

# END OF 2009-2010 LEGISLATIVE SESSION

## BILLS VETOED

### **AB 113 (Portantino) Health Care Coverage: Mammographies**

This bill requires health care service plan (health plan) contracts and health insurance policies that are issued, amended, delivered, or renewed on or after July 1, 2011, to provide coverage for mammography for screening or diagnostic purposes upon referral of certain health care professionals, regardless of age.

**Veto message:**

*I am returning Assembly Bill 113 without my signature.*

*This bill is not necessary and has no practical impact on the current state of health coverage in California. If the intent is to update an outdated 20-year old code section, then those updates should be consolidated in omnibus committee bills.*

### **AB 194 (Torrico) Retirement: Local Employees**

AB 194 would have capped retirement compensation for employees hired after January 1, 2011 under either the State Teachers' Retirement System or Public Employees' Retirement System for any employee at 125% of the compensation of the Governor in 2009 which was \$173,987 (125% equals \$217,483). The cap would not have placed a limit on salary levels, but on pensionable salary.

**Veto message:**

*I am returning Assembly Bill 194 without my signature.*

*The bill limits the salary that retirement benefits are based on for individuals, prospectively after January 1, 2011, to 125% of the Governor's salary, as specified.*

*The current compensation limit imposed by the federal government to determine public employee retirement benefits is \$245,000. Currently, this bill would cap the compensation counted towards retirement at \$217,483. While this two tiered cap that would be created by this bill would make a very small dent in the pension problem California faces, it cannot be considered real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that addresses the real cost issues that have driven up the liability in public pension systems.*

### **AB 677 (Solario) Public Works: Prevailing Wages**

This bill provides that specified work related to renewable energy generation is considered "public works" for purposes of prevailing wage law. The Senate amendments specify that the work at issue: 1) May be located on property wholly or partially owned by a school district or community college district, or on public property. 2) Is performed in connection with a long-term arrangement for the purchase of "partially or fully exported" power. AS PASSED BY THE ASSEMBLY, this bill provided that "public works" includes construction, alteration, demolition, installation or repair work done under private contract when all of the following conditions exist: 1)The work is performed in connection with the construction or maintenance of renewable energy generation capacity specifically to serve a school district or community college district. 2)The work is performed in connection with a "long-term" (at least five years) arrangement for the purchase of power by or for the benefit of the school district or community college district.

**Veto message:**

*I am returning Assembly Bill 677 without my signature.*

*Defining projects for renewable energy generating facilities serving school and community college districts as public works when the only public funds are those spent to purchase power produced is an unwarranted expansion of prevailing wage requirements into private works of improvement. Because the payment of prevailing wages results in higher costs, the bill may potentially reduce the number of renewable energy projects undertaken.*

### **AB 827 (De La Torre) Local Public Employees Contracts**

AB 827 would have prohibited a local agency contract for “excluded employees”\* executed or renewed on or after January 1, 2011 from containing:

- An automatic contract renewal.
- An automatic compensation increase that exceeds a cost of living adjustment.
- An automatic compensation increase that is linked to a third-party contract, including agreements under the Meyers-Milias-Brown Act or the Education Code’s employee relations provisions.
- A severance payment greater than the amount allowed by current law.

The bill also would have required that the results of the performance review for exempt employees be summarized in an open session of the governing board before a compensation increase greater than the consumer price index is approved (any raise after January 1, 2011).

\*An excluded employee is a person who is or will be employed by, and report directly to, the Legislative body of a local governing board that is not subject to the Meyers-Milias-Brown Act and the Public Records Act.

#### **Veto message:**

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

*The scandal with the City of Bell was a disgraceful use of public funds. I share the public outrage expressed over the abuses attributed to the City of Bell’s management of employee contracts. Assembly Bill 827 presents good public policy in that it provides transparency with regards to some municipal personnel contracts, but it should be applied to all public employees, including labor union members and state employees. I encourage the Legislature to enact thoughtful and meaningful solutions rather than a rushed proposal that is severely limited in its application.*

### **AB 1413 (Fuentes and Coto) Student Financial Aid: Eligibility**

AB 1413 would have established the California Dream Act of 2010 for purposes of permitting AB 540 students to apply for the Cal Grant student aid program if they meet requirements for nonresident tuition exemption. AB 1413 specifies that these students would only be able to receive a Competitive Cal Grant A or B award, if funding remains after all other eligible non-AB 540 students have received grants. The bill also broadens the definition of nonresident tuition students eligible for an AB 540 exemption to include graduates of adult education and technical schools provided the individual spent at least one year in a California high school. Enactment of AB 1413 was contingent upon SB 1460 (Cedillo) being signed into law.

#### **Veto message:**

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

*I have always wholeheartedly supported the policy of making higher education opportunities as affordable as possible for all California’s students. Our state’s university and community college systems are amongst the finest in the country and should be made accessible to those seeking a better life through higher education. Unfortunately, given the precarious fiscal situation that the state faces, it would not be practical to adopt a new policy that could limit the financial aid available to students that are in California legally, in order to provide that benefit to those students who are not.*

*Since the beginning of the year, I have committed to provide the highest amount of funding for higher education, including for financial aid to needy students, that I believe is prudent given all of the competing interest for limited resources. Given the difficult decisions that are yet to be made to enact a state budget, I am still hopeful that the funding level that I have proposed for higher education will still be enacted. However, with that uncertainty coupled with the ongoing fiscal liabilities California will continue to face in the coming years, the State needs to be especially cautious in even considering enacting a measure like this.*

**AB 1712 (Furutani) School Employees: Leaves of Absence: Classified Employees Elected to Legislature**

Requires a school or community college district to grant a leave of absence to any permanent classified employee elected to the Legislature. Specifically, this bill: 1) Requires the governing board of a school or community college district to grant a leave of absence to any permanent classified employee who is elected to the Legislature. 2) Specifies that during the leave of absence the employee may be employed by the district to perform less than full-time duties as mutually agreed upon. 3) Specifies that this leave of absence does not effect the classification of the employee. 4) Specifies that within six months after the end of the term of office for which the classified employee has been granted a leave, the employee is entitled to return to their prior position at the same salary they had prior to the leave. 5) Specifies that any person first employed to take the place of the employee on leave has no right to the position once the employee returns from serving in the Legislature but may, at any time, be employed or transferred to any vacant position in the district and will attain all rights of a classified employee as of the date of transfer or employment. 6) Specifies that a current classified employee moving into the position vacated by the employee on leave retains all his or her rights as a classified employee. 7) Specifies that because this bill imposes new duties on school and community college districts, it would constitute a state-mandated local program. 8) Specifies that permanent classified school district or community college employees who hold the office of Member of the Assembly or State Senator on or after December 6, 2010, and prior to January 1, 2011, are entitled to leaves of absence from their duties as district employees retroactive to December 6, 2010.

**Veto message:**

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

*This bill would undermine the ability of a local governing board to make staffing decisions based on its priorities and needs. These provisions should be negotiated through the collective bargaining process, rather than imposed by state law.*

**AB 1987 (Ma) Public Retirement: Final Compensation: Retirees**

AB 1987 would have established minimum standards and requirements for all public retirement systems in California with respect to final compensation, ongoing audits with penalties for noncompliance, and prohibitions against a retiree from immediately returning to employment with the public employer on a part-time or contract basis. This bill would have prohibited members of the Public Employees' Retirement System (PERS) or State Teachers' Retirement System (STRS) who retire after January 1, 2012 from working (including part-time or under contract) for a PERS/STRS employer for 180 days after retirement. The bill also limited what can be included in calculations that determine final retirement compensation. For example, if AB 1987 had been enacted only one year of accrued vacation time is permitted to be included in final compensation calculations versus an unlimited amount of vacation time which is currently allowed. This legislation is "double-joined" with SB 1425 (Simitian) and would only have been operative if both bills were signed into law.

**Veto message:**

*I am returning Assembly Bill 1987 without my signature.*

*The practice of pension-spiking is a serious one that deserves significant attention by the Legislature in curbing the unacceptable manner in which individual workers are able to artificially boost their retirement payouts. There are numerous examples of public employees taking home larger pension checks in retirement than what they earned in base salary when they were actually working. California does need a consistent standard that is transparent, understandable, and implementable throughout the state. While this bill purports to address this issue by segregating out some of the factors that have allowed pension spiking, in some instances it still allows local pension boards to determine what is ultimately counted in an employee's pension calculation. This does not provide a consistent treatment of all employees. The taxpayers of California deserve better. I am still hopeful that the Legislature can send me acceptable pension reform legislation.*

**AB 1997 (Portantino) California Community Colleges: Student Financial Aid Programs**

AB 1997 would have required the Chancellor's Office to implement a voluntary pilot program at up to 10 community colleges to identify strategies and best practices that increase student participation in both state and federal financial aid programs. The Chancellor's Office would have been required to submit a report to the Legislative Analyst's Office (LAO) by January 10, 2013 regarding strategies and techniques used at the pilot sites. The LAO was directed to issue a report to the Legislature that includes recommendations for statewide expansion of the pilot, a statistical analysis of financial aid applications and awards before and after the pilot, and a summary of the major strategies and techniques employed by participating campuses.

**Veto message:**

*I am returning Assembly Bill 1997 without my signature.*

*This bill is unnecessary. Nothing under current law prohibits the California Community College Chancellor's Office from working with local community colleges to meet the objectives of this bill. Furthermore, the annual budget act was augmented several years ago to provide the community colleges an additional \$34.2 million for financial aid outreach efforts that were expected to assist students with maximizing federal and state financial aid.*

**AB 2026 (Arambula) Standardized Testing: Matricula Consular Identification**

This bill requires a test sponsor to accept the Matricula Consular de Alta Seguridad (MCAS) issued by the government of Mexico through one of its consular offices within the last five years as a valid form of identification for purposes of admitting a test subject to take a standardized test and provides that no other identification shall be required for persons who present a valid Matricula Consular.

**Veto message:**

*I am returning Assembly Bill 2026 without my signature.*

*Current law already allows individual entities, such as a test sponsor specified in this bill, to accept the Matricula Consular de Alta Seguridad as a valid form of identification. The State should not have to require any entity to accept it. Testing sponsors should have the freedom to decide whether the Matricula Consular de Alta Seguridad is a valid form of identification for its purposes.*

**AB 2060 (Charles Calderon) Public contracts: fixed price contracts: sales and use taxes rate changes: transactions and use taxes**

This bill requires fixed price public contracts to include authorization to increase payments to private contractors for future sales tax rates.

**Veto message:**

*I am returning Assembly Bill 2060 without my signature.*

*First, I can understand the impact of new taxes on businesses and the frustration that contractors may have when they are not exempted from sales tax increases. This is one of the reasons I have continued to oppose raising additional taxes because it slows our state's economic recovery efforts and dampens job creation. However, this bill seeks an overly broad and permanent exemption which effectively shifts the burden of paying both state and local sales tax increases from the contractor to the government entity and ultimately, on California's taxpayers. In addition, I believe this bill is unnecessary because current law allows an exemption to fixed-price contracts for city and county tax increases, and such exemptions have been allowed on past statewide sales and use tax increases. I believe this process is appropriate and does not affect district tax revenues, as this bill would propose to do.*

**AB 2393, Ammiano. California Private Postsecondary Education Act of 2009**

The California Private Postsecondary Education Act of 2009 provides for the regulation of private postsecondary educational institutions by the Bureau for Private

Postsecondary Education, with specified exceptions. The act requires private postsecondary educational institutions to comply with various fair business practices, as specified. The act includes transition provisions from the former Private Postsecondary and Vocational Education Reform Act of 1989, which, among other things, provide for the preservation of certain claims and remedies under the former act. This bill would require a remedy that could have been ordered to redress a violation of the former act to remain available for certain actions that were commenced after June 30, 2007, and before January 1, 2010. Additionally, the act requires private postsecondary educational institutions to annually report to the bureau, and publish various statistics including job placement rates. The act requires job placement rates to be calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for specified programs. The act defines "graduates employed in the field" for the purposes of these provisions. This bill, with respect to occupations or jobs in an apprenticeship program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations or a position for which the Board of Registered Nursing has established licensure requirements, would separately define "graduates employed in the field" for purposes of the reporting requirements.

**Veto message:**

*I am returning Assembly Bill 2393 without my signature.*

*This bill would create varying standards for determining post-graduate placement rates from different vocational fields. California needs uniform standards in this area of law that can be consistently and fairly applied by the Bureau of Private Postsecondary Education, and that are predictable for consumers and schools. This bill proposes to put California on the same path to overly confusing statutes and guidelines that existed prior to the new Private Postsecondary Education Act.*

**AB 2448 (Furutani) Public contracts: community college districts: purchases**

This bill authorizes a California Community College district (CCCD) to, until January 1, 2016, award contracts for supplies and materials over \$50,000 to the bidder offering the best value at the lowest cost (best value contracting). Allows the governing board of a CCCD to authorize a contractor to proceed with one or more changes or alterations to a contract without securing bids if the cost of all changes or alterations does not exceed defined amounts.

**Veto message:**

*I am returning Assembly Bill 2448 without my signature.*

*This bill is substantially the same as legislation I have vetoed in the past because it may allow subjective methods to govern the bidding process for procurement of supplies and materials, which could be more open to manipulation and abuse in the ultimate bid selection. Such abuse could lead to non-competitive bidding and higher costs to the State's taxpayers and community college students.*

**AB 2682 (Block) Community Colleges: Student Assessments: Pilot Project**

This bill would have required the Board of Governors to establish a pilot project with the goal of creating a set of centralized common assessments in English, Math, and English as a Second Language. Colleges will be asked to use these online, common assessment tools at a fraction of the cost of their current assessments. These assessments would have been used for placement and advising. The Board of Governors would have been directed to convene an advisory committee for the pilot projects and report on specified progress by February 28, 2011.

**Veto message:**

*I am returning Assembly Bill 2682 without my signature.*

*I respect the author's intent to reduce costs and create efficiencies for students and community colleges. However, I have concerns that this bill creates a duplication of the efforts that resulted*

*from the expansion of the existing Early Assessment Program (EAP), which evaluates the college-readiness of high school students. I signed into law in 2008 the bill that expanded the use of the EAP operated by the California State Universities, to include community colleges. Therefore, it is unclear why this bill is necessary.*

**AB 2726 (Lowenthal, B) Employment Development Department: Career Centers**

This bill would require that entry into on-the-job training through an apprenticeship program approved by the Division of Apprenticeship Standards be considered job placement; and require the State Workforce Investment Board and local boards to ensure that programs and services funded by the Workforce Investment Act and directed to apprenticeable occupations, including pre-apprenticeship training, work in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards.

**Veto message:**

*The California Workforce Investment Board is currently engaged with the local workforce investment boards, key stakeholders and partners in the collaboration and coordination of programs and services funded under the Workforce Investment Act of 1998. This bill would duplicate existing efforts, therefore, this legislation is unnecessary.*

**SB 330 (Yee) Public Records: State Agency: Auxiliary Organizations**

SB 330 would have added CCC, CSU, and UC foundations to the Public Records Act and adds provisions protecting the confidentiality of fundraising strategies and work-product that could be used by competitors. The bill would have been exempted from disclosure under the act the names, addresses, and telephone numbers of persons who volunteer services or donate to specified entities if those persons request anonymity. This exemption would not apply if a volunteer or donor met specified conditions.

**Veto message:**

*I am returning Senate Bill 330 without my signature.*

*While I am a firm believer in providing openness and transparency when it involves public entities and public funding, this bill inappropriately places private auxiliary organizations that receive private funds, under the provisions of the California Public Records Act. The focus of our attention should be given to greater transparency of how the University of California and California State University systems spend the public funds from taxpayers or students. Instead, this bill would require disclosure of private donors, those generous alumni whose giving, especially in times of decreasing state funding, is helping keep our public universities the best in the world.*

*While the bill attempts to provide a veil of protection for donors requesting anonymity, as crafted, it will not provide sufficient protection for many who rightfully deserve a level of privacy as part of their giving. Often times, these generous private citizen donors do not want to be in the glare of publicity, and I cannot support a bill that makes it more difficult for our public universities to raise private funds to maintain the quality educational experience our students deserve, and parents expect, when they send their children to the University of California and California State University systems.*

**SB 515 (Hancock) Career Technical Education**

This bill requires, starting with 2012-13 fiscal years, as a condition of receiving federal funds provided under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998, and to the extent permitted under federal law, that school districts, regional occupational centers or programs, and community college districts demonstrate, that at least one-half of the course sequences offered are linked to high priority workforce needs in the career sectors identified by the Labor and Workforce Development Agency or the Labor Market Information Division (LMID) of the Employment Development Department for the State of California, for the economic region established by the state where the regional occupational center or

program, community college district, or school district is located, or for the county where the regional occupational center or program, community college district, or school district is located. The bill encourages school districts, regional occupational centers or programs, and community college districts to work with local workforce investment boards and the LMID in the identification of career sectors of high priority.

**Veto message:**

*During my Administration, I have worked to revitalize career technical education (CTE) programs throughout the state by increasing funding for programs and facilities, streamlining the credentialing process for teachers, and supported expansion of existing programs. I believe that current law provides sufficient safeguards to ensure that the courses and programs offered to our students lead them to opportunities in the workforce or postsecondary education. Placing additional restrictions on CTE programs could prevent them from qualifying for funding, limit expansion, or result in termination for non-compliance.*

**SB 675 (Steinberg) Partnership Academies: Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Program**

SB 675 would have required the California Energy Commission to set aside \$8 million annually over five years to fund start-up of an estimated 200 new academies in the growing job sectors of clean technology and renewable energy.

**Veto message:**

*I am returning Senate Bill 675 without my signature.*

*SB 675 would allocate funds from the California Energy Commission's (Commission) Energy Resource Programs Account (ERPA) to the California Department of Education (CDE) for developing and maintaining programs that focus on employment and training for energy or water conservation, renewable energy, pollution reduction, or similar technologies. Throughout my tenure as Governor, I have been a staunch supporter of increasing career-tech education opportunities for our young men and women. I continue to believe that career-tech education has a vital role to play in helping to develop and sustain California's students and our emerging green economy.*

*Nonetheless, given the current uses of the ERPA account at the Commission and the precariously low balance in that fund, this bill would require the Commission to increase the surcharge on electricity users throughout California to pay for its provisions. And even after doing so, the Commission would still be required in the future to cut its core programs to pay for this bill, including those related to power plant licensing, renewable energy facility licensing, and energy efficiency.*

*More importantly, I will not support increasing the surcharge on electricity users to fund a K-12 Education program. To do so would start a dangerous precedent for finding unrelated revenue sources to fund, expand, or create K-12 programs outside of the Proposition 98 guarantee.*

*Additionally, the bill only gives a minor role to the Commission in developing the guidelines for the program. Just as the Commission is not an expert in navigating our state's complex education system, neither are CDE employees proficient in the emerging technologies and future of our green economy. As such, the Commission should be CDE's partner in putting together this program so as to provide our students with the right skills to enter our green economy.*

*If the program included in this bill was wholly funded using Proposition 98 dollars and a greater role was given to the Commission to develop guidelines in cooperation with the Department of Education, I would sign it.*

**SB 957 (Price) Student Financial Aid: Cal Grant C Awards**

SB 957 would have required the California Student Aid Commission to give priority for Cal Grant C awards to students pursuing training in fields with high employment need, high salary or wage projections, or high employment growth. It also called for

a review and update to the areas of occupational and technical training for which students may utilize Cal Grant C awards at least every five years. The Legislative Analyst's Office would have been required to submit a report to the Governor and Legislature on the outcomes of the Cal Grant C program every other year beginning April 1, 2014.

**Veto message:**

*I am returning Senate Bill 957 without my signature.*

*I am concerned that this bill could limit choices students or eliminate the possibility of an award for lower income students, simply because the occupational areas that they have chosen to pursue was not deemed a priority by the state.*

**SB 964 (Alquist) Workforce Development Program: High-Speed Rail**

This bill requires the High-Speed Rail Authority (HSRA) to contract with the Employment Development Department (EDD) to develop a labor market assessment of the workforce skills needed to construct, operate, and maintain the high-speed rail system. Specifically, this bill: 1) Requires the assessment to (a) include a recommended strategy to ensure workforce training programs are available to facilitate the availability of a skilled, in-state workforce to participate in the project, and (b) be submitted to the Legislature by January 1, 2012, and thereafter be incorporated into the authority's biennial business plan. 2) Requires the EDD to establish an advisory committee, with specified representation, for purposes of completing the assessment. 3) Requires EDD, in preparing the assessment, to consult with the Mineta Transportation Institute (MTI) at San Jose State University, utilizing the institute's relevant research as appropriate, and with other relevant assessments efforts. 4) Appropriates \$500,000 for the above activities from the portion of high-speed rail bonds allocated for environmental studies, planning, and preliminary engineering activities.

**Veto message:**

*I am returning Senate Bill 964 without my signature.*

*While I strongly support efforts to provide a reliable high-speed rail system throughout California, I cannot support this bill. I agree that it is important for the State to create an inventory of skills required to successfully construct and operate a high-speed train system, but it is also important to provide a meaningful assessment to allow this to occur.*

*The assessment requirement as contained in this bill will entail a significant unfunded workload for the Employment Development Department (EDD) that translates to expenditures well beyond the \$500,000 currently identified in the bill itself. The EDD would be required to use private consultants to perform a significant portion of the assessment, as the high-speed rail industry is "siloe'd" into the various aspects of highspeed rail development. Additional information must be gathered and a strategy for conducting this research work developed before EDD can provide an accurate cost estimate assessment for this project. Additionally, the January 1, 2012 timeline is a factor that limits a meaningful assessment of this nature. We must balance our need for important program studies with our fiscal reality.*

**SB 970 (Corbett) Vote by Mail voting**

This bill would permit, until December 31, 2016, the Secretary of State, in conjunction with the county elections officials, the University of California, the California State University, and the California Community Colleges, to select 3 college campuses, one each within the University of California, the California State University, and the California Community Colleges, to serve as vote by mail ballot dropoff locations for any precinct in the county's jurisdiction during at least one general election. The bill would require voluntary consent from the local elections official within whose jurisdiction a vote by mail ballot dropoff location would be located. The bill would require that the vote by mail ballot dropoff locations be

available to receive votes on the 5 business days preceding election day. The bill would require each county elections official who has a vote by mail ballot dropoff location within his or her jurisdiction during an election to report to the Legislature and the Secretary of State regarding the use of the vote by mail ballot dropoff location within 6 months of the date of the election. The Secretary of State would then be required to report to the Legislature regarding an assessment of designated vote by mail ballot dropoff locations on college campuses by examining the participation in the program and the costs to the state for implementing the program.

**Veto message:**

*I am returning Senate Bill 970 without my signature.*

*While I support efforts to encourage college students to participate in elections, this bill is unnecessary. Current law provides sufficient flexibility for voters that vote by mail to return their ballots in a timely manner. Creating a voluntary pilot program to set up a drop off location for vote by mail ballots on select college campuses creates unnecessary cost pressures for the Secretary of State and local elections officials. A citizen's right to vote also comes with certain responsibilities, particularly to ensure that his or her ballot is submitted on time. Many Californians with busy schedules make the time to vote. The vote by mail option allows voters to complete their ballot at their convenience and to return it by mail, in person at the county elections office, or at any polling place in their county on Election Day. I believe these options provide the flexibility for all voters, including college students, to return their ballots.*

**SB 1059 (Liu) Local Educational Agencies: Districts of Residence**

This bill clarifies which local educational agency is responsible for the provision and payment of special education services for pupils with disabilities in the foster care system that have been detained in a juvenile hall and who are subsequently placed in a residential treatment facility.

**Veto message:**

*I am returning Senate Bill 1059 without my signature.*

*I have always been committed to ensuring that every child receives a free and appropriate public education, including students with special needs through the implementation of an Individualized Education Plan. This bill attempts to provide additional clarification on which local educational agency is responsible for foster care pupils with special needs who have been detained in a juvenile hall. While I appreciate the intent to address this complex issue, in light of pending litigation regarding this issue, it is premature to enact these statutory changes.*

**SB 1425 (Simitian) Public Retirement: Final Compensation**

This bill would have prohibited members of Public Employees' Retirement System (PERS) or State Teachers' Retirement System (STRS) who retire after January 1, 2012 from working (including part-time or under contract) for a PERS/STRS employer for 180 days after retirement. This bill specified that if a STRS retiree earns compensation in violation of this requirement, his or her retirement allowance would have been reduced by the amount of compensation earned in the prohibited period. This bill also made statutory changes to bring the provisions of the Teachers' Retirement Law (TRL) and the Public Employees' Retirement Law (PERL) into compliance with the new requirements imposed on all public retirement systems by this bill. This bill would have become operative for all active and future members of the retirement systems beginning July 1, 2011, and is "double joined" to passage of AB 1987 (Ma).

**Veto message:**

*I am returning Senate Bill 1425 without my signature.*

*The enactment of this bill is contingent upon the enactment of Assembly Bill (AB) 1987 (Ma). I am vetoing AB 1987 because it does not provide real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that really addresses California's pension problem.*

**SB 1460 (Cedillo) Student Financial Aid: Eligibility**

AB 1460 would have established the California Dream Act of 2010 and would have provided that a person who is eligible under AB 540 provisions is limited to eligibility to apply for institutional financial aid and scholarships derived from non-state funds, beginning January 1, 2011. AB 540 students would not be eligible to apply for state aid, i.e. the Cal Grant program. Under AB 540, non-resident fees are waived for students who have attended a California school three or more years, one of these years must be in high school, and graduated from a California secondary school.

**Veto message:**

*I am returning Senate Bill 1460 without my signature.*

*I have always wholeheartedly supported the policy of making higher education opportunities as affordable as possible for all California's students. Our state's university and community college systems are amongst the finest in the country and should be made accessible to those seeking a better life through higher education. Unfortunately, given the precarious fiscal situation that the state faces, it would not be practical to adopt a new policy that could limit the financial aid available to students that are in California legally, in order to provide that benefit to those students who are not.*

*Since the beginning of the year, I have committed to provide the highest amount of funding for higher education, including for financial aid to needy students, that I believe is prudent given all of the competing interest for limited resources. Given the difficult decisions that are yet to be made to enact a state budget, I am still hopeful that the funding level that I have proposed for higher education will still be enacted. However, with that uncertainty, coupled with the ongoing fiscal liabilities California will continue to face in the coming years, the State needs to be especially cautious in even considering enacting a measure like this.*