to current and future employees of local public agencies in order to contain retirement costs. I see no need to change this position.

I also believe that the '37 Act counties should have the ability to negotiate tiered retirement benefits during collective bargaining as a cost containment strategy.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 28, 2002

To the Members of the Senate:

I am signing SB 371.

In recognition of the State's current financial pressures, I am signing this bill with the understanding that the proponents have agreed not to commence collective bargaining until 2005.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 695** without my signature.

This bill would allow local government, other than fire districts and fire departments, to provide safety retirement benefits to employees whose function includes hazardous materials services. Current law extends this option to employees of fire departments, who may not be firefighters, when the employer is covered by the California Public Employees' Retirement System. This option also exists for counties subject to the County Employees' Retirement Law of 1937.

The purpose of safety retirement benefits is to encourage a younger, more physically fit emergency work force better able to endure the physical demands of emergency situations for the protection of the public or property. The higher cost of safety retirement benefits is justified under these conditions.

This bill introduces two new criteria to justify safety retirement: the probability of regular exposure and risk. This would result in tremendous pressure to grant safety retirement to many other types of employment. I am not willing to consider these new elements as justification to provide safety retirement benefits. Also, this new criteria does not explain the necessity of why individuals in such positions need to be provided a retirement benefit that encourages early retirement at a higher benefit. I believe there are adequate protections currently available to workers in the form of workers' compensation benefits and disability retirement benefits that are available through CalPERS and counties subject to the County Employees Retirement Act of 1937.

Moreover, this bill would put additional cost pressures on local pension funds at a time when their assets are severely strained.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 28, 2002

To the Members of the California Senate:

I am returning **Senate Bill 905** without my signature.

This bill would: 1) codify an opinion by the Attorney General that employee organizations may not collect payroll deductions for political purposes if they are earmarked for a specifically named candidate, and 2) restate the existing rule prohibiting an official or an employee of a local government agency from soliciting a political contribution.

Existing law already addresses all the issues raised in this bill. Therefore, there is no need for this bill.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 28, 2002

To the Members of the Senate:

I am signing Senate Bill 972.

I am signing this legislation because it is a step in the right direction. However, there may be a need for clean-up legislation next year.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1289** without my signature.

SB 1289 would specify that for the 2001–02 fiscal year only, for the contract between Alvord Unified School District and Riverside Unified School District to provide adult education services, the State Board of Education (SBE) would be authorized to allocate average daily attendance (ADA) for apportionment to the district contracting for the education services (Alvord) rather than the district providing the services (Riverside).

I am pleased that the Riverside Unified School District is operating a successful adult education course. In these difficult times, we are unable to provide more reimbursement than current law allows.

For this reason, I am unable to support this bill.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1395** without my signature.

Under current law, when employees contract cancer or any other disease because of job-related duties, they are eligible to receive worker's compensation benefits and an industrial disability retirement.

However, this bill would award benefits through the workers' compensation and industrial disability retirement systems for illnesses that may not have been caused by the employee's job. Decisions regarding industrial causation and eligibility for workers' compensation benefits should be based on a thorough review of the evidence, including the medical evidence pertaining to the claim.

For these reasons, I am vetoing this measure.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 28, 2002

To the Members of the Senate:

SB 1595 would restate, specifically for parents of English learner pupils, various parental rights currently contained in the Education Code. The bill would also encourage schools to provide surplus instructional materials and to establish parent centers to support parents of English learners.

I am signing the measure with the understanding that the author will introduce clean-up legislation to address each of the following: (1) clarify that the advance parental notification requirements related to pupil promotion and retention policies do not exceed existing requirements; (2) stipulate that requirements to provide parental notification in English and a pupil's primary language shall not exceed current state and federal law; and (3) clarify language that any required written notification be in English and the pupil's home language pursuant to "any other applicable law". These necessary technical modifications will clarify the policy intent of ensuring conformity with federal law without inadvertently creating a state-mandated local program.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1665** without my signature.

This bill would add new requirements on local education agencies and the State related to English learners. These requirements could generate



costs potentially exceeding \$100 million for local education agencies at a time when the State has faced a \$24 billion shortfall.

In terms of instructional materials, the State continues to recognize the needs of English learners through the development of instructional materials for English language arts/English language development for all students and the adoption of English language development standards. This bill would create separate expectations for instruction of English learners, which are inconsistent with current state policies governing English language immersion instruction. The creation of separate expectations for English learners would jeopardize the cohesiveness of the current system, which sets forth rigorous academic standards that all children must meet.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 28, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1671** without my signature.

This bill, together with AB 2130, would eliminate an existing cap on state reimbursement to local education agencies for supplemental instruction provided to students in grades 2–6 who are risk of retention. Elimination of the cap would limit the State's flexibility to establish fiscal and policy priorities for future years. Given the existing economic uncertainty currently facing California, retaining the maximum flexibility is necessary.

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 reasons, I cannot support this bill.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 28, 2002

To the Members of the Senate:

I am signing SB 1992, which requires the Department of Housing and Community Development, in consultation with the Office of the State Architect and the State Fire Marshal, to consider whether to propose for adoption by the Building Standards Commission the requirement that seismic gas shutoff devices and excess flow gas shutoff devices be installed in residences and hotels.



In signing this measure, it is my expectation that the Department will implement the provisions of this bill within existing resources.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 43** without my signature.

This bill would establish the State Civil Service Equal Employment Opportunity (EEO) Program, to be administered by the State Personnel Board (SPB), whose staff would be responsible for providing statewide program leadership, coordination, monitoring, and enforcement. This bill would also place new requirements on all State agencies to conduct studies and implement EEO programs.

I strongly support EEO programs for all State civil service employees and believe that the State of California is a leader in ensuring fair employment practices are in place to protect its State employee workforce. However, this bill would establish a new statewide EEO Program and add requirements that would increase workload for all State agencies at a time when all State agency resources are stretched thin by a hiring freeze and staffing reductions. Moreover, these additional requirements come at a time when the Legislature has asked the Administration to reduce 7,000 positions in this current year.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 105, which establishes the Division of Services for the Blind and Visually Impaired and Deaf and Hard of Hearing (Division) within the Department of Rehabilitation (DOR) and would establish the Division Chief as the line authority for the staff within the Division. This bill would also require mandatory and ongoing training for staff of the Division and would require that expenditures for direct services be reported annually to the Blind Advisory Committee of the DOR.

In signing this bill, I am directing the Department of Rehabilitation to implement this bill within existing resources.

Sincerely,

GRAY DAVIS, Governor



Governor's Office, State Capitol
September 29, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 572** without my signature.

This bill would allow school districts to use state bond funds to pay for loan origination fees, which is not an advisable use of those funds.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 29, 2002

To the Members of the Senate:

I am signing SB 621 which appropriates \$3.1 million to the Department of Water Resources (DWR) from Proposition 13's Infrastructure Rehabilitation Program for allocation to two rural communities in the San Joaquin Valley.

Although I am signing this measure, I am directing the Department of Water Resources to fund only those aspects of the projects determined to be eligible under Proposition 13 following the required feasibility studies.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 631** without my signature.

This bill would require the California Postsecondary Education Commission (CPEC) to develop a proposal for an international student exchange program between California and Mexico. This program would include provisions to exempt participating students from paying nonresident tuition and to allow them to participate in financial assistance programs available to local students. The bill would also appropriate \$75,000 General Fund for CPEC to develop the proposal.

Although I am very supportive of programs that encourage cooperation and assistance between Mexico and California, I cannot support these provisions that will create additional annual costs in excess of \$1 million and duplicate existing student exchange programs given our current General Fund situation.

Furthermore, CSU already has statutory authority to waive tuition for nonresident students who are citizens and residents of a foreign country. UC also has broad constitutional autonomy to create similar programs, if



so desired. I encourage both UC and CSU to actively engage in these types of exchanges already authorized under current law.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 737** without my signature.

This bill would require the Board of Governors (BOG) of the California Community Colleges (CCC) to develop enrollment growth funding recommendations, and report those recommendations to the Governor and the Legislature.

I am aware of the significant growth the CCC system has seen in the last few years and know that the CCC will continue to face significant demand in coming years. Given these pressures, it is important that we continue to fund enrollment growth at appropriate levels for districts with documented demand. It is equally vital that the CCC system appropriately targets enrollment growth funding to ensure that the highest priority courses—those related to transfer, basic skills, and vocational training—are the first to be provided.

I am a strong supporter of increased access to higher education for all Californians, and I am proud of the fact that the community colleges have received growth in excess of demographic projections during every year I have been in office. However, starting with the 2003–04 fiscal year, this bill could impose an annual Proposition 98 General Fund cost pressure of up to \$120 million to fund higher levels of enrollment growth.

Consequently, I direct the Secretary for Education, the Director of the Department of Finance, and the Executive Director of the California Postsecondary Education Commission to participate in a working group with the BOG to examine these matters.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1010** without my signature.

This bill would provide higher retirement formulas for state employees in the miscellaneous and industrial retirement categories, subject to collective bargaining. This legislation would create inordinate pressure to approve these formulas at a time when the state faces extraordinary fiscal challenges. Approving increases in retirement formulas for state employees would be imprudent at a time when state and public agencies

throughout California are facing budget shortfalls and reductions in services. Furthermore, this legislation follows recent significant increases to employee retirement formulas in 2000 as a result of the enactment of SB 400.

The potential costs of these new formulas to the State would be hundreds of millions of dollars annually—clearly excessive at a time when the assets of government pension funds are strained by the decline of the stock market.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing **Senate Bill 1244**. However, I am vetoing Section 2 (8)(d) of this measure, which would authorize the Medical Board of California to expend the first \$300,000 deposited in the Contingent Fund of the Medical Board of California in the 2002–03 fiscal year pursuant to Section 125.3. Existing law already requires the Board to complete the peer review study for which this funding would be provided and I do not support appropriating additional funds for this purpose, especially given the already insecure fiscal condition of the fund.

Sincerely,

GRAY DAVIS, Governor

Above item veto ordered placed on unfinished business.

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 1298. This bill would codify additional existing practices of local health jurisdictions in California to protect the public from the spread of disease occurring from natural and intentional (i.e., terrorist) health threats. It would also revise the purposes for which funds may be used by local jurisdictions.

SB 1298 recognizes the importance of communicable disease control, surveillance, and epidemiology as well as other core functions of the state's public health safety network. Earlier this month, I signed Senate Bill 406, which makes \$25.4 million in federal funds available for the local expenditure by eligible local health jurisdictions for bioterrorism preparedness and response according to the activities described in the State-local collaborative plan. In signing SB 1298, I am signaling the Administration's clear intention that any State General Funds expended for



bioterrorism preparedness and response be expended according to the existing plan and guidelines issued by the Department of Health Services.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 29, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1362** without my signature.

This bill would establish a pilot program to allow female life term inmates currently housed at the four institutions for female inmates, who do not have release dates established by the Board of Prison Terms access to the family visiting program, under the restrictions and guidelines established for those who are currently eligible to participate in this program.

Life term inmates without an established released date are deemed to be of a security risk not conducive to family visits, which are not subject to constant custodial supervision. Additionally, most departmental visiting rules are gender neutral. To establish a law to allow for such visits is not consistent with appropriate custodial management and may violate the U.S. Constitution's Equal Protection clause as it would exclude similarly situated male inmates. A pilot program to propose such a law may not negate the equal protection concerns of such a program.

While I am cognizant of and concerned with the importance of maintaining family ties within the community for individuals incarcerated within our correctional system, I am equally concerned about the appropriate and secure methods for pursuing this objective.

In 2001, I vetoed SB 700, virtually identical to this measure. As there has been no additional information provided by this bill that was not considered in the previous Legislative session, I am returning this bill unsigned.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 1391. This bill would require that discovery materials to which a defendant would have been entitled at the time of trial be made reasonably accessible to the defendant if he or she has been sentenced to death or life in prison without the possibility of parole and files a specified motion or writ of habeas corpus that makes a specified showing. This bill would require a defendant be given access to physical evidence only upon a separate court finding, as specified, and specifies that the only means of



obtaining access to physical evidence for post-conviction DNA testimony is through other specified procedures.

As Governor, I strongly support the hard working men and women of law enforcement. However, nobody is above the law and in the rare cases where governmental officials deceive the Courts, there must be appropriate remedies.

This legislation was introduced in the wake of the Rampart cases in which numerous felons were released from prison because their conviction depended heavily on testimony from law enforcement that subsequently turned out to be false. Thus, the provisions of this bill were worked out after extensive discussions with the Los Angeles District Attorney, the Attorney General, California District Attorney's Association and the California Public Defender's Association.

This measure will serve the interests of justice.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 1405, which would implement the portion of the federal No Child Left Behind (NCLB) Act of 2001 (P.L. 107-110) related to paraprofessionals. I agree that paraprofessionals need not be reassessed if they have previously been assessed in a manner that complies with the requirements of NCLB.

It is my intention in signing this measure to ensure that California is in full compliance with NCLB. If this bill is determined to be inconsistent with any of the requirements of NCLB, the State Board of Education, as the State Educational Agency responsible for implementing NCLB, will add requirements or assessments, as appropriate.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1408** without my signature.

This well intended bill would require school districts to compile information related to those pupils who failed any portion of the High School Exit Exam and that participate in the Immediate Intervention/Underperforming Schools Program, High Priority Schools Grant Program, or the federal Comprehensive School Reform Demonstration Program.

This bill contains costs of over one million dollars and could potentially cost the State much more. Furthermore, any information gained through this process would likely detail the same information that the State is

└

already receiving through the existing evaluation of the High School Exit Exam.

For these reasons, I cannot support this bill.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1466** without my signature.

This bill provides that any person or entity that enters into a contract for labor or services for construction, farm labor, garment manufacturing, janitorial services, or security guard services, that knows or should know that the contract does not provide sufficient funds to comply with various local, state, and federal labor laws, violates state law.

Over the last 4 years I have signed several bills in an effort to protect California's most vulnerable workers including: 1) AB 633 (Steinberg 1999) Garment Industry enforcement; 2) AB 423 (Hertzberg 2001) Farmworker Contractor Labor Standards; 3) AB 471 (Hertzberg 2001) Regulations and Arbitration for Backstretch Workers; and 4) SB 20 (Alarcon 2001) Displaced Janitor Protections. I also recently signed SB 1241 (Figueroa 2002) which will expedite the registration process for private security guards.

All of these measures provide specific benefits and protections and we need to give those laws time to work.

For these reasons, I must veto this measure.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 1471.

This bill represents a restatement, virtually verbatim, of AB 109 (Knox) that I signed in 1999. My reading is that it neither adds nor subtracts from the rights and responsibilities of employers and employees under the 1999 law. With that understanding, I am signing this measure into law.

Sincerely,

GRAY DAVIS, Governor



Governor's Office, State Capitol
September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1544** without my signature.

This bill would require the Board of Prison Terms to institute a new process for the transfer of foreign prisoners to their home countries. The Board of Prison terms currently has a process for the return of these prisoners that requires the receiving country to state the intended duration of the prisoner's sentence.

This bill would weaken this current requirement by only requiring the receiving country to agree that prisoners, including those convicted of violent offenses, serve to their minimum eligible parole date for those with indeterminate sentences. For prisoners with determinate sentences, the country would only have to agree to the earliest possible release date.

I support returning foreign prisoners to their country of origin where appropriate, but not where such prisoners will serve less time than the length of sentence they would have served if they remained in California.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1609** without my signature.

This bill would extend the rebuttable presumption for a blood-borne infectious disease to licensed health care professionals for purposes of receiving both disability retirement and workers' compensation benefits.

This measure is similar to SB 361, which I vetoed last year. SB 1609 places the burden of proof on the employer by requiring the employer to prove the disease was not the result of an industrial injury. There is no evidence that employees are being denied service-related retirement benefits for illnesses that are work related.

For these reasons, I must return this bill without my signature.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 29, 2002

To the Members of the Senate:

I am signing SB 1624 that would authorize the California Educational Facilities Authority (CEFA) to award \$2 million in grants of up to \$250,000 each to private colleges for academic assistance to high school pupils. The grant program would sunset January 1, 2009. The bill also states



Legislative intent that the appropriation be made on a one-time basis from existing resources.

I am signing this bill with the understanding that it will not be effectuated before the 2003–04 fiscal year. In addition, the Administration will work with the Treasurer’s Office to determine an appropriate implementation timeframe and to ensure \$2 million will be the entire amount provided for the purpose of this measure notwithstanding the sunset date of January 1, 2009.

Sincerely,

GRAY DAVIS, Governor

Governor’s Office, State Capitol

September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1673** without my signature.

This bill would delete the requirement in current law for school districts to operate on a multi-track year round education (MTYRE) schedule as a condition of receiving state supplemental grant funding for 50 percent of the replacement cost of demolishing a single story building and replacing it with a multistory building on the same site.

This bill is counter to the original intent of the multi-story supplemental grant program previously signed into law, which is available to provide severely overcrowded school districts, that have limited space and experience difficulty in acquiring new sites for school construction, and that are as a result operating a MTYRE program. Additionally, by deleting this MTYRE requirement, this bill would allow school districts that are not severely overcrowded to compete equally with severely overcrowded school districts for supplemental grant funding.

We need to address the problems experienced by MTYRE schools. Once this is done, I would be open to revisiting this issue.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor’s Office, State Capitol

September 29, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1712** without my signature.

This bill would express the intent of the Legislature relative to the funding and administration of grants to domestic violence programs by the Office of Criminal Justice Planning (OCJP). Additionally, this bill would require that the Senate confirm the executive director of OCJP.

In 2001, I signed Assembly Bill 664, which appropriated \$2 million to fund additional local domestic violence programs, and contained guidelines for OCJP to follow when providing funding and assistance to domestic violence shelters. The intent language in SB 1712 is similar to the



guidelines outlined in this measure and is the same as the existing process OCJP uses to select grantees.

I have also directed OCJP to reexamine its funding procedures. As a result of this review, OCJP has determined that funded shelters will continue to receive funding without interruption. OCJP has diligently worked toward greater cooperation and interaction with the Department of Health Services (DHS) to coordinate significant components of the two shelter-based programs in the development of a joint progress report, joint executive director's meetings and ultimately toward establishing a mutual grant period. OCJP has continued to provide technical assistance to domestic violence shelters upon request and in the normal performance of its duties in the form of site and technical assistance visits, while coordinating mutual interests with DHS.

OCJP is also revising its application procedures. The goal of these changes is to streamline its procedures, make them easier for grantees to understand, and avoid unnecessary red tape.

In addition to the above, I recently signed Senate Bill 1895 which, among other things, requires OCJP, in implementing its domestic violence program, to collaborate closely with an advisory council in developing funding priorities. The participants of the advisory council will consist of domestic violence victims' advocates, battered women service providers, representatives of women's organizations, law enforcement, and other groups involved with this issue.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 1732, with the understanding that all transfers of buildings from the counties will be approved by the State Public Works Board (Board) after the Judicial Council and the counties have reached consensus. At that time, the Board will be ensuring that all documentation is complete and any issues related to the facility sites are disclosed. This analysis is consistent with the current evaluation of all real property that becomes a responsibility of the State.

The transfer of responsibility for all local court facilities from the counties to the state, as authorized by this bill, will complete the transformation of a local court system to a fully state operated state system. Now the court system can be managed and operated under the oversight of the Judicial Council, which can provide consistent policies and procedures to ensure the uniformity of how courts operate on a statewide basis. This significant change in court governance is the result of the vision, hard



work, and very able leadership of Chief Justice Ronald George of the California Supreme Court.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 29, 2002

To the Members of the Senate:

I am signing SB 1771, which would request that the Regents of the University of California identify existing resources and efforts within the University for the development and coordination of curriculum and research on diversity in order to accomplish specified goals. The bill also states legislative intent that the recommendations made pursuant to this bill address the findings and recommendations by the Senate Select Committee on College and University Admissions and Outreach, that the University create a research institute on diversity.

In view of the current fiscal situation, it is my expectation that the University of California use existing resources to implement this legislation.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1796** without my signature.

This bill would reduce the punishment for specific misdemeanors when the violation is non-violent and the motive for the violation is political expression. The punishment would be limited to a fine of up to \$100, imprisonment in a county jail for up to two days, or by both that fine and imprisonment.

Civil disobedience has played a critical role in this country's great movements for social change. This bill broadly defines political expression as any matter of general interest to society. Lowering the penalties for such a broad category of actions could potentially lead to abuses.

This bill has the potential to increase the demand for jury trials, creating financial burdens for the state and its counties. Also, the bill's language creates multiple avenues for post-conviction appeals on the issue of what is "politically motivated."

Politically motivated protests and demonstrations can be performed, allowing participants to support their cause, without disregarding laws. For these reasons, I cannot support this measure.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1857** without my signature.

Virtually all elements of this bill make needed technical changes to law that I would be pleased to sign in separate legislation. One provision, however, creates a state mandate that require Airport Land Use Commissions to formulate a land use compatibility plan for the orderly growth of their airport which will safeguard the general welfare of residents near the airport and the public in general.

There is no reason why the State should mandate these Commissions to do the job they were constituted to do in the first place. I would certainly encourage them to perform this task and I would sign all other elements of this legislation if it were returned to me.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 2008** without my signature.

This bill would establish a special state loan repayment program for registered nursing students: the Assumption Program of Loans for Nursing Education Program, to be administered by the California Student Aid Commission. The bill provides for loan assumption benefits up to \$11,000 for qualified nursing students and up to 250 loan repayment agreements, subject to funds being available in the annual Budget Act or an appropriation in another measure.

The agree with bill's goal of providing incentives to increase the number of registered nurses in California and earlier this year announced a three-year, \$60 million dollar, Nurse Workforce Initiative to establish a variety of incentives to increase the number of nurses and job satisfaction in the nurse workforce. This program is funded by federal Workforce Investment Act funds. This initiative is expected to generate up to 5,000 licensed nurses and the first of these grants will be announced shortly.

An existing program administered by the Office of Statewide Health Planning and Development called the Health Professions Education Foundation has dispersed scholarship and loan repayments totaling over \$6.7 million since its inception since 1990, assisting nearly 1,400 economically disadvantages and demographically underrepresented students in 49 of California's 58 counties.

In addition, I have recently signed AB 2314 (Thomson), which will for the first time require the Community Colleges and the CSU systems to standardize all nursing program prerequisites on a statewide basis and requires the CSU Chancellor to require CSU campuses that maintain



nursing education programs to negotiate and implement articulation agreements with CCC districts from which they receive a significant number of nursing students. Finally, I have signed AB 1140 (Thomson) which requires the Board of Registered Nursing to collect practice status-related data from its licensees which will be helpful in assessing the current status of nursing in CA.

The combination of these activities should assist California in making real progress in making nursing a more attractive career option.

I cannot support this bill, however, because it creates an annual General Fund cost pressure in excess of \$2.8 million during a time of necessary fiscal constraint.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 29, 2002

To Members of the California State Senate:

I am returning **Senate Bill 2027** without my signature.

This bill would prohibit the Department of Health Services from granting a license to a new hospital if the proposed hospital is within the boundaries of a local health care district meeting specified criteria, unless the hospital seeking licensure agrees to maintain and operate a basic or comprehensive emergency department, and the hospital agrees not to limit its inpatient services to surgical services or invasive diagnostic and treatment procedures. As noted in the bill, this bill seeks to protect a specific hospital from competition from a "boutique" hospital that would provide higher reimbursed services, such as open-heart surgery, but not offer lower reimbursed services, such as emergency services.

I am sensitive to the viability of hospitals in a competitive health care market and the State has implemented various measures to moderate the adverse effect of unfair competition on hospitals serving low-income and indigent patients. Such measures include the expansion of subsidized health insurance coverage and financial support for hospitals serving a disproportionate share of such patients.

I cannot support this bill, however, because while it would help one hospital, it could negatively impact surrounding hospitals by immediately moving the potential competition this bill seeks to eliminate next door to a nearby hospital outside the confines of the Washington Hospital District. This would invite even more legislation to protect individual hospitals from such competition, rather than a more appropriate statewide review of the issue. I encourage the author to seek a review of the statewide impact of these types of specialized hospitals on California's health system.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 30, 2002

To the Senate of the State of California:

I have the honor to transmit to you herewith the following appointments and reappointments heretofore made by me to offices which are by law to be filled by the Governor. These appointments are subject to Senate confirmation and consent. I hereby nominate these appointees to you and request your confirmation and consent.

Sincerely,

GRAY DAVIS, Governor

Robert K. Hattoy, consultant, motivational speaker. Appointed 8/27/02.
Effective 9/25/02:

Member, Fish and Game Commission vice Frank D. Boren,
resigned, term ending 1/15/03.

Susan Britting Ph.D., biological consultant. Appointed 9/12/02. Effective
9/27/02:

Member of the State Board of Forestry and Fire Protection vice
Paula M. Ross, resigned, term ending 1/15/05.

Judith N. Frank, business owner. Appointed 8/22/02. Effective 9/10/02:

Member, California Health Facilities Financing Authority vice
Robert F. Tomfohrde, M.D., term expired, term ending 3/31/04.

Joseph Tavaglione, president, construction company. Appointed 9/19/02.
Effective 9/27/02:

Member, California Transportation Commission vice Robert A.
Wolf, resigned, term ending 2/1/05.

Above appointments referred to the Committee on Rules.

Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 426** without my signature.

This bill would establish significant reporting and disclosure requirements on agents of Transmitters of Money abroad in order to inform consumers about the total costs associated with across-the-border money transfers.

While well intentioned, this measure would impose significant new costs on the Department of Financial Institutions (DFI) if there were to be effective oversight to ensure compliance with the new duties imposed under this measure. This bill establishes independent duties on the agents of Transmitters of Money Abroad rather than on the 52 licensees currently under DFI's supervision. To adequately supervise compliance with this measure, DFI would need 26 new PY's at a cost of \$2.4 million to conduct on site visitation to over 12,000 agent locations. This supervision would



need to take place if the disclosure requirements imposed by this bill are to be effectively monitored.

Given the \$24 billion budget deficit, I cannot authorize creation of a new regulatory scheme that grows government in these difficult economic times.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 441** without my signature.

This bill would create and revise various programs and formulas that govern the California Beverage Container Recycling Act. This bill appeared in print two days before the end of the legislative session and proposes broad policy changes without proper public, legislative, or administrative review.

This bill establishes a recycling incentive program that is intended to increase collection rates, but is flawed. This increased incentive payment should only apply to the amount by which collections increase. Otherwise, recyclers need only increase rates by a nominal amount to receive the enhanced payment for their entire collection.

Most importantly, this bill would require the state to hire 27 new people and expend up to \$4 million annually at a time when the Legislature has directed the Administration to cut 7,000 positions.

If the intent of this legislation is to resolve the pending lawsuit regarding the calculation of the processing fee, future legislation should be narrowly crafted to address this issue.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the Senate:

I am signing SB 483, which protects Native American sacred sites from the adverse environmental effects of proposed mining operations. This bill would prevent mines, such as the Glamis gold mine in Imperial County, from being developed unless sacred sites are protected and restored. I strongly oppose the Glamis gold mine because it would irreparably damage sites sacred to the Quechan Indian Tribe.

Unfortunately, this bill will not become operative because it is joined to another bill, SB 1828, which I am vetoing. Therefore, I am directing the Resources Agency to seek urgency clean-up legislation when the



Legislature convenes in December to allow this important Native American sacred site protection to become law.

I am further directing the Secretary for Resources to pursue all possible legal and administrative remedies that will assist in stopping the development of the Glamis gold mine.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 689** without my signature.

California State Insurance Commissioner Harry Low has asked me to veto this measure because he believes it violates the intent of Proposition 103 and undermines the Department of Insurance's (DOI) pending regulations which cover the issue of persistency.

I am asking Commissioner Low to undertake a study to enumerate any and all driver discounts that are consistent with the expressed will of the electorate with their passage of Proposition 103, including a continued examination of the issue of portable persistency.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 783** without my signature.

This bill would establish a framework for encouraging "whistleblower" reporting of alleged illegal activity and fraud by corporations to government agencies.

While the vast majority of the bill's provisions have merit, our main focus should be on punishing wrongdoers and encouraging reporting of wrongdoing. Along those lines, I would sign legislation next year that includes the important provisions of this bill that establish a whistleblower hotline at the Attorney General's Office, further protect whistleblowers against retaliation, and require employers to post notices of whistleblower rights. I would also support the provisions in Section 5(b) of this bill that pins liability on the corporation for various acts and non-acts. However, I am concerned about the provisions in Section 5(a) that would place liability on individuals who did not actually commit the wrongful act themselves.

I am directing my Task Force on Corporate Governance, which I established last month and is chaired by the Secretaries of Business,



Transportation, and Housing and State and Consumer Services Agencies, to work with the author on drafting this legislation.

I strongly support the highest corporate responsibility and accountability standards for our corporate executives. This year I have signed several bills that strengthen such corporate responsibility standards, including AB 2873 (Frommer) which requires audit documents to be retained for seven years; AB 270 (Correa) which strengthens California's laws governing accounting practices; AB 2970 (Wayne) which prohibits any employee of an accounting firm from working for a client within 12 months of providing audit services; and AB 55 (Shelley) which increases disclosure of corporate information.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 789** without my signature.

This bill would place restrictions on the use of California's anti-SLAPP statute (Code of Civil Procedure Section 425.16) by persons engaged in certain businesses. The intent of a SLAPP lawsuit is to prevent citizens from exercising their First Amendment rights to free speech. Strategic Lawsuits Against Public Participation (SLAPP) were originally intended to protect against frivolous lawsuits brought typically by industry against public protestors. SLAPP suits are also used to dilute financial resources of public protestors by requiring them to expend monies to defend their First Amendment rights in court.

This bill essentially prohibits those engaged in commercial speech from bringing an anti-SLAPP motion. It attempts to protect, for example, plaintiffs who file product liability and negligence claims from having their claims subjected to an anti-SLAPP motion.

I am concerned, however, that this legislation unduly interferes with the court's discretion. The First Amendment right to free speech should be carefully guarded and the Court may be in the best position to ensure this right is protected by examining these claims on a case by case basis.

There are important competing interests here. On the one hand, we should not discourage valid public interest claims. On the other hand, we must be careful about chilling free speech. This bill was a product of a late in the session "gut and amend" and I am not satisfied that it strikes the right balance.

If there is further discussion of this issue next year, it should take into consideration the argument that anti-SLAPP motions are being improperly



used as a stalling or delay tactic. I would be willing to consider legislation that provides for expedited review of an appeal granting an anti-SLAPP motion.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California Senate:

I am returning **Senate Bill 804** and AB 60 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 re-licensing 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.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 807** without my signature.

This bill would provide additional revenue for county Maddy Emergency Medical Services Funds for use in reimbursing physicians and



hospitals for emergency room services rendered to uninsured persons. The additional revenue would come from an additional \$200 assessment on top of any other fines and assessments for certain Vehicle Code section violations.

Despite a very difficult budget year, my 2002–03 Budget sustained a \$20 million dollar augmentation in support of the state’s trauma system providers. I have also signed legislation to assure a more timely and fair distribution of funds to providers from county Maddy EMS funds.

Unfortunately, this bill will reduce revenues for agencies and programs already supported through the State Penalty Fund (SPF) such as the Crime Victims Restitution Fund, the Victim-Witness Fund, the Peace Officer Training Fund and the Traumatic Brain Injury Fund. This is because the court system routinely reduces the amount of fines required to be paid (due to inability to pay) and this bill requires a pro rata reduction in Fund payments if the fines are reduced. In other words, under this bill, any fines would have to spread among more designated Funds, which will provide more funds for EMS funds than might otherwise be received but reduces the amount for the important programs already established in current law.

I would support a bill next year that increases assessment revenues for emergency room services that does not affect the funds available for victims of crime and law enforcement. I urge the Legislature to act on such a measure immediately upon their return.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor’s Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 987** without my signature.

This bill would expand the authority of the State Personnel Board to ensure compliance by State agencies with the Dymally-Alatorre Bilingual Services Act of 1973 (Act). The bill would expand the Act’s definition of a “substantial number” of non-English speaking people and would require State agencies to provide additional translated written materials. This bill would also require additional information to be included in each agency’s biannual survey of compliance with the Act, and would require agencies to develop implementation plans, as specified.

While I support the intent of this legislation. I cannot ask State agencies to absorb the implementation costs of this bill at this time. Additionally, because of the State’s fiscal situation, the funds are not available from the General Fund or Special Funds to augment the departments’ budgets for the purposes of this bill.



However, I believe that government has an obligation to meet the changing needs of its citizenry. Our State offices must be able to serve Californians whose primary language is not English. With that in mind, I am directing the State agencies to phase in policies, as time and resources permit, that contain the spirit and intent of this legislation.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1024** without my signature.

This bill would provide counties that administer their own retirement systems pursuant to the County Employees Retirement Act of 1937 to offer a benefit called a deferred retirement option program (DROP). This program is intended to provide a lump-sum benefit in addition to the monthly retirement allowance safety members would otherwise receive.

I vetoed a similar measure last year, SB 193, on the basis that it would create significant costs to local government. Although this bill indicates that the programs offered must be cost neutral, I remain unconvinced that this will occur with either the Forward DROP or the Backward DROP.

Safety retirement provides a more generous allowance at an earlier age than for non-safety employees. I believe this to be justified public policy because it encourages a younger, more physically capable safety workforce that will provide protection to the public in times of emergencies.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the Senate:

I am signing SB 1156 and AB 2596.

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 a contract for six months or a year (depending on when the bargaining unit was first certified)
- 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

Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1175** without my signature.

This bill would authorize the Public Employment Relations Board (PERB) to impose penalties on either employers or employees who have committed repeated unfair practices in higher education employment environments.

This bill would create a remedy unprecedented in California and federal labor law, by expanding the authority of PERB beyond what its federal counterpart, the NLRB, can do. If passed, it will open the way for future

legislation authorizing PERB to impose other similar penalties against the State employer and public school employers. Furthermore, this bill authorizes PERB to impose monetary damages on state entities as a means of deterring future conduct, which violates Government Code section 818.

For these reasons and because this bill would increase the jurisdiction and workload of PERB at a time when the Board does not have the resources to address this new workload, I am unable to sign SB 1175.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the Senate:

I am signing SB 1393, which makes various revisions to the California Environmental Quality Act (CEQA) and requires the Secretary of the Resources Agency to develop a protocol for reviewing the applications for certified regulatory programs to ensure consistency with CEQA.

In signing this important measure, I am directing the Resources Agency, the State Library and the Office of Planning and Research to implement this bill with existing resources.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1409** without my signature.

This bill would provide a Deferred Retirement Option Program (DROP) to local safety members of CalPERS-covered employers. The DROP created by this bill has significant costs to local government retirement programs. It also has significant administrative costs to CalPERS which would reduce investment earnings that are credited to employer retirement accounts.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1413** without my signature.

This bill would place in statute various requirements related to the Medi-Cal program reimbursement for federally-qualified health center (FQHC) and rural health clinic (RHC) services. These changes



would supercede a recent Department of Health Services state plan amendment which current governs the calculation of Medi-Cal reimbursements to FQHC's and RHC's.

FQHC's and RHC's are an important part of California's health care safety net and we have taken a number of actions during my Administration to preserve their viability and allow for expansion. From the time I took office, overall funding to clinics through the Department of Health Services has increased from \$33.9 million to \$53.8 million, a 58.7 percent increase. Specifically:

- The Expanded Access to Primary Care program, which provides reimbursement to free and community clinics, has increased from \$18.3 million to \$31.2 million, a 71 percent increase;
- The Seasonal Agricultural and Migratory Workers program, which provides financial and technical assistance to clinics serving seasonal agricultural and migratory workers and their families, has increased from \$4.2 million to \$6.9 million, a 61 percent increase;
- The Rural Health Services Development Program, which provides financial and technical assistance to rural clinics, has increased from \$6.5 million to \$8.2 million, a 27 percent increase;
- The Indian Health Program, which provides financial and technical assistance to clinics serving American Indians, has increased from \$3.9 million to \$6.5 million, a 66 percent increase;

My Administration has also provided critical assistance in a number of other areas:

- \$3 million in annual grants for the Rural Demonstration Project for one time clinic infrastructure improvement. Additionally, \$24 million for rural health service expansion has been allocated through the Managed Risk Medical Insurance Board.
- \$50 million in grants for capital outlay projects for community clinics administered by California Health Facilities Financing Authority. This provision was included the 2000–2001 Trailer Bill.
- Under the new Prospective Payment System (PPS), the state is providing enhanced rates of payment to clinics over and above the required federal minimum standard in order to prevent clinics from experiencing a reduction in their overall reimbursement rate from previous years. If the state used the federal version of PPS, the clinics would have experienced a \$38 million reduction in their rates from the previous year. Instead, a state alternative version of the PPS plan was adopted that restored the \$38 million shortfall and increased overall rates by \$5.1 million, for a total increase of \$43.1 million. This was implemented through a State Plan Amendment approved 12/19/2001, with an effective date 1/01/2001.



- In 2001, I signed into law AB 951 which requires the Department of Health Services to assure an expeditious review of clinic licensing applications.

- I have further proposed to restructure the Child Health Disability Prevention (CHDP) Program to serve as a Gateway for low-income children to enroll in Medi-Cal or Healthy Families for ongoing health care. Over 560 clinics are certified CHDP providers and will be participating in the CHDP Gateway.

Unfortunately, a provision in this bill would expand the circumstances under which a clinic could receive reimbursement for multiple visits in one day by the same person. This provision could substantially increase Medi-Cal costs. While I understand that there is considerable disagreement about the magnitude of these new costs, given the \$24 billion dollar shortfall, I cannot support a bill that could potentially result in significant new costs. I encourage the author to reintroduce this legislation next year without this provision.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1479** without my signature.

This bill would authorize a county to adopt an ordinance that provides a \$7 discount on the public marriage license fee and the confidential marriage license fee if a couple, at their own expense, completes a specified premarital preparation course within one year prior to the date of the application for the license. This bill also requires the Department of Health Services (DHS) to conduct a study and to prepare and submit a report to the Legislature on the effectiveness and use by the public of each county program that provides a discount of the fee.

In requiring DHS to conduct this study and prepare a report, this bill does not provide clear direction on what information is to be included in the report, the time period to be covered by the report, or how DHS is to gauge the effectiveness of the new local program. This bill also fails to provide funding for the activities required by DHS.

Additionally, although participation in this program is optional, there is a potential \$1.5 million revenue loss if boards of supervisors decide to participate in the program. Furthermore, this measure requires Department



of Health Services to spend at least \$100,000 of new money at a time when the State is found with a \$24 billion shortfall.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1523** without my signature. However, I am willing to sign legislation that challenges industry to assume greater responsibility for the recycling and disposal of electronic waste.

I am very troubled by an increasing electronic waste pollution problem in California, as well as across our nation. Local governments report increasing costs to handle, transport and recycle discarded electronic equipment. The amassing stockpile of obsolete and broken computer monitors and televisions grows daily. I am equally disturbed that this dangerous cargo is being sent to underdeveloped nations exposing children to hazardous waste materials. I applaud the author's effort to address these problems.

However, I am concerned that this program is not the most efficient or cost effective approach for California. This bill requires the state to hire 64 new people, at a time when the Legislature has directed the Administration to cut 7,000 positions. Moreover, I believe that building a state bureaucracy to address this problem is not the best solution for managing electronic waste. We should compel industry to solve this problem.

California has always been a global leader in the electronics industry. I challenge the industry to lead the way and devise an innovative solution for the source reduction, recycling, and safe disposal of electronic waste. Industry already has initiated several successful incentive programs that create a partnership between the consumer and the manufacturer. I believe this would be a better model for California and would foster the concept of an environmentally sustainable electronic and technology industry and provides incentives to design products that are less toxic and more recyclable. Moreover, we simply must demonstrate our leadership and compassion by making sure that California's electronic waste is not irresponsibly sent to underdeveloped nations.

The European Union is working on a program to assure that manufacturers maintain responsibility for the safe recycling of the products they produce. I am encouraged by the product stewardship approach and believe this model, tailored to fit California's recycling and disposal infrastructure is worth pursuing. California needs a



comprehensive and innovative state law that partners with product manufacturers, establishes recycling targets, and provides for the safe recycling and disposal of electronic waste. Setting environmental standards and providing manufacturers flexibility to meet them is the cornerstone of California's air quality laws and has generated a new generation of car emission reduction technologies and improved air quality for the public. I am convinced we can do the same for electronic waste.

I strongly urge industry and other interested parties to rapidly devise a solution, in keeping with the goals I've articulated in this message. There is no time to waste. I believe California should have a new law next year.

I am asking my Secretary of the California Environmental Protection Agency to take a leadership role in working with the Legislature, government, industry, and stakeholders to create a successful California electronic waste program. I am directing the Department of General Services to take steps to assure that the state purchases electronic products that minimize environmental impacts and that state electronic equipment is recycled using best available practices.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1538** without my signature.

SB 1538 would prohibit employers from requiring mandatory arbitration agreements as a condition of employment. There is no question that employees have a right to be free from discretion and sexual harassment on the job. In fact, I have signed landmark legislation expanding rights under the Fair Employment and Housing Act:

- The California Civil Rights Amendments of 1999, AB 1670 (Kuehl) to give women, disabled workers, and others greater protection against discrimination; to extend anti-discrimination laws to applicants for employment and job training, and to prohibit discrimination against employees and applicants based on lawful conduct outside of employment.

- AB 1856 (Kuehl) which expressly provides that employees of any entity covered under the California Fair Employment and Housing Act may be personally liable for prohibited harassment perpetrated by a co-employee.

- AB 1001 (Villaraigosa) which amends the Fair Employment and Housing Act to prohibit discrimination in employment and housing on the basis of sexual orientation.



However, in these difficult economic times I am not prepared to place additional burdens on employers by preventing them from requiring alternative dispute resolution of employment claims. Therefore, I must veto this measure

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1539** without my signature.

This bill makes many technical and clarifying changes to the California Public Employees' Retirement Law, the Judges' Retirement Law, the Judges' Retirement System II Law, the Volunteer Firefighters' Length of Service Award System and the Legislators' Retirement System. In addition to these changes, the bill contains issues that should be considered not only on the basis of their administrative impact but also for their policy impact.

In particular, Section 25 of the bill requires that when a State employees' contribution rate is reduced, funds will be transferred without the consent or agreement of the employer.

I want to assure State retirees that their retirement benefits will continue without interruption or reduction. I would be willing to reconsider the technical changes contained in this bill next year.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the State Senate:

I am returning **Senate Bill 1553** without my signature.

This bill would require the California Public Utilities Commission (CPUC) to examine the impact of toll call pricing in the Coachella Valley, and to report its findings to the Legislature by July 1, 2004. It will cost an additional \$200,000 to ratepayers in difficult economic times.

Requiring the CPUC to study an issue of statewide significance in the context of a single community may encourage a costly and piecemeal approach on other telecommunications issues that require a broader statewide consideration.

Furthermore, the bill is not necessary since anyone can petition the CPUC to investigate telecommunications issues, including the one addressed in this bill.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 30, 2002

To the Members of the Senate:

I am signing SB 1591, which requires the Employment Development Department (EDD) to establish standards and criteria regarding construction industry jobs under the Workforce Investment Act, and prohibits the replacement of construction workers with welfare-to-work participants.

I agree with the author that the purpose of this bill is not to provide, or be interpreted to provide, protection to seasonal employees who are not fired for cause. Thus, I am directing the EDD to ensure that the author's intent as stated in his letter is accurately reflected in their regulations.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 30, 2002

To the Members of the State Senate:

I am returning **Senate Bill 1619** without my signature.

This is one of two measures sent to me this year that would create a new program within the California Integrated Waste Management Board for the recycling of cathode ray tubes (CRTs).

I am very troubled by an increasing electronic waste pollution problem in California, as well as across our nation. Local governments report increasing costs to handle, transport and recycle discarded electronic equipment. The amassing stockpile of obsolete and broken computer monitors and televisions grows daily. I am equally disturbed that this dangerous cargo is being sent to underdeveloped nations exposing children to hazardous waste materials. I applaud the author's effort to address these problems.

However, I am concerned that this program is not the most efficient or cost effective approach for California. This bill requires the state to hire 64 new people, at a time when the Legislature has directed the Administration to cut 7,000 positions. Moreover, I believe that building a state bureaucracy to address this problem is not the best solution for managing electronic waste. We should compel industry to solve this problem.

The European Union is working on a program to assure that manufacturers maintain responsibility for the safe recycling of the products they produce. I am encouraged by the product stewardship approach and believe this model, tailored to fit California's recycling and disposal infrastructure is worth pursuing. California needs a comprehensive and innovative state law that partners with product manufacturers, establishes recycling targets, and provides for the safe recycling and disposal of electronic waste. Setting environmental standards and providing manufacturers flexibility to meet them is the cornerstone of California's air quality laws and has generated a new generation of car emission reduction technologies and improved air quality



for the public. I am convinced we can do the same for electronic waste.

I strongly urge industry and other interested parties to rapidly devise a solution, in keeping with the goals I've articulated in this message. There is no time to waste. I believe California should have a new law next year.

Please see the attached veto message on Senate Bill 1523, which describes in more detail my determination to sign a bill next year that achieves the goals I have articulated.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1644** without my signature.

This bill would require the Department of Health Services (DHS) to study the adequacy of Medi-Cal reimbursement rates for physician and dental services in communities that serve a disproportionately high number of Medi-Cal beneficiaries as compared to the average community.

In order to sustain my commitment to Medi-Cal providers and health care access for California's low income individuals, I have just signed Assembly Bill 3006 which maintains the 10-40% Medi-Cal provider rates increases initiated by this Administration in 2000-01.

While this bill may have merit, it will likely create General Fund cost pressure to increase reimbursement rates above current levels to a specific set of providers which will be very difficult in these times of severe fiscal constraints. Therefore, I cannot support this legislation.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1652** without my signature.

This bill would enact the Uniform Athlete Agents Act to regulate the activities of athlete agents who represent student athletes in negotiations for professional sports or endorsement contracts.

I previously indicated that I would be open to considering a bill that places this new regulatory program within the Department of Industrial Relations. This bill does that.

Unfortunately, the State is now facing a severe fiscal environment coupled with a requirement from the Legislature to reduce an additional



7,000 positions in the current year. Given these factors, it is very difficult to assume new responsibilities.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1654** without my signature.

This bill would have established a state Office of Homelessness within the Governor's Office. The office would have been charged with coordinating state services to the homeless, identifying gaps in the delivery of services to the homeless, and making annual recommendations to the Governor and the Legislature on ways to improve homeless services.

Having a central point of contact within state government on homeless issues has merit. Such an office could serve as a clearinghouse of information and could provide staff support to the Interagency Task Force on Homelessness that was created by my Executive Order of March 22, 2002.

However, the Department of Finance estimates the cost of operating such an office could be as high as \$500,000 annually. SB 1654 has no appropriation attached to it.

Although the state cannot afford new programs at this time, in the interim, I am pleased by the progress already made by the Task Force in improving coordination of homeless services. I have made a strong personal commitment to combating homelessness in California, especially by focusing on prevention of homelessness, and I have directed the Task Force to continue its work and to report back on additional progress made by December 1, 2002.

Additionally, I have directed state agencies to develop a set of recommendations to reduce the incidence of homelessness in California, convened the State's first Summit on Homelessness, and established an interagency task force to improve integration of services and recommend and implement strategies to prevent individuals and families from becoming homeless.

I have approved appropriations of over \$64 million in new State funding for the Emergency Housing Assistance Program, including \$25 million for the creation of new homeless shelter facilities and the expansion of existing facilities, as well as \$39 million for shelter operations. I also signed legislation making National Guard armories permanently available as winter homeless shelters.

I have approved \$45 million in funding for the Supportive Housing Initiative Act that provides permanent housing with services for formerly homeless disabled adults.

In signing Senate Bill 1227, placing Proposition 46 on the November ballot, this \$2.1 billion measure, if approved, will help the neediest



Californians end the cycle of homelessness and move to permanent housing, while also assisting California's workforce and their families and other lower income households, obtain safe and affordable rental housing.

I will continue my commitment to eradicate homelessness in California.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1734** without my signature.

SB 1734 would expand and clarify existing language governing syringe exchange programs. It specifies that individuals operating syringe exchange programs can distribute, without threat of prosecution, and device or substance necessary to ensure the safety and cleanliness of needles or syringes, in jurisdictions that have been authorized by the public entity, pursuant to an annual declaration of a local emergency, due to the existence of a critical local public health crisis.

Current law that allows for local syringe exchange programs strikes an appropriate balance between the public health and public safety concerns, including the requirement that local government renew their declaration of a local emergency due to a critical local public health crisis every 2–3 weeks. In addition, local government is already providing products that ensure the safety and cleanliness of needles and syringes with the cooperation of local law enforcement. I see no reason to upset the current balance and for this reason, I cannot support this legislation.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1736** without my signature.

I have signed AB 2596 (Wesson) and SB 1156 (Burton) which provide a mechanism to bring to resolution unresolved labor disputes between farmworkers and growers.

In light of my actions on those bills, I am returning SB 1736 without my signature.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1751** without my signature.

This bill would require each county, beginning March 1, 2004, to submit an annual report to the Department of Health Services (DHS) on the number of homeless individuals who died during the previous calendar year. It would also require the DHS report annually to the Legislature on the number of deaths of homeless persons statewide, and would require the DHS to make that information available on its website.

I cannot support this bill because it would create a reimbursable State mandate upon the counties of several million dollars annually, and because it fails to provide funding for ongoing annual workload at the DHS. Due to the uncertainty in General Fund revenues, new discretionary expenditures which affect the General Fund should not be considered at this time. In order to maintain existing core State services already provided by the DHS, it is necessary at this time to restrain any new programmatic initiatives. Further, as death certificates are of public record, I cannot support this bill because it would diminish the privacy of both decedents and grieving family members by unnecessarily characterizing decedents as "homeless." Such privacy and sensitivity is a right expected by many Californians as they grieve a loved one.

The Interagency Task Force on Homeless, which I created by Executive Order in March, is working on identifying what types of research and data would be most beneficial in our efforts to prevent homelessness, determine what risk factors lead to homelessness, what risk factors are most prevalent within the homeless population, and which services are most successful in combating homelessness. Information limited to quantifying the deaths of homeless persons may not be as useful in achieving these goals as some other methodology. I look forward to the results of the Task Force's efforts.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1785** without my signature.

SB 1785 would authorize pharmacists and physicians to furnish hypodermic needles or syringes for human use without a prescription. In addition, persons who are 18 years of age or older would be able to possess up to 30 hypodermic needles or syringes.

I am committed to the underlying goal of the bill which is to reduce the transmission of HIV and hepatitis C among injection drug users, and I am proud of the progress we have made in combating these two diseases. California spends \$93.2 million on education and prevention programs and



I have added millions of dollars in the Office of AIDS for behavioral and early intervention, programs for high-risk youth, communities of color and HIV prevention evaluation. I have strongly supported our new HIV reporting system which will reveal trends in HIV transmission and assist in targeting HIV education, prevention and care efforts. I have signed legislation that already makes hypodermic needles and syringes available from authorized, legally sanctioned syringe exchange programs located throughout California.

In Spring 2000, the Department of Health Services appointed the Hepatitis C Working Group, comprised of key stakeholders from the public and private sectors. The Working Group developed the first-ever hepatitis C strategic plan for California. In August 2000, I signed SB 1256 (Polanco) which allocated \$1.5 million for hepatitis C outreach and education.

I worked hard with the author of the legislation I signed in 1999 to bring law enforcement and health officials together on a bill that would decriminalize supervised needle exchange programs. This bill undermines the key elements that won my support for that legislation:

- It eliminates the requirement for a one-for-one exchange of syringes, which is the standard of practice in authorized needle exchange programs.
- By eliminating the one-on-one exchange, this bill eliminates the ability to focus aggressive intervention efforts toward getting drug addicts into treatment.
- It eliminates the requirement that needle exchange programs be conducted with local government approval, ongoing oversight and as the result of a declared health emergency.

Additionally, this bill could potentially increase the amount of contaminated needles and syringes in parks, beaches and other public areas. This would place the non-injection drug using population at greater risk for HIV, hepatitis C, and other blood-borne diseases. While I appreciate the author's hard work and dedication to this issue, I cannot sign this measure.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1791** without my signature.

This bill requires the Office of the Inspector General (OIG) to make public any audit. It also requires, upon completion of any investigation, that a summary of the report's findings or conclusions be made available to certain persons. There are only limited provisions for maintaining the confidentiality of certain sensitive matters.

The OIG has rendered valuable assistance with the preparation of candid, thorough audits and reports. I am concerned that this bill may have the unintended consequence of constraining the OIG's willingness and



ability to render a complete report. In addition, it presents a risk of the diversion of resources to litigation.

For these reasons, I am returning this bill unsigned.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1793** without my signature.

This bill would amend existing law by transferring the authority to set initial parole consideration dates from the Youthful Offender Parole Board (YOPB) to the juvenile courts. This bill would also require the Department of the Youth Authority to provide information to the juvenile court and probation department regarding treatment plans for wards, along with annual progress reports on those wards. Finally, the bill would require the YOPB to report to the Legislature on an annual basis regarding statistics on parole consideration hearings.

While I welcome the author's goal to improve our juvenile justice system, I believe this bill misses the mark. Currently, juveniles committed to the Department of the Youth Authority undergo extensive clinical assessments before decisions are made regarding the appropriate parole consideration date for a ward, as well as the treatment programs necessary for the ward to make a successful transition back into society. Under this bill, courts would be required to set parole consideration dates and would be allowed to recommend treatment prior to commitment to the Department, without the beneficial and necessary information contained in the clinical assessment.

In addition, I am concerned about the possible inequities this bill could create for wards committed to the Department for similar crimes. Currently, the Youthful Offender Parole Board is guided by regulations, which ensure that wards committed to the Department for similar crimes receive similar parole consideration dates. Because the courts are not bound to follow administrative regulations promulgated to guide the Executive Branch, wards throughout the state convicted of similar crimes may have inappropriately different parole consideration dates imposed. This potential inequity in California's juvenile justice system is unacceptable.

Finally, I am concerned about the burden this additional workload could place on our juvenile courts and probation departments in these times of scarce resources.



Under my direction, the Department of the Youth Authority and the Youthful Offender Parole Board are making systemwide improvements including the establishment of a workgroup to: 1) Develop a standardized screening, assessment and classification process to accurately identify ward treatment needs and the appropriate level of care; 2) Develop an individualized treatment plan format to assist with providing accurate and timely information for YOPB review; 3) Review existing Youth Authority treatment services to determine the most effective treatment strategies and eliminate duplicative or less effective programs; 4) Develop outcome and performance measures for treatment services and 5) Develop compliance and monitoring tools. The workgroup will provide a first draft of recommendations to the Youth Authority in October.

It is also the goal of the Youth Authority to send an annual report on the progress of each ward to the ward's county of commitment. The Youth Authority is currently exploring the legal issues raised by any release of confidential information pertaining to the wards.

I believe these improvements will accomplish many of the objectives sought by the author and other stakeholders in the juvenile justice system.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1799** without my signature.

While I agree that the San Joaquin Valley should be fairly represented on the High Speed Rail Authority, I cannot support a measure that constrains my flexibility in making appointments.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1828** without my signature.

I fully support the goals of this legislation. Native Americans and their sacred sites deserve the greatest respect, honor and protection. On rare occasions, I have been privileged to view a sacred site. It has left me with a deep sense of reverence.

There is no doubt more must be done to protect sacred sites. Unfortunately, this bill is a flawed attempt to do that. I deeply regret that this bill is in a form that I am unable to sign. I am fully committed to working with all interested parties to craft a measure that adequately addresses the problem.



This bill was designed to protect Native American sacred sites by giving tribes a significant voice in the environmental review process for projects that might impact them. At the heart of the bill is the list of sites maintained by the Native American Heritage Commission. But that list can be both under-inclusive and over-inclusive. It is under-inclusive because some tribes, understandably fearing destruction of sites, have not disclosed their identity to the Commission. It can be over-inclusive because, under this bill, any site may be placed on the list by anyone, no matter the level of evidence that the site is sacred. Nonetheless, simply placing a site on the list gives it all the protections afforded by the bill.

There is another problem that must be addressed. This bill does not find the right balance between the need for confidentiality to protect sites, and the need for disclosure and notification to allow those planning projects to know to avoid areas containing sacred sites. As this bill is written, someone might invest large sums of money in a project before learning the development implicates a sacred site.

In addition, while this bill draws on the CEQA process, it makes some key changes that are highly controversial. It gives Native Americans influence over the CEQA process that no other party, agency or governmental body now has. If we are to develop a process beyond the standard CEQA procedures, there should be a greater effort at collaborative discussions that seek a strong consensus.

But it is not clear that we need to enlist CEQA to protect sacred sites. Existing law relating to the protection of sacred sites on public lands might serve as a framework for protecting sacred sites on private lands. We should consider expanding the duties and authority of the Native American Heritage Commission so it can use existing and expanded law to protect sacred public and sacred private lands.

The protection of sacred sites is a matter that must be addressed. Accordingly, I am directing my Secretary of Resources and my Director of the Governor's Office of Planning and Research to work with the proponents of this measure and others to introduce a bill next year that meets these concerns.

I would also note that I have signed Senate Bill 483, which protects Native American sacred sites from the adverse environmental effects of proposed mining operations. I am particularly concerned about the proposed Glamis gold mine in Imperial County, and I have directed my Secretary for Resources to pursue all possible legal and administrative remedies that will assist in stopping the development of that mine.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1866** without my signature.

This bill would move the Office of Real Estate Appraisers (OREA) to the Department of Corporations (DOC) and require the California Research Bureau to study and report on whether to establish a single annual rate for licensing and certification of appraisers.

I appreciate the author's effort to consider the fiscal efficiencies inherent in moving OREA into the DOC. Unfortunately, until my Administration determines this transfer is justified, I can not sign this measure at this time. I am, however, committed to working with the Legislature on a Governor's reorganization plan that would allow for consideration of consolidation of these departments, if necessary. In addition, I cannot support this legislation because of the provision that would allow the DOC to use a particular fee source for unrelated program purposes. If the DOC is collecting surplus fees from this source, it would be more appropriate to rebate those amounts or reduce the fee level rather than broaden the use of those fees.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the Senate:

I am signing SB 1868, which would: (1) require the State Department of Education to encourage school districts to provide quality physical education; (2) restrict waivers from physical education to those students who pass the 9th grade physical performance test; (3) mandate that schools provide students with individual test results; and (4) mandate that schools report test results annually as part of the school accountability report card process.

The author has tirelessly promoted the importance of physical fitness and I commend him for his commitment to good health. However, given the recent decline in the condition of the State's General Fund, I cannot support the provisions of this bill that would mandate 9th graders who fail some portions of the test to take physical education courses for two additional years. This requirement could result in reimbursable state-mandated costs exceeding \$70 million. Nor can I support the bill's mandated reporting of individual performance results or of aggregate test results in the annual school accountability report cards.

The author indicates that the bill was not intended to create such mandates, therefore, subsequent legislation will be required to ensure that no such mandates are created. The author has assured me that such



legislation will be forthcoming, and I am signing this bill with that understanding.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 30, 2002

To the Members of the Senate:

I am signing SB 1886.

However, I am under an obligation from the Legislature to reduce State positions by 7,000. Given that, I am directing the Director of the Department of Industrial Relations to implement this measure within its existing personnel.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol
September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 1891** without my signature. This bill would authorize an Internet bicycle registration service to register bicycles and issue bicycle licenses.

As I indicated in my veto of SB 1997 last year, I am sympathetic to the problems of bicycle theft. However, this bill does not fully respond to the concerns that I raised last year.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the California Senate:

I am returning **Senate Bill 1970** without my signature. This bill redefines the term "radioactive waste" to include any discarded decommissioned material with the slightest trace of detectable radioactivity not attributable to background sources, and prohibits all such material from being disposed of at all existing hazardous or solid waste disposal facilities in the State of California. As written, this bill is overly broad, unworkable and would do little to significantly enhance protection of the public health.

In negotiations with the author of this bill, I offered to sign legislation that permanently banned disposal of all decommissioned material with radioactive emissions above background levels at public landfills (Class III facilities) in California. I committed to conduct a scientifically based assessment of public health and environmental safety risks of other disposal methods. The author rejected this and sent me a bill that virtually



bans all methods of disposal anywhere in California without a sound scientific basis for issuing such a sweeping prohibition.

There is significant disagreement among scientists and health experts as to what level of exposure to materials with trace amounts of residual radioactivity from facilities decommissioned in accordance with state and federal laws constitutes a public health risk. This bill requires that *all* decommissioned material be disposed of at specially licensed facilities—even material with emissions lower than what is typically found in many household items—watches, smoke detectors, and building materials such as red brick, granite and marble.

The practical effect of this bill would be to force California businesses, universities and medical facilities to ship tons of material, such as dirt and concrete, that has not been determined to present a public health risk, to out-of-state disposal facilities. The cost of shipping this material out of state would be in the hundreds of millions of dollars, placing an enormous burden on critical research and manufacturing. The bill's requirements could inhibit the development of biomedical research and impact the cost of medical procedures and cancer treatment in California.

In an effort to address the concerns expressed by the sponsors of this legislation, I am issuing an Executive Order that will do the following:

- Impose a moratorium on the disposal of all decommissioned materials with emissions above background levels in public landfills (Class III) and unclassified waste management facilities. The State Water Resources Control Board is directed to begin implementation of the moratorium within the next 30 days.
- Direct the Department of Health Services to develop regulations for decommissioning licensed facilities utilizing the California Environmental Quality Act (CEQA) process. The Department is directed, as part of the CEQA review process, to include an assessment of the public health and environmental risk factors regarding disposal of decommissioned material and to make recommendations at the conclusion of this review.

If further restrictions are recommended based on sound scientific evidence, I will act on those recommendations. The moratorium on disposal of decommissioned materials above background levels in public landfills will be in place until the Department completes its assessment and the regulations take effect, at which time a new Executive Order may be issued or legislation sought to act on the Department's recommendations. Without this science-based review, this legislation is premature.

I respect and appreciate the sincerity and dedication of those who sponsored SB 1970. Although this bill is not the answer, I encourage the author and the sponsors of this measure to participate in the scientific assessment and the CEQA process.

Cordially,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.



Governor's Office, State Capitol
September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 1975** without my signature.

This bill would move the statewide primary from March to the first Tuesday after the first Monday in June of each even numbered year. In years with a presidential election, that primary would continue to be held in March while the primary for constitutional officers and legislators would be held in June. This would require two primaries within 90 days.

I am a staunch supporter of measures that make voting easier and more accessible. During my administration I have signed several measures aimed at increasing voter participation, including moving the registration date from 29 to 15 days before an election. While I share the Legislature's concern that participation is low, I do not believe that moving the statewide primary back to June is the solution to voter apathy. In fact, I believe that having two primaries within 90 days would have the unintended effect of further discouraging voter interest.

This bill would be effective for the March 2004 Presidential primary. I am very concerned that many local election officials will face the challenges of installing new election systems in 2004. Election officials will be tabulating the results of the March primary using new voting systems and also accepting candidate filings for the June election. This is a recipe for mass confusion. I would note that 44 of California's 58 counties oppose this legislation because of the increased chance for error, and the significant cost of conducting an additional primary election. The statewide cost is estimated to be as much as \$10 million. We would be wise to wait until the new voting systems authorized by the Voting Modernization Act of 2002 are fully operational before considering any change to California's primary election date.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol
September 30, 2002

To the Members of the Senate:

I am signing SB 2028, which reconstitutes an existing employment outreach program at the California Community Colleges. However, I am concerned that there is no accessible revenue source for the Equal Employment Opportunity Fund that is established by the bill. I also believe that allowing up to 25 percent of this fund for technical assistance, service, monitoring, and compliance functions is excessive and limits the availability of resources that allow local community college districts to perform the activities described in this bill.



Therefore, I sign this bill with the understanding that clean-up legislation will be introduced next year to:

- Authorize the Board of Governors to transfer funding in the 2002–03 Budget Act currently available for the Faculty and Staff Diversity program to the Equal Employment Opportunity Fund established by this bill.

- Significantly reduce the maximum percentage of the Equal Employment Opportunity Fund that may be set-aside for technical assistance, service, monitoring, and compliance functions.

Sincerely,

GRAY DAVIS, Governor

Governor's Office, State Capitol

September 30, 2002

To Members of the California State Senate:

I am returning **Senate Bill 2064** without my signature.

A school employer should be required to expeditiously transmit membership dues and agency fees to an exclusive representative. However, this bill imposes penalties for delays that are far too severe and may jeopardize the financial security of school districts.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Governor's Office, State Capitol

September 30, 2002

To the Members of the California State Senate:

I am returning **Senate Bill 2066** without my signature.

This bill would prohibit the University of California from using service contractors at new facilities that open or commence operations after January 1, 2003, if the service to be provided by the contractor is currently performed by employees represented by an employee organization, unless specified conditions are met.

This bill would constrain the University of California from contracting out for several vital services not just at the new Merced campus, but at any newly constructed facility. Specifically, this bill would apply not only to new buildings in Merced, but arguably to any new hospital that replaces, rather than retrofits, an existing facility. These hospital construction projects have been ongoing for many years, and I cannot support changing the rules now as they near completion. The important U.C. Institutes for Science and Innovation could also be delayed by the restrictions in this bill.

Moreover, this bill would place greater contracting out restrictions on the University than existing law places on the State. For example, it would not allow the University to contract out for legitimate cost savings. Additionally, the constitutionality of mandating this procedure without a vote of the Regents is questionable



I am directing the Secretary of the Labor and Workforce Development Agency, Steve Smith, to convene a meeting with the University and the proponents of this measure to see if there is any common ground toward addressing these issues.

Sincerely,

GRAY DAVIS, Governor

Above bill ordered placed on unfinished business file.

Receipt of Bills

I acknowledge receipt this 10th day of September 2002 at 1:11 p.m., of SB 2047 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

CHERYL BROWN
Assistant Secretary of the Senate

I acknowledge receipt this 12th day of September 2002 at 2:05 p.m., of SB 902 and SB 1663 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

DAVID VALVERDE
Assistant Secretary of the Senate

I acknowledge receipt this 16th day of September 2002 at 9:40 a.m., of SB 827, SB 1418, SB 1500, SB 1789, and SB 2097 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

JOHN W. ROVANE
Chief Assistant Secretary of the Senate

I acknowledge receipt this 19th day of September 2002 at 1 p.m., of SB 336, SB 1412, SB 1554, SB 1743, SB 1813, and SB 2017 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

I acknowledge receipt this 23rd day of September 2002 at 9:40 a.m., of SB 390, SB 444, SB 533, and SB 1804 without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

I acknowledge receipt this 27th day of September 2002 at 10:20 a.m., of SB 145, SB 1367, SB 1714, and SB 1767, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

I acknowledge receipt this 27th day of September 2002 at 5:05 p.m., of SB 403, SB 1882, and SB 1988, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

DAVID VALVERDE
Assistant Secretary of the Senate

I acknowledge receipt this 28th day of September 2002 at 9:56 a.m., of SB 240, SB 360, SB 362, SB 695, SB 905, SB 1289, SB 1395, SB 1509, SB 1551, SB 1555, SB 1665, SB 1671, SB 1731, SB 1835, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

I acknowledge receipt this 29th day of September 2002 at 9:51 p.m., of SB 1362 and SB 1712, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

I acknowledge receipt this 29th day of September 2002 at 9:52 p.m., of SB 572, SB 631, SB 737, SB 1408, SB 1673, and SB 1796, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

I acknowledge receipt this 29th day of September 2002 at 9:53 p.m., of SB 43, SB 1010, SB 1466, SB 1544, SB 1609, SB 1857, SB 2008, and SB 2027, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

I acknowledge receipt this 29th day of September 2002 at 9:53 p.m., of the Governor's statement of the items of appropriation eliminated from SB 1244, delivered to me personally by Pamela Oto.

MARLISSA HERNANDEZ
Assistant Secretary of the Senate



I acknowledge receipt this 30th day of September 2002 at 10:59 a.m., of SB 1970, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

DAVID VALVERDE
Assistant Secretary of the Senate

I acknowledge receipt this 30th day of September 2002 at 4:15 p.m., of SB 441, SB 807, SB 1479, SB 1553, SB 1751, SB 1799, SB 1791, and SB 1866, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Pamela Oto.

DAVID H. KNEALE
Assistant Secretary of the Senate

I acknowledge receipt this 30th day of September 2002 at 11:12 p.m., of SB 1539, SB 1619, SB 1644, SB 1652, SB 1654, SB 1734, SB 1736, SB 1785, SB 1793, and SB 1828, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

I acknowledge receipt this 30th day of September 2002 at 11:13 p.m., of SB 689, SB 783, SB 789, SB 804, SB 1024, SB 1175, SB 1409, SB 1413, SB 1523, and SB 1538, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

I acknowledge receipt this 30th day of September 2002 at 11:14 p.m., of SB 1891, SB 1975, SB 2064, and SB 2066, without the Governor's signature, together with a statement of his objections thereto, signed by the Governor, delivered to me personally by Casey Elliott.

DAVID VALVERDE
Assistant Secretary of the Senate

COMMUNICATIONS AND LETTERS OF TRANSMITTAL

The following communications were ordered printed in the Journal:

A report dated: January 5, 2002, relating to the Children's Health Insurance program was received from Managed Risk Medical Insurance Board and transmitted to the Committee on Health and Human Services.

A report dated: March 7, 2002, relating to consulting services contracts was received from the Business, Transportation and Housing Agency and transmitted to the Committee on Governmental Organization.

A report dated: April 1, 2002, relating to CalWORKS: Multidisciplinary Services Teams was received from the Department of Social Services and transmitted to the Committee on Health and Human Services.

The June 1, 2002, third quarterly report dated: June 20, 2002, relating to the California low-income Home Energy Assistance Program was received from the Department of Community Services and Development and transmitted to the Committee on Energy, Utilities and Communications.

A report dated: August 8, 2002, relating to consulting services contracts was received from the Emergency Medical Services Authority and transmitted to the Committee on Governmental Organization.

A report dated: August 13, 2002, relating to average interest rates was received from the Franchise Tax Board and transmitted to the Committee on Revenue and Taxation.



A report dated: August 19, 2002, relating to security construction modifications at the Porterville and Lanterman Developmental Centers was received from the Department of Developmental Services and transmitted to the Committee on Budget and Fiscal Review.

A report dated: August 19, 2002, relating to Disabled Veteran Business Enterprise participation was received from the California African–American Museum and transmitted to the Committee on Governmental Organization.

A report dated: August 19, 2002, relating to Disabled Veteran Business participation was received from the California Science Center and transmitted to the Committee on Governmental Organization.

A report dated: August 22, 2002, relating to senior services was received from the Department of Aging and transmitted to the Committee on Health and Human Services.

A report dated: August 23, 2002, relating to the California Innocence Protection program was received from the Office of Criminal Justice Planning and transmitted to the Committee on Budget and Fiscal Review.

Reports dated: August 23, 2002, relating to Medi–Cal pharmacy reimbursements and acquisition costs of pharmaceuticals were received from the Department of Health Services and transmitted to the Committee on Business and Professions.

An initiative title and summary, dated: August 23, 2002, relating to State and County Clemency Boards. Initiative Constitutional Amendment was received from the Department of Justice and transmitted to the Committee on Rules.

A report dated: August 26, 2002, relating to Disabled Veteran Enterprise participation was received from the State and Consumer Agency and transmitted to the Committee on Governmental Organization.

An initiative title and summary, dated: August 27, 2002, relating to Personal Income Tax. Treatment of Stock Purchased through Incentive Stock Options. Initiative Statute was received from the Department of Justice and transmitted to the Committee on Rules.

A report dated: August 28, 2002, relating to child care funds was received from the Department of Education and transmitted to the Committee on Education.

A report dated: August 28, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Building Standards Commission and transmitted to the Committee on Governmental Organization.



A report dated: August 28, 2002, relating to the Dental Board's enforcement program was received from State and Consumer Services Agency and transmitted to the Committee on Business and Professions.

A report dated: August 28, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Fair Employment and Housing Commission and transmitted to the Committee on Governmental Organization.

A report dated: August 29, 2002, relating to the prevalence of Hepatitis C in correctional facilities was received from the Department of Corrections and transmitted to the Committee on Public Safety.

The August 2002, quarterly report dated: August 29, 2002, relating to California school information services was received from the Department of Education and transmitted to the Committee on Education.

A report dated: August 30, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Department of Personnel Administration and transmitted to the Committee on Governmental Organization.

A report dated: August 30, 2002, relating to Disabled Veteran Enterprise participation was received from the Coastal Conservancy and transmitted to the Committee on Governmental Organization.

A report dated: August 30, 2002, relating to the scope of practice for Dental Auxiliaries was received from the State and Consumer Services Agency and transmitted to the Committee on Business and Professions.

A report dated: August 30, 2002, relating to the transfer of funds to the Federal Unemployment Fund was received from the Employment Development Department and transmitted to the Committee on Budget and Fiscal Review.

A report dated: August 30, 2002, relating to Community and Faith-Based Initiative Diversity was received from the Employment Development Department and transmitted to the Committee on Budget and Fiscal Review.

A report dated: August 31, 2002, relating to the California Master Plan for Education was received from the Joint Committee to Develop a Master Plan for Education—Kindergarten through University and transmitted to the Committee on Education.

A report dated: September 3, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Department of Finance and transmitted to the Committee on Governmental Organization.

A report dated: September 5, 2002, relating to consulting services contracts was received from the Insurance Commissioner and transmitted to the Committee on Governmental Organization.



A report dated: September 5, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Department of Insurance and transmitted to the Committee on Governmental Organization.

An audit report dated: September 10, 2002, relating to the Department of Industrial Relations' operational process for verifying whether farm labor contractors have current licenses was received from the State Auditor and transmitted to the Committee on Rules.

A report dated: September 10, 2002, relating to Disabled Veteran Business Enterprise Participation was received from the Department of Social Services and transmitted to the Committee on Governmental Organization.

A report dated: September 11, 2002, relating to Disabled Veteran Business Enterprise Participation was received from the State Gambling Control Commission and transmitted to the Committee on Governmental Organization.

An audit report dated: September 12, 2002, relating to the Department of Rehabilitation's Business Enterprise program for the blind was received from the State Auditor and transmitted to the Committee on Rules.

A report dated: September 12, 2002, relating to consulting services contracts was received from the Department of Managed Health Care and transmitted to the Committee on Governmental Organization.

A report dated: September 13, 2002, relating to crime and delinquency in California was received from the Department of Justice and transmitted to the Committee on Budget and Fiscal Review.

A report dated: September 13, 2002, relating to California's lands and natural resources was received from the California Resources Agency and transmitted to the Committee on Natural Resources and Wildlife.

A report dated: September 13, 2002, relating to Internal Affairs investigator workload was received from the Department of the Youth Authority and transmitted to the Committee on Public Safety.

A report dated: September 13, 2002, relating to the proposed demonstration project for the Prison Industry Authority was received from the State Personnel Board and transmitted to the Committee on Governmental Organization.

A report dated: September 13, 2002, relating to the Advanced Placement Challenge Grant program was received from the Department of Education and transmitted to the Committee on Education.

A report dated: September 13, 2002, relating to Lottery Expenditures for K-12 Education, 2000-01 was received from the Department of Education and transmitted to the Committee on Education.



A report dated: September 18, 2002, relating to Hate Crimes in California, 2001 was received from the Department of Justice and transmitted to the Committee on Budget and Fiscal Review.

A report dated: September 20, 2002, relating to Lottery Revenue and Expenditures was received from the Department of the Youth Authority and transmitted to the Committee on Budget and Fiscal Review.

A report dated: September 20, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Department of Financial Institutions and transmitted to the Committee on Governmental Organization.

A report dated: September 20, 2002, relating to the Surface Mining and Reclamation Act was received from the Department of Conservation and transmitted to the Committee on Budget and Fiscal Review.

A report dated: September 23, 2002, relating to an amendment to the Energy Resources Investment Plan was received from the Consumer Power and Conservation Financing Authority and transmitted to the Committee on Budget and Fiscal Review.

A report dated: September 23, 2002, relating to Disabled Veteran Business Enterprise participation was received from the Board of Equalization and transmitted to the Committee on Governmental Organization.

A report dated: September 23, 2002, relating to the Natural Heritage Preservation Tax Credit Act of 2000 was received from the Wildlife Conservation Board and transmitted to the Committee on Natural Resources and Wildlife.

A report dated: September 24, 2002, relating to the maintenance of the codes was received from the Legislative Counsel and transmitted to the Committee on Judiciary.

The July 2002 quarterly report dated: September 24, 2002, relating to the Capitol Area East End Complex was received from the Department of General Services and transmitted to the Committee on Rules.

A Referendum Title and Summary dated: September 26, 2002, relating to a petition to overturn amendments to judicial summary judgement procedure was received from the Department of Justice and transmitted to the Committee on Rules.

The 2002 third quarter report dated: September 30, 2002, relating to program evaluation was received from the Office of Criminal Justice Planning and transmitted to the Committee on Budget and Fiscal Review.



A report dated: September 30, 2002, relating to the Operation Revitalization project in the Oceanview/Merced Heights/Ingleside Terrace Neighborhood of San Francisco was received from the Office of Criminal Justice Planning and transmitted to the Committee on Budget and Fiscal Review.

A report dated: September 30, 2002, relating to the Rural Domestic Violence and Child Victimization program was received from the Office of Criminal Justice Planning and transmitted to the Committee on Budget and Fiscal Review.

A report relating to consulting services contracts was received from the Department of Forestry and Fire Protection and transmitted to the Committee on Governmental Organization.

WALTER J. LITTLE, Minute Clerk

O

└