Doorkeeper (Emery Koehler): "Testing, testing, testing. Attention Members of the House of Representatives, the House will convene in 15 minutes. Attention Members of the House of Representatives, the House will convene in 5 minutes. All persons not entitled to the House floor please retire to the gallery."

Speaker Redmond: "The House will come to order. The Members please be in their seats. Mr. Doorkeeper. We'll be led in prayer by the Reverend Krueger, the House Chaplain."

Reverend Krueger: "In the name of the Father, the Son and the Holy Ghost. Amen. O Lord, bless this House to Thy service this day. Amen. 'What are you doing?', a man asked of three laborers beside a building under construction. The first man replied, 'Stone cutting'. The second smiled, 'Putting in time until a better job comes along'. The third man waited a moment and then said simply, 'I'm building a Cathedral'. Let us pray. Almighty God, our only Creator and the source of all wisdom and love, we come to Thee this evening hearts filled in thankfulness and gratitude for all those who have served in this House of Representatives of the State of Illinois during their several generations and are now at rest. May we ever keep faith with them as we consider the legislative matters before us this day. May we protect the innocent, provide for those in need, safeguard the rights of all the oppressed, respect human life and dignity and cherish the land and liberty in which we dwell. So that when our course in life is finished we may hear and have that reward, 'Well done, thou good and faithful servant'. We ask this in the name of our Lord and Saviour, Jesus Christ. Amen."

Speaker Redmond: "Roll Call for attendance. Representative Madigan."

Madigan: "Mr. Speaker, would the record show that Representative Emil Jones is excused because of illness?"

Speaker Redmond: "Are there any objections? Hearing none, the record will so show. Are there any excused absences on the Republican side? Let the record show that Representative Walsh is in the chamber. Introduction, First Reading. Representative Stuffle is in the chamber."

Clerk Hall: "House Bill 2485, Daniels, a Bill for an Act to amend Sections of the Real Property Tax Act. First Reading of the Bill. House Bill

2486, Kane, a Bill for an Act to amend Sections of the Inheritance Tax Act. First Reading of the Bill. House Bill 2487, Kane, a Bill for an Act to amend Sections of the Sanitary District Act. First Reading of the Bill."

Speaker Redmond: "Representative Geo-Karis is in the chamber. She was not quite on time today."

Geo-Karis: "Mr. Speaker, I..."

Speaker Redmond: "Representative Geo-Karis."

Geo-Karis: "...Good afternoon, Mr. Speaker, and Ladies and Gentlemen of the House. I understand you extended our time to 4:15 because Appropriations was late. So I'm very happy to tell you I'm here on time, Mr. Speaker. It's always nice to see your smiling Irish face. I swear you must have been born in Greece with all those smiles."

Speaker Redmond: "Aren't you sorry you're going to leave us? Representative Conti. Introduction, First Reading."

Clerk Hall: "House Bill 2488, Levin, a Bill for an Act to amend Sections of the Condominium Property Act. First Reading of the Bill."

Speaker Redmond: "Roll Call for attendance. For some reason or another the machine went on the fritz. Introduction, First Reading."

Clerk Hall: "House Bill 2489, Giorgi, a Bill for an Act to appropriate money to the Illinois Industrial Commission. First Reading of the Bill. House Bill 2490, Griesheimer, a Bill for an Act to amend the Game Code. First Reading of the Bill. House Bill 2491, Griesheimer, a Bill for an Act to amend the Fish Code. First Reading of the Bill."

Speaker Redmond: "Agreed Resolutions."

Clerk Hall: "House Resolution 451, Ewing-Hoxsey. House Resolution 452, Tipsword. House Resolution 453, Lechowicz et al. House Resolution 458, Steczo. House Resolution 459, Redmond. House Resolution 460, Ebbesen. House Resolution 461, Lynn Martin."

Speaker Redmond: "Representative Giorgi."

Giorgi: "Mr. Speaker, House Resolution 451 by Ewing honors Mr. and Mrs. John White on their 60th Wedding Anniversary. 452 by Tipsword notes the 25th Wedding Anniversary of Robert Rowland. 453 by Lechowicz honors James Rochford on his retirement from the Chicago Police

Department. House Resolution 458 by Steczo denotes that Charles S. White is celebrating his 50th Wedding Anniversary. 459 by Representative Redmond talks about the 40 years of Mr. and Mrs. James Sarno of Chicago, Illinois. 460 by Ebbesen talks about Miss Tammie Fisher being chosen Miss Illinois Teenager. And 461 by Martin notes the achievement of the Phantom Regiment. I move for the adoption of the Agreed Resolutions."

Speaker Redmond: "The Gentleman's moved the adoption of the Agreed Resolutions. Any discussion? The question's on the Gentleman's motion. Those in favor indicate by saying 'aye', 'aye', opposed 'no'; the 'ayes' have it, the motion carries. The Resolutions are adopted. Representative Bluthardt."

Bluthardt: "Mr. Speaker, I want to voice my objections for the record of the adoption of a Resolution sponsored by Peg Breslin. I don't see how we can enact or adopt any Resolution when the question of one's right to hold a seat is still undecided. And, Mr. Speaker, I want the record to show my objection to the passage and consideration of passage of that Resolution."

Speaker Redmond: "The record will so show. Does anyone want to join in that objection? Representative Collins...Representative Johnson... the record will so indicate. There's a...there's a Resolution for a Committee of the Whole. Who's got that one? Representative Madigan. Houlihan; ex-patriot Houlihan. Dan Houlihan."

Houlihan, D.: "This is House Resolution 466, Mr. Speaker? If I can... may read the Resolution, it states, 'Be it resolved by the House of Representatives of the Eightieth General Assembly of the State of Illinois that the House do now resolve itself into the Committee of the Whole House for the purpose of hearing testimony concerning the subject of unemployment compensation relating to the Federal Unemployment Compensation Amendments of 1976'. And I move the adoption of the Resolution."

Speaker Redmond: "Any discussion? The Gentleman has moved the suspension of the rules to permit the immediate consideration of House Resolution 466. Those...the question is on that motion...the question is on the motion to suspend the rules. Those in favor vote 'aye', opposed

vote 'no'. It takes 107 votes. This is in order that we may have a Committee of the Whole in order that we may have a federal expert tell us something about unemployment compensation. Representative Matijevich."

Matijevich: "Mr. Speaker, I thought this might be a good time because we've got pretty much the full Membership here and usually when we're in a Committee of the Whole sometimes we desert the ship and Members seem to file out quickly, I want to let the Members know that Appropriations I recessed its meeting until 10 o'clock tomorrow in Room 114. Appropriations II recessed their meeting, they will meet at 10 o'clock in Room 118, I believe. Appropriations I tomorrow at 10; Appropriations II tomorrow at 10. So I thought I'd make that announcement now rather than wait until everybody left."

Speaker Redmond: "On this question there's 100...take the record, Mr. Clerk...on this question there's 149 'aye' and no 'nay'; and the motion to suspend carries. Now, on the motion for the adoption of House Resolution 466. All in favor say 'aye', 'aye', opposed 'no'; the 'ayes' have it, the Resolution is adopted. Representative Polk."

Polk: "Mr. Speaker, and Ladies and Gentlemen of the House, it's an unusual day for the Members of the 36th Legislative District to have in our gallery today Chairman of our County Board and 3 of our Mayors. And if I might have the attention, I'd like to introduce them if I may. From the City of Moline we have Mayor 'Lorenson'; from the City of Milan, Mayor Bunesfall; Mayor of Rock Island, Mayor Campbell; and Chairman of the Rock Island County Board, Mr. 'Aubrey'. They're sitting up in the gallery with Jake and Clarence. If they'd stand to be recognized, please."

Speaker Redmond: "Pursuant to House Resolution 466, the House has now resolved itself into a Committee of the Whole. Is Representative Farley here? Representative Hanahan challenges anybody in the House to a game of marbles. Representative Jacobs on the floor? Representative Madigan."

Madigan: "Mr. Speaker, I request permission for introduction. And I wish to introduce the Chairman of the Cook County Zoning Board of Appeals, Mr. Alex Seith, who's standing right next to me in the aisle.

And he's accompanied by his wife, Fran, Fran Seith."

Speaker Redmond: "Representative Ryan, are we ready to proceed with the Committee of the Whole?"

Ryan: "Yes, Mr. Speaker, but prior to that time, I would hope that we could seat the new Members."

Speaker Redmond: "Oh, surely. Representative Ryan."

Ryan: "Well, thank you, Mr. Speaker, and Ladies and Gentlemen of the House. It's with a great deal of pleasure..."

Speaker Redmond: "The House will come to order, please be in your seats. This is a very important occasion. Will the Republican caucus please break up? Representative Ryan."

Ryan: "...Well, thank you, Mr. Speaker, and Ladies and Gentlemen of the House. It's with a great deal of pleasure that we welcome Representative Paul Matula to this Body today. I extend that welcome not only on behalf of the...his Republican colleagues, but I'm sure on behalf of all the Members that are present here today. Paul joins us, as you all know, due to the unfortunate death of our former colleague, Joe Sevcik. But if there's any one thing that should comfort us in the loss of Joe is that the people of the 7th District have sent us another man of high caliber in Paul Matula. And it's with a great deal of pleasure, as I said, Mr. Speaker, and Ladies and Gentlemen of the House, that I present Mr. Paul Matula as a Member of the General Assembly."

Speaker Redmond: "Welcome aboard."

Matula: "Mr. Speaker, Members of this honorable Body, I am very happy and proud to be a part of this honorable Body. I am sorry it was due to the circumstances. I will do my utmost to fulfill my duties as a Member of the General Assembly from my district, the 7th Senatorial District, as well as for the people of the State of Illinois. I thank you very much."

Speaker Redmond: "Representative Jacobs in the Chair."

Speaker Jacobs: "The Committee of the Whole please come to order. Can we have it quiet? Can we have a little quiet please? We have...we have to address us and to answer questions some Members of the United States Department of Labor and from the Employment Security Division,

the Administrator of Employment Security, Tom Ross and a Mr. Rubin...Mr. Murray Rubin, the Unemployment Service of the U.S. Department of Labor. What we're...what they are going to talk to you about is the unemployment insurance, and they will be available for questions from the floor. So if...and if Mr. Ross will please come to the podium, please. Ladies and Gentlemen, I think that this is very, very important, as I know your mail has been like mine, pertaining to the unemployment compensation. And I think that you're going to get some valuable information from these two gentlemen and plus the fact you're going to get some questions answered. And could we please take and give Mr. Tom Ross, Administrator of the Bureau of Employment Security your attention. Thank you."

Mr. Tom Ross: "Good afternoon. I've come here to talk to you about..."

Speaker Jacobs: "Please, could we have it quiet. This is very important, probably one of the most important pieces of legislation that we have at this present time. Representative Bradley."

Bradley: "Mr. Speaker, Mr. Chairman, I wish that you would ask that the floor be cleared of those people not entitled to the floor standing right here. It's almost impossible to hear the Gentleman. And I would hope that we could get some order to answer the questions this gentleman can supply a great many answers, I hope, and shed some light on the problem. And I would...just backing you up, Sir, I wish we would clear the floor of those people not entitled to the floor."

Speaker Jacobs: "Thank you, Representative Bradley. Will the Doormen please clear the aisles; and also those who are not entitled to the floor, will they please go to the gallery. If we could have it quiet, if we could cut out the conversation and listen to Mr. Ross, I think we would be much, much better off."

Mr. Tom Ross: "Good afternoon. I'm pleased to have the opportunity to come here this afternoon and talk to you about a couple of very complicated and difficult questions. I know that there has been a great deal of confusion about these issues in the General Assembly as well as in state government. But basically the General Assembly

is faced with two issues relating to unemployment insurance. The... the first of these issues deals with conformity with new federal laws enacted last fall; the second issue relates to deferral..."

Speaker Jacobs: "Representative Conti."

Conti: "Mr. Speaker, Ladies and Gentlemen of the House, this is one of the most crucial issues facing us in the next couple of weeks and the next couple of days. I certainly would like to hear him. If the microphone is not working, let him address this audience in one of the seat microphones so that we can hear him. Because I certainly want to hear what he has to say."

Speaker Jacobs: "Well taken, and if we...we'll try it again, and if it doesn't work, well, we'll find another way. All right, try once more."

Mr. Tom Ross: "...I appreciate the opportunity to come and talk to you today about a couple of very complicated and highly technical issues relating to unemployment insurance. Most of you have had some exposure to these issues; but some of you, I think, some of the background material may be repetitive, but I'm going to go through it anyway because I think it's important and I think it's critical to a full understanding of the issue. The two major issues dealing with conformity with new federal law, the federal law enacted last October, October, '76. The second issue has to deal...has to do with the deferral or the possibility of deferring repayment of the federal loan of $751,000,000, which the state is currently owing to the Federal Government with payment due on November 10th of this year. On the first issue, conformity with new federal legislation. The essential questions are whether or not the state will take the necessary action to put its state unemployment insurance law into conformity with federal unemployment compensation legislation. Those requirements include raising the taxable wage base for unemployment insurance from its current $4,200 to $6,000, extending coverage to certain groups that were previously not covered by the state law. Those groups include public employees, domestic employees, agricultural employees and certain employees of schools below the level of higher education. There are certain other technical

requirements which have basically been noncontroversial. They deal with the exclusion of illegal aliens, exclusion of athletes between seasons and some other questions. If legislation is not enacted and signed into law in Illinois on this question before January 1, 1978, a series of federal penalties go into effect, which would have severe damage to the business community in Illinois. The serious and most important of these penalties is loss of the federal credit against federal unemployment tax. That credit, off-set credit, is 2.7 percent; and that's the amount that we...that employers in the state would stand to lose. That amounts to $162.50 per employee, for every covered employee in the state for a total of approximately $700,000,000 state-wide. The second major issue is the question of deferral of loan repayment, and it's again a somewhat confusing and complicated issue. But essentially what happened was that the state started borrowing money at interest-free loans from the Federal Government in December of 1975. Under current federal law, if that amount of money, which now amounts to $751,000,000 is not repaid by November 10th of this year, certain other federal penalties go into effect, again, in the form of loss of an off-set against the federal unemployment tax. Now, there are a couple of...of options that are available to the state in terms of...on this issue. It is possible for the state to defer repayment of the loan or payment of the penalty beyond November 10th of this year if certain changes are made in the Unemployment Insurance Act for Illinois that have been included in...in S.B. 6, which is currently in the Senate. Those provisions would increase the minimum rate on the state tax from .1 percent to 1.0 percent. They would impose an across-the-board surtax on all employers of .3 percent; and they would further make a change in a current exclusion of law to provide for taxation of the first $40,000 of taxable wages that an employer incurs during each calendar quarter. That is one of the possible ways of deferring the federal penalty. There is a second and a third option. The second option is to pay in full the Federal Government the amount of the federal penalty before November 10th. That amount is approximately $48,000,000 for the State of Illinois. A third

requirement...a third possibility would be to suspend all variation in state taxes and impose a uniform 2.7 percent tax on all employers in the state. The third option was never seriously considered because it basically does not have any advantage. The first two options are those that...that have been considered and including the question of whether or not it would not be better to just allow the federal penalties to go into effect. To summarize, it's my strong feeling that the...that the best way to defer the loan is to enact the necessary changes to state law; and that is based on my analysis of the fact which indicates to me that although under any conditions taxes are going to increase for the employers in this state, that the minimum tax increase that will meet the federal deferral requirements are those that are included in Senate Bill 6. Essentially, I say that for the following reasons. There are 75,000 employers in the State of Illinois, approximately, paying .1 percent. And while those employers would have a substantial tax increase under this proposal, going to 1.0 percent in 1978. The other option, the option of allowing the federal penalties to go into effect, would end up also increasing those people's tax. So that those 75,000 employers, while they would pay more tax under the deferral option, would pay a small increase in tax, approximately $5.40 per employee. The other 125,000 employers in the state that are paying over 1 percent in taxes would save with the deferral provision $30.60 in the next two years, taxable year '77 and taxable year '78, would save $30.60 per employee. And it's my...my analysis indicates that although there are certain people that are going to end up paying more tax with deferral, that on the whole the tax liability for the business community is lessened with deferral and that the...there are a smaller number of employers who are impacted negatively. There has been a lot of concern expressed about the question of small employers. And we have talked a lot about those people that employ less than 10 people and the impact of these provisions on...on those employers. There are approximately 63,000 employers with 10 or less employees who currently are paying .1 percent and approximately 60,000 small employers, employers with less than 10 employees, who are

paying over 1 percent. Therefore, I believe that the impact will not be felt more by small employers than by large employers. It is true that the impact will be felt more substantially by employers who have in the past had good experience ratings. Those people paying .1 percent are going to have an increase in their tax; and they...and they may feel that that is not...is not just. But the... my point is that the increase in their tax is not as great as the increase on the rest of the employers in the state if the...if the Bill is not enacted. The total increase in taxes on that group of people at .1 percent, to employers of .1 percent, would be about $15,000,000 under the deferral option and about $10,000,000 under the federal penalty option. So in summary, I think there are two important questions. One of which is conformity with federal law; and I think that that is in terms of the potential impact on the state, the most serious question and the most difficult question. The point on deferral, it seems to me, that the proposal that has been included in S.B. 6 is the proposal that is most advantageous to the...to the state. On the question of deferral there's no easy solution. And either option requires an increase in taxes; but in point of fact the state has borrowed $750,000,000 from the Federal Government and that that loan will have to be repaid, and the only way to repay it is through increases in taxes. And the real issue is to figure out how to most equitably and fairly spread that burden and how to do so in a way that it does the least injury to the business climate in the state. So with that said, I would be glad to respond to questions. I have with me 'Murray Reuben' from the Unemployment Insurance Service of the U. S. Department of Labor, who is also available to respond to questions."

Speaker Jacobs: "Are there any questions of Mr. Ross? Would you press your button...Mr....first the Gentleman from Cook, Representative Kosinski."

Kosinski: "I'm a small employers. I have 7 employees, under 10. Without any loss experience, laying nobody off over the last several years, I zoomed 270 percent from .1 to 2.7. This occurred because some of my part-time employees have been released from their major

occupation; and I was the recipient of that horrendous increase. Now, from a point 1, to what will this proceed under Senate Bill 6?"

Mr. Tom Ross: "From .1 the state tax proceeds to 1.0 percent for 1978."

Kosinski: "And from 2.7...it will increase to what then?"

Mr. Tom Ross: "...It will increase from...from..."

Kosinski: "2.7."

Mr. Tom Ross: "...from 2.7 to 3.0."

Kosinski: "3.0. And this is...and this is across-the-board, this is large employers as well as small employers?"

Mr. Tom Ross: "The increase will be felt pretty much equally across-the-board on small employers. I mean there are about as many small empoyers at .1 percent as there are over 1 percent currently. Large employers tend to cluster more in the group that's paying a higher tax."

Kosinski: "You see, my concern as possibly representing small employers is in a small competitive arena it's very difficult to pass on the cost of additional cost of business to the consumer. In large industry it's a little simpler to pass on that cost. This puts up... us in rather a competitive squeeze. Isn't there any way Senate Bill 6 can be worked in such a manner as to give an excalation depending on the number of employees?"

Mr. Tom Ross: "The...under this option for federal deferral there is a requirement that the minimum state tax be 1.0 percent. So that there really is no possibility under this plan for achieving deferral in any other way than by increasing the state tax from .1 percent to 1.0 percent. I would point out that those...that while there are 63,000 employers with 10 or less...with less than 10 employees paying .1 percent, there are also 60,000 employers with 10 or less employees paying over 1 percent. And under this provision they would be hurt much more substantially under...if the Deferral Bill is not passed...if S.B. 6 is not enacted. And included in that group...included in that last 60,000 are approximately 30,000 small employers that have been in business for less than 3 years, and who I believe are particularly susceptible to this increase cost. Repeating again, the deferral provisions in S.B. 6 would cost $5.40

more for people paying .1 percent. However, it would save people paying over 1 percent $30.60 per employee."

Kosinski: "So by paying more tax I'll be saving more money?"

Mr. Tom Ross: "You're...there's no way to avoid an increase in the tax..."

Kosinski: "...when you mentioned under this plan, you mean under Senate Bill 6, is that right?"

Mr. Tom Ross: "Under either option. If Senate Bill 6 is not enacted, then the federal penalties go into effect. And the federal penalties have a...have a more substantial impact on all employers in the state who are paying over 1 percent. And there are 125,000 employers in the state paying over 1 percent who would pay $30.60 in additional taxes under the federal penalty action."

Kosinski: "And there will be no clear way in which to reduce the cost to the various small employer further under Senate Bill 6?

Mr. Tom Ross: "Not in the next two years. There is a possibility in the ...in the possible third year of deferral to allow some...to allow any further increases not to fall upon that group."

Kosinski: "Thank you, Mr. Chairman."

Speaker Jacobs: "The Gentleman from McHenry, Representative Hanahan."

Hanahan: "Mr. Ross, I sat in the Senate hearing all day with you and observed an awful lot of interest in various proposals and suggestions that were made. The first suggestion I'd like to have you enumerate to the Members of the House is whether or not you consider a proposal like Senate Bill 6 or any kind...like proposal as being the proper way of addressing ourselves with diligence and integrity to the total problem; and I mean specifically, do you feel that the Legislature will have an opportunity to in-depth analyze the two major problems within Sen...that Senate Bill 6 alleges that it's going to relief in the business community, and that is, compliance as one issue and repayment as the other?"

Mr. Tom Ross: "I think on the first issue on the compliance or conformity with federal law issue, Senate Bill 6..."

Hanahan: "Speak into the microphone, I can't hear you."

Mr. Tom Ross: "...Senate Bill 6 meets the federal requirements for conformity and, therefore, should be enacted. On deferral, I think

that the...that Senate Bill 6 provides the most advantageous way for the business community in this state as a whole, large employers and small employers alike, to start repaying that loan."

Hanahan: "Okay. Now, I challenge your statement that you...that you just made that compliance is Senate Bill 6. That's just one form of compliance. You and I both know, and the Members of the House should be aware, there's a few options in that compliance section that you have changed positions since last May. This administration, the Governor of this state had introduced into the General Assembly a Senate Bill that did not have certain provisions that are now in Senate Bill 6; and we speak specifically of the public employers coverage and the opting out provisions of the Supreme Court and alleged...may be Supreme Court case taking place. Now, what I'm asking you, in all fairness to the Members of this House, do you think that it is within a reasonable gesture to try and ask the Members of this House, or the Senate or the General Assembly to try and delve into the complex situation of repayment and conformity at the same time, or shouldn't this be more deliberately attacked and deliberately addressed by separate legislation?"

Mr. Tom Ross: "Well, I am very concerned about the...the deadline for qualifying for deferral of the loan repayment. The deadline is November 10, 1977, which is a week from tomorrow. And I am concerned that there may be issues raised on the conformity legislation that deal with a whole range of questions. What...and put whether contribution rate...public employer should be taxed at. Whether or not nonacademic employees of schools should be covered during the summer, whether or not the whole Bill is a...the new provisions of the Bill if they're found unconstitutional by a federal court should be automatically repealed, whether or not the state can or should pay a portion of public employer costs. And those are questions I'm sure are going to take a lot of discussion and a lot of time."

Hanahan: "So your answer a minute ago about being in conformance is really not as black to white as you portray. The issue of conformity has a lot of options, and this Legislature should in all deliberate

speed entail itself and detail itself into the various suggested methods of options; and wouldn't that be a fair way of going?"

Mr. Tom Ross: "I think that that...that's a fair statement. I am concerned that then...the deferral legislation must be enacted by November 10."

Hanahan: "Right. I'm going to speak, Mr. Chairman, and to this witness, only on the deferral portion of this issue. And if the Members of the House are confused, wait until you finish on just this one portion. Now, the deferral part of this legislation is the $751,000,000 that we have borrowed from the Federal Government, close to $100,000,000 surplus we should have in our trust funds that has been drained off by unemployment claims in the last few years. This would be a fair statement to make."

Mr. Tom Ross: "That's a fair statement."

Hanahan: "Okay. Now, it isn't a matter for this Legislature really to get upset on whether or not we're going to repay because this is going to happen whether we do nothing or we change every law on unemployment payments. Isn't this a fair statement?"

Mr. Tom Ross: "That is a fair statement."

Hanahan: "The money will be repaid if we adjourned right now and went home, this $751,000,000 will be repaid to the Federal Government just a different manner, am I correct?"

Mr. Tom Ross: "That's correct."

Hanahan: "Okay. The next question I have, then isn't this true that there are many methods that we could talk about, not just three options, but many methods and many types of tax rates that we could talk both on taxable wages and on the amounts of rates over 1.01 on the amount on the minimum that we could talk about as far as what the proposed repayment plan, repayment schedule will be? Couldn't we attempt, as a legislative Body to go into all sorts of contortions to bring about this $751,000,000 to meet the federal requirements of the time period?"

Mr. Tom Ross: "If, in fact, the state wants to qualify for a deferral of the loan repayment..."

Hanahan: "Right."

Mr. Tom Ross: "...by taking action by November 10th; then under the option that's presented in Senate Bill 1, the minimum rate would have to be increased to 1 percent. What's done beyond that is... is up to the Legislature."

Hanahan: "It's up to the Legislature. Now, I'm going to suggest this to the Members of the House because I've stood on the floor of the House and have been called everything but being the right guy concerning business interests in this state; and I want those Members who have always beat their chests and talked about being for the business community and making Illinois a healthy community to find employment in to listen to this. We are now under Senate Bill 6 in this administration's proposal going to charge 74,900 employers of this state that have never contributed to one claim against the unemployment insurance in the last 3 years, am I correct? Are we going to charge them a 1,000 percent increase?"

Mr. Tom Ross: "I don't think that is correct. The...the..."

Hanahan: "From $4.20 to $60 a year per employee is how much?"

Mr. Tom Ross: "...that...that is only taking into account the state unemployment tax, there is a federal unemployment tax."

Hanahan: "Right, I...I'm not a Congressman, I'm a State Legislator. I could only affect that portion of the state tax."

Mr. Tom Ross: "That's right, that's right. But the impact of failing to enact the deferral legislation is to allow an increase in the federal tax."

Hanahan: "I'm suggesting that I'm going to support legislation to meet the deferral requirement of the federal law. I am not in any way standing here saying that I'm suggesting to my colleagues that we should not meet the deferral requirements of the federal statute. Okay? Let's get that very clear. I'm talking about now equity or fairness to the business community of this state. When under the federal act in an order to conform towards this kind of payment schedule, we are going to take 74,900 employers that have never contributed one pennydrawn from our trust fund in the last 3 years, and we're going to increase their per employee tax from $4.20, as it is presently, to $60 a year per employee. That's as I read it and the

best English I could put it."

Mr. Tom Ross: "We're going to increase their state tax by that amount."

Hanahan: "That's right, from $4.20 to $60 per employee. And I'm telling you, Ladies and Gentlemen of this House, that we're talking about employers that never had one claim. We're talking about employers that have never had one nickel drawn from the trust fund, going to get this kind of increase on their tax bills, and then let him tell you what kind of increase that the big guy is going to get. They're going to get a God Almighty sum of $18 an employee. You know why? Because in this Senate Bill...in this Senate Bill and this administration's proposal there's only a .3 of 1 percent increase for the big guy. And I'm not talking about just the big guy that...that has good employment record, because he's still down at the bottom, I'm talking about the big guy who has an awful lot of unemployment claims, he's at 4.0 now. He's only under this proposal going to 4.3, where the other one's going from .001 to .01, a 1000 percent."

Speaker Jacobs: "Just a minute, Representative Hanahan..."

Hanahan: "Now wait, I've got one point I want to..."

Speaker Jacobs: "...just a minute, please..."

Hanahan: "...why hasn't this administration...why hasn't this administration come up with another alternative?"

Speaker Jacobs: "...We have point of order, just a minute."

Deuster: "My point of order was I thought we had a witness and that questions were being asked. I hear a speech and I really think that we ought to ask questions of the witness and have the witness respond rather than having speeches. We can have speeches later."

Speaker Jacobs: "Your point is well taken. Representative...Representative Hanahan, what we're dealing with is subject matter and not on any special legisla..'amuck'. So would you keep that in mind, please."

Hanahan: "...I...But the only thing this administration has had introduced and the only thing that we can address ourselves to is a proposition called Senate Bill 6 or House Bill 236 in the Senate. I mean, I don't know maybe you're going to have one evaporate onto this floor of this House some time; but right now there's only 2 Bills that we...and both Bills do the same exact thing. They're in

conformity and they're a method of conformity. And what I'm trying to explain to the Members of the House here is that it's a bunch of hogwash if you say there's only one way to conform. There is other ways. And let me ask the...the spokesman for the administration why he has not had introduced other methods of conformity. And I'm talking about conformity of raising the taxable wage base from $6,000 to $6,800 to $7,800 to the social security base or any... or the factory work week base. There are many methods and options that we could conform for the deform...the deferment payments that has not been presented by this administration. And as I view it, you're derelict in your duty and you're not coming before this House clean."

Speaker Jacobs: "Representative Hanahan, we have about 10 more, and we do want to..."

Hanahan: "Has anyone got any questions like I can ask?"

Speaker Jacobs: "...The question is we'll find out, Tom...Mr. Ross, let the witness respond."

Mr. Tom Ross: "I would point out...I would just make a couple of observations. First of all, the failure to enact a deferral provision will result in an increase and that small...that employer will pay .1 percent of...from $4.20 to $54.60. So there is a savings through that employer by not enacting deferral with $5.40. It's not a question of $4.20 versus $60. It's a question of $54.60 versus $60. For those employers paying .1 percent, the deferral provision will result in increased taxes of about $5,000,000. For those employers paying over 1 percent, the total increased taxes in 1978 would be about $150,000,000. And it was our estimate that's in the point of view of the business community of the state as a whole that had made sense to try to save them or to defer the liability for an additional year to the tune of $145,000,000. And that still makes sense to us."

Speaker Jacobs: "Representative from Lake, Representative Griesheimer."

Griesheimer: "Thank you, Mr. Chairman. My question for the witness, one of the problems that has been bothering a number of people has to do with the way the new increases will come through. Now, as I understand it, part of the increase is because it's a mandated increase

of the federal program and the other increase has to do with paying back the money which we extracted from the Federal Government when we didn't have enough to fulfill our obligations, is that correct?"

Mr. Tom Ross: "That is correct."

Griesheimer: "Now, the 'sea' of my question is is that after we repay the Federal Government will the tax then go down in Illinois or would you continue to draw that additional amount from every employer?"

Mr. Tom Ross: "Under the way the current Bill is written, S.B. 6, when the loan is repaid, those emergency provisions would drop and would revert to the old tax structure. However, I think it is fairly clear if one does an analysis of the financing of unemployment insurance that there will be tax increases required to continue to pay for benefits otherwise we're going to be right back into borrowing from the Federal Government again."

Griesheimer: "That sounds like administrative double talk to me. Now, if we pay back the loan of almost three-quarters of a billion dollars to the Federal Government, are you telling me that we're going to not be able to cover our existing ongoing costs with the other phase of this, which is also an increase?"

Mr. Tom Ross: "If we use the roots that is prescribed in S.B. 6 to pay back that money, it will take about 6 years to pay it back. And at that time under the provisions of the Bill the rates would go back to where they are now, from a minimum of .1 percent up to a maximum of 4.0 percent. However, I believe that some restructuring of that...of that range will be required, whether it's a raise in the minimum rate or raise in the maximum rate or whatever. It is... it is apparent that there has been enough money generated to the unemployment trust fund in Illinois to pay for benefits. In the 2 years, 1975 and 1976, the state paid $1.5 billion dollars in benefits and collected $500 million dollars in taxes with the current tax structure."

Griesheimer: "Do we control who is eligible or does the Federal Government dictate who's eligible?"

Mr. Tom Ross: "The Federal Government dictates who is covered by unemployment insurance. The state decides who is eligible within those

provisions. The specific eligibility requirements are up to the state. But the Federal Government mandates that certain types of workers be covered by the program. So whether or not an individual is a public employee who's laid off is, in fact, then eligible for unemployment insurance. And how he's eligible and how much he's eligible for is up to the state."

Griesheimer: "When you say, 'How much he's eligible', do you mean the physical dollar amount?"

Mr. Tom Ross: "That's right."

Griesheimer: "So that feasibly either we're going to be faced with another bill within the next 6 years to again increase unemployment compensation or we have to lower the benefits, is that correct?"

Mr. Tom Ross: "That would be my reading, yes."

Griesheimer: "Would the administration be objectionable at the present time to an Amendment to the existing Bill to lower the benefits now?"

Mr. Tom Ross: "Yes, we would object to that, and we would..."

Griesheimer: "Then why would you do that in light of the fact that with the business climate in Illinois, just this last year we've lost 860, as I understand it, excuse me, 86,000 manufacturing jobs in this state because of business leaving the state, why would we not want to do something to improve the business climate? And this might be a means of doing it."

Mr. Tom Ross: "All right, there are 2 questions on that. One of which is that the...the revisions in the eligibility requirements and benefit amounts are not within the call for the Special Session. The second question is that...the second issue is that they're complicated questions, they're difficult to achieve agreement about, and within the time span that we're talking about now, I don't think that we could come to a consensus as to what the...what was desired."

Griesheimer: "So, realistically, we are hurdling towards further financial oblivion of business no matter how we face it."

Mr. Tom Ross: "I think that reforms in Illinois unemployment insurance law would be an appropriate topic of discussion in the next Session."

Speaker Jacobs: "Representative from Macon, Representative Dunn."

Dunn, J.: "Thank you, Mr. Chairman. I would like to know...I've heard testimony here today about the fact that there is no option available to the State of Illinois for those employers who are in the position of having the best record, the tenth of 1 percent rating, they're going to be jumped to 1 percent. And I would wonder, first of all, why the Federal Government doesn't give us the option of deciding how to apportion this unemployment tax burden among our citizens, ourselves, and just be interested in collecting the total dollars? I don't know exactly what the figure is, but there's an annual sum that the Federal Government feels is needed, and if we can assure the Federal Government that our program will produce that sum, I wonder why the Federal Government cares how we apportion the tax burden among our employers?"

Mr. Tom Ross: "I think I'll let Mr. Rubin from the U.S. Department of Labor respond to that question."

Mr. Murray Rubin: "Can you hear me? When the Deferral Bill was pending in the U. S. Congress, the Department of Labor recommended...urged that the Congress give directions, give guidelines as to what it felt would be appropriate in terms of criteria to allow a state to qualify for deferral. The Congress did not do that, but rather left to the Secretary the discretion...the Secretary of Labor the discretion of determining that by regulations. Regulations were issued in a proposed form and then circulated for comment. Later in response to the comments some changes were made and the regulations were issued in final form. The one aspect of deferral that we're confronted with today involves 3 separate constituent parts; one, an increase in the minimum wage, comparable to any employer of 1 percent; the second is an increase in the maximum rate beyond 2.7; and the third is an average rate in excess of a 10 year average cost rate. What you're asking...I realize what you're asking is, why...why the structure is that way? I believe the rationale was to...the effort was to insure that the state effort, in terms of raising revenue, apply it across the board. If the state made a general...genuine effort to apply to employers at both ends of the spectrum, both those

that provided for the highest rate as well as those that had enjoyed the lowest rate. In some states, employers pay zero rate to the state. In Illinois, the minimum rate is one-tenth of 1 percent. The effort was to insure that all employers participated in the increase. And it...that's how it came out. I apologize for the length of that answer to your question."

Dunn, J.: "Well, isn't there a calculation made as to how many dollars are to be generated by this proposed change in program? Is... that's what you're really interested in, isn't it? Is dollars to the Federal Government to repay our outstanding indebtedness to the Federal Government?"

Mr. Murray Rubin: "Well, the...what we're talking about is the conditions for deferral of what would otherwise apply...what would otherwise apply would be a three-tenths...in effect, would be a three-tenths of 1 percent..."

Dunn, J.: "I understand it."

Mr. Murray Rubin: "...rate on all employers."

Dunn, J.: "Now, what are...what are the changes that other states have made? Are they all in the same situation where the people with the best record are raised 1000 percent?"

Mr. Murray Rubin: "22 states have borrowed money. Most of those states will qualify for deferral this year. Only 1 state took an option different from the one we're talking about. The other states are in different stages of proceeding toward enacting legislation that will allow them to take advantage of the option. Virtually all of them will qualify for the option under this method. They will raise the minimum rate from whatever it is now to at least 1 percent."

Dunn, J.: "Let me ask this. Had the Illinois General Assembly taken action on this matter earlier, last spring for example, would there have been more flexibility available to us? Could we have done what a lot of us would like to do? And that is, protect our small business employers by not jumping them 1000 percent and more equitably apportioning the burden of this increased tax. Could that have been done last spring?"

Mr. Murray Rubin: "I think that the options are very limited. I don't

know that there would have been much more flexibility last spring than there is now."

Dunn, J.: "Was there any more last spring?"

Mr. Murray Rubin: "The only other option that may have been feasible, it doesn't appear to be feasible at this point, would be for the state to collect, as Mr. Ross mentioned, the amount that would be equivalent to the otherwise application of the three-tenths percent tax. I think the time has passed when that's any longer a viable option. That would have been available for the state in the spring. Other than that, I don't think so."

Dunn, J.: "Well, since the United States Congress did not mandate how this burden should be apportioned between employers, don't you think the U.S. Department of Labor finds itself in an awkward position here insofar as it is imposing a situation on Illinois employers where those who have done the best job over the years or those who have employees that remain with the employer for a long period of time are the ones who are suffering the greatest penalty as a result of this. I don't...for the life of me, I can't understand your rationale."

Mr. Murray Rubin: "I think...I think..."

Dunn, J.: "We hear a lot in Illinois about...about the damage being done to small business employers. And there are a lot of us who would like to do our best to help them out. And now you from the Federal Government are telling us not only that we can't, but that you're going to make things worse."

Mr. Murray Rubin: "...I don't think we're saying that you can't..."

Dunn, J.: "Well, if...can't, then what can we do? We're ready, tell us how?"

Mr. Murray Rubin: "...The state has the option either to take the deferral or not. It's not required to qualify for the deferral. Secondly, I think there's some feeling, even among those employers who have been...who have enjoyed the lowest rate because of their experience, have also benefited from the distribution of unemployment insurance throughout the state. That has had a stabling effect on the economy, and it has perhaps prevented...allowed those employers

to retain their workers. I think they have benefited from this system. Whether the application of one-tenth of 1 percent rate measures up or reflects that contribution, I don't know."

Dunn, J.: "I have no further questions."

Speaker Jacobs: "Thank you. The Lady from Lake, Representative Geo-Karis."

Geo-Karis: "Thank you, Mr. Chairman. Mr. Ross, is that the gentleman? Mr. Ross, do I understand that from what I'm hearing today, unfortunately we do not...we do not have a copy of Senate Bill 6 before us so that we could really study it adequately so I'll have to ask you a few questions, the deferal provision, do I understand correctly, was not in House Bill 236?"

Mr. Tom Ross: "They were in House Bill 236 as amended in the Senate. They were not in House Bill 236 as it left the House."

Geo-Karis: "I see. And why do we have to consider Senate Bill 6 and not 236 then?"

Mr. Tom Ross: "I think that either...either method would achieve the same objective."

Geo-Karis: "I am a little disturbed because of some of the statements made here that indicate, and this is something you'll have to tell me, that the smaller employer will have to pay more money if this Bill were to be passed, is that true?"

Mr. Tom Ross: "I don't believe that that is true. It is my opinion and my...the statistics that we have in the Bureau indicate that there are 63,000 employers who will pay $5.40 more per employee if the Bill is enacted; and that there are 60,000 small employers who would have to pay $30.60 more if the Bill were not enacted. So I think there are approximately equal numbers of small employers who would be hurt and who would benefit from enactment of the Bill. Additionally, those that would benefit would benefit much more substantially by $30.60 in employees instead of $5.40 in employees. So from the point of view of small employers as a whole in the state, it seems to me that the Bill is to their advantage."

Geo-Karis: "Well, supposing the Bill were not passed, how would it effect the small employers?"

Mr. Tom Ross: "If the Bill were not passed, then the small employers

Geo-Karis: "...the Federal Government mandated?"

Mr. Tom Ross: "No, the benefit levels are established by state laws."

Geo-Karis: "I see. And now which Department do you represent, Sir?"

Mr. Tom Ross: "I'm from the Illinois Bureau of Employment Security, which is part of the Illinois Department of Labor."

Geo-Karis: "All right. Now, you have read, I'm sure, House Bill 236 as amended?"

Mr. Tom Ross: "Yes."

Geo-Karis: "Now, is there any difference between that Bill and Senate Bill 6 to your knowledge?"

Mr. Tom Ross: "Well, there is...there is...in House Bill 236, the basic Bill that was passed by the House, it made a technical change in the custodianship of the U.I. Trust Fund..."

Geo-Karis: "But it was amended."

Mr. Tom Ross: "...but that's...that's not in S.B. 6. S. B. 6 has the other provisions that were in H.B. 236."

Geo-Karis: "Well, I mean, as amended you said as it passed the House, but then you said it was amended in the Senate."

Mr. Tom Ross: "That's right."

Geo-Karis: "And after 236 was amended in the Senate, was it the same as Senate Bill 6?"

Mr. Tom Ross: "The Amendments to 236 are the same as S.B. 6."

Geo-Karis: "So if the Amendments passed on the Bill in the Senate, then 236 is the same as Senate Bill 6, isn't that right?"

Mr. Tom Ross: "That's right."

Geo-Karis: "Okay. That's what I wanted to know. Are you saying then ...there's one thing that's not clear to me, one of the Gentlemen who spoke earlier said there were alternative methods, what alternative methods was he talking about? Do you know?"

Mr. Tom Ross: "There are 3 alternatives on the loan deferral question. The first alternative is to meet the federal requirements that are ...that are met by S.B. 6; the second alternative was to repay the amount of the federal penalty by November 10 of the year for which that penalty would be applied. In other words, November 10th of this year, the state would have to pay the Federal Government $48 million.

The third alternative which will establish a flat tax rate for all employers in the state of 2.7 percent. The third alternative was never really considered because it would require raising the rates of these people at .1 percent up to 2.7 percent; and that that seems excessive. The second alternative that relates to raising enough money to pay the $48 million, I feel, is not an attractive alternative because it essentially increases the tax liability on employers in the state as a whole. If the minimum tax required to meet deferral and to take advantage of additional time to raise revenues and to study the problem further is that that's provided in S.B. 6."

Geo-Karis: "Then is it your recommendation that we support Senate Bill 6 because it's the least hard...harsh on the employers?"

Mr. Tom Ross: "That is right."

Geo-Karis: "Thank you."

Speaker Jacobs: "The Gentleman from McLean, Representative...Representative from Sangamon, Representative Kane."

Kane: "How much money will the tax in Senate Bill 6 raise?"

Mr. Tom Ross: "In 1978, we're estimating about $80 million."

Kane: "About $80 million..."

Mr. Tom Ross: "Additional revenues over the regular tax..."

Kane: "Why don't you just say then that to pay back the amount of money that would be raised by the federal penalty, which I understand is $48 million this November 10th? Why do you say that Senate Bill 6 is less onerous than raising enough money to pay the penalty?"

Mr. Tom Ross: "The penalty is effective on taxable year 1977 wages, and they're not subject to the provisions in S.B. 6. So that the $80 million that's being raised by S.B. 6 is collected exclusively in 1978. If we allow the federal penalties to go into effect or if we chose that option, we would have to pay $48 million in 1977...or taxable year 1977 and another $120 million in 1978 or a total of almost $170 million as opposed to $80 million required by S.B. 6 in that same two year period."

Kane: "Okay. Senate Bill 6 then will raise $80 million a year? That will not escalate as the federal penalties would escalate, am I correct?"

Mr. Tom Ross: "That's right. That's right."

Kane: "And those are the only options that are open to us?"

Mr. Tom Ross: "Those are the only options other than letting the federal ...there are 3 options; one of which is to raise the money to pay the Federal Government the amount of the penalty; the other is to let the penalty to go into effect, which amounts to about the same ...exactly the same thing in terms of tax liability; the other option was an Act, S.B. 6 which substantially reduces...it doesn't reduce the liability. The liability stays at $751 million, but it pushes it off into the future."

Kane: "And we...and we do not have an option then of putting in a different type structure than is presently in Senate Bill 6 that would effectively raise the same amount of money as Senate Bill 6?"

Mr. Tom Ross: "We do not have that option."

Kane: "We do not have that option..."

Mr. Tom Ross: "...we'd have to raise substantially more money than as would be raised by S.B. 6."

Kane: "If we adopt an alternate tax structure to what's in Senate Bill 6, we would have to adopt a tax structure that would raise the equivalent of the federal penalty..."

Mr. Tom Ross: "That's right."

Kane: "...not the equivalent of what would be raised in Senate Bill 6."

Mr. Tom Ross: "That's exactly right."

Kane: "Thank you."

Speaker Jacobs: "The Representative Waddell from Kane."

Waddell: "In reference to the agreement that was supposed to be, and reached by you and your counterpart up there, had you resolved in, I think it was your option #2, the fact that the derivation of those funds whether they had to be generated from taxes or not and I believe he was going to make a telephone call on that, what was the result?"

Mr. Tom Ross: "Well, the issue was whether or not if the state raised... paid money through other funds available in the general fund, whether or not those funds could be used to pay the $48 million by November 10th, and then whether...how that money would be repaid. Essentially the decision out of Washington, based on the telephone conversation

as related to me, was that the state could use general fund money to $48 million; however, any funds that were generated next year to repay that could not be repaid to the general fund. They would have to go into the state trust fund. So it's not really available ...an available option unless the state wants to lose $48 million from its general fund."

Waddell: "Number 2, I wondered when you got into the local government side of it and they're willingness to take and pay the Federal Government 75 percent, why do they have to have us regenerate that money if they're willing to pay 75 percent? Why then wasn't that Bill from the local government sent directly to the federal instead of middling us in the deal?"

Mr. Tom Ross: "I'm not sure I understand the question."

Waddell: "Well, I think that on the option that they have and the fact that on...on small governments that have to comply, I believe, that they're going to pay--if I'm not right, correct me--75 percent at the beginning, is that correct?"

Mr. Tom Ross: "Well, there are couple of things on that that I'd like to go through in a...if you'll give me a minute. The Federal Government does provide funding for public employers for newly covered groups of employees for the first five-quarters of the program, and that is approximately 100 percent financing through the first 2 quarters of 1978, 75 percent financing in the third quarter, 50 percent financing in the fourth quarter, and 25 percent financing in the first quarter of 1979."

Waddell: "Right. Then why is that Bill sent to us rather than to deduct right direct from the local government, why do we get middled in this deal?"

Mr. Tom Ross: "Well, because we're the paying agent essentially, the state agency, my agency, pays the claim; and then we are reimbursed of that claim by the Federal Government while...as long as these transition funds are in effect...or the transition provisions are in effect."

Waddell: "That is correct. And for them to come up with the money one way or the other is...still is that increment of interest in there

that now while we're transferring money paperwise from one to the other we have obligated them, we've obligated ourselves, why couldn't this have done...been done by the Federal Government themselves when they gave us this horrendous problem?"

Mr. Tom Ross: "Why couldn't they have paid the claims directly?"

Waddell: "Correct."

Mr. Tom Ross: "Well, I can't answer that question. I don't know if Mr. Rubin wants to take a crack at it, but basically this is a federal state unemployment insurance program; and under federal law, state agencies are the paying agent for all unemployment insurance programs. We have been paying all these people that were formerly covered, they are now going to be covered under state law what was formerly covered under federal law. We've been the paying agent in that case, too."

Speaker Jacobs: "The Lady from Champaign, Representative Satterthwaite."

Satterthwaite: "Yes, getting away for a few minutes from the pay back of the debt that we've already incurred and getting into the area of new employers who are to be covered. Does Senate Bill 6 assure us that those new employers are going to be in a separate school so that they will not be charged for paying back the deficit incurred by the previous employers?"

Mr. Tom Ross: "There is a provision that is...that has proposed, they're not a provision, but suggestion has been proposed by the Municipal League, which we find acceptable, to establish a separate accounting to those funds so that we can determine whether or not the funds that are paid by these new recovered groups are adequate to meet their costs."

Satterthwaite: "But that is not now included in Senate Bill 6?"

Mr. Tom Ross: "That's not now included. We would do that anyway administratively, but I...we would be amenable to the suggestion of the Municipal League to amend the Bill in that manner."

Satterthwaite: "Is it anticipated that that Amendment will be proposed then acted upon in the Senate?"

Mr. Tom Ross: "I believe so."

Satterhtwaite: "Well, I would urge you to encourage that action in the

Senate, I think that it's vital that we not penalize those new employee groups for the past debt of the other employers. Can you also indicate what the Bill includes in regards to coverage of such employees as the C.E.T.A. employees that many of the local governments are hiring currently?"

Mr. Tom Ross: "The current Bill provides that...for coverage of C.E.T.A. employees with the cost of that coverage born by the Federal Government."

Satterthwaite: "The costs to be born by the Federal Government?"

Mr. Tom Ross: "They are included with the costs to be born by the Federal Government."

Satterthwaite: "Is that made specific within the legislation that is before the Senate or is that by some kind of federal regulation that could be changed without further action of this Body?"

Mr. Tom Ross: "It's in...it's in federal law, public law 94-444."

Satterhtwaite: "It is in federal law?"

Mr. Tom Ross: "In federal law."

Satterthwaite: "In regard to the schools and the employees that they would have covered, is there something specific in regard to what happens for coverage for a substitute teacher, for instance, who might be employed only sporadically throughout the year?"

Mr. Tom Ross: "The substitute teachers are covered under the provisions of Illinois law the same way that any individual is covered, which is that if they earn enough earnings to be eligible for the program they would be eligible for this program."

Satterthwaite: "And so if they once reach that stage of coverage and then are not employed, say, for a month or some particular period of time throughout the regular school year, they would qualify for unemployment benefits at that time?"

Mr. Tom Ross: "Mr. Rubin wants to comment on that. He may be able to answer the question better than I did."

Mr. Murray Rubin: "If...if they are...become unemployed during the regular school year, and they meet the qualifying requirements in the state law, they would be eligible on the same basis as any other employer...employee. The distinction arises as it does with

regular teachers for the period between school terms."

Satterthwaite: "How much employment would they have to have throughout the school year in order to qualify before they would then qualify for unemployment benefits?"

Mr. Murray Rubin: "I'll have to yield Mr. Ross because that's...a part of the state law."

Mr. Tom Ross: "In order to be eligible for unemployment insurance in Illinois you have to within a period, called a base period, which is basically four calendar quarters, you have to earn $1,000 and of that amount at least $275 has to be outside of your high quarter. And what that means, basically, is that you have to work in two quarters and earn at least $275 in one of them and at least $1,000 in total to meet the minimum requirements of Illinois law."

Satterthwaite: "If a substitute teacher attained that status then and were unemployed for a month or some substantial period of time, they then would cover...would qualify for unemployment benefits?"

Mr. Tom Ross: "If they were meeting the other requirements of the law, if they were actively seeking work, if they would accept an offer of suitable work, if they were able and available to work and so on."

Satterthwaite: "What would their status be during the summer, for instance, if they were a substitute teacher for a high school that normally met only 9 months of the year?"

Mr. Tom Ross: "If they're...if they are a substitute teacher during the summer months and they are on a contract which would bring them back to work for that same school district in the fall, then they would not be eligible. If they were not covered by a contract that would bring them back in the fall, then they would be eligible."

Satterthwaite: "What about bus drivers and cafeteria workers and other school employees of that sort in the summertime in particular?"

Mr. Tom Ross: "Under the provisions of S.B. 6, nonacademic employees of school districts would not be covered during the summer. I'm reminded by my colleague here that the language is that they have a reasonable assurance of returning to their job in the fall. It's not a contract necessarily, although a contract is a demonstration of a reasonable

assurance. So that nonacademic employees, bus drivers, cafeteria workers, maintenance people, during the summer months if they are reasonably assured of going back to their job in the fall would not be eligible under S.B. 6."

Satterthwaite: "But, again, these items are included in the Illinois law because there is the federal mandate to do it that way or are we using some discretion there?"

Mr. Tom Ross: "The...the extension of coverage to public employees, agricultural workers, school personnel, is mandated by federal law, schools below the level of higher education. The provision that relates to nonacademic employees is an option available to the state. The state can choose to either include nonacademic employees or exclude nonacademic employees during that summer period when they're going back to work in the fall."

Satterthwaite: "And...and the way it's proposed then in Senate Bill 6 is that they be included if they have a reasonable expectation of returning to work in the fall?"

Mr. Tom Ross: "That's right; that they not be covered."

Satterthwaite: "That they not be covered?"

Mr. Tom Ross: "They not be covered if they have a reasonable assurance of returning to work in the fall."

Satterthwaite: "Thank you very much."

Speaker Jacobs: "The Gentleman from McHenry, Representative Skinner."

Skinner: "I don't know how the...my colleagues have been replying to letters asking us to vote for 236; but I've been writing back and saying, 'I might vote for it holding my nose'. But I'm not going to even consider it until I receive letters from...copies of letters that you've sent to the Congress...Congressmen and Senators telling what a bunch of idiots they are. Are Legislators who are defeated going to be eligible for unemployment compensation also?"

Mr. Tom Ross: "No."

Skinner: "How about ones who retire?"

Mr. Tom Ross: "No."

Skinner: "That doesn't seem fair. Let's split the issue. I'm not really interested in the public employees part, I'm interested in the

repayment part. With the legislation that's been proposed, those with the best employment record will see their rate increased from .1 percent to 1.0 percent, correct?"

Mr. Tom Ross: "Correct."

Skinner: "Those with the worst records of employment, the most erratic employment, will see their rates go from 4.0 to 4.3 percent, correct?"

Mr. Tom Ross: "That's right."

Skinner: "Okay. Now, if we do nothing on the repayment part, those with the best employment records will see their records go from .1 percent to .3 percent, is that correct?"

Mr. Tom Ross: "That's...no, that's not correct."

Skinner: "Why is that not correct?"

Mr. Tom Ross: "All right. There are 2 unemployment taxes, one is the state tax and one is the federal tax. All employers in the state who meet the criteria in the Federal Government currently are paying .7 percent federal tax. So that if the person is paying .1 percent state tax is paying...is also paying a .7 percent federal tax. Under the provisions of the deferral legislation, he would pay in 1978 a 1 percent state tax and .7 percent federal tax. If the deferral is not enacted and the federal penalties go into effect, he will be paying a 1977 retroactive on this year a .1 percent state tax and a 1.0 percent federal tax, a .3 percent increase in the federal tax retroactive this year. In 1978, he will be paying a .1 percent state tax and a 1.3 percent federal tax."

Skinner: "I'm sorry you answered that way because I thought I was about to understand it. Do we have to pass some legislation with regard to repaying what we owe the Federal Government in order to avoid an additional federal tax?"

Mr. Tom Ross: "That's right."

Skinner: "Now, the additional federal tax is more than the .3 percent across the board."

Mr. Tom Ross: "It is a .3 percent tax in 1977 on all taxable wages in 1977. It increases to .6 percent in 1978."

Skinner: "I understand that; and then increases to .9 percent the year after?"

Mr. Tom Ross: "Correct."

Skinner: "Is it 1.2 percent until we repay it?"

Mr. Tom Ross: "That's right."

Skinner: "All right, then I...I'm...if we do nothing, I do not understand why the...why the federal tax has to go up, why we would just not take the extra three-tenths of 1 percent. I mean, why that wouldn't be a state tax?"

Mr. Tom Ross: "Well, the way..."

Skinner: "I mean, why..."

Mr. Tom Ross: "...the way the federal law is structured. If you don't have the money to repay, then they increase your federal tax, your federal unemployment tax."

Skinner: "...All right, then...but right now the best employers in the state are paying .1."

Mr. Tom Ross: "To the state."

Skinner: "To...to the state."

Mr. Tom Ross: "And .7 to the fed.'s."

Skinner: "All right, so that's .8 total."

Mr. Tom Ross: "That's right."

Skinner: "What will they pay total if we do nothing?"

Mr. Tom Ross: "They will pay in taxable year 1977 .1 to the state and 1.0..."

Skinner: "Just give me the total."

Mr. Tom Ross: "1.1 percent."

Skinner: "1.1 percent. Now, what will the worst employers end up paying if we do nothing?"

Mr. Tom Ross: "4.3...5.0 percent total."

Skinner: "Excuse me, I'm trying to find something to compare with the 4 percent to 4.3 for the best employers."

Mr. Tom Ross: "Okay..."

Skinner: "For the worst employers."

Mr. Tom Ross: "...the worst employers are currently paying 4 percent state tax and .7 percent federal tax. So they're currently paying a total of 4.7 percent. They would go from 4.7 percent to 5.0 percent."

Skinner: "Well, unless there's something I'm missing here serious, Representative Hanahan sounds correct. It sounds to me like the State of Illinois is about to ream the small employer again."

Mr. Tom Ross: "The issue is not a small employer versus large employer..."

Skinner: "Excuse me, the best employer."

Mr. Tom Ross: "...the best employer..."

Skinner: "The ones we want to encourage to be in Illinois we're going to punish to bail out the unemployment compensation fund which we've had to borrow $700-$800 million for in order to pay for the unemployment compensation insurance payments for those employers that can't keep people on the payroll 12 months a year, is that correct?"

Mr. Tom Ross: "That's reasonably correct, yes."

Skinner: "Well, if that's reasonably correct, how can you stand there with a straight face...are you a State of Illinois employee?"

Mr. Tom Ross: "Yes."

Skinner: "Well, that's reassuring. I'm very thankful you're not also being paid by General Motors or Chrysler. It certainly sounds as if you maybe should be. How can you suggest that we should really stick it to the small employers the way you're suggesting we should?"

Mr. Tom Ross: "I'll go through the numbers again as best I can explain them."

Skinner: "All right."

Mr. Tom Ross: "That in...for the taxable years 1977 and '78 combined that good employers, those with .1 percent rates, will be pay $5.40 more per employee if deferral is enacted. All employers are currently paying over $1...and there are 75,000 of those kinds of employers, there are 125,000 employers currently paying over 1 percent. Those people will pay $30.60 more per employee. I think that the question is, do you tax 75,000 employers $5.40 more or do you tax 125,000 $30.60 more per employee?"

Skinner: "Well..."

Mr. Tom Ross: "I'd be glad...if you want me to, I'll go through all the numbers?"

Skinner: "...I don't know how many people here have as much trouble coping

with verbal numbers as I do; but I think I...are we in agreement that I understand what you're saying is going to happen in terms of percentage, in terms of the rate? It's going to go from .8 to either 1.1 or what?"

Mr. Tom Ross: "1.1 in '77 and 1.4 in '78."

Skinner: "No, no. If...if we do something, it's going to go...is it going to go to 1....1.8 the first year?"

Mr. Tom Ross: "That's right. 1.7 the first year, excuse me."

Skinner: "So it's going to be 1.7 or 1.1, our choice?"

Mr. Tom Ross: "That's right; but the issue is confused by this retroactive tax on '77 wages. If...if you go for deferral, you don't have to pay that tax. So that is a savings to all these employers; and that is where that...that's a .3 percent difference in the numbers that you're working with."

Skinner: "Well, I won't bore my colleagues further..."

Mr. Tom Ross: "I'd be glad to try and sit down with..."

Skinner: "...I would like to suggest to the administration forces that if they think every Republican in this Legislature is just going to roll over and play dead on the off chance that they may do what's right, they're wrong. If they're not going to use facts, they're going to end up getting nothing. And I would sincerely suggest that they split the issue because I think the issues are definitely splitable."

Speaker Jacobs: "The Gentleman from Coles, Representative Stuffle."

Stuffle: "Thank you, Mr. Speaker. I would like to pursue the same line of questioning that Representative Skinner did as well as Representative Hanahan. And to get into some of those figures, you gave Representative Hanahan some figures with regard to those people who are now at .1 percent. What was the figure per employee currently paid by those at .1 percent?"

Mr. Tom Ross: "On state tax or the combined state and federal tax?"

Stuffle: "The figures you gave him. That's why I want you to pursue those the same way you did before."

Mr. Tom Ross: "All right, currently an employer at .1 percent is paying $4.20 per employee to the state, and he is paying about approximately $30 to the Federal Government."

Stuffle: "So he's paying $34."

Mr. Tom Ross: "That's right."

Stuffle: "What would he pay in combined total again if we did nothing on the first jump?"

Mr. Tom Ross: "He...he would pay a .3 percent tax retroactive on 1977 taxes, .3 percent times $4,200 is $12.60."

Stuffle: "So let's compare the $34 to what the figure would be."

Mr. Tom Ross: "Now, that's the first thing. In the next year, he would pay a tax of..."

Stuffle: "State one year at a time."

Mr. Tom Ross: "Okay."

Stuffle: "Give me what he would be...what he would be with no deferral, with the first jump on the '77, he would go from $34 to what?"

Mr. Tom Ross: "In 1977...$34 per employer paying .1 percent in 1977, it will go from $34 to $46 approximately...$46...$47."

Stuffle: "Okay. If we went to the 1 percent from the .1, the 1000 percent increase, what would be the comparable figures to the $34 and $46 figure you just gave on that first year?"

Mr. Tom Ross: "On the first year nothing, on 1977 nothing."

Stuffle: "It will be nothing the first year. What would it be the second year then?"

Mr. Tom Ross: "He would pay...he would pay us $34."

Stuffle: "$34, yeah. What's the second year?"

Mr. Tom Ross: "In the second year he would pay...I've got the numbers here...in the second year he would pay...with deferral we're saying now or without deferral?"

Stuffle: "With."

Mr. Tom Ross: "With deferral he would pay $1,020."

Stuffle: "$1,000...how much?"

Mr. Tom Ross: "$1,020...no, excuse me...$102, excuse me."

Stuffle: "Okay, $102. Now, give me what would happen without deferral on the second year, what figure would replace that $46 figure?"

Mr. Tom Ross: "Without deferral on the second year?"

Stuffle: "That's right."

Mr. Tom Ross: "$8...84."

Stuffle: "So we're talking about $18 difference per person, aren't we on the second year, on '78, we're talking about the difference between $102 and $84?"

Mr. Tom Ross: "That's right."

Stuffle: "What...was that the figure you gave Representative Hanahan before? I thought you'd said there would only be a $5 difference."

Mr. Tom Ross: "Well, I...I took '77 and '78 together. All right, all right, so in '77 the small employer would save with deferral the difference between $33.60 and $46.20, which is $14.60. In the second year, he would pay $18 more. So that's..."

Stuffle: "He would pay $18 more with deferral."

Mr. Tom Ross: "In the second year. He would pay $14.60 less than the first year."

Stuffle: "Okay. You've used..."

Mr. Tom Ross: "And $18 more in the second year."

Stuffle: "...You've used the term...you've tried to differentiate between the good employer and the small employer. Isn't it true that the small employer makes up the great bulk of those 74,900 odd employers who are at .1 percent?"

Mr. Tom Ross: "It is...it is very true that of the employers paying .1 percent, the vast majority of them are small employers."

Stuffle: "Tell us out of that 74,000 how many have less than 100 employees who are at .1 percent?"

Mr. Tom Ross: "You'll have to give me a minute."

Stuffle: "Okay."

Mr. Tom Ross: "There are about 60,000 of the 74,000, as I recall, who have less than 10 employees."

Stuffle: "60,000, on the record, 60,000 of 74,000 have less than 10 employees."

Mr. Tom Ross: "That's right."

Stuffle: "So they are the small employers for the most part."

Mr. Tom Ross: "Well..."

Stuffle: "Okay."

Mr. Tom Ross: "...But there are also a substantial number of small employers at the higher rate, about the same amount."

Stuffle: "How many then...how many at .1 have 1,000 employees or more in the state?"

Mr. Tom Ross: "1."

Stuffle: "1, only 1; but 60,000 have 10 or fewer, and they're the ones that go up the greatest percentage here. A last question, on the public employer thing you said that if an individual worked as a nonacademic employee, let's say a custodian of a school district, that employee worked 9 months, if he had a reasonable expectation to come back to that school district next year, he is not in the picture, right?"

Mr. Tom Ross: "That's right."

Stuffle: "He's not covered."

Mr. Tom Ross: "That's right."

Stuffle: "What if a school district had, let's say, a union agreement with janitors for a 12-month contract, they're nonacademic employees, summer came and the school district had to lay them off, let's say in violation of the contract for lack of money. Those people had a 12-month contract. Would they then be covered or are they also excluded because they had a 12-month summer included contract and they would have been denied 3 months of pay."

Mr. Tom Ross: "It depends on whether they had a reasonable anticipation of being re-employed in the fall."

Stuffle: "Even if they had a 12-month contract and they expected to come back, they still wouldn't be covered under this Bill?"

Mr. Tom Ross: "Yes."

Stuffle: "Do you think that's equitable?"

Mr. Tom Ross: "I think that the question of whether or not those people should be covered against...under unemployment insurance has to be weighed against the cost to their employer in terms of whether or not he has the capability, the school district has the capability to pay on unemployment tax. And I think that the consensus of opinion and the people that I've talked to in the state is that the school districts do not...and cannot afford to pay for those people's unemployment benefits during that period."

Stuffle: "Okay. The last question, again, back on the same thing before

on the small employer. The .1 employer is that there's only 1 over 1,000 who is at .1 and 60,000 for the record are at .1 out of 74,000."

Mr. Tom Ross: "63,000 of the 75,000 employers at .1 percent have 10... less than 10 employees."

Stuffle: "Okay. Thank you."

Speaker Jacobs: "The Representative from Sangamon, J. David Jones...he passes. Representative from Cook, Representative Conti."

Conti: "Mr. Ross, how much advance notice did you have of this Committee as a Whole meeting?"

Mr. Tom Ross: "Oh, an hour or so."

Conti: "An hour or so. All right, then that explains it because I was about to...ready to jump all over you because for the last two weeks I've been answering mail...for the last 2 months I've been answering mail on House Bill 236; and I come up with Senate Bill 6. I represent the second largest industrial area in the State of Illinois; and I certainly can't absorb everything you're saying now. And I don't know...Hanahan...Representative Hanahan came out with some good points and so did Larry Stuffle and Cal Skinner. And I'm to go home this weekend and the next 2 weeks and the next 3 weeks and the next 3 months talking to the second largest industrial area here without any facts or figures or any position papers on this. Now, I don't know why we have to have Senate Bill 6 if it's identical to Representative Kane's House Bill 236, why hasn't this administration pursued the passage of that Bill. And let's argue that Bill out instead of coming up with a new proposal."

Mr. Tom Ross: "The proposals are the same proposals in terms of legislative content of the two Bills."

Conti: "Why the duplication of work then of the state proposals? Why put us through this?"

Mr. Tom Ross: "The, I think, the basic reason is that the...that the Sponsorship of the...of the Bill in the Special Session was in the Senate; and it was Senator Bradley Glass was the Sponsor..."

Conti: "Are you telling me that there's pride of authorship in this Bill?"

Mr. Tom Ross: "No."

Conti: "Well, before I go any further, and as I said, I can't absorb anything like this, certainly, Mr. Speaker, being Chairman of the Labor and Industry Committee, I'd appreciate a prepared statement from any...whether the man comes from Washington or not or from the State of Illinois...a prepared statement because I do come from a very industrial section; and I don't pretend to be an expert on unemployment compensation. Thank you."

Speaker Jacobs: "Repre...Representative Marion, Representative Friedrich."

Friedrich: "I'd like to ask...I think we all realize that something has to be done because of the errors of the past. The errors of the past have been that we've been too liberal in spending unemployment compensation both by law and also by administration. And in my area, part of the problem is administration, and I suspect it is all over the state. The law says that they have to be available to work and seeking work. We've got thousands of people drawing unemployment compensation in Illinois that are not available to work, they're not seeking work. And when I talk to them about it, why don't you do it like Ohio? Well, they don't want to do it. I'm ...my question is now, after having said that, what does the administration plan to do to be sure that people who are not eligible for work and actually seeking work are thrown off the rolls?"

Mr. Tom Ross: "Well, we have...we are trying to hard to administer the Illinois law as it's currently written; and Illinois law requires that individuals drawing unemployment insurance be actively seeking work, be able and available to work and not refuse an offer of suitable work. And we have started a program calling unemployment insurance claimants back to our offices to review their work-search activity to try to assure ourselves that they are in fact actively seeking..."

Friedrich: "Well, when did you start that? The last I knew all it had to do was mailing of post cards while they went fishing. They mailed it from where they were fishing. They didn't even...in the district; and they didn't ask them where they were seeking work, what they were doing to find work, whether they were available for work. I know people who went home, who...took off because they were sick and

drew it...they weren't available for it. They went seeking work, they couldn't have worked if they got a job. They're still drawing it."

Mr. Tom Ross: "Well, we've started that program now throughout the state. We started in...outside of the Chicago metropolitan area at the end of June and we started in the rest of the state in August. We do not have enough staff currently to...to talk to every unemployment insurance claimant every two weeks; but we are trying to call them back in periodically to review their eligibility."

Friedrich: "Are you familiar with the Ohio system?"

Mr. Tom Ross: "Generally."

Friedrich: "I want you to look...take a good look at it because they're doing a much better job than we are. Now, just specifically tell me if a person in my town applied for unemployment, what would they be required to do to show that they were actively seeking work and eligible for work?"

Mr. Tom Ross: "Under our current operative procedures that we put in Session in the last three months, they would be required to come into an unemployment insurance office, register for work, they would be required to report to an employment service or job service office and to register with a job service for job assistance...job service assistance. They would be required to complete a questionnaire indicating what kind of employment they were seeking and what their plans were to...to look for work. They would then be called back into the office after a period of time to review whether or not they had in fact carried out that work-search activity. At the same time, the job service would be trying to find them offers of suitable work through the job openings that are listed with the... with the job service."

Friedrich: "You mean, we've done away with the post card deal, where they don't even have to show up?"

Mr. Tom Ross: "We are still doing...paying claims based on mail in certification. So we are calling people into the office periodically. We..."

Friedrich: "...periodically..."

Mr. Tom Ross: "...every 8 weeks, is what we're doing now..."

Friedrich: "...8 weeks, they can draw for 2 months without you verifying they're looking for work?"

Mr. Tom Ross: "That's...well, that's the only in-person verification at the moment, that's accurate. Unless there's another issue raised by an employer..."

Friedrich: "I think that's the reason we're $700 million in debt because people who are not eligible have been drawing in Illinois and in Ohio they don't and that's the difference. And I can tell you now that no matter...with this raise, this is just a temporary thing, and it's not going to get you out of trouble because unless you start administering the law as it is on the books, what...this is just a drop in the bucket."

Speaker Jacobs: "The..."

Friedrich: "Right here, I've just been handed something where an employers says we had a situation where an employment security official stated that challenging a claim isn't in the best interest of the State of Illinois. This comes out of one of your offices. I know of people in your office who are encouraging people to come in, calling them, 'Why don't you come in?'. Now, is this the kind of thing we're going to do to cut down this $700 million deficit?"

Mr. Tom Ross: "Well, I'm not sure what that...what the document that you're reading from says..."

Friedrich: "This fella' says that comments of the person in one of your office says, 'If a person doesn't receive unemployment compensation insurance, they'll receive public aid and the cost will be the same'."

Mr. Tom Ross: "Well, I wouldn't endorse that statement."

Friedrich: "Well, I hope the administration doesn't. I'm serious about this because if this...if this administration, we've gone through several years here of 'fast and loose'; and if we don't cut it out, there won't be...you'll have more unemployment than you've got now because the people are going to be fleeing out of Illinois to a place where you'll really have an unemployment situation. And $700 million will look like a bargain."

Speaker Jacobs: "The Gentleman from LaSalle, Representative Anderson."

Anderson: "Yes, is it true that in July of '75 before we change the Unemployment Compensation Act we were $175 million in the black in this fund?"

Mr. Tom Ross: "I'm not sure exactly what the number was but we were certainly substantially..."

Anderson: "I'm sure it was."

Mr. Tom Ross: "...substantially in the black."

Anderson: "And now we're $751 million in the red?"

Mr. Tom Ross: "That's true."

Anderson: "So that means that we went through $926 million since we passed our so-called reform law. How much of this...you say that in the first year this deferral will give us $80 million more, is that correct?"

Mr. Tom Ross: "As opposed to the other...in the first year, in 1978, the deferral provision would raise $80 million, that's right."

Anderson: "All right, that's about what? 12 percent of the $751 million we owe?"

Mr. Tom Ross: "That's right."

Anderson: "How long will it take to pay this off then?"

Mr. Tom Ross: "Well, that...that gets into some complicated questions about what happens in the future. But the combination of the temporary deferral and the best deferral that you can qualify for is 3 years of deferral. And then the federal penalties start going into effect. It's our estimate that by 1983 through a combination of deferral and federal penalties that the...that would be repaid."

Anderson: "When was the last time Illinois borrowed any money for the trust fund?"

Mr. Tom Ross: "Last February."

Anderson: "We haven't borrowed since February?"

Mr. Tom Ross: "We have a small request currently pending of $7 million..."

Anderson: "How much will..."

Mr. Tom Ross: "...we borrowed $220 million last..."

Anderson: "...how much will the raise from $4,200 to $6,000 bring?"

Mr. Tom Ross: "Well, it's approximately a 40 percent increase. So approximately 40 percent additional resources we collected in the...

our estimate for this year and present collections is in the neighborhood of $400 million. So a 40 percent increase in that area will be $160 million."

Anderson: "All right. What is our unemployment in the State of Illinois, the figures right now?"

Mr. Tom Ross: "The current unemployment rate is...for the month of September, the last month for the which the state is available, is 4.3 percent."

Anderson: "What if we go up to 6 percent again?"

Mr. Tom Ross: "If we go up to 6 percent again, I think that we'd have substantial problems with the trust fund again."

Anderson: "Now, as I remember the experience figure is figured over a 3 year period, and 1 year is dropped off. So this year is '75, will be dropped as of the end of the year, is that correct?"

Mr. Tom Ross: "Well, this year the experience factor is based upon a...the June 30th date. So that's right, June 30...the year ending June 30, 1975 will be dropped..."

Anderson: "Right, but it doesn't come into effect until January 1st, is that it?"

Mr. Tom Ross: "That's right."

Anderson: "So, therefore, we may be in, you know, if our...I think the only way to do is to reform our unemployment compensation laws. I ...I can just see us going further and further into debt; and now is the time to do it. Thank you."

Speaker Jacobs: "The Rep...the Gentleman from Will, Representative Leinenweber. The Gentleman from Bureau, Representative Mautino."

Mautino: "Thank you, Mr. Ross, Ladies and Gentlemen of the House, Mr. Chairman. I have basically 3 questions for you, Sir, and 1 for the gentleman from the Department of Labor. Since I know what was in House Bill...Senate Bill 1354 and in 236, and I don't know what's in Senate Bill 6, does it address the compliance by the State of Illinois in the governmental categories at all or just the deferral and the surtax charge?"

Mr. Tom Ross: "The legislation, S.B. 6, addresses the question of conformity with federal law and the deferral question, both."

Mautino: "And all there is, including governmental employees."

Mr. Tom Ross: "That's right."

Mautino: "And you don't want to address...you don't want that addressed as far as this Committee of the Whole is concerned, but we would address that later on eligibility requirements, is that what you said?"

Mr. Tom Ross: "On the question of...of reforming eligibility requirements that's not within the call of the Special Session."

Mautino: "Okay. Now, I'm interested in the projections in 1980. Since it's a 2 year deferral, what happens in 1980? Does that mean that the amount of money that is paid by the employers and the governmental agencies of the State of Illinois if, in fact, the Federal Government goes ahead with their forgiveness legislation, does that mean that there will be a possible rebate to those employers and those people that are paying into this program if the forgiveness legislation is passed at the federal level?"

Mr. Tom Ross: "If there is federal legislation to provide a financing for all or portions of the debt, that money would be returned to the trust fund. And if there was going to be any then further benefits to employers in the state, it would be done through the... in the form of reduced taxes."

Mautino: "Would you mind repeating the last sentence again?"

Mr. Tom Ross: "That if there is...if there is a...under the 2 provi... under the 2 laws that are currently being defended in the U.S. Congress to forgive all or a portion of this debt, if either one of those Bills passes, the money that's provided the state goes into the unemployment insurance trust fund. Then it would be up to the state to decide whether or not there was adequate funds in the trust funds to allow for a decrease in taxes or...or a roll back of these special increases or whatever."

Mautino: "Okay, that is my point. If in fact you spoke to this General Assembly, we could not do anything other than what was proposed to us in those 3 areas; but if in fact the federal legislation is passed, we can then make adjustments. So my question to you is this, are you saying that the three-tenths percent increase across the

board under the federal penalty is not allowable for the State of Illinois as far as compliance? If we want to enact just the three-tenths percent across the board, would that put us into compliance or not?"

Mr. Tom Ross: "That would not qualify the state for deferral of the federal penalty. There...in order to do that you have to make the other changes we talked about, raising the minimum wage to 1.0."

Mautino: "Can I get back to your first statement that the...the eligibility and the bringing in of new employees is in Senate Bill 6. What provisions are in Senate Bill 6 for the questions raised by Representative Satterthwaite and the other Members, Representative Stuffle and Representative Dunn, for an individual pool to those new employees who are not involved in the original deficit?"

Mr. Tom Ross: "The current provisions in Senate Bill 6 do not address that question. There have been some proposals circulated to step up separate accounting for the new group versus the old group. And we are in agreement with those proposals and we work on language to amend the law appropriately."

Mautino: "But you are asking us to accept federal compliance in state legislation with no avenue of making guidelines and an initial pool for the new employees that are covered, is that right, Sir?"

Mr. Tom Ross: "Well, I'm not sure I understand what you're asking."

Mautino: "Well, if we have to come into compliance with the new employees that are covered..."

Mr. Tom Ross: "Yeah."

Mautino: "...and there is...so there's no federal restriction on how we do that, is that what you're saying?"

Mr. Tom Ross: "The federal law requires that we extend coverage to these new categories of employees. It doesn't address the question of eligibility standards within the state."

Mautino: "Does it address the question of raising money to cover the costs..."

Mr. Tom Ross: "No."

Mautino: "...there a formula for the new employees as it is for the private sector employees?"

Mr. Tom Ross: "The...the Bill as introduced would tax public employers at 1.5 percent, a flat rate; and that they would not then be subject to this variable rate in the initial period."

Mautino: "May I ask your rationale in...in bringing the public employees in a 1.5 and those, I think you called it the better employees with no loss experience in...in the use of the area at 1 percent? Would you explain that to me, Sir?"

Mr. Tom Ross: "Basically, we did an estimate of the cost...our best estimate of the costs to local employers based upon the number of public employees in the state and anticipated unemployment rate for those employers. And that indicated that the best information that we could gather, the best estimate that we could come up with at a 1.5 percent rate was an appropriate rate. We had indicated that that's an estimate because it deals with what's going to happen next year, not with what's happening...what's happened in the past. And there may be a possibility of...of making some change in that with an adjustment factor after a year."

Mautino: "One final question concerning finances. If in fact those better employers are being increased 1000 percent, and I believe you said that that would bring in about $10 million, is that correct, for those 74,000 employers that are up to .1 percent?"

Mr. Tom Ross: "It's about $15 million."

Mautino: "$15 million. All right. How much would the increase, which is about 10 percent to those employees with 100 employees at 4 percent state unemployment tax formula, what would that bring in?"

Mr. Tom Ross: "The .3 percent surtax on...on the 4 percent employers?"

Mautino: "Under the deferral program and also under the surtax proposal."

Mr. Tom Ross: "Under the deferral program...you're going to have to give me a second to try to locate this...about $60 million. The 3 percent surtax would be about $60 million on those people paying 4 percent."

Mautino: "That would be additional income?"

Mr. Tom Ross: "That's right."

Mautino: "What are they bringing in now?"

Mr. Tom Ross: "The...the people that 4 percent? They're bringing in about...just a second...I don't...I don't have that information right

here."

Mautino: "Okay. How about these smaller employers at one-tenth percent, what are they bringing in at the existing formula? Since I know it will be a $15 million increase."

Mr. Tom Ross: "They're bringing in about...can I get...can I get somebody to get those numbers together on...and answer that question in a minute?"

Mautino: "Yeah, they're very interesting numbers, I'm sure. Yes, go right ahead."

Mr. Tom Ross: "It's going to take us a minute to get that together if you want to..."

Mautino: "Mr. Chairman, Mr. Chairman, I'll yield my time right now until they get the information."

Mr. Tom Ross: "...I think I've got it."

Mautino: "Okay, fine."

Speaker Jacobs: "Representative Leinenweber."

Mautino: "No, he's got it, he's got it."

Speaker Jacobs: "Oh, I see. He's not through yet."

Mr. Tom Ross: "In...and this is only dealing with the state tax, not the federal tax, the people paying .1 percent in 1977 estimated contributions are $1.1 million."

Mautino: "Now, you're saying to me that they're paying contributions of $1.1 million and we're going to raise them...up to $15 million or we're going to raise them to $16 million?"

Mr. Tom Ross: "That's approximately correct; but I would point out that they're going to get raised to approximately that level if the federal penalties go into effect anyway."

Mautino: "Well, that's...that's my next question. If we...if we go under the federal penalty, give me what is paid in, which is $1.1 million, and what they will have to pay if we don't go with this program."

Mr. Tom Ross: "Could you say that again, please?"

Mautino: "Okay. They're paying in $1.1 million, they're going to be paying $16 million. We're going to raise the small employers $15 million. Now, the same figures, I would assume, are correct under

the...under the federal penalties. They're still paying in $1.1 million. And then under the federal penalty they'd be paying in what?"

Mr. Tom Ross: "Approximately $11 million, between $10 and $11 million."

Mautino: "They would be paying less under the federal penalties by $4 million."

Mr. Tom Ross: "That's right."

Mautino: "Now, let's go to the top end of the spectrum."

Mr. Tom Ross: "All right."

Mautino: "Give me the same figures, I know it's going to increase $60 million, but give me the same figures on those people at the top end of the formula."

Mr. Tom Ross: "All right. In 1977, people paying 4.0 percent pay $286 million in taxes."

Mautino: "And they're going to go up to $346 million. They're going to go up $60 million, which is about a 15 percent increase as opposed to...close to $900. Is that about right?"

Mr. Tom Ross: "That's about right. The total for the...if we could just ..."

Mautino: "And the administration is supporting this program."

Mr. Tom Ross: "...all right. Let me just go over one more time the fact that the cost to the employers...the additional costs of the deferral of the employers paying .1 percent is about $5 million. The additional costs to the other employers, the employers paying 4.0 percent in 1978 would be about $147 million. So in total... in total dollar figures, the increase comparing the 2 options, the federal penalty versus deferral, that it would cost the .1 percent employers $5 million more...that the federal penalties would cost the 4 percent employers $150 million more."

Mautino: "Then I have one final question and I won't take any more time of the House. The Gentleman from the Department of Labor. What happens, Sir, in 1981 under this program as presented? I know what happens now up to 1980. What happens then from '81 to '83 or '84, which would be the time period for implementation of the pay back and the new rates? Do you have the figures for those?"

Mr. Murray Rubin: "I think your question is dependent upon what action the State of Illinois takes. If the State of Illinois decides to go for the deferral, then for how many years. The question you raise is impossible to answer by...without knowledge of what you have in mind as to whether the state intends to qualify for deferral for...the remaining 3 years or not."

Mautino: "That's my question. If in fact we do set it out in the 5 year basis, is it better for us under this proposal or is it better to assume a new formula for a 6 or 7 year period?"

Mr. Murray Rubin: "I don't..."

Mautino: "And does that allow us to qualify?"

Mr. Murray Rubin: "...I think that so far as quali...so far as the merits of either going for deferral or not are concerned, it depends ...that has 2 impacts; who it is going to apply to and, 2, the time within which the money will have to be paid to the Federal Government. Those are determinations to be made solely by the state."

Mautino: "Thank you, Sir."

Speaker Jacobs: "Thank you, Mr. Rubin and Mr. Ross. It...I believe we've been...we really appreciate you appearing before a Committee, and especially Mr. Rubin for staying over and not going back to Washington which he served us in this way and we do appreciate it. Representative from McLean, Representative Bradley."

Bradley: "Mr. Chairman, I now move that the Committee of the Whole do now arise."

Speaker Jacobs: "You've heard the motion, and it's been moved that the Committee of the Whole do now arise. All those in favor say 'aye', all opposed say 'no'; the 'ayes' have it, and the Gentleman's motion carries. Yes, Representative Mautino."

Mautino: "Is it possible for the gentlemen to give those formulas and ...the breakdown of those figures he just gave me to the Members of the House? Is that possible? It would be very beneficial to all of us."

Speaker Jacobs: "Are you speaking to Mr. Ross or Mr. Rubin?"

Mautino: "Mr. Ross had the figures."

Mr. Tom Ross: "The figures that we just went over?"

Mautino: "Well, I'd like to see the chart that you have, Sir, I think it would be beneficial to us in our deliberation."

Mr. Tom Ross: "I'll try to prepare a package of material that covers that issue as well as some of the other questions."

Mautino: "Thank you."

Speaker Jacobs: "The witness says that he will try to prepare a chart for Representative Mautino and the Members of the House. The Committee of the Whole will now arise and the House will be in regular Session. We thank you for your patience."

Speaker Redmond: "Committee Reports."

Clerk Hall: "Representative Barnes, Chairman from the Committee on Appropriations II to which the following Bills were referred, action taken November 2, 1977; reported back...the same back with the following recommendations, 'do pass' House Bills 2433, 2475, 2482, 2484, 'do pass as amended' House Bills 2434, 2467, 2474, 2477, 2478."

Speaker Redmond: "Introduction, First Reading."

Clerk Hall: "House Bill 2492, Lechowicz, a Bill for an Act to amend the Public Aid Act. First Reading of the Bill. House Bill 2493, Levin, a Bill for an Act to amend an Act to revise the law in relation to liens in Illinois Motor Carrier Property Act. First Reading of the Bill. House Bill 2494, Houlihan, a Bill for an Act to amend the State Appellate Defender's Act. First Reading of the Bill. House Bill 2495, Hoxsey, a Bill for an Act to amend Sections of the Attorney General's appropriation. First Reading of the Bill. House Bill 2496, Tipsword, a Bill for an Act to amend the Civil Practice Act. First Reading of the Bill. Committee Reports."

Clerk Hall: "Representative Matijevich, Chairman from the Committee on Appropriations I to which the following Bills were referred, action taken November 2, 1977; reported the same back with the following recommendations, House Bill 2468, House Bill 2471, do pass as amended' House Bills 2470 and 2473."

Speaker Redmond: "Messages from the Senate."

Clerk Hall: "A message from the Senate by Mr. Wright, Secretary. Mr. Speaker, I'm directed to inform the House of Representatives that the Senate has adopted the following Senate Joint Resolution in the

adoption of which I'm instructed to ask concurrence of the House of Representatives to wit, Senate Joint Resolution 54 adopted by the Senate November 2, 1977. Kenneth Wright, Secretary."

Speaker Redmond: "Agreed Resolutions."

Clerk Hall: "House Resolution 463. House Resolution 464, 465, 469, 470, 471, 472, 473, 474, 475, 476, 479, 481, 482, 483 and House Joint Resolution 51."

Speaker Redmond: "Representative Giorgi."

Giorgi: "Mr. Speaker, House Resolution 463 by Representative Ryan marks the 30th Anniversary of Station W.K.N. in Kankakee. 464 by Kornowicz honors Joseph A. Kretz. 465 by McClain honors Charles E. Barnum. 469 by Madigan talks about Ralph E. Erb retiring as President of the Board of Spoon River Electric Co-operative. 470 by Representative Madigan denotes a Golden Wedding Anniversary. 471 by Madigan honor Sister M. Almarita. 472 by Madigan is talking about Local 245. 473 by Madigan about the Evangelical Lutheran Church. 474 by Madigan, the Memorial United Church. 475 by Madigan, the Evangelical Church. 476 by Mulcahey honors the Chief of the Rockton Fire Protection District. 479 by Tipsword honors Air Force Lieutenant Colonel. 481 by Ewing honors Mr. and Mrs. Mano Harms. 483 by Polk talks about a Samantha Murphy news; and House Joint Resolution 51 extends the reporting date of government on regional government from January 1st of '78 to January 5, 1979. And I move for the adoption of the Agreed Resolutions."

Speaker Redmond: "Any discussion? The question's on the Gentleman's motion for the adoption of the Agreed Resolutions. Those in favor indicate by saying 'aye', 'aye', opposed 'no'; the 'ayes' have it. The motion carries and the Resolutions are adopted. Representative McClain, for what purpose do you arise? McClain."

McClain: "Thank you, Mr. Speaker. For a purpose of a motion. Mr. Speaker, I'm speaking on behalf of Chairman...Sponsor Garmisa, House Transportation Committee tomorrow, we have on the Calendar House Proposal #45. It should read for a proposed Bill of House Proposal #45. And that would give the Membership a chance to vote up or down on that hot proposal 45. So we'd like to amend the Calendar to be a proposed Bill

of House Proposal #45. It's been agreed to..."

Speaker Redmond: "The Gentleman...the Gentleman moves and asks for unanimous consent for the suspension of the posting rule. Does he have unanimous consent? Representative McClain, Representative Ryan has an inquiry. Representative McClain, will you respond? Representative Ryan..."

Ryan: "What...what's the...what do you want to suspend, Mike?"

McClain: "George, House Proposal 45..."

Speaker Redmond: "The posting rule."

McClain: "...posting rule. The way the Calendar reads right now is it's House Proposal #45, that is, it has to do with drugs or has this material...Bill...the proposal. What we'd like to have is, and I thought it was agreed, was for it to be...for a proposed Bill of House Proposal #45 so the Membership could amend that Bill and vote it up or down tomorrow."

Ryan: "Well, I'm going to have to object to that, Mr. Speaker."

Speaker Redmond: "Objections have been raised. Further Resolutions."

Clerk Hall: "House Resolution 455, Schisler. House Resolution 462, Redmond. House Resolution 467, Bluthardt. House Resolution 468, Collins. House Resolution 478, Giglio. House Joint Resolution 55, Katz. House Joint Resolution 56, Katz."

Speaker Redmond: "Representative Skinner, the red light's not on. Somebody's on the floor that doesn't have permission. Who's the gentleman you're talking to? I didn't think he had a floor pass. Somebody wrote a nasty article about people on the floor that didn't have permission. No, it wasn't Henry Hansen. I know who it was. Committee on Assignment. And he wrote such a nice story about me, too. Introduction, First Reading."

Clerk Hall: "House Bill 2497, Friedrich, a Bill for an Act to amend the Illinois Municipal Code. First Reading of the Bill."

Speaker Redmond: "Representative Lechowicz, are you going to move to... move to adjourn the First...the Regular Session? Wait a minute, go ahead."

Lechowicz: "Announcement."

Speaker Redmond: "Tomorrow at 1...tomorrow at 1 o'clock."

Lechowicz: "Any announcements?"

Speaker Redmond: "Any announcements? Representative Katz."

Katz: "Mr. Speaker, Ladies and Gentlemen of the House, and more specifically, Members of the Rules Committee, there will be a meeting of the Rules Committee immediately following the adjournment in the Speaker's Office here today. Members having Bills that they want posted for a future meeting should see me; but today those that have been posted will be heard in the Speaker's Office immediately after adjournment."

Speaker Redmond: "Representative Lechowicz...1 o'clock."

Lechowicz: "Thank you, Mr. Speaker. I now move that the House stand adjourned until Thursday, November the 3rd at 1 o'clock in the afternoon."

Speaker Redmond: "The question's on the Gentleman's motion. Those in favor say 'aye', 'aye', opposed 'no'; the 'ayes' have it, the motion carries, the House...the Regular Session is adjourned until 1 o'clock tomorrow. The hour of 4:15 o'clock having arrived, the First Special Session is called to order. Introduction, First Reading."

Clerk Hall: "House Bill 28, Johnson, a Bill for an Act to amend the Criminal Code. First Reading of the Bill."

Speaker Redmond: "Representative Madigan has moved that we use the Roll Call of the Regular Session as the Roll Call of the First Special Session. Is leave granted? Hearing no objection, the Roll Call will be used."

Clerk Hall: "House Bill 29, Schlickman, a Bill for an Act to amend the Crime Victims Compensation Act. First Reading of the Bill. House Bill 30, Schlickman, a Bill for an Act to amend the Crime Victims Compensation Act. First Reading of the Bill. House Bill 31, Leinenweber, a Bill for an Act to amend the Crime Victims Compensation Act. First Reading of the Bill. House Bill 32, Leinenweber, a Bill for an Act to amend the Unified Code of Corrections. First Reading of the Bill. House Bill 33, Skinner, a Bill for an Act to amend the Unified Code of Corrections. First Reading of the Bill. House Bill 34, Skinner, a Bill for an Act to amend the

Misdemeanant Good Behavior and Allowance Act. First Reading of the Bill."

Speaker Redmond: "Representative...any other business? Representative Lechowicz. Do you move..."

Lechowicz: "Thank you, Mr. Speaker. I move that we...that the First Special Session now adjourn until 1:10 tomorrow afternoon."

Speaker Redmond: "...You've heard the motion. Those in...those in favor say 'aye', 'aye', opposed 'no'; the 'ayes' have it, the motion carries. The First Special Session is adjourned until 1:10 tomorrow. Now, the hour of 4:30 having arrived the Second Special Session is called to order. Introduction, First Reading. Representative...Representative Madigan moves that the...asks leave that the Roll Call of the Regular Session be used as the Roll Call for the Second Special Session. Is there any objection? Hearing none, the Roll Call will be used. Committee Reports."

Clerk Hall: "Representative Laurino, Chairman from the Committee on Elections to which the following Bills were referred, action taken on November 2, 1977; reported the same back with the following recommendations, 'do pass' House Bill 3, 'do not pass as amended' House Bill 11. Representative Matijevich, Chairman from the Committe on Appropriations I to which the following Bills were referred, action taken November 2, 1977; reported the same back with the following recommendations, 'do pass' House Bill 5."

Speaker Redmond: "Representative Lechowicz."

Lechowicz: "Thank you, Mr. Speaker. I now move that the House stand adjourned on the Second Special Session until 1:20 tomorrow afternoon."

Speaker Redmond: "You've heard the motion. Is there any discussion? The question's on the motion. Those in favor say 'aye', 'aye', opposed 'no'; the 'ayes' have it, the motion carries. Second Special Session stands adjourned until 1:20 tomorrow. Any announcements or any kind...the only one is the Rules Committee in the Speaker's Office."

TRANSCRIPTION INDEX

DATE: 11-2-77

1.

Page	Time	Speaker	Information
1	4:00	Speaker Redmond	House to order
1		Reverend Krueger	Prayer
1		Speaker Redmond	Roll Call for attendance
1		Madigan	Excused absence
2		Speaker Redmond	Introduction & First Reading
2		Clerk Hall	
2		Speaker Redmond	
2		Geo-Karis	
2		Speaker Redmond	
2	4:20	Clerk Hall	Introduction & First Reading
2		Speaker Redmond	2nd Roll Call for attendance
2		Clerk Hall	Introduction & First Reading
2		Speaker Redmond	Agreed Resolution
2		Clerk Hall	
2		Speaker Redmond	
3		Giorgi	
3		Speaker Redmond	Resolution adopted
3		Bluthardt	Objection to Breslin Resolution
3		Speaker Redmond	
3		Houlihan, D.	Move to suspend rules HR 466 (Committee as a Whole)
4		Speaker Redmond	
4	4:33	Matijevich	Announcement
4		Speaker Redmond	Motion carries. Reso 466 adopted
4		Polk	
4		Speaker Redmond	
5	4:42	Madigan	Introduces Alex Seith

TRANSCRIPTION INDEX DATE: 11-2-77

Page	Time	Speaker	Information
5		Speaker Redmond	
5		Ryan)	
5		Speaker Redmond)	
5		Ryan	Introduces Paul Matula
5		Speaker Redmond	
5		Matula	
5		Speaker Jacobs in the Chair	
6		Speaker Jacobs)	Committee as a Whole to order
6		Tom Ross)	
6		Speaker Jacobs	
6		Bradley	Clear the floor
6		Speaker Jacobs	
7		Tom Ross	
7		Speaker Jacobs	
7		Conti	
7		Speaker Jacobs	
7, 8, 9, 10		Tom Ross	Unemployment Insurance
10	5:00	Speaker Jacobs	
11		Kosinski)	
12		Ross)	
12		Speaker Jacobs	
13,14,		Hanahan)	
15,16		Tom Ross)	
16		Speaker Jacobs	
16		Deuster	Point of order
16		Speaker Jacobs	

TRANSCRIPTION INDEX DATE: 11-2-77

Page	Time	Speaker	Information
16, 17		Hanahan	
17	5:15	Tom Ross	
17		Speaker Jacobs	
18		Greisheimer)	
19		Tom Ross)	
20		Speaker Jacobs)	
20		Dunn, J.)	
20		Ross)	
21,22	5:24	Rubin)	
22		Speaker Jacobs	
23,		Gep-Karis)	
24,		Ross)	
25, 26		Speaker Jacobs)	
27		Kane	Question
27		Ross	
27	5:40	Speaker Jacobs	
28		Waddell)	
29		Ross)	
29		Speaker Jacobs	
30		Satterthwaite)	
30		Ross)	
31		Rubin)	
31		Ross)	
32		Speaker Jacobs)	
33		Skinner)	
34		Ross)	

TRANSCRIPTION INDEX DATE: 11-2-77

Page	Time	Speaker	Information
35,36		Speaker Jacobs)	
37,38		Stuffle)	
39,40		Ross)	
40		Speaker Jacobs	
41		Conti)	
41		Ross)	
41		Speaker Jacobs	
42		Friedrich)	
43	6:10	Ross)	
43		Speaker Jacobs	
44,45		Anderson	
45		Ross	
45		Speaker Jacobs	
46,47		Mautino)	
48,49,50,51		Ross)	
51		Speaker Jacobs	
52		Mautino	Question
52	6:32	Rubin	
52		Speaker Jacobs	
52		Bradley	Move Committee as a Whole arise
52		Speaker Jacobs	
52		Mautino	
52		Speaker Jacobs	
52		Speaker Redmond in the Chair	
52		Clerk Hall	Committee Reports
53		Speaker Redmond	Messages from Senate
53		Clerk Hall	

TRANSCRIPTION INDEX DATE: 11-2-77

Page	Time	Speaker	Information
53		Speaker Redmond	
53		Clerk Hall	Agreed Resolution
53		Giorgi	
53		Speaker Redmond	Resolution adopted
54		McClain	Announcement-leave to suspend posting rules
54		Speaker Redmond	
54		Ryan)	
54		McClain)	
54		Ryan	Objects
54		Speaker Redmond	Further resolution
54		Clerk Hall	
54		Speaker Redmond	Committee on Assignment Introduction & First Reading
54	6:42	Clerk Hall	
54		Speaker Redmond	
55		Lechowicz	
55		Speaker Redmond	
55		Katz	
55		Speaker Redmond	
55		Lechowicz	Move House adjourn Thurs 1:00
55		Speaker Redmond	Regular Session adjourned 1st Special Session to order
55		Clerk Hall	Introduction & First Reading
55		Speaker Redmond	Same Roll call, etc
55		Clerk Hall	First Reading
55		Speaker Redmond	
56		Lechowicz	Move adjourn till 1:10

TRANSCRIPTION INDEX DATE: 11-2-77

6.

Page	Time	Speaker	Information
56		Speaker Redmond	Adjourn. Second Special Session to order same Roll, etc
56		Clerk Hall	Committee Reports
56		Speaker Redmond	
56		Lechowicz	Move 2nd Special Session adjourn 1:20
56	6:47	Speaker Redmond	2nd Special Session adjourned