

STATE OF ILLINOIS
92ND GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

136th Legislative Day

May 27, 2002

Speaker Madigan: "The House shall come to order. The Members shall be in their chairs. We shall be led in prayer today by Lee Crawford the Assistant Pastor of the Victory Temple Church in Springfield. The guests in the gallery may wish to rise and join us for the invocation and the Pledge of Allegiance."

Pastor Crawford: "May we all pray. Most gracious and most kind Father, we come before You humbly. Lord, I am mindful of Your servant David for when Saul and his son Jonathan as well as with the children of Israel had been in battle and giving their lives and lost their lives, he asked that there would be a memorial for them and for their service. So, we on this special day remember the men and the women who have given their lives for this country. We pray that their families would be strengthened as well as every Member here. So, Father, this day I pray that You would guide them in their decisions. I pray that You would smile upon, that You would bless and sustain this Body. This I kindly ask in Your Son's name. Amen."

Speaker Madigan: "We shall be led in the Pledge of Allegiance by Representative Lou Lang."

Lang - et al: "I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

Speaker Madigan: "Roll Call for Attendance. Representative Currie."

Currie: "Please let the record show that Representative Ryan is excused today."

Speaker Madigan: "Mr. Bost."

Bost: "Thank you, Mr. Speaker. Please let the record reflect that Representative Tim Schmitz is excused today."

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Speaker Madigan: "The Clerk shall take the record. On this question, there are 115 Members responding to the Attendance Roll Call. There is a quorum present. Mr. Clerk."

Clerk Rossi: "Introduction of Resolutions. Senate Joint Resolution 75, offered by Representative Currie, is assigned to the Rules Committee."

Speaker Madigan: "Mr. Hartke in the Chair."

Clerk Rossi: "The Rules Committee will meet immediately in the Speaker's Conference Room. The Rules Committee will meet immediately in the Speaker's Conference Room."

Speaker Hartke: "The Chair recognizes Representative Brunsvold."

Brunsvold: "Thank you, Mr. Speaker. Ladies and Gentlemen, most of you've heard about the ball game last week, but I have the trophy here in the House again. It's returned here where it's supposed to be. Hey, hey. The House beat the Senate 23-11 and let me commend our ballplayers for scoring 17 runs in the first inning. We're up first, scored 17 runs and they did a heck of a job. Our most valuable player was Tom Dart who played an outstanding outfield. Did a nice job out there, the gazelle in center field. Harry Osterman had five hits, five runs and he is our cornerstone in the infield and does a real nice job. Jay Hoffman, in the outfield with Mr. Dart, did an outstanding job also. And we would like to announce that everyone got to play. Susana Mendoza got to play and so did Annazette Collins. They all played and got to hit the ball. So, thank you and everybody that was out and attended the game. It was a good game, the guys did well and I want to thank 'em for their effort."

Speaker Hartke: "Thank you, Mr. Brunsvold. Mr. Clerk, Rules Report."

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Clerk Rossi: "Representative Barbara Flynn Currie, Chairperson from the Committee on Rules, to which the following measure/s was/were referred, action taken on May 27, 2002, reported the same back with the following recommendation/s: 'to the floor for consideration' a Motion to Concur with Senate Amendment #2 to House Bill 136, a Motion to Concur with Senate Amendment #1 to House Bill 3774, a Motion to Concur with Senate Amendments 1, 2, and 3 to House Bill 4081; recommends 'be adopted' House Joint Resolution 81, Floor Amendment #2 to Senate Bill 1689, Floor Amendment #6 to Senate Bill 1701, and recommends 'be adopted' Senate Joint Resolution 75. Supplemental Calendar #1 is being distributed."

Speaker Hartke: "On Supplemental Calendar #1 appears House Joint Resolution 81. Representative Currie. Mr. Clerk."

Clerk Rossi: "HJR 81 offered by Representative Currie."

HOUSE JOINT RESOLUTION 81

BE IT RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the two Houses shall convene in Joint Session on Monday, May 27, 2002, at the hour of 6 o'clock p.m., for the purpose of hearing his Excellency Governor George Ryan present to the General Assembly his budget for the State of Illinois for Fiscal Year 2003."

Speaker Hartke: "Representative Currie moves for the adoption of House Joint Resolution 81. All those in favor signify by saying 'aye'; opposed 'no'. In the opinion of the Chair, the 'ayes' have it. And the Resolution is adopted. On page 11 of the Calendar, on Concurrence appears House Bill 4975. Representative Hoffman."

Hoffman: "Yes. We... I move to nonconcur in Senate Amendment #1"

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Speaker Hartke: "You've heard the Gentleman's Motion. All those in favor signify by saying 'aye'; opposed 'no'. In the opinion of the Chair, the 'ayes' have it. And the House does nonconcur in Senate Amendment #1 to House Bill 4975. The Chair recognizes Representative Novak for a Motion on House Bill 1975."

Novak: "Yes. Thank you, Mr. Speaker, Ladies and Gentlemen of the House. I now move to nonconcur in Senate Amendments #1, 2, 3, and 4."

Speaker Hartke: "You've heard the Gentleman's Motion. Is there any discussion? Seeing none, all those in favor of the Gentleman's Motion signify by saying 'aye'; opposed 'no'. In the opinion of the Chair, the 'ayes' have it. Representative Black, do you have a... He declines. All those in favor signify by saying 'aye'; opposed 'no'. In the opinion of the Chair, the 'ayes' have it. And the Motion is adopted. The House does nonconcur with Senate Amendments #1, 2, 3, and 4 of House Bill 1975. On page 13 on Concurrence appears House Bill 5874. Representative Kosel for a Motion."

Kosel: "Yes, Mr. Speaker. I move to nonconcur to Amendment #1 to House Bill 5874."

Speaker Hartke: "You've heard the Lady's Motion. Is there any discussion? Seeing no one is seeking recognition, the question is, 'Shall the House nonconcur in Senate Amendment #1 to House Bill 5874?' All those in favor signify by saying 'aye'; opposed 'no'. In the opinion of the Chair, the 'ayes' have it. And the House Motion is adopted. Representative Parke, for what reason do you seek recognition? Shhh."

Parke: "Thank you, Mr. Speaker. I was just wondering. For the last 14... 15 years I've passed out my Memorial Day speech

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and I was wondering if I might have a chance now that we're in, for me to read it. I'm just cur..."

Speaker Hartke: "Perhaps later, Mr. Parke. The Regular Session will stand in recess. I recognize the Doorkeeper for an announcement."

Doorkeeper Crawford: "Mr. Speaker, the Honorable President Philip and the Members of the Senate are at the door and seek admission to the chamber."

Speaker Hartke: "Mr. Doorkeeper, please admit the Honorable Senators. Speaker Madigan in the Chair."

Speaker Madigan: "As designated in House Joint Resolution #81, the hour of 6 p.m. having arrived, the Joint Session of the 92nd General Assembly will now come to order. Will the Members of the House and our esteemed guests from the Senate please take their seats. Mr. Clerk, is a quorum of the House present?"

Clerk Rossi: "Mr. Speaker, a quorum of the House is present."

Speaker Madigan: "Mr. President, is a quorum of the Senate present in this chamber?"

President Philip: "Thank you, Mr. Speaker. A quorum of the Senate is present."

Speaker Madigan: "There being a quorum of the House and a quorum of the Senate in attendance, this Joint Session is convened. The Chair would like to announce the presence of several dignitaries who have joined us today. We're very pleased to have with us today the Lieutenant Governor of the State of Illinois, Lieutenant Governor Corrine Wood. Also, we're pleased to have with us the Attorney General of the State of Illinois, Mr. Jim Ryan, Jim Ryan; the Secretary of State, Mr. Jesse White; the Comptroller, Mr. Dan Hynes; the Treasurer, Judy Baar Topinka; the Governor's Chief of Staff, Mr. Robert Newton; the Governor's Deputy

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Chief of Staff, Mr. Kevin Wright; the Director of the Bureau of the Budget, Mr. Steve Schnorf; the Governor's Director of Legislative Affairs, Mr. Mike Madigan; the Governor's Director of Policy, Bridget Lamont. We're very pleased to have with us the First Lady of the State of Illinois, Lura Lynn Ryan in the gallery. Joining Mrs. Ryan is the speaker of the Madigan house, Shirley Madigan, Shirley. The Chair recognizes the Majority Leader for a Motion."

Currie: "Thank you, Speaker. Would the Clerk please read Joint Session Resolution #4."

Clerk Rossi: "Joint Session Resolution #4 resolved that a committee of ten be appointed five from the House by the Speaker of the House and five from the Senate by the President of the Senate to wait upon the Honorable Governor of the State of Illinois and invite him to address the Joint Assembly."

Speaker Madigan: "The Chair recognizes Representative Currie."

Currie: "Thank you, Speaker. I move for the adoption of Joint Session Resolution 4."

Speaker Madigan: "Representative Currie has moved for the adoption of the Resolution. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Resolution is adopted. Pursuant to the Resolution, the following are appointed as a Committee to escort the Governor. The Escort Committee from the House will be Representative Dan Burke, Representative Tom Holbrook, Representative Charles Morrow, Representative Mike Bost, Representative Ray Poe. Senator Philip."

President Philip: "Thank you, Mr. Speaker. The Escort Committee from the Illinois Senate: Senator Walter Dudycz, Senator Bill Mahar, Senator Stanley Weaver, Senator Debbie

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Halvorson, Senator William O'Daniel."

Speaker Madigan: "Will the Committee of Escort please convene at the rear of the chamber and await his Excellency, the Governor. The Doorkeeper is recognized."

Doorkeeper Crawford: "Mr. Speaker, the Honorable Governor of the State of Illinois, George H. Ryan, and his party, wish to be admitted to this chamber."

Speaker Madigan: "Admit the Honorable Governor."

Governor Ryan: "Speaker Madigan and President Philip, Leader Daniels and Leader Jones, my colleagues in the General Assembly, my fellow Constitutional Officers, our guests in the gallery, my lovely wife and Speaker's wife, Shirley Madigan, my children and my grandchildren that are here tonight and especially to my fellow citizens of the great State of Illinois. Thank you very much for that warm welcome. I appreciate that very much. I appreciate your being here tonight. There's important work to be done for the people that we represent. But before we begin, I think it's important to remember the reason why today is a holiday. We pay tribute to heroes who have provided the ultimate service to the people of our country, the men and women who've laid down their lives for their fellow Americans on our soil and in foreign lands. And right now, more than 18 hundred of Illinois' sons and daughters are serving on active duty, both here and abroad. It's a kind of courage which we were vividly reminded of on September the 9th (sic-11th), the kind of sacrifices that make it possible for you and me to meet here as citizens of a free Republic. Please join me in a moment of silence for those brave Americans. Thank you. When I announced last August that I was not running for reelection, it didn't mean that I was gonna run away from my responsibilities and that's

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why I've asked you to come here tonight on Memorial Day evening to discuss the most serious financial problem that our state has faced in almost 50 years and to introduce a revised budget for your input and consideration. Calling all of you together for a Joint Session on Memorial Day is a first for the General Assembly. I don't believe there's another time in the history of our state when a Governor has asked for a Joint Session on a national holiday. And I thank you for your time, for your commitment, and for your understanding and I also apologize to you and your families for the inconvenience I may have caused, but we're here tonight because this is an extraordinary moment in our history. The occasion we are faced with, as Lincoln once said, is piled high with difficulty, in fact, I think I reminded you of that in February when I introduced my first budget for the year 2003. At that time, we faced a bleak budget picture, but we're here tonight because the picture went from bad to worse and so, I'm afraid, has our ability to realistically deal with the problem. We went from a \$700 million hole to a \$2 billion problem. Never before, never before in the history of this state has the State Government faced a budget problem so staggering in size or so devastating in its potential affect on the people of our great state. A \$2 billion revenue shortfall threatens the education and the well-being of our children, health care for the disadvantaged and seniors, the safety of our neighborhoods and the creation of jobs in economic opportunity. For the last several months, I've struggled to balance the needs of Illinois citizens with the revenues that are available for us to spend and since September the 11th, our revenues have fallen dramatically by hundreds of millions of dollars. And after that cowardly attack on our

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country and our economy, Americans suffered tremendous losses. Forty-two other states have experienced problems as bad as ours and in many cases, those problems are much worse. The terrorists that attacked our country not only killed thousands of men, women, and children, they also destabilized the economy of this nation. And I'm not sure that most people understand that that is the real reason for our budget problems, some think it's mismanagement, others less knowledgeable claim overspending and then there's the critics that say it's both, overspending and mismanagement, but I want to tell you those are not the reasons that we have a problem tonight. After September the 11th, our aviation system for the first time in the history of commercial air travel, our airplanes were all grounded, our hotels had an occupancy rate of between seven and nine percent, the convention halls were empty and closed and the restaurants had no customers and laid off their workers, retailers saw sales plummet as consumers stayed home, and Wall Street went into a panic from which it is still trying to recover. As a result, the tax revenue stream that supports our government dried up. Our revenue projections in February reflected as best we could an unprecedented situation. The economic forecast that was gloomy then grew darker and our projections had to be scrapped... had to be scrapped as our revenues continued to drop. Since February, revenues have worsened by another \$1.3 billion. The drop in revenues is the worst we've experienced in this state in almost 50 years. Each year for the last 47 years we've had some growth in revenues over the previous years and for nearly 50 years we've had an economy that grew, some years have been better than others, but we still had an economy that provided more tax

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dollars to government than the previous year. This year, however, is different. It's very different. This year we're faced with a \$2 billion revenue shortfall in the coming fiscal year. In an attempt to help resolve our problems and keep us from bankruptcy, I began to cut the fiscal year '02 budget and you may recall, that I asked for your help to spread the cuts fairly across the board. For whatever reason, the General Assembly, with the exception of the Senate Republicans, didn't want to participate in any cutting process. I took the fiscal year 2002 budget that I introduced at \$23.4 billion of general revenue funds and made initial cuts of 2% where I had the authority to do so. I cut an additional 3% in general revenue across the board as I prepared the initial budget for fiscal year '03. That essentially reduced our FY03 budget by 5%. I then asked state employees to give up a furlough day; one day's pay returned to the state to help offset the shortage in revenue. Each furlough day for all employees saves \$8 million. Everyone in my office, all agency directors and merit compensation employees agreed and paid their fair share to help balance the budget. I received the cooperation of nearly every union that represents state employees: the Illinois Nurses Association, the Illinois Federation of Public Employees, Teamsters Local 916 and 726 and 330, the Conservative Police League and the Operating Engineers, Carpenters, Electricians, Stationary Engineers all agreed to help with a furlough day in order to avoid layoffs. However, some unions refused to help and even went to court to avoid the furlough day. AFSCME, the state's largest employee's union, and the Illinois Fraternal Order of Police have refused to cooperate to help with our budget problems. They chose instead to run to the

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courthouse to oppose any cost savings whatsoever. Even a few of my Republican colleagues in classic election year pandering have joined forces with the union to tie my hands and the hands of any Governor to manage the state's budget and personnel crisis in the face of a crisis. We've decided election year politics is more important. Everyone else in State Government has cooperated and helped to solve our mutual problem. Everyone but the leaders of AFSCME and the FOP. They would rather have some of their members laid off than make concessions to keep all other members working. I, just for the life of me, don't understand that logic or reasoning. Tens of thousands of Illinois residents have lost their jobs and thousands more fear they're gonna lose their jobs. Major companies like American and United Airlines, Boeing, Motorola, Sears, Lucent Technologies, just to name a few, have laid off thousands of employees in Illinois and across the nation to remain viable. These companies don't expect consumers to bail them out completely with higher prices and we certainly can't balance the budget only by raising taxes. I've heard from a lot of experts over the past few months, some in this room. They tell us that we've spent ourselves into this problem. A year ago at this point we put together a prudent budget, you and I, with revenues in balance with expenditures just like 42 other states across this country did. States that now also face huge budget gaps. The Governor of California is trying to plug a \$24 billion problem, fully one-third of his state's budget. Indiana, Florida and Ohio face deficits of more than a billion dollars, each caused by reduced tax receipts. And in the last few days, Wisconsin's credit rating was lowered by the Wall Street rating agencies, a move that will cost

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their taxpayers added interest costs over the long haul. The rating agencies did not agree with the way Wisconsin was balancing their state budget and it's a reminder that we can't use smoke and mirrors to make ends meet and the list goes on. Those Governors and Legislatures didn't spend themselves to deficits and neither did we. Last spring, we built a budget based upon reasonable forecast and since September, everyone at every level of government has been struggling to balance their budgets and to stimulate the economy to respond to the short-term toll of the terrorists' attacks. And while we were setting the record straight, let's talk about the spending record of this administration. When the economy was healthier, we worked together, you and I, in a bipartisan fashion to deliver programs, projects, and services to the people of this state. We invested in our communities. We rebuilt the infrastructure, roads and schools and transit systems with Illinois FIRST. And long before September the 11th, we invested about a hundred and forty million dollars in fire trucks, police cars, search and rescue equipment, and other important public safety equipment to strengthen our homeland security. And each year, the Illinois FIRST Program, we put 50 thousand men and women to work: carpenters, electricians, road builders, laborers to help build a new Illinois. You and I did that together. Many have forgotten that. Many have also forgotten that we have provided tax relief, more than \$2 billion in tax relief. I'm sure you all remember because it was a political issue that we all wanted to send checks back home and we had tax relief of over \$2 billion. We helped families offset the cost of sending their children to public or private schools with a tuition tax credit. And we've provided competitive

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economic development incentives to lure businesses to invest in Illinois and to create jobs. And when we had surplus funds, we've returned them to the people. Did we invest in our communities? You bet we did. But we always lived within our means and in fact, since the watershed enactment of the state income tax no administration's held the line on General Fund spending more than this administration. During Governor Ogilvie's years, General Revenue funding appropriations grew by more than 21%, Governor Walker by 8.9%, Governor Thompson by 5.9%, and more recently, Governor Edgar by 5.5%. With the budgets that I'm proposing tonight, my administration will held the annual growth in General Revenue spending, over the last four years, to just 3.1%. Working together with you, we have been prudent stewards of the people's money. Now, the ribbon cuttings and the tax cuts are on hold. Since the economy has faltered, the experts have criticized our spending priorities and our record of achievement. And many have faulted our efforts to put the budget back in balance by blasting our spending cuts. Some of those critics are the same people who criticized us for overspending. Some of that criticism has come from people in this chamber this evening. You've all made it abundantly clear. Whatever you will oppose: cutting programs, closing facilities or laying off employees. But while running to the courthouse for press conference to stymie our abilities to solve the state's budget crisis, you often fail to offer your own alternatives. I don't want to close facilities. I don't want to cut programs. I don't want to layoff employees. So, I ask you, what would you do beside run to the courthouse to get your programs stopped and to stop us from balancing the budget? During

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the course of the past several months, I've met with you as Members, some alone, and some in groups, and some with constituent groups. And I've met with the Leaders, one on one, one on two, one on four and I've always enjoyed the work that we've done together. I have known and worked and developed friendships with President Philip and Leader Jones and Speaker Madigan and Lee Daniels for about 30 years and they'll always be my friends and men that I admire. So, it was a great surprise to me, after countless hours in meetings, that we as a group could only agree to disagree. However, my meetings with the Leaders did produce some meaningful solution to our problems and they've helped me identify what they believe that you could or could not support. Some Leaders insist that their Members want no spending cuts or reductions, others insist that there'd just be no tax increases. Except for Senator Philip and the Republican Majority in the Senate, no one stepped forward with any balanced plan. We just have not been able to fashion a proposed budget that will satisfy everyone. I do know that there is no support for \$2 billion in spending cuts and neither is there support for \$2 billion in new taxes. Therefore, the only alternative that makes any sense to me is to do some of both in order to bridge our \$2 billion debt. It's my expectation that the proposal I'm delivering to you tonight will be debated by both chambers of this General Assembly. Working together, I believe, we can get this job done and we can prevent an overtime Session that could be long for all of us and devastating for the people of Illinois. The method that's been used to develop a budget for more than 15 years isn't working this year. When I served in this chamber, we debated the budget on the floor, Bill by Bill, Amendment by

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Amendment, discussing the good and the bad, and passing and debating Amendments, and defeating Amendments affecting all areas of State Government and that's the approach the Legislative Leaders have agreed that we take this year in order to start this process into action. General Fund spending in this new budget is just about \$250 million below the level I proposed to you in February, now roughly \$22.5 billion. But in this new proposal, I've taken the best of your ideas and the best of your suggestions and I've heard from advocacy groups and others. This budget is a compromise document. There'll be about \$511 million in additional cuts in state spending. But we've moved money around in order to restore about 323 million in programs where I think we cut too much. We'll restore 50% of the funding that we've cut from Medicaid, keeping reductions to providers at about 6% across the board. These were some of the most painful cuts of all, cuts that I really didn't want to make. I believe now, with the new plan that I have before you, that we can afford to restore some of the most critical funding for health care for our neediest citizens. When we were forced to make these cuts last fall, many people forgot how much we achieved together to increase our investment in health care. We've increased enrollment in KidCare by 500% in four years, from 28 thousand children to 177 thousand. That means that more than a hundred and fifty thousand of our kids, who didn't have the health insurance, now have coverage. We developed senior care, a model for the nation in providing more than 400 thousand low-income senior citizens with prescription drugs. And under this new budget, we'll help health care providers take care of our people. I believe the Illinois Hospital Association is now willing to support this compromised

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proposal and I hope that you'll support it as well. I'll restore \$74 million in cuts to fairly fund programs to care for the developmentally disabled and the mentally ill that'll spare families all over Illinois from added anxiety. We'll restore funding to subsidized child care programs avoiding the need to increase copayments for those who can least afford it. We have to help parents and especially single moms provide safer places for their children while they try to support their families. We also will restore \$1.3 million for our Teen Reach Program. Now is not the time to weaken our resolve to help our children and especially our teens in the after school hours. We'll restore 1.7 million to services for immigrants and that's important in a great state such as Illinois, as diverse as we are, with such a rich history of immigrants who came here to build a better life in our communities. We'll continue to promote the cause of fairness in our criminal justice system by restoring \$2 million to the Appellate Defender's Office. And we will fully fund the Community Care Program in the Department on Aging by adding nearly \$10 million to our homemaker's program for the aging. We'll maintain at the original 2002 level the fair subsidy that we provide to the regional transportation authority for the elderly, students and the disabled. We will still be able to fund a new class of State Police cadets in the coming year, maintaining our commitment to keeping our highways safe. And thanks to both sides of the aisle in both chambers the Vienna Correctional Center will stay open. And we'll also fund the use of three cell houses at the state's newest maximum security prison in Thompson with the first inmates arriving in January of 2003. In addition, this budget proposes \$1 billion in short-term

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borrowing to help our cash flow. We absolutely must catch up on our bills. It's unfair, particularly to small businesses, that the state is not paying for its goods and services because of our budget impasse. With this balanced budget proposal, I propose borrowing so that we can get current on our bills and stave off financial ruin for hundreds of small business people throughout Illinois. Also, included is a billion dollars in new funding for the state's highly successful school construction program. I've heard many, many Legislators as well as students and parents and local school officials and labor unions who we strong support for more money in the school construction fund. The success of our school construction program was made possible by Illinois FIRST. We doubled the size of the fund and built 250 new schools and 12 thousand new classrooms. I think that's a pretty impressive record, but it's still not enough and there's more that we must do. There's about a billion in unmet school construction needs that still remain and this budget funding for education at the level that I introduced in February. This budget includes my original proposals for a pilot project that leads us to statewide universal access to quality preschool programs as well as enhanced funding for the Great Start Program that helps support preschool teachers. And in this budget includes recommendations to improve teacher quality and development that were recommended earlier this year by the Governor's Summit on Education. The Merit Scholarship Program will be fully funded as will the remaining work that needed to be done on the Illinois Century Network. We'll fund adult literacy program and our award winning Skills Match System which uses the Internet to match job seekers with employers. We will continue the good work of

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the Illinois Workforce Advancement Program which helps struggling communities access the state services that they need. We'll expand the number of Community Integrated Living Arrangements to help developmentally disabled to find a safe and productive home in a real neighborhood. And importantly for low-income families, this budget includes an appropriation of federal money, no state dollars, no state money, that creates a family care program to provide health insurance to roughly 35 thousand parents of children enrolled in the KidCare Program. But by keeping initiatives alive or by adding back program, we have to find a way to pay the cost. To do that we have to cut \$500 million more out of the budget and these new cuts must be added to many of the painful spending reductions that I announced in February. But to put it a little plainer, we'll cut more from the budget than I proposed in February, but those cuts are gonna be in different places. We'll reduce higher education by \$65 million, with the bulk of that cut coming from the proposed funding for a fifth year of scholarships for students participating in the Monetary Award Program. That program will still help students pay for four years of college, but we won't be able to do more than some had hoped we would be able to do. At the Department of Corrections we'll need to close the Sheridan Correctional Center as well as several work camps and boot camps throughout the state. We'll need to layoff more than 400 sergeants from the ranks of correctional officers and we must pursue the privatization of food service operations in our state prisons. Contrary to the scare tactics that many of you may have heard about privatizing our food service, the reality is for about 20 years the state has used private vendors to operate food

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services in maximum security facilities, one of our most dangerous prisons without major incident or decline in safety. The Federal Government has privatized food services in the prison system for years as have 20 other states, including Indiana, Wisconsin, Michigan, California, Florida, Texas and in Illinois, right here, in our home state, the counties of DuPage, Kane, St. Clair and guess where else? The County of Cook privatizes their food service. So, they've had no major problems. Privatizing our prison food service will save us at least 25 to \$30 million and we should do it without further delay. At the Department of Human Services, we'll need to close 11 local service offices throughout the state. And we'll need to close the Civil Commitment Wing of the Alton Mental Health Center and reduce operations at the Department of Human Services central offices in Chicago and here in Springfield. Unfortunately, we'll have to scale back by half the increase in the TANF grant that I proposed in February, but I still believe it's important to give those families an increase this year. It's the first increase they've received in more than 10 years. We'll reduce central operational costs at the Department of Public Aid, the Department of Transportation, the Department of Commerce and Community Affairs, the Department of Natural Resources, the Illinois State Police, and the Department of Agriculture, and we'll have to reduce spending at the Department of Children and Family Services, but none of those cuts, not one, will adversely affect the program that we have put to protect children for the award winning work that the agency is doing in adoptions. Another unfortunate but unavoidable reduction are the funds that we've committed to antismoking programs throughout Illinois.

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Since 1999, we spent a hundred and twenty million dollars on these programs. This budget includes a \$23 million reduction in spending on antitobacco initiatives. All of our antismoking efforts are well done and they're working well. But if it's a decision between funding health awareness campaigns or paying for health care for the poor the choice is pretty clear. In a year of many difficult decisions, we can't afford to maintain all of these programs at current levels. In this budget, we'll rely on another way to curb the use of tobacco and I'll tell you about that in a moment. In addition to these program cuts, we'll gain \$50 million from personnel management policies that we will implement statewide in every agency. As a part of this, I also propose that we pass an early retirement program, a lot of savings. Along with these cuts, we'll have to shift money within the state budget from funds that have excess cash to the General Revenue Fund. From various funds throughout the State Government, we'll be able to divert roughly \$227 million to the General Revenue Fund. And we will divert for this year only, one time, \$30 million from the Road Fund to pay for the operations of the Illinois State Police. And we will divert one-third of the \$90 million in unused reserves being held by the CHIP Program and use that money in this year only for operations of that program. Now, in my view, we cannot cut the budget any deeper in order to bring revenue in line with spending. To go any further would be harmful to the people that we're obligated to serve with these programs. So, we must go in the opposite direction and make some changes in our revenue structure in order to make our ends meet. I'm not proposing that we raise general taxes that affect the majority of the state's

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citizens. I'm not proposing that we increase the income or the sales tax. And I am removing my previous recommendation for a tax amnesty program to recoup money that we were owed by tax deadbeats. But many people, will nonetheless, have to sacrifice on behalf of the greater good. I'm calling on businesses to support a continued... a continuation of existing state practices in regard to the depreciation of equipment for tax purposes. If we do this, businesses in Illinois will still benefit from more than \$2 billion in new federal tax breaks, but the state treasury will not lose \$240 million and local governments will not lose a hundred and forty million dollars. We need that money to balance this budget. I purpose a 50¢ increase in the state cigarette tax in order to raise \$285 million. Given the necessity to reduce funding for the state's antitobacco campaign, raising the state cigarette tax will help reduce the demand for tobacco and help us balance the budget. Raising the cigarette tax is good public policy and we need to do that now. I also purpose to raise a hundred and eighty-five million dollars from an increase in the tax on windfall profits of Illinois' riverboat casinos. Last year the adjusted gross revenue of the nine operating gaming licenses was \$1.7 billion. Of that, we collected \$450 million. We should collect a greater share, especially with the fate of the tenth riverboat license still caught in a legal limbo that has now lasted for three years with no end in sight and it could reap almost \$500 million, almost as much as we take in from nine other boats today. This budget also purposes modest increases in other taxes that do not cut into the necessary expenses of families in Illinois. Keeping revenue from state photo processing tax in the state treasury generates \$25 million

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without raising that fee one cent. Raising the real estate transfer tax, a tax that most homeowners pay once or twice in their lives, generates about a hundred and thirty-five million dollars. That tax is at the same level, 50¢, that is was when it was first enacted in 1968. As I said, this budget is a tough proposition for you to accept, but the alternatives before you: stalemate, deadlock, and inaction are worse for the people of this state. It's time for us to show some real leadership. Times are tough and the choices are tougher. Lee Iococa once said, 'Lead, follow, or get out of the way.' And now is the time for you to remember why you entered public service, now is the time to lead, and now is the time to decide. At some point, everyone in this chamber entered public service with an idealistic notion that you were gonna do the right thing, that you would provide leadership in Springfield on behalf of your constituents and your neighbors back home and your friends. This budget is not perfect, but this year hasn't been perfect either. All around us people are losing their jobs. Our unemployment rate is higher than its been in more than five years. Our tax collections this year will fall below last year's level. And with this budget, our state spending will not even meet the amounts we spent on programs two years ago, but I gotta tell you folks, we have no choice. With this budget we can keep the state moving forward, we can continue to make Illinois a better place, but in order to do that we have to act now. My focus on solving this stalemate is unwavering and I ask you, my friends and colleagues, to have the same focus. I've said many times that while politics is a popularity contest, governing certainly isn't. Governing is about doing what's right. It's about making a difference in the lives of the

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people that we serve and it's about making decisions when decisions have to be made. This is one of those times when decisions have to be made as unpopular as some of them may be. The spirit of the American people is, as we speak, bit by bit rebuilding our economy. We have to do our part now to help that along and to focus on the future. I invite you to debate the proposals I've presented, submit your own ideas for needed spending, but for every dollar in spending, you better show me the money. I won't accept smoke and mirrors and I'll use my veto authority to bring spending in line with revenues. I'll work around the clock, day and night, with you. Meet with you any place, any time that I can to make this work. And in return I only ask one thing, that you send to my desk a responsible, reasonable, balanced budget. It's time to act. It's time to decide. And it's time to lead. Again, my thanks to all of you for the opportunity to address you here tonight and give you another chance to save the State of Illinois. God bless all of you. Thank you very much."

Speaker Madigan: "Will the Committee of Escort please come forward to escort the Governor from the chambers. The President of the Senate is recognized for a Motion."

President Philip: "Thank you, Mr. Speaker. I move the Joint Session do now arise."

Speaker Madigan: "The President of the Senate has moved that the Joint Session do now arise. All those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. And the Joint Session will now arise. The Regular Session will come to order. Would the Members please give their attention to Mr. Daniels. Representative Daniels."

Daniels: "Mr. Speaker, Ladies and Gentlemen of the House. The Governor and Mrs. Ryan would like to continue the

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discussion on the budget and have invited all Members and staff to the mansion tonight at 7 o'clock to continue the discussion of the budget and the Governor's message. He would also ask that for Members and staff that you provide your ID at the gate for admission. So, please join the Governor and Mrs. Ryan at the mansion at 7 o'clock."

Speaker Madigan: "If the Members of the House would please get a copy of these notices. They're being distributed at this time. If the Pages would please put these notices out. Ladies and Gentlemen, if I could direct your attention to the pink piece of paper which indicates a plan for tomorrow's Committee of the Whole meeting. The Session will convene at 9 a.m. We plan to proceed on an orderly basis providing time slots for different sections of the budget and then if you'll note at 7 p.m., we're providing a recall of agencies where Members feel that they want to have further discussion and dialogue with agencies which had appeared previously during the day. So, our proposal was to do this in an orderly fashion to permit all of us to do a complete examination of the budget, section by section, allocating time for consideration and then, again, a recall of agencies at 7 o'clock for those who wish to continue the discussion and the dialogue. And then the white piece of paper indicates a committee schedule for tomorrow where the committees will meet at 1 p.m., 1:30, providing for committee time on Tuesday and committee time on Wednesday. The Chair recognizes Mr. Mautino."

Mautino: "Thank you, Speaker. I rise for purpose of announcement. I'd like to ask that all the downstate Democratic Members stay around for a meeting at M-1 immediately following adjournment."

Speaker Madigan: "The Chair is prepared to adjourn."

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Representative Currie moves that the House stand adjourned until 9 a.m. tomorrow morning, providing perfunctory time for the Clerk. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The House does stand adjourned until 9 a.m. tomorrow morning , providing perfunctory time for the Clerk."