104th Legislative Day

12

13

14

15

16

17

18

19

20

2122

23

24

25

26

27

28

3/4/2004

Speaker Madigan: "The House shall come to order. The Members 1 2 shall be in their chairs. Everyone can move away from the cookies, Mr. Dunkin. Mr. Dunkin, you're only entitled to 3 That's the men... that's the rule for men. We ask the 4 Members and our quests in the gallery to turn off their 5 laptop computers, their cell phones and their pagers. 6 we ask the guests in the gallery to rise and join us for 7 the invocation and the Pledge of Allegiance. 8 We shall be 9 led in prayer today by Pastor Rebecca Gordon of the Nativity Lutheran Church in Wonder Lake, Illinois. Pastor 10 Gordon is the guest of Representative Jack Franks." 11

Pastor Gordon: "Let us lift our hearts before the One who is all loving and all powerful. Holy and gracious God, we give You thanks for this day and the world You have created for us to enjoy. We give You thanks for the blessing and privilege of meaningful work, of strong and supportive communities, of family, friends and neighbors. We give You thanks for these leaders and their workers in our state who are gathered here. Guide them with wisdom, skill and vision as they seek to build up people and communities, to build up infrastructure and industry. Give them courage, empathy and honesty as they make decisions about social welfare, economics and education. Make them trustworthy in their representation of all peoples, not just the wealthy, the powerful and those with influence so that the greatest good is sought for our society. Create attentiveness for the protection of the vulnerable, care for our delicate natural ecosystems and perception of those people and

104th Legislative Day

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2122

23

24

25

26

27

28

3/4/2004

things that are most vulner... vulnerable to exploitation. Give these leaders and their staff and all who work here the rest and refreshment they need to care for themselves and their families when the responsibility and burden of their work strains them. Surround them with people who will both support the integrity of their work with one hand and call them to accountability with the other. We pray for all the nations of the world. We pray for peace where there is strife and division, for comfort and safety for those who are forgotten, hungry, oppressed, homeless, for stability were there is corruption and unrest, protection for the weak where there is greed and malice. We pray for our President and Governor Blagojevich. Give wise and clear-sighted counselors to them. Give them and the leaders of our nation discernment, understanding and knowledge so that our nations may know stability and wellbeing, internally and abroad. We also pray for the people of this state that we would use the privilege of citizenship, of voting, of advocacy wisely, speaking and acting with hearts of justice, compassion and equality. Keep us mindful of our responsibilities to one another so that our neighborhoods and relationships will be strong. Again, we pray for these women and men gathered here, give them hearts of servants, characters of integrity that they will place the good of the people of Illinois their priority. Bless them with Your presence this day as they set about the work and the decisions they have before them. And keep us all always in the arms of Your care. Amen."

104th Legislative Day

- 1 Speaker Madigan: "We shall be led in the Pledge of Allegiance
- by Representative Giles."
- 3 Giles et al: "I pledge allegiance to the flag of the United
- 4 States of America and to the Republic for which it stands,
- one nation under God, indivisible, with liberty and justice
- for all."
- 7 Speaker Madigan: "Roll Call for Attendance. Representative
- 8 Hannig."
- 9 Hannig: "Thank you, Mr. Speaker. Would the record reflect that
- 10 Representative Barbara Currie is excused."
- 11 Speaker Madigan: "Mr. Bost."
- 12 Bost: "Thank you, Mr. Speaker. Let the record reflect that all
- Republicans are present today."
- 14 Speaker Madigan: "The Clerk shall take the record. There being
- 15 116 Members responding to the Attendance Roll Call, there
- is a quorum present. Mr. Clerk. Mr. Clerk, on page 11 of
- the Calendar, on the Order of Concurrence, there appears
- 18 House Bill... let's delay that for a minute. The Chair
- 19 recognizes Representative Gordon for the purpose of an
- announcement."
- 21 Gordon: "Thank you, Mr. Speaker. Point of personal privilege."
- 22 Speaker Madigan: "State your point."
- 23 Gordon: "Thank you. Ladies and Gentlemen of the House, I would
- 24 ask you to welcome some very special guests that I have
- 25 here this afternoon. They are the three team captains of
- the Wilmington High School football team; Brett Farmer,
- 27 Mark... Mike, excuse me, Mike Flores and Tony Vercelli. As
- long... with two of their coaches, Mr. Brian Goff and Mr.

104th Legislative Day

28

3/4/2004

1	Jeff Reents. Ladies and Gentlemen, it was the first time
2	in the history of Wilmington High School that this team led
3	by these captains went down to the state championship game.
4	They were the runners up in the 3A finals on November 28th
5	of 2003. I would ask for a warm round of applause for this
6	very special team."
7	Speaker Madigan: "Representative Mulligan."
8	Mulligan: "Thank you, Mr. Speaker. I rise to a point of
9	personal privilege."
10	Speaker Madigan: "State your point."
11	Mulligan: "Capital Forum on America's Future is sponsored by
12	the Secretary of State and the Illinois human Humanities
13	Council has a number of students here. They're gonna be on
14	the House Floor tomorrow discussion international law, and
15	I have students here from Maine South with their teacher
16	Sandy Deines who are in the gallery right behind us."
17	Speaker Madigan: "Mr. Osterman."
18	Osterman: "We're I have some students here from St.
19	Scholastica High School that are down for the same program
20	Representative Mulligan spoke of. If everyone would give
21	them a round of applause I'd appreciate it."
22	Speaker Madigan: "Mr. Clerk, House Bill 585, on the Order of
23	Concurrence. The Chair recognizes Mr. Hannig."
24	Hannig: "Yes. Thank you, Mr. Speaker and Members of the House.
25	I would move that we concur on the Senate Amendment to to
26	House Bill 585. I think most of us recall that one of the
27	first things that that Governor Blagojevich accomplished

last year was that he was able to provide us with a...

104th Legislative Day

3/4/2004

methods of... of putting additional money into our pension 1 2 system through the pension obligation bonds. And the way 3 that system worked was that the payments that were to be made in this fiscal year were put into a fund and then as ... 4 and then as the payments became due to the pension systems 5 6 they were simply transferred. What we know now is that the pension systems are doing an excellent job of managing that 7 money. They're... they're beating their 8.5 rate of return 8 9 expectations. And meanwhile, portions of that money are 10 simply sitting in a state account earning about 1 percent. So, what this Bill does, it simply authorizes us to prepay 11 the balance of those obligations to our pension systems so 12 13 that we could transfer all the money that will be owed for the rest of fiscal year to the pension systems now and they 14 15 could begin earning their maximum rate of return as opposed to the 1 percent that we're earning at this time. 16 that's what the Bill does. It's an opportunity to make 17 more on the money that we have in our accounts now. 18 I'd be happy to answer any questions. And I'd ask for your 19 20 'yes' vote."

- 21 Speaker Madigan: "Mr. Black."
- 22 Black: "Thank you very much, Mr. Speaker. Will the Sponsor
- 23 yield?"
- 24 Speaker Madigan: "Sponsor yields."
- 25 Black: "Representative, this is an extremely complicated Bill.
- 26 And I know you were here when we passed the law that
- 27 clearly states we must meet the actuarial demands on our
- 28 pension system because they were dramatically under funded

104th Legislative Day

1

2

3

4

5

6

7

8

9

10

3/4/2004

for a number of years. Now, it would appear to me that by diverting funds that currently go to the pension system to GRF, one could make a case that contributions may be less than actuarially sound. And in fact, staff... our staff would indicate that should this become law there is a strong possibility that the contributions to the State Employees Retirement System, SERS, in the next fiscal year would miss the actuarial target by several million dollars. And I... I don't understand, one, if we can do that legally or two, why would we want to if... even if we could."

Hannig: "Representative, I'm advised that the amounts that were

11 12 certified by the systems is the amounts that will be sent 13 to them under this proposal. That what we're really trying to do is to prepay those amounts and earn the maximum 14 15 amount of interest that we can. And that if we do nothing, that money will sit in the 1 percent account until the 16 payment is actually due and then it will be transferred, as 17 opposed to this Bill which is saying let's just transfer it 18 now and begin earning the higher rate of return." 19

20 Black: "But I... I think you would agree. I think reasonable people might disagree on what the net impact will be. 21 22 There's certainly a school of thought that would say that you're right. I think there's a school of thought that 23 would say our staff is right. But one of... even if... even 24 given the fact that reasonable people can often see div... 25 26 have divergent views on... on where we're going, we may ... we 27 may differ on how to get there. My concern is when you divert money from a designated fund like the Road Fund that 28

104th Legislative Day

that they certify."

19

3/4/2004

would go to SERS for those people that are covered under 1 2 the IDOT, State Police, et cetera. Now, we're going to 3 divert money from the Road Fund and instead of going in and putting it to the pension system, we're putting it into 4 GRF. Now, that sounds to me like yet another diversion of 5 6 Road Fund money from what is a designated source at this point and... and I think a related source, now, we're 7 diverting Road Fund money instead of going for pensions it 8 9 goes to GRF where it could be spent for anything. Why... why 10 would... why would that be good public policy?" "Rep... Representative, I think that some of 11 Hannig: 12 transfers that you're concerned with would still happen 13 whether we did this Bill or not, that that's something that was done prior to this time. And then what we're really 14 15 trying to do today is to maximize the rate of return that we can on the monies that we have. And there is a 16 continuing appropriation language that's still in place 17 that will ensure that the systems do get whatever monies 18

20 Black: "But I... I don't see any sunset on this. So, if we... should this become law, then these diversions from other 21 22 funds that currently go to the pension system would now go to the General Revenue Fund and if I'm reading this 23 correctly, that will go on until or unless this law is 24 specifically changed. It would seem to be, it'd make more 25 sense to me, Representative, if you would put a time limit 26 27 on this."

104th Legislative Day

28

Hannig: "Okay."

3/4/2004

"Representative, I'm advised that this is only 1 2 applicable to fiscal year '04, the year that we're in now." Black: "So, you're advised that it's only a one-year diversion? 3 Let me check, just a second. All right. Staff tells me 4 that is, in fact, correct. I... I stand corrected, you're 5 right. This is only for fiscal '04. But they've also now 6 pointed out a... and it may be a law of unintended 7 consequences that the way this is drafted there is a 8 9 potential, based upon what the pension contribution may be, if it's more than is outlined here, we may for the first 10 recorded history move 11 time in employee pension contributions from the pension system to GRF. 12 13 believe that's ever happened. Now, it may not happen in this Bill, we're not saying that it will. But what staff 14 has pointed out to me, that the way it's drafted, that 15 might happen. It... it could happen, it may happen. My god, 16 17 I sound like Harry Caray. But whatever, I think it sets a very dangerous precedent if... if direct 18 employee contributions would be diverted at the end of the year 19 because actuarially they may not be needed and direct 20 employee contributions go back to GRF." 21 22 Hannig: "I... I think maybe I'm not totally understanding the question, Representative Black, but the... but I'm advised 23 that we will pay the certified amount that the... that the 24 pension systems have indicated to us already for fiscal 25 26 year '04. So..." 27 Black: "And I think... I think we're in agreement on that."

104th Legislative Day

3/4/2004

"That we... that we will meet the actuarial payment. 1 2 Given interest rate fluctuations and what happens wi... in this fiscal year, our staff is concerned that a law of 3 unintended consequences may... may come into play, that we do 4 required contribution. Now, under normal 5 6 circumstances direct employee contributions would go to the pension fund and if it's over the actuarial amount, that's 7 good. But we... our staff feels that this Bill is drafted in 8 9 such a way that once you hit your actuarial target that you 10 would then be able to take pension contributions that employees have deducted and rather than put it in the 11 pension fund, divert pension deductions to GRF and we don't 12 think that's ever been done in the history of the state. 13 14 And... and the only reason that would be 15 Representative, is that you would meet... if you do meet the actuarial figure as mandated by law and then contributions 16 continue right up 'til the last day of the fiscal year, 17 that you would then say or be able to say, we've met the 18 figure so let's just take the pension contributions from 19 these paychecks of the workers and move it to GRF. I think 20 that's a very... we're not... I'm not saying that will happen. 21 22 We're saying that we think the law would allow that to happen and we think that's absolutely bad public policy." 23 Hannig: "Representative, we just simply don't think that that 24 25 will happen. And I would agree with you we wouldn't want 26 that to happen. So, it's certainly not the intention of 27 this Bill to do that."

104th Legislative Day

3/4/2004

Black: "And... and I would agree with you. And I think our staff 1 2 would as well. I don't think that's your intention. But we rely on staff on both sides of the aisle a great deal 3 and they work very, very hard and they have put hours... our 4 staff has put hours into analyzing this. My fear is, and 5 I'll listen to the rest of debate and... and I have great 6 confidence in our staff as I know you have in yours, if 7 there is an opening that would allow this to happen, the 8 9 pressures on the budget might be so great that, if that door is not specifically closed and we don't think it is 10 the way the Bill is drafted, it would be possible to take 11 say May and June pension contributions taken out of 12 13 workers' checks when it comes to the state put it in GRF account. And... and we... we think that should specifically be 14 stated by amendatory language that that 'may' not or 15 'shall' not happen. Because while we have to meet the 16 actuarial minimum, there's certainly no reason that we 17 couldn't put more money in if we get to that actuarial 18 period early. I... I want reasonable assurance that in no 19 way will an employee's pension contribution end up in the 20 General Revenue Fund for whatever the reason or whatever 21 22 the loophole that might exist in this law."

- 23 Speaker Madigan: "Mr. Black, are you finished?"
- 24 Black: "If... if he would answer that question. We think the
- possibility exists, Mr. Speaker, as I said to the
- 26 Representative..."
- 27 Hannig: "Well, Representative, we..."

104th Legislative Day

- 1 Black: "...that... that that transfer could occur. We don't think
- it's the intent, but it could occur."
- 3 Hannig: "Representative, we don't..."
- 4 Speaker Madigan: "Mr. Hannig. Mr. Hannig."
- 5 Hannig: "Representative Black, we simply do not believe that
- 6 that will happen. And it's not the intent of the Bill to
- 7 do that. We're at this point where we're looking at a
- 8 concurrence on a Senate Amendment. And... and so I would... I
- 9 would ask that you work with us."
- 10 Black: "Well..."
- 11 Hannig: "If you have a specific language you'd like to bring
- forward when we come back, we'd be happy to look at that,
- Representative. But at this point, I think it's important
- 14 that before we adjourn for the next few weeks that we
- address this problem."
- 16 Black: "Our staff would be willing to work with yours right
- 17 now. And one of... one of the problems that we have
- sometimes, Representative, is that we don't get adequate
- 19 time to review this. We think that loophole does exist.
- You're on the record as saying that's not the intent and
- 21 that shouldn't happen and... and you have a degree of
- integrity and credibility in this process. We would like
- language added, if it could be done in a timely fashion,
- that says clearly not only is it the intent it won't
- 25 happen, it will not happen. It cannot happen. I think it
- 26 would set an extremely dangerous precedent."
- 27 Hannig: "Representative, I... I... all I can add is that we have a
- Bill here that's in front of us. The Senate has gone home.

104th Legislative Day

3/4/2004

- We think that this takes a step forward. It allows us to 1 maximum... maximize our rate of return. And we would... we 2 3 would ask for your indulgence and help in moving this forward..." 4 Black: "And..." 5 6 Hannig: "...in what we believe's an important Bill." Black: "Representative, I agree with you. I think it is an 7 important Bill and we don't want to artificially stand in 8 9 the road. But let me... let me tell ya having been here for some time, this Bill has been bounced around since 10 November. It was popped out of the Rules Committee last 11 night. And now we're here on the floor and the Senate has 12 13 gone home, gee, there's a surprise and... and we're asked to ... to accept this and to join with you when we have serious 14 15 reservations that there is a loophole, unintended as it may be, that would allow pension contributions from employees 16 to be diverted to General Revenue Funds if the actuarial 17 total had already been met. That is a dangerous precedent 18 and in light of... of... in light that there is no specific 19 language prohibiting that, I stand in opposition to the 20 Bill." 21 22 Speaker Madigan: "Mr. Parke." Parke: "Thank you, Mr. Speaker. Will the Sponsor yield?" 23 Speaker Madigan: "Sponsor yields." 24
- pension systems. I'd like to know how much money do you
- 28 expect to be affected by your legislation?"

25

26

Parke: "Thank you. Representative, I have just a question. Ya

know, we're... we're talking about affecting the state

104th Legislative Day

24

3/4/2004

- Hannig: "I'm advised that... that the amount left in the fund is 1 2 \$660 million, Representative." Parke: "So, we're talking that this could affect \$660 million?" 3 Hannig: "So... so, it's getting 1 percent right now and we're 4 suggesting taking that 660 million, putting it into the 5 6 pension funds where they're averaging 9 and 10 percent 7 right now." Parke: "So, you're saying that this plan will divert state 8 9 employee contributions to the General Revenue Fund instead 10 of going into the pension systems?" Hannig: "No, Representative, I'm saying that we should prepay 11 12 money that we know we will owe to our pension system 13 throughout the rest of this fiscal year. We know we're gonna owe this money in April and in May and in June, but 14 rather than sitting... letting this money sit in a fund 15 that's earning 1 percent now, we're saying let's just 16 prepay those pension contributions and start earning 9 and 17 10 percent, which is what the pension systems are earning 18 right now. So, if we don't do anything, eventually this 19 money will trickle out of this 1 percent fund into the 20 pension systems. But I'm saying let's maximize our rate of 21 22 return by doing it all, by transferring it all out right now, the whole 660." 23
- not gonna prepay the pension contribution?"

 Hannig: "Well, Representative, the way the system works it's

Parke: "So, you're... in other words, you're prepaying... you're

like... like our paychecks. You know that you're gonna get paid and I'm gonna get paid this month and next month and

104th Legislative Day

3/4/2004

the month after that. And we can wait and those paychecks 1 2 will show up. And we can do the same thing with the 3 pension payments. We can wait and eventually those transfers will be made into the pension funds or since we 4 already have the money from the pension obligation bonds 5 6 that we sold, since we already have this money in a fund earning 1 percent, we're saying let's accelerate those 7 payments. Let's prepay 'em. Let's just move the money 8 9 that we already have... earning 1 percent into the pension funds, so that they can earn 9 and 10 percent." 10 "You know, Representative, that sounds great. 11 Parke: 12 Speaker, to the Bill. And Mr. Speaker, I can't hear the... I 13 had trouble hearing from the Sponsor of this. Could we have some quiet, please?" 14 15 Speaker Madigan: "Ladies and Gentlemen, please give your attention to Mr. Parke." 16 Parke: "You know, what we have is the Sponsor's trying to solve 17 a problem on behalf of the state and we can all appreciate 18 19 that. But what we're doing is that the Governor, yesterday when he spoke to the state Senate, said that he had a \$5 20 billion challenge last year and a 1.6 billion challenge 21 22 this year. There's no guarantee that we're gonna get this money in the way they want. There is no guarantee. So, 23 24 what we're doing is that this is... this is on the... this is on the... this is what we want to achieve. But you know, we 25 26 could end up being short again into the state employee 27 contribution. Ladies and Gentlemen, I understand what he's trying to do. He's trying to solve a problem short-term. 28

104th Legislative Day

- But Ladies and Gentlemen, I tell you, this is bad public 1 We ought not to be doing this. We are cutting 2 3 spending instead of paying into our pension systems and this could affect especially ... especially the State Employee 4 Pension System. Once it's done, we can't say we're sorry 5 6 we made a mistake. It's done. Ladies and Gentlemen, we need to find another way. This is gonna be the beginning. 7 For the rest of this Session, we're gonna try to tinker 8 9 with the State Pension System that is woefully under funded. This is not what we ought to do. I put in 10 legislation last... six years ago for a catch-up provision on 11 our pension systems that are one of the most under funded 12 13 pension systems in the United States. And now, to try and find a solution to try and help the Governor, what we're 14 15 gonna do is we're gonna monkey with these pension systems more than we are now. This is bad public policy. I ask 16 you to vote 'no' on this legislation." 17
- 18 Speaker Madigan: "Mr. Leitch."
- 19 Leitch: "Thank you, Mr. Speaker. Will the Gentleman yield?"
- 20 Speaker Madigan: "Sponsor yields."
- 21 Leitch: "Does this represent the full certified amount..."
- 22 Hannig: "Representative, yeah..."
- 23 Leitch: "...as required by the continuing appropriation?"
- 24 Hannig: "Yes, Representative, and the money's already in the
- 25 treasury."
- 26 Leitch: "Six hundred million, I thought it was 1.9 billion?"
- 27 Hannig: "This is... the 660 million is what is left. So in other
- words, we started out with over a billion dollars, almost 2

104th Legislative Day

1	billion and each month some of that money trickles out to
2	make the payments. So, as of today, the early part of
3	March, we still have 660 million left, earning 1 percent
4	interest."
5	Leitch: "What about next year? My understanding of the Bill is
6	that this Bill interrupts and changes the continuing
7	appropriation language that we've had in the Bill ever
8	since we passed that some years ago."
9	Hannig: "It doesn't, Representative. It it the language that
10	we passed last year in the pension obligation bonds
11	created it created a arbitrage where we would have enough
12	money to make this year's full payments to the pension
13	systems. That is FY04. And as I said, we… we've been
14	making those payments each month as they become due. All
15	this Bill says is, look, we're only getting 1 percent."
16	Leitch: "I understand that, but"
17	Hannig: "And let's let's get the full amount."
18	Leitch: "Is it"
19	Hannig: "So, we're not changing the continuing appropriation
20	language here."
21	Leitch: "Is a year"
22	Hannig: "And ne and next year, unless we make some other
23	changes. But next year we'll go back to the old way with
24	the continuing appropriation language."
25	Leitch: "Is it your commitment that the '05 budget will have
26	the fully certified amount?"

104th Legislative Day

- 1 Hannig: "Representative, I think we've all seen the Governor's
- 2 proposal where he showed how he can get to paying the full
- amount that's required, and... and the continuing..."
- 4 Leitch: "No, I haven't seen that. Are you suggesting that we
- will, under our continuing appropriation language..."
- 6 Hannig: "Yeah, Rep..."
- 7 Leitch: "...keep faith with that law and fund the full 1.9
- 8 billion..."
- 9 Hannig: "This Bill does not change..."
- 10 Leitch: "...in '05?"
- 11 Hannig: "Let me make two points. This Bill does not change the
- 12 continuing appropriation language which... which exists right
- now and if we do nothing else except pass this Bill, we
- 14 will go back to the old system in '05 and be under the
- continuing appropriation language."
- 16 Leitch: "Well, I'm very concerned about this Bill. And I'm
- 17 especially concerned about some of the proposals for the
- 18 Governor's Office because were he, over the next four
- 19 years, to 'save money' by using proceeds from that \$10
- 20 billion bond fund that would actually wind up costing
- 21 taxpayers \$21 billion over the course of that event and it
- 22 would also have grave risk implications in the systems
- 23 putting the entire arbitrage scheme that was adopted last
- 24 year at risk because those pension systems would have to
- earn at least upwards of 8 percent a year, 7.75 to 8
- 26 percent a year, just to be able to support that arbitrage
- gimmick. So, I have very grave reservations about this.
- And would strongly urge a 'no' vote."

104th Legislative Day

- Speaker Madigan: "Mr. Hannig to close." 1 2
- Hannig: "Yes, thank you, Mr. Speaker and Members of the House.
- This Bill is very simple. We have \$660 million left in the 3
- pension obligation account. We can allow ourselves to earn 4
- 1 percent interest on that for the balance of the fiscal 5
- 6 year or we can put the money into the pension systems today
- and earn 9 or 10 percent. Do you think we should be 7
- earning 9 or 10 percent instead of 1 percent? Vote 'yes'." 8
- 9 Speaker Madigan: "The question is, 'Shall the House concur in
- Senate Amendments #1 and 2?' Those in favor signify by 10
- voting 'yes'; those opposed by voting 'no'. Have all voted 11
- who wish? The Clerk shall take the record. On this 12
- question, there 64 'ayes' and 52 'nays'. The House does 13
- concur in Senate Amendments #1 and 2. And this Bill, 14
- 15 having received a Constitutional Majority, is hereby
- declared passed. Mr. Jefferson. The Chair recognizes Mr. 16
- 17 Jefferson."
- Jefferson: "Thank you, Mr. Speaker. I would move to table 18
- House Bill 4350, 4350." 19
- Speaker Madigan: "The Gentleman moves to table House Bill 4350. 20
- Is there leave? Leave is granted. The Motion is adopted. 21
- 22 And the Bill is tabled. Mr. Parke"
- Parke: "Thank you, Mr. Speaker. I rise on a point of personal 23
- 24 privilege."
- Speaker Madigan: "State your point." 25
- 26 Parke: "Thank you. In the gallery to my left there are
- 27 students and teachers from Streamwood High School. If the

104th Legislative Day

28

3/4/2004

1	Streamwood High School students would rise and wave. I
2	want to recognize them by the House. Thank you."
3	Speaker Madigan: "Representative Soto."
4	Soto: "Thank you, Speaker. I move to table House Bill 4311 and
5	4829. Thank you."
6	Speaker Madigan: "The Lady moves to table House Bills 4311 and
7	4829. Is there leave? Leave is granted. The Motion is
8	adopted. And the Bills are tabled. The Chair recognizes
9	Mr. Franks."
10	Franks: "Thank you, Speaker. I make a Motion to recommit House
11	Bill 3906 to State Government Administration Committee."
12	Speaker Madigan: "You've all heard the Gentleman's Motion. Is
13	there leave? Leave is granted. The Motion is adopted.
14	And the Bill, House Bill 3906 is recommitted to committee.
15	Representative Phelps, House Bill 4462. Mr. Clerk, what is
16	the status of this Bill?"
17	Clerk Mahoney: "House Bill 4462 has been read a second time,
18	previously. No Committee Amendments. No Committee
19	Amendment #1 was adopted. No Floor Amendments. All
20	Motions have been filed."
21	Speaker Madigan: "Mr. Clerk, take this Bill out of the record.
22	And Mr. Clerk, do you have a Committee Report?"
23	Clerk Mahoney: "Committee Reports. Representative McKeon,
24	Chairperson from the Committee on Labor, to which the
25	following measure/s was/were referred, action taken on
26	Wednesday, March 03, 2004, reported the same back with the
27	following recommendation/s: 'do pass Short Debate' (sic-

House Bill) 4374, House Bill 4851, House Bill 4883, House

104th Legislative Day

1	Bill 5037, House Bill 6617, House Bill 6869; 'do pass
2	as amended Short Debate' House Bill 4730; recommends 'be
3	adopted as amended' House Joint Resolution 64; recommends
4	'be adopted' Floor Amendment #2 to House Bill 4462."
5	Speaker Madigan: "Mr. Clerk, put House Bill 4462 back in the
6	record. The Bill's on the Order of Second Reading. Are
7	there any Amendments?"
8	Clerk Mahoney: "House Bill 4462 has been read a second time,
9	previously. Amendment #1 was adopted in committee. Floor
10	Amendment #2, offered Representative Phelps, is approved
11	for consideration."
12	Speaker Madigan: "The Chair recognizes Mr. Phelps for the
13	purpose of an Amendment."
14	Phelps: "Thank you, Mr. Speaker, Ladies and Gentlemen of the
15	House. Amendment #2 strikes the emergency rules and makes
16	it a matter of law in the statute to keep the status quo
17	for overtime compensation for Illinois workers. It takes
18	the good components of the Federal Government rules and
19	updates the threshold that has not been changed in 28
20	years. I move for the adoption of Amendment #2."
21	Speaker Madigan: "The Gentleman moves for the adoption of the
22	Amendment. The Chair recognizes Mr. Parke."
23	Parke: "Thank you. Will the Mr. Speaker, will the Sponsor
24	yield?"
25	Speaker Madigan: "Sponsor yields."
26	Parke: "Now, Representative, you said this is technical but our
27	staff said it has a lot more than technicality to it. Can

104th Legislative Day

1	you tell the Body a little bit more about what this does
2	and how it affects white-collar and and the duties tests?"
3	Phelps: "Yeah, Representative Parke, the Amendment #2 to two
4	components. It maintains the status quo of how we
5	compensate overtime for over 375 thousand Illinois workers.
6	The other thing that it adopts is it makes the salary test
7	of what the Federal Government wanted into this Bill, House
8	Bill 4462."
9	Parke: "Well, wouldn't you, I'm talking about Amendment 2."
10	Phelps: "That's Amendment 2."
11	Parke: "How does this affect 350 thousand people? I still
12	don't understand that."
13	Phelps: "Because under the Federal Government guidelines or the
1 1	mules there were to show a be March 21st 275 thousand
14	rules they want to change by March 31st, 375 thousand
14	Illinois workers may not get overtime compensation that
15	Illinois workers may not get overtime compensation that
15 16	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to
15 16 17	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman,
15 16 17 18	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman, firefighters, all kinds of assorted workers in Illinois.
15 16 17 18 19	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman, firefighters, all kinds of assorted workers in Illinois. And what we're doing in Illinois is trying to be a leader
15 16 17 18 19 20	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman, firefighters, all kinds of assorted workers in Illinois. And what we're doing in Illinois is trying to be a leader and tell the Federal Government that if they worked those
15 16 17 18 19 20 21	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman, firefighters, all kinds of assorted workers in Illinois. And what we're doing in Illinois is trying to be a leader and tell the Federal Government that if they worked those overtime hours they ought to be deserve 'em and they ought
15 16 17 18 19 20 21	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman, firefighters, all kinds of assorted workers in Illinois. And what we're doing in Illinois is trying to be a leader and tell the Federal Government that if they worked those overtime hours they ought to be deserve 'em and they ought to get 'em and be compensated for 'em."
15 16 17 18 19 20 21 22	Illinois workers may not get overtime compensation that they deserve because the Federal Government wants to go to straight time. This is gonna affect nurses, policeman, firefighters, all kinds of assorted workers in Illinois. And what we're doing in Illinois is trying to be a leader and tell the Federal Government that if they worked those overtime hours they ought to be deserve 'em and they ought to get 'em and be compensated for 'em." Parke: "Yesterday in committee, you mentioned that you were

104th Legislative Day

3/4/2004

Phelps: "Representative, this was what we presented yesterday. 1 2 This is exactly what we had the... the discussion on 3 yesterday in Labor Committee." Parke: "Well, then why are you doing it? We passed the... we did 4 not pass. I mean it passed out of committee. Why are you 5 6 doing it again?" "No. It makes it a matter of law into the statute. 7 Phelps: That's what it does. Instead of going to the rulemaking 8 9 authority it makes it a matter of statute... matter of law." Parke: "Okay, thank you. To the Bill. Ladies and Gentlemen... 10 to the Amendment. I think you... those of you who are 11 12 concerned about this legislation need to read this 13 Amendment. It's complex. It does affect it. Amendment I believe now is opposed by the Illinois State 14 15 Chamber of Commerce, the National Federation of Independent Businesses and the Illinois Hospital Association opposes 16 17 this legislation. Let me... one quick thing if I may, Mr. Speaker. How does this affect the Illinois... the nurses who 18 work on our... in our state? Does this affect them directly 19 in any way or is this the overall effect for all of our 20 union mem... workers?" 21 22 Phelps: "Representative Parke, I know you're... you feel dear like me with the Illinois Nurses Association. They are so 23 strongly backing this it's amazing because they know that 24 there is a nursing shortage right now in the State of 25 26 Illinois. And this is gonna be harmful for businesses and 27 harmful for our hospitals because we can't find nurses 28 today to give proper patient care to our citizens and our

104th Legislative Day

1	constituents. They know that a nurse is not if they don't
2	get the time and a half overtime compensation and they only
3	get straight time they're gonna leave in droves and that's
4	gonna kill our hospitals and kill our nurses. All this is
5	doing is maintaining the status quo of what the Illinois
6	businesses and Illinois workers are used to today."
7	Parke: "Ladies and Gentlemen, to to this Amendment. The
8	Amendment will go on. Mr. Speaker, is it your intent to
9	call the Bill after the Amendment is on today? Was it your
10	intent to move to the passage of this Bill on Third Reading
11	once this Amendment goes on?"
12	Speaker Madigan: "Yes."
13	Parke: "Then I will speak to the Bill after the Amendment is
14	on. Thank you, Mr. Speaker."
15	Speaker Madigan: "Mr. Davis."
16	Davis, S.: "I'll wait until the Bill gets on Third Reading, Mr.
17	Speaker. Thank you."
18	Speaker Madigan: "Mulligan."
19	Mulligan: "Mr. Speaker, I don't think the Amendment's on the
20	system."
21	Speaker Madigan: "Representative Mulligan, what do you see on
22	your screen?"
23	Mulligan: "I don't see it. She told me to hit refresh, which
24	I did and nothing came up. So, is it back?"
25	Speaker Madigan: "All right. Ladies and Gentlemen, the
26	question is, 'Shall the Amendment be adopted?' Those in
27	favor say 'aye'; those opposed say 'no'. The 'ayes' have

104th Legislative Day

- 1 it. The Amendment is adopted. Are there any further
- 2 Amendments?"
- 3 Clerk Mahoney: "No further Amendments. All Motions have been
- 4 filed."
- 5 Speaker Madigan: "Third Reading. Mr. Clerk, read the Bill."
- 6 Clerk Mahoney: "House Bill 4462, a Bill for an Act concerning
- 7 employment. Third Reading of this House Bill."
- 8 Speaker Madigan: "Mr. Phelps."
- 9 Phelps: "Thank you, Mr. Speaker and Ladies and Gentlemen of the 10 House Bill 4462 is an issue of the State Comptroller's Office. This piece of legislation has the 11 strong backing from the AFL-CIO, the Department of Labor, 12 13 the Illinois Nurses Association, the UFCW, IFT, SEIU, the Associated Firefighters of Illinois, the Illinois Fraternal 14 Order of Police as well as the Veterans of Illinois. 15 supporters all agree that the Illinois General Assembly 16 must stop the U.S. Department of Labor's proposed rule 17 schedules to take effect at the end of this month that 18 hurts Illinois workers a great deal. House Bill 4462 19 20 overrides harmful new federal regulations. Under these federal rules fewer Illinois workers will now become 21 22 eligible for overtime compensation at time and a half. Over 375 thousand Illinois workers will be hurt by this. 23 24 House Bill 4462 prevents these rules from taking effect maintaining, maintaining the status quo that Illinois 25 26 businesses, Illinois employers and Illinois workers had ... 27 now have. If there's any questions I'll be glad to answer 28 them."

104th Legislative Day

- 1 Speaker Madigan: "The question is, 'Shall this Bill pass'?
- 2 There being no discussion, those in favor signify by voting
- 3 'yes'... I guess there's been an awakening. Mr. Cross."
- 4 Cross: "Mr. Speaker, I think if you could give us just a second
- 5 I think there are a few people on our side that would like
- to talk on it. This is a fairly comprehensive Bill. If
- 7 you could give us a few moments."
- 8 Speaker Madigan: "Well, Mr. Winters is seeking recognition. We
- 9 could..."
- 10 Cross: "That would be a good way... that would be an opportunity
- 11 to give us a few moments."
- 12 Speaker Madigan: "...if we could recog... recognize him. He made a
- big difference on the 7 percent cap Bill on real estate
- taxes. Mr. Winters."
- 15 Cross: "Well, maybe..."
- 16 Speaker Madigan: "Mr. Cross. Cross."
- 17 Cross: "We're hoping he does a little better on this Bill."
- 18 Speaker Madigan: "Right. Mr. Winters."
- 19 Winters: "Thank you, Mr. Speaker. Will the Sponsor yield? I...
- I assume that the Sponsor will yield so I'll go ahead.
- 21 Having just downloaded a 9 page article from the Nursing
- 22 Executive Watch and having not read it yet, I will put on
- 23 my nursing cap and we'll get started on this Bill. First
- off this again, having not had a good chance to re... to
- 25 review this but looking at the... the summary of this, it
- does point out that many of the nursing groups around the
- country have really gone on the record as saying that the
- change in Federal Labor Law will very adversely affect

104th Legislative Day

3/4/2004

them. This that I have in my hand really refutes that.

Says that there... our ends will not be affected by the new law. What we're trying to do is instead update it for the first time in 25 years. We have a weekly maxima... or minimum of \$155 to enable you to become eligible for overtime payments. That is being raised to 425, I believe, in round numbers? That's correct, is it not?"

8 Phelps: "Correct."

9 Winters: "Okay. So, we're... we're trying to... to bring this 10 labor law on minimum wage to a more modern setting for almost 28 years I believe it is since we've done anything 11 And as we see society change, you see job 12 classifications change, you see the ramifications between 13 14 labor and management change throughout industry. 15 to update this. What this Bill does is to cherry pick. There has been a compromise reached in Washington between 16 business and labor. And there ... there are positives on both 17 sides, there are negatives on both sides. Both sides are 18 trying to reach a compromise that's not going to sandbag 19 20 industry. And I think we ought to stick with the federal compromise that has been reached. What we've done in this 21 22 Bill is to instead say, you know, we really like these provisions that labor has won. That business has agreed to 23 24 give up. But we really don't want to balance that with anything that... that labor might have given up themselves. 25 26 We're just gonna take the best things from one side and 27 ignore the best things on the other. What we're doing is we're gonna make Illinois once again be the only state in 28

104th Legislative Day

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

3/4/2004

the nation and I checked in debate in committee. No other state has tried to decouple from this Federal Law. We are the only ones. Once again, we're sending a message to... to the business community in Illinois. It's time that we shutdown your doors. You might as well pull up and leave. Now, small changes and I'm sure the argument's gonna be made that this minimum wage or overtime wage, excuse me, is... is it minor, the business will be able to manage around I just got a letter this morning. A company that is a printing company in my district just made a expansion, added 350 jobs last year, while we happen to exclude from the sales tax exemption printing company machinery. It cost them \$800 thousand that they were not counting on. They'd already put the plans into effect but had not quite completed them when we changed the law last They're gonna move not only the 350 jobs that they added in Illinois, but an additional 300. A total of almost 700 jobs are gonna be moving out of this state. This is going to do the same thing. Any company in Illinois that has overtime situations that the Federal Government is... is not going to match the State of Illinois, they're gonna look around at every state on our border, every state in the nation and say, you know, they want us as businesses trying to employ people in their states, why the heck are we going to sink our roots any deeper in Illinois? It's time that we consider that any plant expansion or any new plants at all we're not gonna look at Illinois, we're gonna look at any other state other than

104th Legislative Day

- Illinois, we might even look at California which is known 1 2 as a bad business climate. Illinois is now ranked as the fifth worst state for business expansion. When they look 3 around at what the state climate, the tax climate is, the 4 unemployment rules, the unemployment compensation rates 5 6 that they pay, the business liability insurance rates that they pay, Illinois ranks almost at the top for being a 7 lousy place to do business. No wonder we're lagging the 8 9 U.S. economy on jobs created. Our unemployment rate is almost 1 percent higher than the rest of the... the rest of 10 the country. It's because we have made this a business 11 unfriendly state. This is simply another way that we're 12 13 gonna penalize Illinois business. Stay with the federal compromise that was reached. Both business and labor are 14 15 getting good parts out of that Bill and instead of making Illinois once again, stand out on the edge of the cliff 16 while we crack the ground under our businesses feet. 17 gonna watch 'em slide down that the cliff and there gonna 18 take our unem... our employees with them. I urge a 'no' vote 19 on this Bill." 20
- 21 Speaker Madigan: "Mr. Black."
- 22 Black: "Thank you very much, Mr. Speaker. Will the Sponsor
- 23 yield?"
- 24 Speaker Madigan: "Sponsor yields."
- 25 Black: "Representative, have these federal rules been... have
- these... have these federal rules been placed in effect yet?"
- 27 Phelps: "Representative, as of March 31st they will be in
- 28 effect. And I have a... just so you know I have a article

104th Legislative Day

1	here from the $\underline{\text{Washington Post}}$ from President Bush's
2	Secretary of Labor, Chao, saying that they will not delay
3	the new overtime, it will go into effect by April 1st."
4	Black: "So, we're going to pass a Bill on the 4th of March
5	acknowledging rules that as we stand here today do not
6	exist?"
7	Phelps: "I just think when we know it's coming why should we
8	work under one day with these rules that's gonna hurt
9	Illinois workers."
10	Black: "Oh, I see and could you share your crystal ball with
11	me?"
12	Phelps: "Well, I'm just from the administration of President
13	Bush and all of his cabinet said that these are gonna go in
14	by April 1st."
15	Black: "So, we're going to pass a Bill on March the 4th
16	implementing changes in the State of Illinois that no other
17	state has done, acknowledging federal rules that are not in
18	effect and don't even exist. Okay, that's fine. I mean
19	that's just so I understand what we're doing here because
20	now this begins to make a lot more sense."
21	Phelps: "Representative"
22	Black: "Let me ask you another question if I could? Do these
23	proposed federal rules that the <u>Washington Post</u> that you
24	quote says is inevitable and certainly will never
25	disappear, and anything that appears in the Washington Post
26	is certainly I I read their horoscope and I follow
27	whatever the ${{ t Washington \ Post}}$ says, is the way I live my

104th Legislative Day

- life. Do their proposed federal rules in any way prohibit
- 2 nurses from working overtime?"
- 3 Phelps: "No, not the hours, Representative."
- 4 Black: "Ah ha."
- 5 Phelps: "All it will do is take the time and half away and make
- them work straight time. That's what it would do."
- 7 Black: "Oh, now... let me follow you up with another question
- 8 then. Do, in fact, the proposed federal rules prohibit
- 9 nurses from being paid overtime if overtime was worked?"
- 10 Phelps: "Representative, no."
- 11 Black: "I'm sorry what was your answer?"
- 12 Phelps: "No."
- 13 Black: "Ah ha. So, the sky isn't falling, is it? If a nurse
- works overtime even if these rules are implemented on March
- 15 31st, and that nurse works on April 1st a 12 hour shift,
- that nurse is still going to be paid overtime isn't she or
- 17 he?"
- 18 Phelps: "No... no.. no, Representative."
- 19 Black: "Oh, no... no... no, okay."
- 20 Phelps: "It will be straight time. It will be straight time.
- 21 Not time and a half..."
- 22 Black: "Okay."
- 23 Phelps: "...straight time."
- 24 Black: "Could you tell me then, show me the specific rule the
- language that clearly states a nurse that works overtime on
- April 1st will not be paid overtime?"
- 27 Phelps: "That's why though she will be paid. She'll be paid
- 28 straight time. But that's why I want Illinois to quit

104th Legislative Day

3/4/2004

- being a follower and be a leader and make sure that that 1 2 does not happen." 3 Black: "Oh... oh... we're ... we're a leader... we're a leader and you all should give yourselves a hand. We've lost more jobs in 4 the last three years than any state in the country. We're 5 6 leaders, there isn't any question about that." Phelps: "And if we, Representative, if we... if we don't 7 implement this we will lose jobs because nurses, and Joan 8 9 Larsen will tell you, from the INA, they will be leaving in droves because there are nurses, single mothers and single 10 fathers that rely on overtime to help their families." 11 Black: "Yeah... yeah, you're right, Representative. Malpractice 12 13 doesn't have anything to do with the fact that the only two brain surgeons, neurosurgeons left in Southern Illinois, 14 15 left a month ago. That... that must be because of these proposed... proposed federal rules? Is that right?" 16 17 Phelps: "No, that's a whole another issue, Representative." Black: "Yeah, it sure is. One your side hasn't wanted to talk 18 about in the last 10 years. Let's see, is there any part 19 of these federal rules that have not yet taken effect that 20 21 you like?" 22 Phelps: "Yes, I agree..." Black: "What's... what would that be." 23 Phelps: "...I agree with the President of raising the threshold
- 26 Black: "So, you like the part...."

from \$155 a week to \$425 a week."

24

25

- 27 Phelps: "It should have been... and... and, Representative, that
- hasn't been done in 28 years and actually the Economic 28

104th Legislative Day

- 1 Policy Institute says we're already under \$5000 a year less
- than what it actually should be today."
- 3 Black: "So, you like the like the part where the minimum salary
- 4 amount is raised before the exemption would apply, right?"
- 5 Phelps: "Yeah, and that's why we put it in the Bill."
- 6 Black: "And is that because more individuals under that federal
- 7 scenario will not be exempt and thus will be eligible for
- 8 overtime?"
- 9 Phelps: "Yes, that's correct."
- 10 Black: "Ah, I thought a while ago nobody was gonna get
- 11 overtime."
- 12 Phelps: "That was the... that's the Executive Branch's decision
- and I thought that was a very welcomed deal on that, that's
- 14 why we put it in."
- 15 Black: "Okay. Thank you, Representative. Mr. Speaker, Ladies
- and Gentlemen of the House, to the Bill. One thing I
- certainly can't answer or can't argue with the young man
- on, Illinois' a leader. We're the leader of lost jobs.
- 19 We're the leader in exporting industrial plants to other
- states. We're the leader in decoupling from... let's see the
- 21 Federal Estate Tax, which will impact most farmers in
- southern Illinois who have managed to accumulate land.
- We've decoupled from that. We've decoupled from the
- 24 accelerated depreciation schedule, one of only five states
- 25 to have done that. That will help us attract big business
- 26 that has to... that has to spend a \$150 million for a piece
- of equipment. Yeah, they'll... they'll flock to Illinois
- because now they won't be able write off their piece of

104th Legislative Day

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

3/4/2004

equipment in an accelerated period of time, they'll have to write it off over 10 years. Yeah, we're a leader all right. I'd like to share a story with you if I might. And it just kind of sums my whole philosophy on this. My... my late father-in-law was a remarkable man. A veteran of World War II, came home, worked for Standard Oil for a number of years. Wanted to get off the road and he moved to Des Moines, Iowa and he opened up an auto parts store. And he was open eight hours a day for five days a week and four hours on Saturday, 44 hours. He had an agreement with all of his employees that that's what they wanted to do. They wanted a 44-hour week and they were very, very happy with what my father-in-law said he would pay them for a 44 hour week. So, everybody was happy, four people had a job, the business was paying taxes and about, oh, I don't know, two years I think after Jack opened the business an inspector from the Bureau of Labor Statistics came in. And they did an audit. And they said uhoh... uhoh, you can't work somebody 44 hours a week. Only 40. And my father-inlaw said everybody agrees to that. They're being paid for the four hours on Saturday. What's the problem? I'll tell you what the problem is. You as a business owner don't have the right to determine that. We in the Federal Government through the Bureau of Labor Statistics will determine that. And here's what you owe your employees in back time and half wages. He went bankrupt. Four people lost their job. The auto store closed and America was somehow better off. Boy, that makes a lot of sense to me,

104th Legislative Day

26

27

28

3/4/2004

1	Representative. Let's regulate every aspect of our lives.
2	Let's continue to be the leader in lost jobs. And while
3	we're at it and I hate to be this way, you know why this
4	Bill is up here? Do you give me the real reason that this
5	Bill is before us on March the 4th. Give me the real
6	reason."
7	Phelps: "I think it's a great Bill."
8	Black: "Yeah. Would it have anything to do with Dan Hynes'
9	Senate Campaign?"
10	Phelps: "This is you know what, Representative, with all due
11	respect"
12	Black: "Tell me the truth."
13	Phelps: "AFL-CIO"
14	Black: "Tell me the truth."
15	Phelps: "Well, then I think you should talk to"
16	Black: "Tell me the truth or sit down."
17	Phelps: "I think you should tell talk to the AFL-CIO"
18	Black: "You tell the truth."
19	Phelps: "the NIA, the INT."
20	Black: "You tell the truth. You got the guy sitting right next
21	to ya. Tell me the truth, you little weasel."
22	Phelps: "We've got timeline by March 31st, Representative. I'm
23	just making sure Illinois does what's right and maintains
24	the status quo."
25	Black: "This happens to be this happens to be the cornerstone

of Dan Hynes' campaign commercial. This Bill doesn't need

to be here today. Except the Democrat powers thinks he

needs some help before the commercial. So, have your fun.

104th Legislative Day

3/4/2004

1	Do your thing. But someday, Mr., have the common courtesy
2	and guts to tell me the truth."
3	Phelps: "Representative, we got March 31st deadline on this and
4	we gotta get it to the Senate as well. So"
5	Speaker Madigan: "Representative Steve Davis."
6	Davis, S.: "If if it is an initiative of Dan Hynes it's a hell
7	of a good issue, Representative. Will the Sponsor yield?
8	Listen Representative, can you tell us how many jobs in
9	Illinois are going to be affected by the President's new
10	overtime rules?"
11	Phelps: "Eight million over 8 million in the in the country
12	and over 375 thousand in the State of Illinois."
13	Davis, S.: "So, you mentioned in the debate that the nurses
14	certainly are going to be affected. What what other what
15	other groups, Representative, are going to be affected by
16	the new overtime rules?"
17	Phelps: "The veterans of Illinois are going to be affected by
18	this, SEIU, IFT, teachers, 375 thousand workers. And
19	here's the other thing, you know, Representative Davis,
20	that we have to remember. We've had time and a half on the
21	books since 1938, with the federal changes it will go to
22	straight time. So, why do we change something that we've
23	had since 1938? We're maintaining the status quo to
24	protect Illinois workers."
25	Davis, S.: "Is there anything in the the new federal
26	overtime rules that would lower the age where children can
27	go to work full time? Because, you know, we used to have

that in this country, too."

28

104th Legislative Day

- 1 Phelps: "Right."
- 2 Davis, S.: "Where 8, and 9, and 10-year olds went to work
- 3 because the corporations were using them to their
- 4 advantage."
- 5 Phelps: "Right."
- 6 Davis, S.: "But is there anything in there to change that?"
- 7 Phelps: "No."
- Davis, S.: "Okay, just... just trying to double check. Ladies 8 9 and Gentlemen of the House, we have an opportunity here in this legislative Body to do something right and to do 10 something good for the working families in the State of 11 Illinois. You know this is one time where the status quo 12 should actually matter. Or we should stick with the... with 13 14 the status quo. By us decoupling we're... we're not just the 15 only state in the Union to decouple from the proposed federal overtime rules. We're... we're the leaders. We're 16 17 the leaders in this country by decoupling from the federal overtime rules. We can stand up today and tell the workers 18 in the State of Illinois that this Body cares about them, 19 that we care about their future, that they care about... we 20 care about their children and their grandchildren. We care 21 22 about their pension benefits and we care about their health care benefits. That's what we're going to do today by 23 24 voting for this Bill. Why in the world would anybody in 25 this chamber want to take away hard earned money from people who earn a hard day's wage, especially those who are 26 27 working over eight hours a day or over 40 hours a week? If you work over 40 hours a week you should be paid a decent 28

104th Legislative Day

25

26

27

28

3/4/2004

1	wage for that sacrifice. I you know, many of these
2	corporations have mandatory overtime rules, mandatory.
3	It's not voluntary, it's mandatory. So, they're gonna
4	mandate that you work overtime for straight wages. That is
5	not right. We and many of these people that are being
6	affected they are not representated represented through
7	collective bargaining. This is just not a union issue.
8	This is a workers' issue. This is a family issue. It has
9	nothing to do with collective bargaining. Actually, you
10	can collectively bar collectively bargain for overtime for
11	time and a half, double time two and half times and three
12	times. We're talking about people who need the help from
13	the Illinois Legislature, from the Governor and from the
14	people who represent them. Stand up and make the right
15	vote. Vote 'yes' on House Bill 4462."
16	Speaker Madigan: "Representative Mulligan."
17	Mulligan: "Thank you, Mr. Speaker. Will the Sponsor yield?"
18	Speaker Madigan: "Sponsor yields."
19	Mulligan: "Representative Phelps, I understand that under the
20	federal rule where it was streamlined from one duty test to
21	two from two duty test to one duty test. Would you
22	explain the duty test to me?"
23	Phelps: "Yeah. The duties test, Representative, gives the
24	employer the ability to substitute actual work experience

for a formal education. So, that would mean also for... if

you had a veteran, for example, if you leave the military

and go to a private company and you're in the military and you have training of specialized content that could be used

104th Legislative Day

3/4/2004

against you when you go to... to a place of work. They could say that you're too qualified and too skilled, so therefore I don't have to pay you overtime."

4 Mulligan: "All right. So, what the federal Bill did was it changes the... the qualification to be considered professional staff rather as nonprofessional staff. And it increased the salary threshold which would be considered professional staff as nonprofessional staff."

9 Phelps: "Yeah, correct."

Mulligan: "All right. I realized that when I worked for a law 10 firm when I went from nonprofessional staff to professional 11 12 staff I worked twice as hard and got less pay, if I counted 13 the hours. Not... the increase in pay was substantial but not to cover the time I spent maybe sitting at meetings at 14 15 night covering them for the law firm. But there was a qualification there that I was considered professional 16 staff, which to some people is important. What appears to 17 me is what we want is all of that. We want to be 18 professional staff but we want to have ... be judged under 19 union standards of how we're paid. So, we want the best of 20 all worlds. But that's also at the expense of partly at 21 22 the state budget. Last year we increased the minimum wage without any thought to what human service providers pay 23 24 people. So, we put an additional burden on them. You're going to do that once again. Just recently in the state 25 26 budget all the merit comp employees will now have to pay 27 their own pension. The union employees don't. going to happen if you're considered professional staff?" 28

104th Legislative Day

1	Phelps:	"No.	"

- 2 Mulligan: "So, we've stream... we've streamlined all of this and
- 3 then what does this come under the Department of Labor?"
- 4 Phelps: "The Department of Labor. Correct."
- 5 Mulligan: "Will they have to come through JCAR to implement
- 6 these rules or do they just automatically get to implement
- 7 these rules without going before JCAR?"
- 8 Phelps: "We worked with the Department of Labor here in the
- 9 State of Illinois. They helped us implement this because
- they don't even want one day to go under over this because
- of all the rules they... they probably wouldn't be able to
- 12 get done in time."
- 13 Mulligan: "So, there's cer... they're gonna go by the Joint
- 14 Committee on Administrative Rules when this Bill is going
- to allow them to bypass those hearings, directly implement
- the law and go around this?"
- 17 Phelps: "It may need fine tuned, but we're gonna make it a
- 18 matter of law."
- 19 Mulligan: "Well, Representative..."
- 20 Phelps: "And then we can go back to JCAR, Representative."
- 21 Mulligan: "You're not... you're not... you're not only introducing
- this Bill, as we often do introduce legislation at a time
- when we're walking out of here in hurry and what
- 24 Representative Black said to you may be true. It may be
- for a campaign. But there is no overall policy under this
- 26 administration or this Body in the last two years that
- adequately looks at the balance between labor and business.
- 28 This state has gone to hell in a hand basket because of

104th Legislative Day

- stuff like this. You do not actually sit here and say we're gonna pass a big change by introducing an Amendment at the last minute and running it out of here when
- 4 everybody wants to go home."
- 5 Phelps: "So..."
- 6 Mulligan: "It's irresponsible."
- 7 Phelps: "...well, Representative, let me... let me clarify this.
- 8 So, we're here March 4th. We're gonna be gone and not come
- 9 back until March 23rd. It'll take at least six Session
- 10 days to get this to the Senate and to the Governor before
- the federal guideline of April... of March... of April 1st."
- Mulligan: "If this Bill has to go through JCAR and not thr... if 12 13 the Department of Labor has to present the changes before JCAR it'll be a lot longer before that. So, it doesn't 14 15 matter when it is implemented. It still will have to go through different rules and it has to be signed. 16 the Governor signs this and makes it into law immediately, 17 we're losing a lot of stuff. Right now he's raiding the 18 The Federal Government is in the process of 19 Road Fund. giving Road Fund money to the State of Illinois. If you 20 have a Governor that's taking the Road Fund money you're 21 22 not going to get Road Fund money out of the Federal Government. If you go after the Federal Laws we're gonna 23 24 have less Road Fund money, we're gonna have less consideration from the Federal Government. But you just 25 26 keep on doing this with no time at all to have a logical 27 discussion and weigh the consequences of this. So, now you're gonna im... implement another law that makes us 28

104th Legislative Day

27

28

3/4/2004

unfavorable to business in this state. Labor can only have 1 jobs if there's businesses. There are only so many state 2 3 jobs that you can have people employ. The object of the state taxpayer is not to pay for every employee to be a 4 state employee, you have to have some business jobs. So, 5 6 if you make a totally nonbusiness friendly state, which we are doing, and we're the slowest in economic recovery, how 7 can you justify that to your people when they come to you 8 9 and have no jobs? Overtime with no jobs is zero just as salary with no job is zero. So, how can you implement 10 something like this without an adequate 11 time discussion?" 12 13 Phelps: "Representative, nurses are gonna leave. There's single mothers and single fathers out there that rely on 14 15 overtime to keep their family together..." Mulligan: "Representative, I was a single mother..." 16 17 Phelps: "...that'll be taken all away, Representative." Mulligan: "...I was professional staff and I did not get 18 overtime." 19 Phelps: "Thank you." 20 Mulligan: "I managed to put my kids through college. Now if 21 22 you want to make this a nonfriendly state with no jobs, just keep it up. Don't... don't give me this 'oh, poor me' 23 24 if..." Phelps: "Representative..." 25 26 Mulligan: "...we don't vote for this."

Phelps: "...this is gonna take something away what Illinois

workers had. This maintains the status quo what business

104th Legislative Day

1	and employers and employees have right now. That's all
2	it's doing. You can try to say what you want but it
3	maintains the status quo, what we're used to now."
4	Mulligan: "You're preempting the federal change. All you're
5	doing this for is for publicity, for campaigns and for
6	other issues. But what you're doing is you're making
7	business move, when I have people in my district say to me
8	if this keeps up I will be out of here in two years, I'm
9	planning on moving my business. We're losing jobs like a
10	big sucking vacuum. This is the kind of stuff with no
11	discussion that makes us an unfriendly state to business,
12	which means no jobs."
13	Phelps: "Thank you, Representative."
14	Speaker Madigan: "Mr. Watson."
15	Watson: "Thank you, Mr. Speaker. Will the Sponsor yield?"
15 16	Watson: "Thank you, Mr. Speaker. Will the Sponsor yield?" Speaker Madigan: "Sponsor yields."
16	Speaker Madigan: "Sponsor yields."
16 17	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an
16 17 18	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be
16 17 18 19	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?"
16 17 18 19 20	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?" Phelps: "What kind of employees, Representative?"
16 17 18 19 20 21	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?" Phelps: "What kind of employees, Representative?" Watson: "If I if I'm just an employer and I have a salaried
16 17 18 19 20 21 22	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?" Phelps: "What kind of employees, Representative?" Watson: "If I if I'm just an employer and I have a salaried employee right now who does not get overtime but has a
16 17 18 19 20 21 22	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?" Phelps: "What kind of employees, Representative?" Watson: "If I if I'm just an employer and I have a salaried employee right now who does not get overtime but has a decent salary, will I still be able to have a salaried
16 17 18 19 20 21 22 23	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?" Phelps: "What kind of employees, Representative?" Watson: "If I if I'm just an employer and I have a salaried employee right now who does not get overtime but has a decent salary, will I still be able to have a salaried employee?"
16 17 18 19 20 21 22 23 24 25	Speaker Madigan: "Sponsor yields." Watson: "Representative, could you tell me if if I'm an employer right now and this Bill goes into effect will I be able to have salaried employees?" Phelps: "What kind of employees, Representative?" Watson: "If I if I'm just an employer and I have a salaried employee right now who does not get overtime but has a decent salary, will I still be able to have a salaried employee?" Phelps: "Representative, whatever it yes. Whatever it is

104th Legislative Day

- that was a President Bush initiative. That's all we're
- 2 doing."
- 3 Watson: "Is... is the primary goal of this to affect nurses?"
- 4 Phelps: "No. No, it's just they're gonna be affected by it
- because they rely on overtime to help their families out.
- 6 When this Federal Law goes in it's straight time not time
- 7 and half. We've had time and half on the books since 1938.
- 8 We're not changing that. That's what the Federal Law does.
- 9 And we don't want to harm those workers."
- 10 Watson: "Okay, so... so do you thi... I guess my concern is... is
- the... the employers out there will they under... are they... is
- there gonna be mass confusion? Are they gonna understand..."
- 13 Phelps: "Representative, no, because there would be mass
- 14 confusion if these Federal Laws go in. We're maintaining
- 15 status quo. That's all we're doing, Representatives."
- 16 Watson: "So, will this job, in your opinion, will this job
- increase labor costs? Or will this Bill increase labor
- 18 costs?"
- 19 Phelps: "No, 'cause it's what... whatever's going on now it'll be
- the same way. The wor... everybody's used to this anyway in
- 21 Illinois. That's all we're doing with this Bill."
- 22 Watson: "Okay, thank you. Thank you, Mr. Speaker."
- 23 Speaker Madigan: "Mr. Osterman, to add to the debate."
- 24 Osterman: "Thank you, Mr. Speaker. I won't add too much more.
- I... will the Sponsor yield?"
- 26 Speaker Madigan: "Sponsor yields."
- 27 Phelps: "Yes."
- 28 Osterman: "Repre... Representative Phelps..."

104th Legislative Day

- 1 Phelps: "And thank you, for asking."
- 2 Osterman: "...I agree that what you said earlier this is a good
- Bill and I would ask people to support, it and it's a Bill
- 4 that you and I can support together unlike some of your
- Bills. But I just have one question. And that is do you
- 6 have a Senate Sponsor of this Bill?"
- 7 Phelps: "Yes."
- 8 Osterman: "Who's that?"
- 9 Phelps: "Senator Gary Forby."
- 10 Osterman: "Okay. But if other Senators wanted to come on as
- 11 cosponsors like Senator Barack Obama would you be willing...
- you'd be willing to entertain that, wouldn't you?"
- 13 Phelps: "Sure.'
- 14 Osterman: "Okay. Thank you."
- 15 Phelps: "Representative, I think he's a...."
- 16 Speaker Madigan: "Mr. Verschoore."
- 17 Verschoore: "Thank you, Mr. Speaker. Will the Sponsor yield?"
- 18 Speaker Madigan: "Sponsor yields."
- 19 Verschoore: "In answer to Representative Mulligan's statements
- I was on both sides of the coin on this thing. Being with
- 21 the plumbers and pipe fitters, I worked out in the field
- and I wanted to tell ya how important overtime is. When I
- 23 was elected business manager I went in, and I was
- 24 management so I didn't get overtime so I put in probably as
- 25 many hours as you did. And... overtime is important to
- working stiffs, let me tell ya, especially in construction.
- They might not get 40 hours a week. They might get three
- 28 days a week so they need that... that overtime to make a

104th Legislative Day

- decent living. So, this is why we need to have this Bill 1 2 pass. Thank you." Speaker Madigan: "The question is, 'Shall this Bill pass?' 3 Those in favor signify by voting 'yes'; those opposed by 4 5 voting 'no'. Have all voted who wish? Have all voted who 6 wish? The Clerk shall take the record. On this question, there are 57 'aye' and 44 'no'. Mr. Phelps." 7 "Mr. Speaker. Thank you, Mr. Speaker. Put this on 8 9 Postponed Consideration, please." "Put the Bill on the Order of Postponed Speaker Madigan: 10 Consideration. Mr. Black." 11 12 Black: "Mr. Speaker, a point of personal privilege. Ladies and 13 Gentlemen of the House, no matter how hard debate gets in this chamber, no matter how upset I can get at an issue 14 there is never, ever an excuse to call a fellow Member of 15 this chamber a little weasel. That is inexcusable. I am 16 embarrassed that I did so. I apologize to Representative 17 Phelps. That... that is not the kind of conduct that I would 18 condone on this floor and I am very, truly and sincerely 19 20 sorry. That kind of language is disrespectful and has no place on this floor and I apologize to you, Sir." 21
- 22 Speaker Madigan: "Mr. Phelps."
- 23 Phelps: "Representative, thank you, but I've been called a lot worse."
- 25 Speaker Madigan: "Mr. Clerk, for an announcement."
- 26 Clerk Mahoney: "The House Personnel & Pensions Committee will
- 27 meet immediately in Room 118. The House Personnel and
- Pensions Committee will meet immediately at Room 118. The

House Rules Committee will meet

104th Legislative Day

1

3/4/2004

immediately

2 Speaker's Conference Room. The House Rules Committee will meet immediately in the Speaker's Conference Room. 3 House shall stand at ease until 4:45." 4 5 Clerk Mahoney: "Committee Reports. Representative Barbara Flynn Currie, Chairperson from the Committee on Rules, to 6 which the following legislative measures and/or joint 7 action motions were referred, action taken on March 4, 8 9 reported the same back with the recommendation: Barbara... House Bill 4031, Amendment #2 10 offered by Representative McKeon, recommends 'be adopted'. 11 Representative Burke, Chairperson from the Committee on 12 13 Executive, to which the following measures were referred, action taken on March 3, 2004, reported the same back with 14 15 the following recommendations: 'do pass Short Debate' House Bill 4003, House Bill 4015, House Bill 4055, House Bill 16 4232, House Bill 4651, House Bill 6654, House Bill 6683, 17 House Bill 6866; 'do pass as amended Short Debate' House 18 Bill 3883, House Bill 3954, House Bill 4361, House Bill 19 4960, House Bill 5011, House Bill 5875, House Bill 4452, 20 House Bill 4782, House Bill 5884 and House Bill 6633. 21 22 Representative Fritchey, Chairperson from the Committee on Judiciary-Civil Law, to which the following measures were 23 referred, action taken on March 3, 2004, reported the same 24 back with the following recommendations: 'do pass Short 25 Debate' House Bill 3893, House Bill 4310, House Bill 4389, 26 27 House Bill 4652, House bill 4703, House Bill 4777, House Bill 4895, House Bill 6563, House Bill 6564, House Bill 28

104th Legislative Day

3/4/2004

6618; 'do pass as amended Short Debate' House Bill 4856, 1 House Bill 5130; 'do pass Standard Debate' House Bill 4498; 2 'do pass as amended Standard Debate' House Bill 3994. 3 Representative McCarthy, Chairperson from the Committee on 4 Higher Education, to which the following measures were 5 referred, action taken on March 3, 2004, reported the same 6 back with the following recommendations: 'do pass Short 7 Debate' House Bill 3877, House Bill 4688, House Bill 4744, 8 9 House Bill 5018; 'do pass as amended Short Debate' House Bill 4686, House Bill 6621. Representative Holbrook, 10 Chairperson from the Committee on Environment & Energy, to 11 which the following measures were referred, action taken on 12 13 March 3, 2004, reported the same back with the following recommendations: 'do pass as amended Short Debate' House 14 15 4850, House Bill 4959 and House Bill Representative Franks, Chairperson from the Committee on 16 State Government Administration, to which the following 17 measures were referred, action taken on March 3, 2004, 18 reported the same back with the following recommendations: 19 'do pass Short Debate' House Bill 3850, House Bill 4005, 20 House Bill 4103, House Bill 4269, House Bill 4489, House 21 22 Bill 4532, House Bill 4621, House Bill 5042, House Bill 5129, House Bill 5131, House Bill 5175, House Bill 6648, 23 House Bill 6989; 'do pass as amended Short Debate' House 24 Bill 4247, House Bill 5165 and House Bill 5320; 'do pass as 25 amended Standard Debate' House Bill 4127; recommends 'be 26 27 adopted' House Bill 620... House Resolution 629, House Resolution 677; a Motion to Concur with Senate Amendments 1 28

104th Legislative Day

3/4/2004

and 2 to House Bill 585. Representative Giles, Chairperson 1 from the Committee on Elementary & Secondary Education, to 2 3 which the following measures were referred, action taken on March 3, 2004, reported the same back with the following 4 recommendations: 'do pass Short Debate' House Bill 3970, 5 House Bill 3974, House Bill 3979, House Bill 3980, House 6 Bill 4225, House Bill 4265, House Bill 4431, House Bill 7 4444, House Bill 6841, House Bill 6954; 'do pass Standard 8 9 Debate' House Bill 4266, House Bill 5041, House Bill 6714; 'do pass as amended Short Debate' House Bill 3942, House 10 Bill 4058, House Bill 4167, House Bill 4522, House Bill 11 5215, House Bill 5562, and House Bill 6906; recommends 'be 12 13 adopted' a Motion to Concur with Senate Amendment #2 to House Bill 754. Representative Saviano, Chairperson from 14 15 the Committee on Registration & Regulation, to which the following measures were referred, action taken on March 3, 16 17 2004, reported the same back with the following recommendations: 'do pass Short Debate' House Bill 4057, 18 House Bill 4229, House Bill 4410, House Bill 4864, House 19 Bill 4989, House... and House Bill 6552; 'do pass as amended 20 Short Debate' House Bill 4200, House Bill 4436, House Bill 21 22 5890, and House Bill 5891. Representative Lang, Chairperson from the Committee on Gaming, to which the 23 following measures were referred, action taken on March 3... 24 March 3, 2004, reported the same back with the following 25 recommendations: 'do pass Short Debate' House Bill 4283. 26 Representative Delgado, Chairperson from the Committee on 27 Human Services, to which the following measures were 28

104th Legislative Day

3/4/2004

referred, action taken on March 3, 2004, reported the same 1 back with the following recommendations: 'do pass Short 2 Debate' House Bill 4116, House Bill 4560, House Bill 4718, 3 House Bill 4953, House Bill 4964, House Bill 6920, and 4 House Bill 7038; 'do pass as amended Short Debate' House 5 Bill 3963, House Bill 3975, House Bill 4302, House Bill 6 4612, House Bill 4735, House Bill 4862, House Bill 4476, 7 House Bill 4493, House Bill 4558, House Bill 4870, House 8 9 Bill 5164; recommends 'be adopted' House Resolution 593, House Resolution 594, House Resolution 703, and House Joint 10 Resolution 48. Representative Scully, Chairperson from the 11 Committee on Commerce & Business Development, to which the 12 13 following measures were referred, action taken on March 3, 14 2004, reported the same back with the following 15 recommendations: 'do pass Short Debate' House Bill 4640, House Bill 5023; 'do pass Standard Debate' House Bill 6679; 16 17 'do pass as amended Short Debate' House Bill 4227. Representative Molaro, Chairperson from the Committee on 18 19 Revenue, to which the following measures were referred, action taken on March 4, 2004, reported the same back with 20 the following recommendations: 'do pass Short Debate' 21 22 House Bill 3833, House Bill 3985, House Bill 4224, House Bill 4263, House Bill 4351, House Bill 4461, House Bill 23 4510, House Bill 4700, House Bill 4887, House Bill 4914, 24 House Bill 4976, House Bill 4977, House Bill 5014, House 25 Bill 6632, House Bill 6745, House Bill 6806; 'do pass as 26 27 amended Short Debate' House Bill 4400, House Bill 4501, House Bill 4716, House Bill 5095, House Bill 5157, House 28

104th Legislative Day

3/4/2004

Bill 5533, House Bill 5732, House Bill 6583, House Bill 1 2 6691, House Bill 6760, House Bill 7006. Representative Flowers, Chairperson from the Committee on Human Services, 3 to which the following measures were referred, action taken 4 on March 4, 2004, reported the same back with the following 5 6 recommendations: 'do pass Short Debate' House Bill 4622, House Bill 6739; recommends 'be adopted' House Bill 650... 7 654 and House Resolution 8 House Resolution 9 Representative McAuliffe, Chairperson from the Committee on Veterans' Affairs, to which the following measures were 10 referred, action taken on March 4, 2004, reported the same 11 back with the following recommendations: 'do pass Short 12 13 Debate' House Bill 4371, House Bill 4372 and House Bill 4491; 'do pass as amended Short Debate' House Bill 4992, 14 House Bill 4996; recommends 'be adopted' House Resolution 15 Representative Fritchey, Chairperson 16 from Committee on Judiciary-Civil Law, to which the following 17 measures were referred, action taken on March 4, 2004, 18 reported the same back with the following recommendations: 19 20 'do pass Short Debate' House Bill 4723. Representative Delgado, Chairperson from the Committee on Judiciary-21 22 Criminal Law, to which the following measures were referred, action taken on March 4, 2004, reported the same 23 back with the following recommendations: 'do pass Short 24 Debate' House Bill 3978, House Bill 4027, House Bill 4036, 25 House Bill 4135, House Bill 4271, House Bill 4287, House 26 27 Bill 4288, House Bill 4426, House Bill 4739, House Bill 4827, House Bill 5016, House Bill 5021, House Bill 5061, 28

104th Legislative Day

3/4/2004

House Bill 6874, House Bill 6951, and House Joint...; 'do 1 pass as amended Short Debate' House Bill 3869, House Bill 2 4023, House Bill 4067, House Bill 4120, House Bill 4395, 3 House Bill 4424, House Bill 4505, House Bill 4650, House 4 Bill 4790, House Bill 4825, House Bill 6786, House Bill 5 6 6902, and House Bill 7015. Representative Hoffman, Chairperson from the Committee on Transportation & Motor 7 Vehicles, to which the following measures were referred, 8 9 action taken on March 4, 2004, reported the same back with the following recommendations: 'do pass Short Debate' 10 House Bill 4920; 'do pass as amended Short Debate' House 11 Bill 4337, House Bill 12 4457 and House Bill 13 Representative Daniels, Chairperson from the Committee on Developmental Disabilities & Mental Illnesses, to which the 14 following measures were referred, action taken on March 4, 15 reported the same back 16 with the recommendations: 'do pass as amended Short Debate' House 17 Bill 4092 and House Bill 5000. 18 Representative Franks, Chairperson from the Committee on State Government 19 Administration, to which the following measures were 20 referred, action taken on March 4, 2004, reported the same 21 22 back with the following recommendations: 'do pass as amended Short Debate' House Bill 6983; 'do pass Standard 23 Debate' House Bill 3906 and House Bill 4363; 'do pass Short 24 Debate' House Bill 6681, House Bill 6848 and House Bill 25 26 6893; recommends 'be adopted' House Resolution 627. 27 Representative Burke, Chairperson from the Committee on Executive, to which the following measures were referred, 28

104th Legislative Day

1

2

3

4

5

б

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2122

23

24

25

2627

28

3/4/2004

action taken on March 4, 2004, reported the same back with the following recommendations: 'do pass Short Debate' House Bill 4720; 'do pass as amended Short Debate' House Bill 4572 and House Bill 6753; recommends 'be adopted' Floor Amendment #1 to Senate Bill 1626. Representative Franks, Chairperson from the Committee on State Government Administration, to which the following measures were referred, action taken on March 4, 2004, reported the same back with the following recommendations: 'do pass as amended Short Debate' House Bill 6848 and House Bill 6983; 'do pass Standard Debate' House Bill 3906 and House Bill 4363; 'do pass Short Debate' House Bill 6681 and House Bill 6893; recommends 'be adopted' House Resolution 627. Representative Collins, Chairperson from the Committee on Juvenile Justice Reform, to which the following measures were referred, action taken on March 4, 2004, reported the same back with the following recommendations: 'do pass as amended Short Debate' House Bill 4566 and House Bill 4610; 'do pass Short Debate' House Bill 4975. Representative Bradley, Chairperson from the Committee on Personal & Pensions, to which the following measures were referred, action taken on March 4, 2004, reported the same back with the following recommendations: 'do pass Short Debate' House Bill 6616; 'do pass as amended Short Debate' House Bill 4109 and House Bill 4575. Representative Howard, Chairperson from the Committee on Computer Technology, to which the following measures were referred, action taken on March 4, 2004, reported the same back with the following

104th Legislative Day

3/4/2004

- recommendations: 'do pass Short Debate' House Bill 6992. 1 2 Representative Osterman, Chairperson from the Committee on Local Government, to which the following measures were 3 referred, action taken on March 3, 2004, reported the same 4 back with the following recommendations: 'do pass Short 5 Debate' House Bill 3890, House Bill 4239, House Bill 4280, 6 House Bill 4779, House Bill 4958, and House Bill 7263; 'do 7 pass as amended Short Debate' House Bill 2633, House Bill 8 9 4017 and House Bill 4238. Introduction of Resolutions. House Resolution 725, offered 10 Representative Madigan. House Resolution 726, offered by 11 Representative Younge." 12 13 Speaker Madigan: "The House shall come to order. Mr. Clerk. Mr. Clerk, what is the status of House Bill 4031?" 14 15 Clerk Mahoney: "House Bill 4031 has been read a second time, previously. Amendment #1 was adopted in committee. Floor 16 Amendment #2, offered by Representative McKeon, has been 17 approved for consideration." 18 Speaker Madigan: "Mr. McKeon." 19 McKeon: "Thank you, Mr. Speaker. Floor Amendment #2 restricts 20 the Bill solely to the City of Chicago. Makes no other 21 22 substantive changes." Speaker Madigan: "The Gentleman moves for the adoption of the 23
- 27 Speaker Madigan: "Sponsor yields."

yield?"

24

25

26

Black: "Thank you very much, Mr. Speaker. Will the Sponsor

Amendment. The Chair recognizes Mr. Black."

104th Legislative Day

1	Black: "Representative, so, this the Amendment then would
2	alleviate any concerns that a downstate or actually in any
3	other county or city in the state other than Chicago would
4	not have to worry about the 100-foot minimum being changed,
5	correct?"
6	McKeon: "It would make no have no impact whatsoever."
7	Black: "Fine, thank you."
8	Speaker Madigan: "Those in favor of the Amendment say 'aye';
9	those opposed say 'no'. The 'ayes' have it. The Amendment
10	is adopted. Are there any further Amendments?"
11	Clerk Mahoney: "No further Amendments. No Motions filed."
12	Speaker Madigan: "Third Reading. Mr. Clerk, what is the status
13	of House Bill 2626?"
14	Clerk Mahoney: "House Bill 2626 is on Supplemental Calendar #1,
15	is on the Order of Concurrence."
16	Speaker Madigan: "The Chair recognizes Mr. Hannig. Mr. Hannig"
17	Hannig: "Yes, thank you, Mr. Speaker and Members of the House.
18	Last year we authorized the State of Illinois to issue
19	variable rate bonds. The… the Governor's Office of
20	Management and Budget has advised us that some bond
21	councils around the state, not all, but a few feel that we
22	need to make some adjustments in the language that
23	authorized that that procedure. Now, all the bond
24	councils are in agreement that we have to make a very
25	simple change. So, this proposal says that for the
26	purposes of limiting it it its changes from words
27	'limiting interest rate risk' to 'limiting, reducing or
28	manage interest rate exposure.' It's a very simple

104th Legislative Day

3/4/2004

proposal that allows the bond councils throughout the State of Illinois to all agree that we can proceed along the lines that we authorized the Governor's Office to proceed last year. So, that's what the Bill is about and I'd be happy to ask… answer any questions and I'd ask for your 'yes' vote."

7 Speaker Madigan: "Mr. Cross. Mr. Cross."

Cross: "Mr. Speaker, I... I won't take a lot of time up. 8 9 gonna encourage the Members on our side of the aisle to at 10 least vote 'present' on this Bill and no more. don't want to vote 'no', that's okay. This may be a great 11 idea, Mr. Speaker, but the reality is we all found out 12 13 about this Bill within the last hour or two. May be a great idea, may be a bad idea. We don't know. But for 14 15 this Bill, that deals with a large amount money, it deals with financing for the State of Illinois, has implications 16 on how we handle our budget, we feel is something that 17 should be given to all of us in a more timely manner. 18 Again, it may be a good financial move. We don't know 19 20 because of the amount of time we've had to analyze this particular Bill. I would caution and I would urge all of 21 22 the people on our side to vote 'present' or 'no'. I would think that given the history of this caucus of trying to 23 24 work with people, we've been wanting... we've worked with the Governor's Office over the past year, that we could have 25 26 had a little more heads-up on this particular topic. And I 27 want to stress this may be a fine idea. It may be a good management tool for the budget director. And we all feel 28

104th Legislative Day

28

3/4/2004

we have an obligation to solve this budget problem. But I 1 would ask that those working on the budget be a little more 2 respectful of this side of aisle in giving us documents 3 such as this, Bills such as this with the significance that 4 this Bill provides in a more timely matter. Thank you, Mr. 5 6 Speaker." Speaker Madigan: "Mr. Black." 7 Black: "Thank you, Mr. Speaker. I won't belabor the point. I 8 9 certainly agree with the House Republican Leader. would ask if the Gentleman would yield for two questions?" 10 Speaker Madigan: "Sponsor yields." 11 Black: "Representative, there is also language in this Senate 12 13 Amendment that says clearly no additional bonding authority is granted, correct?" 14 15 Hanniq: "That's correct." Black: "So, we're only dealing with the base borrowing of a... of 16 17 a year ago, right?" Hannig: "Well, we're... yet... that's correct." 18 Black: "All right." 19 Hannig: "This authorizes no additional..." 20 Black: "All right." 21 22 Hanniq: "...borrowing." Black: "All right, no additional borrowing. Now moving back 23 and forth from a fixed rate to variable whichever would be 24 in the best interest and no pun intended, in other words, 25 that we pay the least interest. Do you have any idea what 26 a bond trader or a broker would charge every time we would 27

move from variable to fixed or fixed to variable? In... in

104th Legislative Day

- all honesty, this isn't a trick question. I have no idea
- what these people would... would charge. My guess is it
- 3 would be a substantial amount of money."
- 4 Hannig: "I was advised that we... we have a rate for... of \$2.40
- 5 per bond which is pretty much a stable rate for this next
- 6 issuance instead that the..."
- 7 Black: "In other words..."
- 8 Hannig: "...that the Governor's Office anticipates..."
- 9 Black: "...that would be the fee charged... it's a set fee that
- they charge for the trade or to move back and forth?"
- 11 Hannig: "...it's a... it's a bid amount, Representative."
- 12 Black: "And that would be per \$10 thousand per million dollars.
- I mean, what would the rate..."
- 14 Hannig: "Representative, I... I apologize that I don't know the...
- 15 the... I know it's the \$2.40 but I don't know what the base
- 16 is."
- 17 Black: "Okay. And... and the only..."
- 18 Hannig: "But... but it's a bid amount, Representative..."
- 19 Black: "All right."
- 20 Hannig: "...and it's a competitive market that we're in."
- 21 Black: "And... and very competitive. And the only reason I ask
- is that I wanted to make sure that when we... when we get all
- these details worked out that we will, in fact, save more
- 24 money in... in later interest costs than we will incur in
- 25 expense for the expense of the trade."
- 26 Hannig: "Absolutely, Representative."

104th Legislative Day

- 1 Black: "And... and I was sure that that's where you're headed, I
- 2 just wanted to... to make sure that's... that we were on that
- 3 page."
- 4 Hannig: "Yes."
- 5 Black: "Thank you very much."
- 6 Speaker Madigan: "Mr. Hannig to close."
- 7 Hannig: "Yes, thank you, Mr. Speaker and Members of the House.
- 8 The safeguards that exist for bonding the 9 percent limit
- 9 in interest rates, the 20 percent amount that we can use in
- variable rates, they're not affected by this Bill. This
- 11 Bill does not authorize any additional borrowing. All this
- Bill does is clarify some language so that the lawyers who
- issue these variable rate bonds or who rule on these
- variable rate bonds are satisfied that the language that we
- 15 passed last year, the bipartisan language that we passed
- last year can be perfected, that we can save the maximum
- 17 amount of moneys for our State of Illinois. So, that's
- 18 what this Bill's about and I'd ask for your 'yes' vote."
- 19 Speaker Madigan: "The question is, 'Shall this Bill pass?'
- Those in favor signify by voting 'yes'; those opposed by
- voting 'no'. The Clerk shall take the record. On this
- question, there are 62 'aye' and 35 'no'. Mr... there are 62
- 23 'yes' and 35 'no'. This Bill, having received a
- Constitutional Majority, is... excuse me, the House does
- concur in Senate Amendment #3 and the Bill, having received
- 26 a Constitutional Majority, is hereby declared passed.
- 27 Agreed Resolutions."

104th Legislative Day

1	Clerk Mahoney: "Agreed Resolutions. House Resolution 710,
2	offered by Representative Steve Davis. House Resolution
3	712, offered by Representative Monique Davis. House
4	Resolution 714, offered by Representative Chapa LaVia.
5	House Resolution 717, offered by Representative Cross.
6	House Resolution 718, offered by Representative Jakobsson.
7	House Resolution 720, offered by Representative Yarbrough.
8	House Resolution 722, offered by Representative Capparelli.
9	House Resolution 723, offered by Representative Froehlich.
10	House Resolution 724, offered by Representative Gordon.
11	House Resolution 727, offered by Representative Lang.
12	House Resolution 728, offered by Representative Rose.
13	House Resolution 729, offered by Representative Flider.
14	House Resolution 730, offered by Representative Dugan.
15	House Resolution 731, offered by Representative Flider.
16	House Resolution 732, offered by Representative William
17	Davis. Senate Joint Resolution 66.
18	
19	RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY
20	OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES
21	CONCURRING HEREIN, that when the two Houses adjourn on
22	Thursday, March 04, 2004, the Senate stands adjourned until
23	Tuesday, March 23, 2004 at 12:00 noon; and the House of
24	Representatives stands adjourned until Tuesday, March 23,
25	2004, at 1:00 o'clock p.m. Adopted by the Senate March 4,
26	2004."
27	Speaker Madigan: "On the question of the Agreed Resolutions,
28	Representative Hannig moves that the Agreed Resolutions be

104th Legislative Day

3/4/2004

adopted. Those in favor say 'aye'; those opposed say 'no'. 1 The 'ayes' have it. The Agreed Resolutions are adopted. 2 3 On the question of the Adjournment Resolution, Mr. Hannig moves that the House stand adjourned until Tuesday, March 4 23 at 1:00 p.m., providing perfunctory time for the Clerk. 5 6 Those in favor say 'aye'; those opposed say 'no'. 'ayes' have it. And the House does stand adjourned until 7 Tuesday, March 23 at 1:00 p.m., providing perfunctory time 8 9 for the Clerk." Clerk Mahoney: "Road condition reports are on the Speak... in the 10 well of the chamber. House Perfunctory Session will come 11 12 to order. Committee Reports. Representative Bradley, 13 Chairperson from the Committee on Personnel & Pensions, to which the following measure/s was/were referred, action 14 taken on Thursday, March 04, 2004, reported the same back 15 the following recommendation/s: 16 recommends Motion to Concur with Senate Amendment #3 to 17 adopted' House Bill 2626. On the Order of First Reading. Senate 18 Bill 2171, Spons... offered by Representative Coulson... Senate 19 Bill... Senate Bill 2171, a Bill for an Act concerning 20 professional develop... development, offered by Representative 21 22 Coulson. Senate Bill 2552, offered by Representative Molaro, a Bill for an Act concerning taxes. Senate Bill 23 24 2744, offered by Representative Flowers, a Bill for an Act concerning insurance coverage. Senate Bill 3083, offered 25 by Representative Hamos, a Bill for an Act concerning 26 27 finance. Senate Bill First Reading. Senate Bill 2620, offered by Representative Mathias, a Bill for an Act 28

104th Legislative Day

- 1 concerning insurance. There being no further business, the
- 2 House Perfunctory Session will stand adjourned."