

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Let the record show that since Representative Washington has now arrived, we will begin today's proceedings. The House shall come to order. Members shall be in their chairs. We ask the Members and our guests in the gallery to turn off laptop computers, cell phones, and pagers and we ask our guests in the gallery to rise and join us for the invocation and the Pledge of Allegiance. We shall be led in prayer today by Reverend Jennifer Kottler who is the Deputy Director with the Protestants for the Common Good in Chicago. Reverend Kottler is the guest of Representative Lang."

Reverend Kottler: "Good morning. In addition to all of the prayers that have been and continue to be prayed for a quick end to this Legislative Session, I invite you now to pray with me in whatever way honors your particular religious tradition. This prayer is attributed to Maya Angelou. Father, Mother God, thank You for Your presence during the hard and mean days, but then we have had You to lean upon. Thank You for Your presence during the bright and sunny days for then we can share that which we have with those who have less. And thank You for the presence during the holy days for then we are able to celebrate You and our families and our friends. For those who have no voice, we ask You to speak. For those who feel unworthy, we ask You to pour Your love out in waterfalls of tenderness. For those who live in pain, we ask You to bathe them in the river of Your healing. For those who are lonely, we ask You to keep them company. For those who are depressed, we ask You to shower upon them the light of hope. Dear Creator, You, the borderless sea of

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

substance, we ask You to give to all the world that which we need most, peace. Amen."

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

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

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

Currie: "Thank you, Speaker. Please let the record reflect that Representative Jones is excused today."

Speaker Madigan: "Mr. Bost."

Bost: "Thank you, Mr. Speaker. Let the record reflect that Representative Churchill, Coulson, Jenisch, and Mathias are excused today."

Speaker Madigan: "The Clerk shall take the record. There being 112 Members responding to the Attendance Roll Call, there is a quorum present. Mr. Clerk. Mr. Clerk."

Clerk Mahoney: "Committee Reports. Representative Barbara Flynn Currie, Chairperson from the Committee on Rules, to which the following legislative measures and/or Joint Action Motions were referred, action taken on May 03, 2006, reported the same back with the following recommendation/s: 'approved for floor consideration' is Senate Amendments 1 and 2 on a Motion to Concur with House Bill... on House Bill 5342, Amendment #2 to Senate Bill 1684 and Amendments 1, 2, and 3 to Senate Bill 2399. Representative Reitz, Chairperson from the Committee on Revenue, to which the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

following measure/s was/were referred, action taken on May 03, 2006, reported the same back with the following recommendation/s: 'recommends be adopted' House Amendment #2 to Senate Bill 2185."

Speaker Madigan: "On page 6 of the Calendar, on the Order of Senate Bills-Second Reading, there appears Senate Bill 1520. Mr. Clerk, what is the status of the Bill? Page 6 of the Calendar, Senate 1520."

Clerk Mahoney: "Senate Bill 1520 has been read a second time, previously. No Committee Amendments. Floor Amendment #1, offered by Representative Hannig, has been approved for consideration."

Speaker Madigan: "Mr. Hannig on the Amendment."

Hannig: "Yes. Thank you, Mr. Speaker and Members of the House. This Amendment is the spending plan for FY '07."

Speaker Madigan: "Mr. Hannig, may..."

Hannig: "And I'd be..."

Speaker Madigan: "...may I interrupt. And Mr. Black, my thought is to adopt this on a voice vote, move it to Third, debate on Third. Mr. Black."

Black: "Mr. Speaker, in the interest of trying to speed up the process and be as... as civil as we can in what might be a contentious day, the Republicans will let you move all of the budget Bills from Second to Third on a voice vote. We would like the record to reflect that we should be counted as 'no', but we will acquiesce. Move all of your Bills: budget, 'bimp', whatever, from Second to Third and we plan to debate them aggressively on Third Reading. Thank you."

Speaker Madigan: "Thank you, Mr. Black. So, Mr. Hannig."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I would move for the adoption of Floor Amendment #1."

Speaker Madigan: "Mr. Hannig moves for the adoption of the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Mahoney: "No further Amendments. No Motions filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

Clerk Mahoney: "Senate Bill 1520, a Bill for an Act concerning appropriations. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Hannig."

Hannig: "Yes. Thank you, Mr. Speaker and Members of the House. This Bill is the state spending plan for FY 2007. I think, as most of us know, the budget is actually a combination of the spending plan and a number of budget implementation Bills. This begins the process of passing a budget by adopting a spending plan. So, let me talk a little bit about some of the items that I think are highlights in the Governor's proposal and our proposal and then be happy to answer any questions. I think the big winner in this budget, as has been the case for a number of years, is K-12. This budget would promote... propose that we spend an additional 408,895,000 in GRF and 431,558 in all funds; specifically, the foundation would be increased by \$170. We would... we would fund the mandated categoricals at the same level as last year, 90 percent. There would be \$10 million of new money for the Average Daily Attendance block grant, the Governor's initiative on the Universal Preschool Initiative is funded at 45 million. There's some money...

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

some additional money for agricultural education and \$10 million to fund a class size reduction Bill that we passed in this House earlier. Higher Education will receive additional funds as well. I think that's an important item on the budget for many of our people who have higher education facilities in their districts. We all have community colleges and I think we're thankful to see additional money for that. In Human Services, the Human Services Committee that we have here in the House, with Representative Feigenholtz as chairman, was able to prevail upon the Governor to do some items that I think were not in the Governor's budget but would increase the asset limit for some of our seniors who are seeking care. We have a COLA for foster parents and abused and neglected children that's in the budget. If we did all parts of the budget, we would be able to speed up the payment cycle for our Medicaid providers. The nursing homes, I believe, are in agreement with this proposal which allows the MDS rate and methodology to... to go into effect. The so-called Joe Lyons cost of doing business increase is in this budget at 3 percent, that's a \$3.6 million item. We would annualize the long-term care. We have a lock box that we would... that we would appropriate to DHS for the purposes of making some... some payments depending on whether the hospital assessment is approved or not. There's some meth awareness programs as well. Those are some of the highlights in the area of public health. We would have the Governor program on additional funding for Veterans' Affairs funded so that we could pick up those veterans who have been left out by the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Federal Government. We see as well that there are some increases in the Department of Agriculture that I think downstate Legislators will be happy to see. CFAR is increased by a million dollars. Anhydrous ammonia security grants are increased by 1.6. There's money for the Soil and Water Conservation District, the cooperative extension, the rodeo that will come to Springfield this year is funded. There are a number of items in the DCEO budget including \$25 million for renewable fuels. I think that's an important item, as well, 6.25 for the minority trades, the Digital Divide, \$3 million. So, there's a number of items there as well. I think if you look at the items that we would generally consider part of our public safety, we have in the Supplemental, which is the first part of this Bill, additional money for 250 new correctional guards. We have money to annualize that as well. We have money for the Thomson Correctional Center to open. We have costs for methamphetamine programs at Southwestern Illinois Correctional Center, for the Franklin County Detention Center, for the Cook County Boot Camp. There's money in this budget for additional police cars for the State of Illinois, that's \$8.25 million. So, as is always the case, this budget is a compromise. The Governor made a proposal here before this chamber a number of months ago and then asked us to study the program, to study his proposal, and to send to him a document that we were all comfortable with as well. After a lot of consultation, a lot of committee hearings, this is the document that I think addresses the concerns of the state of the... for the people of the State of

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Illinois. It's a good budget that allows us to take a step forward. It's something that I think all of us can find things that we will be happy with and can... and can be proud of. And so, I'd be happy to... I'd ask for your 'yes' vote and be happy to answer any questions."

Speaker Madigan: "Mr. Cross."

Cross: "Mr. Speaker, thank you. Just one point of clarification. We would request unlimited debate on the budget. Is that possible that we have opportunity to ask questions and voice our... our points?"

Speaker Madigan: "The answer is 'yes'. And I would simply ask that we not prolong unduly, that's all."

Cross: "We don't plan on doing that."

Speaker Madigan: "There'll be unlimited debate and let's just be reasonable, that's all."

Cross: "And... and I don't know if you're gonna use the timer, Mr. Speaker. I might go a little over 5 minutes, if they would... you would indulge us to do that. I'd appreciate that."

Speaker Madigan: "Well, Mr. Cross, my view is if people are reasonable, then there's no need to use the timer."

Cross: "I see us as a very reasonable caucus today, Mr. Speaker."

Speaker Madigan: "Today."

Cross: "Today and I... and probably Friday, when we're out of here."

Speaker Madigan: "Yeah, right. More reasonable then."

Cross: "A lot more. And I... and also, Mr. Speaker, perhaps if we could have a little order in the House. I... this is, I... some might say, the biggest Bill of the Session. All right."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Mr. Cross."

Cross: "Thank... thank you, Mr. Speaker. I... I'm gonna, with all due respect to the Sponsor, I don't have any questions. I have some observations about this particular budget and some points I'd like to make. I... This budget, today, reminds me a little bit of last year and the budget that all of you on the other side of the aisle voted for except I think, this year's budget is perhaps worse than last year's budget and I really didn't think that would happen. Some of the things that are factual that are not spin, and that, I know, goes on on both sides of the aisle, but the harsh reality is the pension raid that all of you voted and implemented last year where we shorted the pension system last year of a billion two, none of that money is restored in this year's budget. You've done absolutely nothing in this year's budget to restore the raid from last year of a billion two, to the worst funded pension system in the country. And then on top of that you have decided to raid the worst funded pension system in the country again to the tune of a billion one. So, last year we raided the pension system or you raided the pension system and this year again, you along with the Governor of the State of Illinois have raided the worst funded pension system in the country by a billion one. I find that incredibly hard to believe. On top of that, where I didn't think it could get worse, you spent last year an additional a billion one of new spending, a billion one. Last year's budget was predicated entirely on borrowing as is this year's budget, but the difference between this year's budget and last year's budget is you have decided to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

increase spending by a billion four. You've actually gone over the Governor's introduced level. You are spending the people of the State of Illinois's money to the tune of a billion four when we don't have any money to increase spending, but you've decided to increase spending by a billion four. And you're doing that with a straight face. Now, if anybody has any questions about whether or not this is an election year, all they have to do is look at the fact that we're increasing spending by a billion four. Oh, we're giving more money to this and we're giving more money to that, all based on borrowing. The next part of this budget that I find hard to believe is that last year we left here having a billion six due in Medicaid bills, a billion six. Now, unlike previous Governor's and previous General Assemblies, when we've had new money, new revenue growth, we take a little bit of that and paid on our Medicaid bills. Not you. Let's ignore those Medicaid bills and we're doin' it again this year. We now owe \$2 billion or we'll soon owe \$2 billion in Medicaid bills to our providers. And what's cruel about that is we tell those providers to provide services. We sit here and we brag about providing health care to people that can't afford health care. We're gonna do that as a state and we're gonna ask our hospitals, our nursing homes, our pharmacists, our doctors to provide much needed services but we're gonna leave Springfield this year owing \$2 billion in bills, \$2 billion in bills and you are gonna leave here in Spring... leave here in Springfield and say we have a balanced budget. How can you say that we have a balanced budget when we owe \$2 billion in Medicaid bills?

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Two billion dollars. Last year it was a billion six, this year it's \$2 billion. The other thing that wasn't mentioned in the presentation of this budget was that a billion six of this year's budget goes to debt service because you have decided to borrow so much money over the last few years under the leadership of this administration. A billion six of this year's budget goes to debt service. That's money we could use to pay off Medicaid bills, it's money we could use to pay education, that's money we could put into the pension system. But we are, once again, focusing on debt and in this budget, we have a billion six in unpaid bills. Now, what is absolutely incredible on top of all that is the fact with all of these unpaid obligations, the worst funded pension system in the country, Medicaid bills of 2 billion.. Medicaid bills owing of \$2 billion, debt service of a billion six, you have the audacity, the audacity to sit over there and say we have a balanced budget, we're not raising income and sales tax, to have in this budget, in this budget, almost \$800 million in pork, \$800 million in earmarks, \$800 million in pork, \$800 million in pork. Let's not pay our Medicaid providers, let's not get that pension system where it needs to be, let's not pay off some of the debt we've accumulated, let's make sure in an election year, it's November, we all wanna run for re-election, let's put \$800 million in this year's budget in pork. We are ignoring the obligations that we've created as a state. Eight hundred million dollars in pork. Now, in this budget we have \$577 million in unaccounted for money, lump sums, \$577 million in lump sum amounts in this budget for pork. Does

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

anybody tell us in this budget, is there any showing in this budget, are there any line items of this 577? No. We simply put, for instance, Article 96 Section 90, \$301 million and ya know what, you guys aren't too worried about it 'cause there are three people that cut this deal on the budget in a backroom and just say, don't worry about a thing. Trust me. We'll figure out where that \$300 million goes. We'll figure it out. We'll tell you where it goes. We'll go back in a backroom and you got your little goodies here, trust us, we've got 300 million here, lump sum. We're not gonna tell the people of the State of Illinois where it goes. Heaven forbid, that's not the way this process works. Someone told us a few months ago or a few years ago, we're gonna change the way business is done in Springfield. Well, this is surely a way we've changed business in Springfield. Five hundred seventy-seven million dollars of lump sum amounts of money and we're not tellin' people where it's goin'. In an election year, heaven forbid, we'd do that. Five hundred seventy-seven million dollars and we are ignoring the ongoing responsibilities we have and on top of that, we are doing a really nice thing, we've got about \$200 million of add-ons and we're gonna tell ya what those are. But the bottom line is we owe... we now have 800 million new dollars of pork, 800 million. Now... we just said forget the Medicaid providers, forget the pension system. What about those 24 school districts in the State of Illinois that we said about 4 years ago, 3 years ago, you go do a con... school construction bond program, you pass a rever... pass a referendum and we will provide funding as a state to make

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

sure you get money toward the construction and improvement of your schools. We owe, as a state, a hundred and forty-eight million dollars to those school districts. School districts funded by property taxpayers, by property taxes. And we said as a state, don't worry about it, you do it, and we'll pay ya. Year one came along, we didn't pay 'em. Year two came along, we didn't pay 'em. Year three came along, we didn't pay 'em. We owe 'em a hundred and forty million dollars, Republican districts, Democrat districts. But because it's an election year and because we already cut the ribbons on those schools that we owe a hundred and forty million dollars, we're gonna say to those schools, not this year, we're not gonna pay ya this year. It's an election year. We'll worry about it next year. We've gotta create new pork. We gotta find new programs that'll help us get elected. So, Medicaid providers, we're not gonna pay you. Pension system, we're not gonna pay you and school districts, not now. Not now, we'll talk to you later 'cause we've got 800 million in pork that's gonna go to different places but not to you. Not to you because that doesn't do us any good in an election year. But... but trust us, we'll get to ya next year. This is your budget. This isn't our budget. Now, there's been a lot of talk about process about this budget, a lot of talk about process. Republicans didn't wanna cooperate. Republicans were obstinate. Republicans were obstructionists. Well, let's set the record straight on Republican involvement in this year's budget. And I don't say this whining, I'm not gonna say it to complain. I understand, we're big. We understand what's

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

goin' on. We understand that there were three other people in a backroom cuttin' the deal. That's how life goes on in this place 'cause we've changed the way business is done in Springfield, haven't we. We had one budget meeting, one budget meeting. It was the day of the State of the State. One budget meeting and we talked primarily about capital. Now, that was somewhat of a joke. Nobody knows... everybody knows we're not gonna do a capital Bill 'cause we don't have a revenue stream to pay for a capital Bill. So, we went downstairs and said, this is our Leader's meeting. That was the only Leader's meeting that ever took place this Session. Now, Mark Beaubien has been our budgeteer for the last 3 years and does a good job, works with your side of the aisle as much as he can. Was he invited to a budget meeting? Never, not once. Mr. Speaker, could we have a little order in the House. Can we have a little, just a little order, just a little. Thank you. Mark Beaubien didn't get invited to one budget meeting. Kent Gaffney, our budget person on staff, there's one meeting about capital, he didn't go to it. That was it. We had no other meetings. So, if anybody wants to suggest, in this Body, that Republicans were obstructionists, it's pretty hard to obstruct when there's no meeting. Now, it gets worse process wise. It gets worse, process wise. Last year we had 20 budget hearings around the State of Illinois to actually get input, to actually get input, to actually get input from people throughout the State of Illinois. This is the most important Bill of the Session and nobody wants to pay attention. Is it easier to act like an ostrich and put your

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

head in the ground on the other side of the aisle 'cause you know what you're doing and how bad it is? Is that easier? I hope not. We had 20 hearings around the state. People from all around the state showed up. They said, these are my concerns, these are our communities concerns. This is what's bothering us as a state. How many hearings this year did we have as a state around the state asking people's input? We had none. We had zero. No hearings to talk about this year's budget that equals over \$55 billion, none. But we had an appropriation process. Last year the appropriation process took over three months, this year it was condensed to down... down to a little less than a month. If you were an advocate and you wanted to speak at an appropriation hearing, you got 3 minutes, 3 minutes as an advocate in the State of Illinois to voice your concern about this year's budget. That's democracy, that's good government, that's transparency. And if a Republican Member wanted to ask a question of an agency director in this year's appropriation process, you know what, there weren't any agency directors at the appropriation hearings. You couldn't ask a question of an appropri... agency director 'cause they didn't show up. Republicans were there. Where did we have appropriation hearings? We went to the City of Chicago on a vacation week to talk about the appropriation process of a \$55 billion budget. We went to the City of Chicago on a vacation week, so no one would show up, let's not kid ourselves. We know what that was about. Advocates get 3 minutes. We go to the City of Chicago to what... to hide out from being down here where we normally do it. We

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

condense it to a month. Some of our budgets total agencies 12, 13, 15, 16 billion dollars. We gave it an hour debate in an appropriation process. Is that government? Is that really what we wanna be doin'? This has narrowed down to a very, very disturbing process, as we've gone into this election year, where we have three people. You oughta be insulted on your side of the aisle. I understand, we're Republicans; we're not gonna be part of the process. Now, we should, we represent a hundred thousand people like you do, but this year's budget was debated, was composed, was drafted, was negotiated, was written, whatever you wanna say, in a backroom by three people. That's not what government oughta be about. It's never been this bad and it's not something that anybody in this chamber should accept. Now, I've gone on a little longer, Mr. Speaker and I, unfortunately, for your sake I'm not done and I'm trying to be respectful of your wishes, but I wanna hit on a couple other topics and I wanna go back to the pension a second. And I would like to think that somewhere somebody in this state would have some long-term vision on how to address the financial difficulties facing this state 'cause we're gonna have to face reality after November and your side of the aisle is gonna have to face reality along with us as we start focusing on some of these issues. Your pension raid... your pension raid last year and this year will soon equal three and a half billion dollars. To pay that back is gonna cost us \$38 billion as a state. That's \$35 hundred million for every man, woman, and child in the State of Illinois. That's a huge amount of money. And I know what you're

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

sitting over there saying, well, it's okay, it's just a schedule, nobody pays attention, who really cares. I would like to think that somebody cares about \$38 billion in interest alone to catch us up. On top of that, if, as a state, we sold all of the assets we had in our pension system today, we would have liabilities of \$38 billion. There's a reason we're the worst funded pension system in the country. Now, that's just the House Republican Leader talking. He doesn't know what he's talking about. Who... why should we listen to him? Let's talk about one of the most respected financial institutions in the state... in the country. The Fitch Ratings came out a couple weeks ago, said we were one of the worst funded pension systems in the country and gave us a very... a negative rating, one of three states that got a negative rating on the pension system, their pension system. There were two that were worse than us: one was Louisiana because of Katrina, two it was because it was the State of Michigan because of the auto industry falling into huge problems because of that industry having problems and then us. We are the worst funded system in the country on top of those two and yet, you, in this budget in an election year, have decided to raid the pension system one more time to the tune of a billion one. I would hope that those of you on this side... on the other side of the aisle, even though, I know you've been told and have been promised pork, would reconsider your vote over the next couple of hours. The second area that has become hugely problematic is Medicaid. We will leave here owing \$2 billion in Medicaid bills. Because we're not paying our

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

bills, pharmacists in the State of Illinois, pharmacists in the State of Illinois, over half of 'em have had to borrow money to pay their bills just to stay in business and not go bankrupt. Pharmacists in the State of Illinois have to go borrow money to pay our... pay their bills. Let me ask any one of you on the Democrat side of the aisle. If the State of Illinois didn't pay your phone bill or your electric bill in your district office, what would you do? You'd call the SBC representative and say, hey, my bill hasn't been paid, can ya help me out. You'd call ComEd and say, hey, the state hasn't paid my bill, can ya help me out, give me a little break. Ya think a pharmacist can do that? Ya think a pharmacist can call a government relations person at SBC and say, hey, the state's six months behind on my bill, can ya cut me a little slack? No, they can't. They have to go borrow money because as a state we owe \$2 billion in Medicaid bills and instead of taking the \$800 million in pork and creating new projects instead of paying off our Medicaid bills and taking care of those pharmacists and those nursing homes and those hospitals and those doctors, we're just gonna take \$800 million in new pork and ignore those responsibilities. We're not gonna do it. We're just not gonna pay it. That is disastrous and you are enablers of that today by voting on this punch... pension. Now, there'll be a lot of talk and I can hear it comin' right now. You've got some great debaters on the other side of the aisle and I haven't... I've talked briefly about the debt service, I've talked briefly about the fact that we're spending a billion four of new money in new projects that we

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

can't afford and someone over there is gonna say, well, what's your idea, boy, what... The Republicans don't have a plan. Someone's gonna say, I didn't see it in my mailbox and no one gave it to me in my office. What about the Republican's plan? Well, and granted it's tough to put your plan out there or your principles out there when you have a meeting in a backroom. We understand that. But has anybody in this chamber... has anybody in the Democrat Party of the State of Illinois thought about saying 'no'? Has anybody in this chamber or in the Democrat Party thought about saying we oughta live within our means? How many of you on the Democrat side who are gonna vote for this have been with your kids at Christmas and they take that Toys R Us catalog and ya say, what would you like for Christmas this year, or whatever holiday season? And they circle 25 different items 'cause they're kids. That's the normal thing to do. And very few of us can afford 25 items. We love our kids, we love our kids deeply, we'd like to give them everything they want, but we can't 'cause we can't afford those 25 items. We have obligations that we've created. We've got mortgage payments. We've got car payments. We have credit card payments. And we simply have to say 'no' sometimes. Unfortunately, those of you on your side of the aisle that are... got your heads buried in your computers haven't had the guts or the strength to say 'no' to the three people in a backroom cutting this deal. Sometimes we have to say 'no'. Now, we have said it's time to say 'no', we have said we're willing to work with you in a bipartisan approach. Three years ago... 2 years ago we had an overtime Session. It

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

wasn't pleasant, it was a little uncomfortable at times, but we ended up with a good budget. We worked together. We didn't get everything we wanted; you didn't get everything you wanted. But when you work together in a bipartisan manner, you can pass a realistic and reasonable budget. The idea of a no growth budget is something that this caucus presented. Let's look at the existing programs we have and before we start creating new ones, let's take care of what we have. No growth. We've talked about reviewing all current spending. We've talked about providing budget fairness. We've talked about using new revenues to pay off existing debt. We've talked about ending fund raids. So, before anybody on your side of the aisle gets up and says the Republicans didn't have an idea living within our means, paying off our bills, not borrowing, taking care of our responsibilities we've already... already encountered, we've talked about. Now, it's a great quote along the idea of spending from the Aurora Beacon News, an Aurora paper. One of your Members is from Aurora. The Beacon News says, 'Before you can fill a hole, you have to stop digging,' in an editorial. 'Before you have a hole, you have to stop digging.' Ladies and Gentlemen, today we are seeing huge amounts of digging with absolutely no attempt to fill a hole. So, what does all this mean? What does it mean over the next couple years 'cause unfortunately we're not gonna really focus on the truth or the reality of this budget process 'cause we're only focused on an election year. It means we here are going to have as a state... and I know, again, I know you're gonna go home and say, we didn't raise

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

income taxes, we didn't raise sales taxes, we are really doin' the right thing for the people of the State of Illinois. The Fitch Report says, 'Barring a significant revenue increase or a substantial reduction in expenditures, Illinois will be unable to follow its own plan to contain the \$39 billion unfunded pension liability.' The Civic Federation says, 'Not only is Illinois not taking care of its current and past spending obligation, it is creating new and potentially larger future obligations. We can... we at the Federation cannot stress enough how important it is for the future of the State of Illinois that current responsibilities be taken care of before shouldering new spending and commitments.' What we're talking about is in the next couple years, huge commitments as a state that we have to make, huge commitments as a state that we have to make. In 3 years Medicaid, pension liability and education pressures will grow by five and a half billion dollars. Our natural revenue growth will grow by about two and a half billion dollars. That means as a state we are gonna have to find a way to fill a hole of a minimum... at a minimum of two and a half to three billion dollars. As a state, two and a half to three billion dollars. So, while you're gonna all go around and brag that we didn't raise income and sales tax, what are you gonna say to the people of the State of Illinois that understand this and get this? 'Cause I understand, you're gonna say nobody cares about budgets, nobody cares about pensions, nobody cares about Medicaid. But what's insidious about what you're doing is that you are creating a scenario where we are gonna have a huge tax

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

obligation just to fill a hole or we're gonna have to make huge cuts. I'm almost done, Mr. Speaker, but I'll tell ya, our side of the aisle's got a lot of questions today and we'll just go down to caucus if no one wants to pay attention. It's real simple. We'll just leave. We can vote on this at 5:00 tonight. We'll leave. This is crazy. We'll go, we'll go. All right. Thank you. I think I've made most of my points, Mr. Speaker. I think about the fact that as a state, as a state perhaps its pension ideas and obligations are just out there, no one really focuses on 'em. Medicaid is just out there and no one focuses on 'em. Debt... debt service is out there and nobody focuses on it. And everybody says we're just the State of Illinois, we'll find a way to do it and that nothing bad can happen to us. Five hundred municipalities in this country have filed bankruptcy. Five hundred municipalities have filed bankruptcy. Orange County was the last governmental entity that went bankrupt. San Diego is on the verge of it. This budget today of increased spending, increased borrowing, huge amounts of debt puts us on the path to a real problem financially for the state and it's a shame. I... would it be easier if we just went to caucus now? I mean, we're willin' to do that. No one over there's listening."

Speaker Madigan: "Mr. Cross, I made a request of you."

Cross: "Yeah."

Speaker Madigan: "I made a request of you that we all be reasonable today."

Cross: "I'm trying to be reasonable. I have some points I wanna make and this caucus wants to make some points and nobody

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

over there is listening. Now, my request is that we have a little order in the House and we haven't had it."

Speaker Madigan: "I have tried to bring order to the House every time you've asked for it."

Cross: "And I appreciate that, but they're not listening."

Speaker Madigan: "And everybody in this Body has a right. They've got a right to be here. They've got a right to speak. They've got a right to listen if they want to."

Cross: "That's fine and we have a right to go to caucus. And if they don't wanna listen, we'll go to caucus. We have a right to make our point about the worst funded pension system in the country, the worst Medicaid problem, the worst spending, that this state is on a road to financial... financial harm that we may not be able to recover from. And they don't wanna listen and I don't blame 'em 'cause they're being told to vote on this budget. We have a right to make our points and if they don't like that, we'll leave. It's all I'm saying. And we'll come back when they're willing to listen. I'm through making my points, but other Members of our caucus wanna make some points about the pork in this budget, about the bills that aren't paid. Now, I understand that it's tough to keep everybody quiet, but at least let these people have a little respect today. Or as I said, I've made my point, we'll leave. Thank you, Mr. Speaker."

Speaker Madigan: "Mr. Meyer."

Meyer: "Thank you, Mr. Speaker. Would the Sponsor yield? Representative, I wanna talk a little bit about the pension funds. Illinois was recently given a negative outlook in the April 2006 Fitch Ratings Report, that's a New York bond

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

rating agency for those of you who may not know what Fitch is, and that report states that barring a significant revenue increase or substantial reduction in expenditures, Illinois will be unable to follow its own plan to contain a \$39 billion unfunded pension liability. Knowing that... Representative, knowing... Representative, I'm asking you a question. Knowing that this is what the top analysts in New York are saying about our potential bond rating, do you still intend to balance this year's budget by short changing our state's pension system?"

Hannig: "Representative, we will make the statutory requirement that's required in this Bill to the pension system. I was here when we were downgraded by the pension... by the New York bond people three times under Governor Edgar and we recovered. And that's their position but my position is that this is a budget that's balanced, this is a budget that meets our statutory obligations and that's my answer."

Meyer: "Well, I wasn't here during all the time that you have been here, Representative, I fully admit that, but I came in 1993, didn't like what I saw was happening to the pension system, was part of the plan, as you were, in 1995, we all voted for it to put this state on a payback schedule, a 50-year payback schedule that would bring us to 90 percent funding at the end of that 50-year period. Now, we were 10 years into that payback schedule and on schedule at the point that your side of the aisle chose to pass a budget that stopped paying the proper amount by that schedule so that we could maintain it into the pension system that's gonna ultimately cost the state \$38 billion to make up by

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the time that that's all paid back. My question to you again is, is that something that you wish to continue?"

Hannig: "Representative, we are on the pension schedule and we will continue to be on that pension schedule. So, the ramp up that we that we created in 1994 and which began in 1995 and it's in the statute, we are on that ramp up. And so, if we would..."

Meyer: "Well, you're... that's a new schedule and according to the 1995 schedule, you're about a billion point two behind."

Hannig: "I think if you look at it also back at the 1994 debates and language, it was anticipated that about this time in the ramp up we would be around 59 percent funding and that's where we are. So, I think that all things considered, we are about where we ought to be."

Meyer: "Well, I think that's the best pseudo math when you look at the overall expenditure of the state's gonna be an additional \$38 billion. Let me move on here. The Tribune... the Chicago Tribune editorial entitled, 'No Hiding From the Pension Dangers' and from a Chicago Tribune editorial in February it stated, 'Illinois pension crisis is poised to explode, threatening new funding for schools, health care and other purposes. Billions of dollars must be diverted to rescue the woefully underfunded retirement systems for teachers and government workers.' Well, we seem to be going in the wrong direction, Representative, that's what I can see. And what exactly is your long-term strategy for putting us back on the correct course?"

Hannig: "Well, Representative, we are on the payment schedule. So, we'll make the statutory payment this year and I would

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

hope that we would come back and make the statutory payment next year and the year after that. Now, we're certainly free to make adjustments. The Governor proposed last year methods where we could have new hirers come into the system, receive a different benefit and over the long haul that would save money to the pension system. Your side said 'no'. Okay. We looked at some other options as well. We can examine these and adjust the pension system as we go forward. We certainly have that responsibility and obligation, but in this budget we meet our statutory requirements."

Meyer: "Well, Representative, earlier this year I introduced a Bill. It was not released from Rules, so I introduced an Amendment to one of your Member's Bills, yesterday that was voted to be left in Rules. And that Amendment and that Bill that I introduced called for a bipartisan committee of one Member from each side of the aisle from the House and the Senate to sit down and to come up with a agreed upon plan that would put us back in... back on schedule for payback of the pension debt and to pay back that which has been borrowed to date, not which you plan to borrow or not contribute by this budget, but that which has been not contributed in previous budgets, it would give us a 10-year period to make that amount up. I think that's a concrete plan and it wasn't considered. I'm asking, what is your concrete plan, not that we can make adjustments out in the future, but what is your concrete plan to do... to correct the problem today?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Representative, my concrete plan that's expressed in this budget is make the payments that we owe in the statute today and to come back next year and make the payment in the statutes. Now, all of us have an opportunity as Legislators, if we wish, to put together other proposals that can help us with our plan. The Governor came to town 3 years ago and did the pension obligation bonds. Some people thought they were good, some people thought they were bad at the time, but I think, in retrospect, we should have probably sold more of those bonds and put that money into the pension system. But that was a successful item that wasn't in the 1994 law that we did that I think was a success. So, we all have the opportunity, but in this Bill, at this time, we're gonna meet our statutory obligation."

Meyer: "Well, I have to admit, this Governor does... is in love with long-term debt. When he took office this state had \$7.6 billion worth of long-term debt, it now has \$20.3 billion worth of long-term debt. So, I understand your point there. From the St. Louis editorial... the St. Louis paper editorial entitled, 'Debt, Debt, Debt', 'To balance Illinois's out-of-whack budget Governor Rod Blagojevich and his fellow Democrats in the Legislature decided to divert \$2.3 billion intended for state pension plans over the next 2 years. The state pension funds are a black hole that eventually will engulf State Government if not brought under control. Their long-term deficit now stands at \$35 billion and growing, probably the worst in the nation. Taking away \$2.3 billion in state funding means the hole will grow

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

faster.' Do you believe that this editorial accurately reflects the State of Illinois?"

Hannig: "Well, Representative, I think... I'm not an editorial board writer and I certainly didn't read that editorial. I would say that all the expenses that the State of Illinois has, and certainly the pension contribution is one of them, that we simply need to meet our obligation. So, will the pension payments be higher next year than they were this year? I'm certain that they will unless we make some changes in the benefits side. So, there are options out there. The question is, do we wanna take them?"

Meyer: "Well, let me go on. Fact sheet versus reality. On a fact sheet distributed to district residents by several of the Members on your side of the aisle, the following was stated as a fact. Additionally, thanks to the new reforms that end egregious abuses within the systems, the systems long-term liabilities will decrease. States one such egregious abuse that was shored up was raising the level of self-contribution from 9 percent to 9.4 percent toward employee... their own employee pension. So, what it's saying is that an egregious abuse that was shored up was to increase the employees contribution to the pension system by four-tenths of 1 percent. Do you agree that that's a fact?"

Hannig: "Representative, I think that we... we gave a benefit to the teachers, the early retirement option and we asked 'em to make... to make a payment. Is that what you're referring to?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Meyer: "Well, I'm not quarreling with teachers making payments to the pension system. What I'm asking, is that what your Members feel is an egregious event?"

Hannig: "I guess... Could you repeat the question? I didn't follow it."

Meyer: "Yeah. I said, your... your Members had put out a statement to their constituent that says, 'Additionally, thanks to the new reforms that end egregious abusions within the systems, the systems' long-term liabilities will decrease.' And then it gives as an example, as one of those egregious things that was fixed, was... the abuse was raising the level of self-contributions from 9 percent to 9.4 percent where an employee pays into their own pension system."

Hannig: "So, this refers to the change that we made last year where, first of all, we said..."

Meyer: "Well, your Member... your Member said it was an egregious abuse of the system and they fixed it by an additional four-tenths of a percent contribution by the employee."

Hannig: "Representative..."

Meyer: "Well, that doesn't sound like it was real egregious if four-tenths of a percent addition in contribution fixed the problem that they were referring to."

Hannig: "I... I think the point that we were trying to make is that when we give benefits to people, we should ask them to pay for it."

Meyer: "And I think the teachers do pay for it. Let me... just one more example then I wanna speak to the Bill for a second. The Chicago Tribune article, 'Not Good Enough'.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

From an article in the Chicago Tribune in May of 2005, it stated, 'In February of 2005 Governor Blagojevich proclaimed, Illinois has the largest unfunded pension liability of any state in the nation. What we owe in pension benefits far outstrips the assets we have to pay for those benefits.' That was in May 2005. We're now in May of 2006 and he's made it worse. According to the record, do you believe that he's made it worse?"

Hannig: "Representative, I think we've been underfunding pensions under previous Governors and General Assemblies all the way back to the 1960s. Is it good that we started in 1994 to address the problem? I think it's good. Does this Bill... does it fund what statutory require? It does."

Meyer: "Well, I... I would suggest to you... and to the Bill, Ladies and Gentlemen. I... I suggest to you that, folks, we are moving backwards in terms of where we stand with funding our pension systems. Every editorial board that I've seen so far that has remarked on that... on that subject has, in fact, stated that as their conclusion also. Now, folks on the other side of the aisle, you can tell me that the king has clothes on, but if the king's naked, the king is naked and in this case, the king is naked. You are not making the pension system more sound. You are, in fact, deteriorating from it at a considerable rate, \$38 billion to pay back which... that which is now being borrowed... being shorted out of the pension system. That doesn't sound like good economics to me. And I... I believe that it's incumbent upon all of us that we sit down immediately and come up with a method to pay back this pension shortage over the next 10

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

years, sooner if possible, but certainly on a bipartisan basis that we find a way to come together to put this state back on good financial footing before this state is... ends up in bankruptcy. And I don't know of any other state that has ever ended up in bankruptcy. The closest is California and folks, I don't think anybody in this room, I can't believe anybody in this room, wants to end up in bankruptcy and certainly not be as bad off as California is. Thank you."

Speaker Madigan: "Mr. Schmitz."

Schmitz: "Thank you, Mr. Speaker. Representative Hannig, I have some questions from the... from the Public Safety Committee, but I'm gonna defer some of those right now and get into some of the points that I thought I'd like to get an answer to this morning, if you have a second."

Hannig: "Certainly."

Schmitz: "For several years, and I don't know the exact number, I've been on the Public Safety Committee and I think I've been spokesman maybe 5, 6, 7 years. At the time, Chairman Morrow and his staff would work together with... with myself and our staff and we would go through each budget item that came before the Public Safety Committee. We'd ask our questions, we'd get answers. We'd make requests, your staff would make requests and your Members would do the same. Starting last spring and continuing on to this spring, that process changed. There was a decision made, and I don't know by whom or why, but there was a decision made to not include any Member of the Republican side of the aisle in any way, shape or form in the budget process dealing with the chairman of the Budget Committee, dealing with the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

hearings that we had in Chicago. And I'm curious to know, at what point did working with the other side of the aisle, working with elected Members of this chamber, become a liability? That's the question. Why was the process shut down? Why didn't we work with our chairman this year as we have in years past?"

Hannig: "Well, Representative, I mean, we had the hearings. You had the opportunity to ask the Mem... to ask the... the people from the Governor's Office questions about the agencies and certainly, you could talk to... to any Member of the House whether it's the chairman of the committee, myself, ya know, all... any of us if you have concerns that you wish to share with us. So, I guess I would only say that if you have... have issues that you want... you want us to help you with that I'm not opposed to trying to... to help you. I mean, I think, that when you have legitimate issues, we should do that. So, I can't speak for all the Members on either side of the aisle. I mean, we all know that... that different Members have different views on how to proceed with different items, but for myself and I think for most of the Members of both sides of the aisle, we would certainly try to work together."

Schmitz: "Mr. Hannig, with all... with all due respect to you and your caucus, we're getting a lot of questions this morning on what's in the budget. And the reason we're getting those questions is because we weren't part of this process and Monday night at 9:30 p.m., I was able to have the budget on my computer where I was able to go through it line by line by line, 800 and some odd pages... thank you, Mr. Speaker..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

800-some odd pages to go through and we have to draft questions to ask exactly what's in the budget. And that's the point I'm getting at is... is we're going through this and the Speaker said earlier today, we're all gonna have a chance to talk on this and we're asking questions that could have been taken care of in committee had the decision been made to work with our Members on our side of the aisle, had the decision been made that we could have worked with the committee chairman to get the budget. The entire budget dropped on our staff at the... I'd say the wee hours because they had to de-analyze this thing all night long Monday night is unacceptable. And that's the point I'm trying to get to, Representative Hannig, is that the last 2 years I don't know what dynamic changed. The first 2 years we worked very well, we... as Leader Cross said a few minutes ago, we worked diligently, unfortunately, it took 'til July, but we worked diligently together to get... come up with a final product that not everybody was happy with, I understand that, we all... ya know, to get a piece of the pie is to go and work on a compromise to get a better... to get a better Bill. But this morning, ya know, my children call me in the morning before they get ready for school and I always try to make sure their homework was done and they asked me this morning, they were, 'Dad, you gonna wrap this up?' They caught some headlines in the newspaper this morning. I told 'em, 'I think so. I think we're gonna be home tomorrow.' A few minutes later my wife got on the phone. She goes, 'What's the deal?' And I said, 'We're supposed to debate a budget on Wednesday and possibly pass this thing

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

out and maybe get home on Thursday.' And she said, 'That's great news. You'll be home because Thursday night ya got a band concert with the kids, ya got soccer practice.' Get me right back into the routine at home. But I told her, I said, 'This is the problem with getting out of here on Thursday. Is that we're passin' a budget in this chamber with zero input and zero support from the Republican side of the aisle that's gonna effect a generation of my family that hasn't even been born yet.' That's the part that disturbs me today. I think it's appropriate that it's cloudy outside, that the drapes are pulled, that we're discussing some of the things that are gonna effect long-term decisions. You've heard from other Members regarding borrowing, increased debt, pensions. Those things are issues today that I think we could've worked out and resolved. Leader Cross gave a few examples of what we were willing to bring to the table had we even been invited. That's the part of the process... I've been here 8 years. I don't get up on this floor every day and rail on a Bill. I don't have the oratory skills that Leader Black has and some Members of your side of the aisle, but every now and then I gotta stand up here and say that this process was a farce and it started last year. I don't know what changed. I don't know why it changed. I hope that once this little game is done today with this budget and once we get through this that next year the decision is made on your side of the aisle to, ya know, workin' with the other elected Members who serve their districts is not a bad thing. It's not a political liability to come up with a good Bill, to come up

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

with a compromise. It's a good thing. And I've had that luxury on a few Bills to stand up here and say, 'There's no opponents'. We've all worked on this. It's taken months and we've agreed to it. And I hope from this day forward we can change that next year. To the process and one more point is, today and this morning is painful. It's... it's like a little right of passage. We're standing in the line right now ready to get on the roller coaster. And as you know roller coaster, it's gonna go up and as it goes up it's gotta come back down and it's gonna spiral. I'm here to tell ya, Representative, that I'm not standing in that line today to get on that roller coaster. I'm not even in the park. I'm gonna go back to my district and watch you folks stand in line, get on that roller coaster for the next couple days as it climbs up and for month after month after month, it's gonna go down and it's gonna spiral and you folks explain to your constituents your thought process in completely shutting out any form of compromise and debate on the budget. You can discuss with your constituents why it's a good idea to not fund the pension system as we're doin' this year. You can ride that roller coaster alone because frankly, I don't like heights and I don't like roller coasters and I think we coulda got on a better ride together. Thank you, Mr. Speaker."

Speaker Madigan: "Mr. Bost."

Bost: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Bost: "I think I'm gonna go a different way with this, Representative. Ya know, we all know and we kind of... it's

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

kind of become a sad joke around the state that the MOUs are what we've had to use since this Governor has come to power. And my question is, on looking over the MOUs from '06, there were a few things that were in the budget that, ya know, after passing we later found out that were in there and I have some concerns and just some questions. In the '06 budget and I've kind of taken notes and said pork and let me apologize for that because I know the political process. It's pork if it's in somebody else's district. If it's in your district, it's Member initiatives. So, I... ya know, I can understand that that's the way that works. But we've gotta make some tough choices when... when the budget is... is in the situation it is. But last year, there was about a million dollars tied with a memorandum of understanding for the Beverly Arts Center in Chicago. Now, being from Southern Illinois, I don't exactly know what that is, so I had to look it up on the Internet. And... and it read that the Beverly Arts Center was founded in 1967 to provide education and cultural enrichment to the Beverly Hills, Morgan Park, and surrounding neighborhoods. Today the Arts Center welcomes patrons from throughout the... and it says south... but I think it's probably south and southwest sides of Chicago. I don't think it has a lot to do with people as far south as I am, but and with that it enhances their study of film and arts and everything like that. And at the same time, the FY '06 budget was shorted \$2.2 billion from the pension system. And if we read the description of the pension system on the website... Illinois website... it says that the General Assembly created the Teachers' Retirement

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

System of the State of Illinois, TRS as we know it, in 1939 and TRS administers a... to a multitude of employee public pension plans. All right, and TRS provides its members with retirement and disability and survivors' benefits. Now, my question is, I'm just wondering if it's the plan this year again, with what we're raiding out of the pension funds, to use that towards the Beverly Arts Center as well? Are we going to... are we gonna fund the Beverly Arts Center again this year?"

Hannig: "I bel... I believe, Representative, that was just a one-time add-on, so..."

Bost: "Okay. All right. I mean, I'm just checkin' on these because this... this was in last year's. Another one and this is something that we do know from the sou... or at least those of us that stand in this General Assembly... are very familiar with McCormick Place. But last year during the raids of our different funds, one of the funds that were raided, it was the Illinois Tourism Tax and it was raided for about \$648 thousand and that goes to help tourism around the state. Yet, in last year's budget, we were able to find \$5 million for tourism promotion going specifically to McCormick Place. Now, with the raids that, and the fund sweeps as we call them, that are occurring this year, are we gonna add more... quite a bit more to McCormick Place or exactly how are we gonna do that? Because, I mean, I know a lot of people from my area spend a lot of time at McCormick Place."

Hannig: "Well, Representative, I think we both recognize that the biggest tourist destination in the State of Illinois is

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Chicago followed by Springfield. And so it's prob... I would say it's appropriate to spend some tourist money..."

Bost: "So, it is... so, it is appropriate to take out of the other funds for tourism around the rest of the state so we all focus on Chicago?"

Hannig: "It's appropriate that we have the... the flagship community in our state, the biggest draw in our state, appropriately funded and so this year's proposal was funded, I believe, at the same level as last year."

Bost: "Well, let me move on here. We have... we had \$1 million, a memorandum of understanding, for... for the Aerospace... in Chicago, Aerospace Initiative. Now, we swept money out, about 2.13 million from the School District Emergency Financial Assistant Fund, which... which quite often helps schools around the state and then we provided the \$1 million for the Chicago Aerospace Initiatives giving Chicago students that opportunity to study NASA and all those wonderful things, which is a good thing, at the expense of... of downstate. Was... is that going to occur in this budget Bill?"

Hannig: "Representative, I think that the money you swept was money that's available for various school districts that meet qualifications and... and last year there were none that were... that used that money, so we swept it out 'cause it was unused. And we could have let it sit in the fund and it might have drawn a couple cents worth of interest, but we thought maybe we ought to use it."

Bost: "Well, let me just tell ya a few more that I kind of found that were important. Ya know, last year we also swept \$100

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

thousand... No, wait, wait, wait. We put \$100 thousand into the... and if I mispronounce this, I'm sorry, I'm not familiar with it, but it... Pilsen Athletic Conference and that's a... that's a private youth baseball league in the City of Chicago. Now, in my area and you know in yours and others around the state, as we've taken money from education and not funded to certain categoricals to levels that we possibly should and certain grants that have been removed and certain school districts in my area are having to figure out which particular athletic program they're going to have to cut."

Hannig: "So... so, this budget would increase K-12 spending by over \$400 million, Representative."

Bost: "Yeah. And unfortunately, with what..."

Hannig: "So... so, we're not taking... we're not taking from schools, we're giving them more, your school and my school."

Bost: "And... and unfortunately, with what we've done over the last couple years that hasn't kept up with... with the needs. How about... there was \$45 million that was appropriated to the Chicago Transit Authority. Now, this is about half of IDOT's entire budget. Do we plan on bailing out the Chicago Transit Authority even more or where are we at with that in this budget?"

Hannig: "I guess... do you have a specific line in the budget that you have the question on?"

Bost: "No, I'm just kinda wondering. Ya know, I mean, we're... we're comin' up with this budget here today and everybody is being asked to vote on it and there're just a few things that... when we get back to our district, these were things

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

that kept coming out in last year's budget after we passed it out of here that... that are kinda hidden in there and I understand the process of the way it works."

Hannig: "So, you can tell 'em this year that there's money in there for ethanol, there's money in there for coal, there's money in there for K-12, there's some money in there for a boot camp in Southern Illinois."

Bost: "But I think... I think what... what I'm wanting to see is is, ya know, each one of us come to... to this Body and we tell our constituents and we tell those people who... who come to us and talk to us that we have certain priorities. And... and we've raided the pensions of the working people of the State of Illinois and we have made decisions not to increase public safety as far as Corrections is concerned and staffing in Corrections and that's a situation that is tough in my area. And I'm just kinda figuring out where these priorities are. There's... there's one more memorandum of understanding that was really amazing to me. It was... there was a hundred thousand dollars for the Chicago International Film Festival. Well, ya know, that... and ya know, we've all heard of the International Film Festival. We think that's wonderful except when you really break it down. Last year some movies that played in that Film Festival, let me see, one was named Pete. It was a delightfully creepy tale of demonic possession craftily exposing the race... the racial exploration of young girls in Thai in the sex industry. Then there was also the Night of the Living Dork. Now, this... this is... this is really something we wanna spend state dollars on, Night of the Living Dork, 'cause everyone knows

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the world of high school is fraught with peril, girls, tests, hormones and now they're adding the pressure of being a teenage zombie. Ya know, as a time when our budget is the way that it is, in such a terrible shape and we're trying to fund things that are important and we're trying to put our priorities together, I'm a little concerned that maybe we got lost on what our priorities are. Ya know there's a time, as good as many of these programs might be, that we need to say enough is enough. Let us focus on what is important. And I don't know what is important to you, but let me tell ya what's important to me. We have provided money in education and tried to keep up with that and that's fine. But the safety of our correctional officers is pretty important to me and as the staffing has slid down and the danger increased, I'm afraid that we're gonna get to that point that we're gonna have to... somebody's gonna have to make a call one of these days about one of our correctional officers being shivved or one of our correctional officers being beaten or as we had earlier this year, raped, because we're choosing what our priorities are and that's not one of them. Also, a priority has always been in my household and I think in yours paying our bills on time. All throughout my district and in Southern Illinois, we have hospitals trying to decide whether they can keep their doors open, doctors whether they can stay in practice. Why? Because we're not paying our bills, we're not applying the money... we're applying it to things like this, but we're not really paying our bills, we're just kinda rolling that debt back. And of all things, what bills we are paying we are... Welcome

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

back, Representative. But I think we should focus what are priorities are. Taking from our pensions, from those people who have served our state well and putting the worry and the fret in their future, is not the wise thing to do. And I know that on your side of the aisle, you're gonna have everybody vote for this and that's the way it's gonna play out, but as one of the other Representatives said, remember, it is like a roller coaster and you're gonna have to ride it when you get home. If you would have set down with us, come together with a sensible budget to prioritize those things that truly are important, worked with us, that would have been all that we would have asked, but now you're responsible. I hope that over the next... well as we debate on here today, that you will pay attention and you will change your mind and join with us and let's work together to try to find some different answer than the answers that are proposed in this budget."

Speaker Madigan: "Mr. Rose."

Rose: "Thank you, Mr. Speaker. Will the Gentleman yield?"

Speaker Madigan: "The Sponsor yields."

Rose: "Representative, good morning. How are you today? I have a couple questions about the... the Higher Education budget, if you have a second. Representative, for Higher Education I notice that Chicago State University gets a six and half percent increase. Is that accurate?"

Hannig: "I think if you look at the total, that's correct, Representative."

Rose: "And the total for Eastern Illinois University that I represent is 1.4 percent. Is that correct?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Yes, that's correct, Representative."

Rose: "How 'bout the University of Illinois?"

Hannig: "I think 1.8 for the U of I."

Rose: "So, Representative, Chicago State and I believe Governor State get a six and a half percent increase while the U of I and Eastern get less than 2 percent, and then Carbondale was right about 2 percent. What was Northern, Representative? Point nine, I..."

Hannig: "I think it's .9 because there's a transfer that's going on in their budget at their request. So..."

Rose: "The... and really in this budget there's sort of an unresolved matter, and that's this MAP Plus and the additional funding for MAP, because the Bill that's gonna trail would require the funding to come out of the sale of ISAC student loans. But we have no idea whether or not those loans are gonna be sold at this point, do we?"

Hannig: "We know that the Governor has the authority to sell those items. The question becomes, does the money sit in a trust fund or should we have it go into MAP in some kind of proposal or in a MAP Plus? The Governor had proposed a one way to spend it. So, we'll have an opportunity, I think, to vote on another way."

Rose: "Well, last year the estimate on the sale was 300 to 500 million dollars, but the MAP and the MAP Plus is only \$62 million. So, where is the rest of the money gonna go from the sale of the ISAC loans?"

Hannig: "I... I didn't hear the question, Representative. Could you repeat it?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Rose: "Last year the Governor's budget director, John Filan, came to the Higher Ed Appropriations Committee and estimated that selling the ISAC loans would be... would generate anywhere from 300 to 500 million dollars. The appropriation in this budget for MAP and MAP Plus out of the IS... out of any ISAC sale, which there hasn't been one yet, is only \$62 million. Where is the rest of the money going?"

Hannig: "I think we passed legislation that said that the additional money would be used for Higher Ed expenses, so it'd go into the GRF Fund for the purposes of funding some of these increases we talked about."

Rose: "Where's that legislation at? I... I don't remember anything like that, Representative."

Hannig: "Well, Representative, the purpose of selling the ISAC is to raise money..."

Speaker Madigan: "Ladies and Gentlemen, if you could give your attention to Mr. Hannig and Mr. Rose. Ladies and Gentlemen. Hello. Hello. If we could all give our attention to Mr. Hannig and Mr. Rose. Mr. Rose."

Rose: "Thank you, Mr. Speaker."

Hannig: "So, Representative, the 90 million for this year will be used for the MAP and the MAP Plus and then if there's any additional in the 90 it'll be used for the sale... or for the... the funding of Higher Education."

Rose: "Is... where..."

Hannig: "If there's monies above the 90 million then it just stays with ISAC."

Rose: "So, wait a minute. You just... that's two different answers. You said if it's above 90 million it goes to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Higher Ed but if there is additional money it goes... stays at ISAC. Which is it?"

Hannig: "Okay. So... so, you... we'll start with ISAC is funded, ISAC Plus is funded, up to... and if that's 90... if there's more than... then the next level would be the universities and Higher Ed. Okay?"

Rose: "Is that in the budget?"

Hannig: "That... that's how the budget is constructed, Representative."

Rose: "Well, Representative, that's not what was said in committee yesterday. What was said in committee is that they have no determination as to what to sell, but that whatever would be sold would be enough to equal and only equal the MAP and the MAP Plus."

Hannig: "So what... so whatever's sold goes to the Student... the Student Loan Operating Fund and it's... it's appropriated by the General Assembly. So, we don't know the exact amount. I mean, we might only get 50 million for this, right?"

Rose: "That's... and that's my point, Representative. That's the problem. We don't know how much money, if there's gonna be any money at all. The director of ISAC in committee yesterday admitted that he doesn't know what his break point is yet about whether it's even a good financial idea to sell anything. He doesn't know whether or not there'll be any money. He doesn't know, if there is money, how much it'll be. He doesn't know how to sell it, whether it's a direct sale, whether it's a refinance, whether it's a refunding. And guess what? His consultant isn't due to return the report 'til January 1."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Yeah. So, Representative..."

Rose: "We're all being asked... Go ahead, Representative."

Hannig: "I... I guess just to answer. There are a list of options. One of them would be to sale... sell the assets. And so, the administration's plan is to try to maximize our return. And whatever that is, that's... that's the plan that they would use, and then they would use the money as I said earlier. So..."

Rose: "But... but you're..."

Hannig: "We anticipate they'll actually get more money than... than the 90."

Rose: "But you're asking this Body to make a determination in an information vacuum without any idea of how much money you're gonna get on the sale, and yet you're already earmarking millions of dollars to that when we have no idea what, if anything, we're gonna get or if there'll even be a sale. The director of... of ISAC told us yesterday they had not made any decision on whether there'll be a sale."

Hannig: "Yeah. I... I think the MAP Plus would be contingent, Representative. If they don't get the money, then you can't do a MAP Plus. We can pass a substantive program; we passed a lot of 'em. No funding, no program."

Rose: "Well, let's... let's talk about some of these legislative add-ons. Earlier you heard Leader Cross tell you that there's \$800 million in legislative add-ons in this budget, of 577 million we don't know. But I'd like to focus on two that we do know. In Chicago State there's \$400 thousand for a retention in a graduation rate study. Is that... is that accurate?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Yes, that's correct."

Rose: "Isn't that normally a function that most universities do? I mean, Eastern studies their retention rates every year. They study their graduation rates. The U of I, Carbondale, Northern, everybody studies those things and they pay for it out of their normal operating expenses. Why are we subsidizing something that every other university does in the normal course of business?"

Hannig: "Representative, we've... we've done this for a number of years and this is an effort to try to help Chicago State address this problem. Now, we do different things for different universities. I mean, it's... it's... if you look at all the universities across the system, you'll see some of them have different strengths and weaknesses. So..."

Rose: "Usually those are capital for permanent objects not for subsidizing normal operating costs."

Hannig: "Well, I mean, some of... we have a law school at the University of Illinois and at Southern but we don't at all the other schools. Some of 'em do, some of 'em don't."

Rose: "Well, Representative, let me ask you something about the Chicago State budget here that's... I see there's \$30 thousand for a permanent exhibit at the university library. What pray tell is that?"

Hannig: "So... so this a exhibit that will be in their library. I actually had an opportunity... I think it was in February when we had a nice exhibit over here at the Lincoln Library where we had an exhibit of a number of African-American people who had contributed in some way. Some of them were Legislators,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

some of them were inventors. And so, I think that that's what they're gonna do at this facility as well."

Rose: "Well, the Sun-Times says it's \$30 thousand to fund a Chicago State University photo exhibit on the history of the General Assembly. Do we really need to spend \$30 thousand of the taxpayers' money immortalizing ourselves? Mr. Speaker, to the Bill. Let's talk about this budget and let's summarize. Here's what we know. One point four billion in new spending. Eight hundred million dollars in legislative add-ons, of which 577 we have no idea what it's for. Mysterious. Mystery. At the same time you're taking 1.1 billion out of the state pension systems to pay for this. You've got 2 billion in unpaid Medicaid backlog and the nursing homes and the developmentally disability providers are calling us every day saying, 'When are we gonna get paid? We haven't been paid since October.' You've got 200 million in new funds sweeps. You're gonna pass a Bill here shortly that... that kicks out another 240 million in old fund sweeps. Right there you're in about a \$3.4 billion deficit."

Speaker Madigan: "Ladies and Gentlemen, please give your attention to Mr. Rose."

Rose: "Thank you, Mr. Speaker."

Speaker Madigan: "Please give your attention to Mr. Rose. Mr. Rose."

Rose: "Thank you, Mr. Speaker. This is not a balanced budget. You're 3.4 at least in the hole, and for what? To pay for 800 million in legislative add-ons. And for goodness sake, to pay for \$30 thousand for an exhibit to immortalize

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

yourselves. That's insane. Chicago State gets a six and a half percent increase, Eastern gets 1.4. You know, I guess... you know what? Maybe someday there'll be a statue of Representative Black here, Leader Black. Well, I'll tell you what. I'll lead the private fund drive to pay for that so we don't use the taxpayers' money to immortalize Leader Black here in the House of Representatives. And you guys shouldn't be using the taxpayers' money to... Leader Cross I see is offering to donate already. Any downstate Legislator that represents a university community that votes for this budget needs to know and needs to be ready to answer to their community why it is their district's getting a 1.8 percent increase... their university's getting a 1.8 percent increase when Chicago State's getting a bust of the General Assembly."

Speaker Madigan: "Representative Osmond."

Osmond: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "The Sponsor yields."

Osmond: "Representative, in the Public Safety Budget under the Department of Corrections there's 11.75 million in lump sum for the frontline staff at the Department of Corrections. Where are the additional 231 correctional officers and other frontline employees going to be placed?"

Hannig: "Yeah. Representative, the... the supplemental actually begins the process of authorizing the... the Department of Corrections to hire these people. And it would be our hope that the administration could begin the process of hiring these, we believe, 250 additional people as soon as the budget is signed. This will give the... then this annualizes

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

that into '07. To answer your question, it will go to the highest need category. So, the agency will have the opportunity, the Department of Corrections, based on where the need is to send those people there first."

Osmond: "Under the Department of Transportation, 1.65 million new funding for IFly. Why 1.65 million in new funding only provided to Quincy, Decatur, and Williamson County airports for this IFly program?"

Hannig: "Those three communities have an opportunity to get a full-time air service to come in and operate direct flights to Chicago, and the communities have asked us if they would partner with us on a 80/20 basis, where we would put up 80 and they would put up 20, for 2 years to show the... show the airline that there would be at least some financial backing in case that there would be some early difficulties in making the process go. We believe that by having the locals on... in with us as partners, that clearly there's a commitment from those local communities to make this go. There's also an opportunity, if it becomes clear that... that we're wrong and this isn't gonna work, that we could just end the process. But that's what that... that program is."

Osmond: "Was Rockford, Bloomington, and Peoria airports asked to participate?"

Hannig: "Representative, in... in this case it's my understanding that there's an airline that wants to do this and that has worked with these three communities to do that and they came to us. I'm not aware that anyone from the other places where there are airports have this bird in hand so to speak."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Osmond: "Has there been... has the Governor and the Democratic Caucus drafted or executed any memorandums of understanding on this project?"

Hannig: "I'm advised we have not."

Osmond: "What is AFSCME's stance on the Correctional budget right now?"

Hannig: "I'm not aware that they... they signed a slip, Representative, but I... I didn't present in front of that committee. So, that's... that's what I would say."

Osmond: "I've been told that they're having a press conference in Sou... Southern Illinois today on this very subject. They feel that the additional staffing is still inadequate."

Hannig: "Well, Representative, I... I think that all of us would... would like to see the 250 guards that we actually had worked with the Governor's Office on become part of this budget, and we want to give the Department of Corrections the opportunity to put it in those facilities where... where those guards are most needed. So, that... that's what the nature of... of the appropriation in this budget is."

Osmond: "Representative, are you aware in this budget if there is any state facilities that are scheduled to close?"

Hannig: "It's my understanding that there are... that there will... that there are no... the answer's 'no'. There are no facilities scheduled to close in this budget."

Osmond: "Thank you, Mr. Speaker."

Speaker Madigan: "Mr. Reis."

Reis: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "The Sponsor yields."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Reis: "Representative, one of the issues that's of great concern to me in this budget, and I hope it is to the Members on your side of the aisle as well, is the massive backlog of unpaid Medicaid bills to health care providers in our state. Have you been getting any questions on this issue in your office?"

Hannig: "Have... have I? I suspect probably some, Representative. I... we always seem to get questions on... on the budget."

Reis: "Okay. Well, I hope to probably think that you've had a lot of 'em. It's been stated several times today that we're probably gonna have \$2 billion in unpaid Medicaid bills at the end of this fiscal year. And for the sake of debate, we don't know what's gonna go on for the rest of the day, but let's say that... that you vote to override the Treasurer's objection to the \$250 million in fund sweeps. So, we get that out there. What about the 1.5 billion in unpaid bills that are gonna remain and what addresses that in this budget?"

Hannig: "Well, Representative, there's a Bill that I think Representative Hoffman will have that comes along that will provide for some additional money so we can pay down the payment cycle."

Reis: "No, I just said that. Take... for the sake of discussion, let's say that passes. That's about 250 million. We get 250 in federal matching, but we're still gonna be left with 1.5 billion in unpaid Medicaid bills. So, with a billion four in new spending, how much of that is going to go help close this gap?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "So, we're gonna try to... this budget will provide money to equalize the payment cycle across all vendors. So the thought is we would bring the worst... those who have the bills out the most outstanding periods of time, we could pay them down to the average."

Reis: "But there's really no serious effort to... out of a \$1.4 billion increase in spending there's really no serious effort or dollars that are gonna go help pay this down at this time right away."

Hannig: "I think... I think 80 million will go to the nursing homes, mostly downstate, our guys."

Reis: "Eight million?"

Hannig: "Eighty. Eighty. 8-0."

Reis: "8-0."

Hannig: "Million."

Reis: "Well, I have here, Representative, \$19 million in unpaid Medicaid bills that have been called into my office, downright pleas from nursing homes, doctors, pharmacies, and bankers just in the last three weeks in my district. Eight cou... nine counties in southeastern Illinois and a lot of these folks haven't had payments since November. And..."

Hannig: "So... so that... that's..."

Reis: "...you know, how can I go home and tell them that, you know, we passed the state budget... and how can your folks go home and tell 'em, 'I did all I could to help get your funding re... your reimbursements up to speed.' Reimbursements that are so far behind that they can't pay their electric bills, they can't pay their vendors, they can't pay their employees and most importantly, they can't

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

provide the services that they're assigned to do because we can't pay our bills. So, how can we go home and tell 'em that we're gonna alleviate those problems?"

Hannig: "So that's what the \$80 million will do. It will take those vendors who are on the list the longest amount of time and pay them."

Reis: "But 80 million's a small portion of the 1.5 billion, and that's what I'm trying to shed light on."

Hannig: "Well, Representative, probably almost a billion dollars represents a normal payment cycle of around 30 days or so. So..."

Reis: "Okay. Let... let's shed some personal down-home light on a billion dollars in unpaid Medicaid bills. I have nursing homes here owed 767 thousand, 250 thousand, 600 thousand. I met with one on Friday in Mount Carmel and there were six other administrators that showed up because they knew I was gonna be in town. They haven't had a payment since November. Four hundred and ten thousand, 800 thousand. Ya oughta go down to the hospitals. One point seven million, 900 thousand, 700 thousand. Five point seven million is owed to one hospital. A group of doctors in a clinic that don't have big, deep pockets are owed 1.3 million. Most of my pharmacies are owed 56 thousand to clear up to 287 thousand. I had a owner of one called up in tears. They had exhausted all their CDs; they'd done everything they can. They had remortgaged their house just to find enough cash to stay afloat. Now, I..."

Hannig: "So... so I think that's where the 80 million goes, to the cases that you just described, Representative."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Reis: "But 80 million is... is a drop in the bucket, and you know it, I know it and I don't know how you're gonna go home and tell your folks 'cause 80 million just isn't gonna do too much. We have one in south... a banker that lives in my district. They're the largest provi... they're the only health care provider in this county. They're owed a half a million dollars. They can't cross the 85 percent Medicaid threshold to get on expedited payment schedules and there's 110 residents that might be put out on the street. They're owed 500 mil... or \$500 thousand. So, we want to shed some light on this that this budget does not take care of the Medicaid payment backlog. It's only a temporary Band-Aid on something that needs a tourniquet. And it's been made several times that we can vote for a budget that has \$577 million in new pork projects, borrows another billion dollars from the pension without going to these concerns. And you know, you say it's just the Republicans. You know, you're talking about this; you're making an issue out of it. What about our editorial boards, many of which are owners or editors of papers in your own districts? A spokesman for the... the Governor's administration said the delay in payments are necessary because we don't want to cut benefits, so to contain costs we stretch out the payment cycle. And the reason I brought this personal approach from the individual hospitals is, how many of you could do this on your own? Many of you have been business owners. You can't just keep borrowing money on the backs of our health care providers that affects their livelihood, that affects the livelihood of the residents that they care for and go

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

home and say we've taken care of this. The Chicago Tribune had a story that said let... state lets Medicaid payments pile up and the Governor's criticized for launching new programs without addressing the slow Medicaid payment cycle. And according to this Tribune story, physicians and pharmacists believe the Governor is balancing the budget on their backs and using unpaid claims as short-term loans to help keep the state's finan... the state financially aloft, and that was before this new budget came out. So, it's not just us talking about this, it's our folks back home, it's our residents, the family of our residents, many of which their family members have moved away because we don't have any jobs. So, to the Bill, Mr. Speaker. It's become obvious that everybody wants to pass this budget and get home quietly, get out of town before anyone realizes that no one addressed the very serious backlog of Medicaid... unpaid Medicaid bills. And you wanna go home and say we did all we could. Tell 'em that it was the Republicans' fault, that they didn't vote to overrule a jorge's... judge's court order, which halted all dedicated fund sweeps. So, you do what you want, but the folks back home I don't think are gonna buy it. They won't in my district. I think this is a travesty. It's... it's fiscally irresponsible. I know there's philosophical issues that we can all debate and disagree on here, but this isn't one of them. It should not be one of them. We all have elderly, we all have people with disabilities that we know, and taking care of our most vulnerable citizens of this state should not be a political, Republican or Democratic, issue. These people are providing

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

services. They're expected to be repaid. Even the reimbursement rate's too low. We'll talk about that in another issue but... for another day. But we can't even repay 'em and reimburse 'em for the... the great, great services that they provide. And unfortunately, I'll mention again, with a \$1.4 billion increase in government spending this year we can't take care of this very serious issue. So, I hope that someone... or the folks on your side, especially your rural downstate colleagues that have these same calls that are comin' in to your office every day, will say, 'Look, we haven't taken care of this problem. Let's go back and revisit it and let's get the people who are providing services to the most vulnerable people in our state the money that they... are owed to them.' Thank you, Mr. Speaker."

Speaker Madigan: "Mr. Winters."

Winters: "Thank you, Mr. Sponsor. Will the Sponsor... or Mr. Speaker."

Speaker Madigan: "The Sponsor..."

Winters: "Will the Sponsor yield?"

Speaker Madigan: "The Sponsor yields."

Winters: "Gary, one question I had I... the Commission on Government Accountability has stated that we're gonna receive additional sales tax revenue from the higher gasoline prices that everybody is paying around the state. I believe the increase over last year was about \$175 million, if I'm not... if I'm not wrong. The... my question is, was any of that relatively unexpected revenue devoted to paying back our pension shortfall?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Representative, we... we made a stat... we will make the statutory payments to our pension that are required by law with this proposal."

Winters: "And... as... as I understand it, the statutory requirements to be made were changed in last year's budget negotiations... or last year's General Assembly action where we shorted last year 1.2 billion."

Hannig: "We retain..."

Winters: "This year we... over the previous law that was passed in 1995, we were on schedule to... after a 50-year..."

Hannig: "And... and we... and we still are. We'll still... if we... we are still have... we still retain the 90 percent goal and we still will have the..."

Winters: "But... but the point of it is..."

Hannig: "We'll still have the switch in 2012 to..."

Winters: "Right. We... we put off for the future."

Hannig: "...to a percentage of payroll."

Winters: "What we did is we... we agreed under that Bill... I shouldn't say 'we' agreed. I would say that you rammed down our throats last year a shortfall in pension funding of over 1.2 billion, this year it's 1.1. And by the way, to the public, next year we're gonna short it another \$700 million. The pension shortfall, as other speakers have spoken about this year... or this morning, is now the worst funded in this... in the entire United States. Illinois will have to pay \$38 billion in interest payments to make up for the shortfall under last year's Bill. This year's budget is based on that. And not only are we going after the employees of the state, the teachers... the downstate teachers, not Chicago

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

teachers, the university employees, but we're also going after the citizens of this state. They are on the hook. An average family of four will have to pay \$14 thousand because of the decision that was carried out in this budget. We have a credit card mentality in this state. At least the Democratic Party oughta be the best friends of the credit card companies because all you know how to do is to borrow. Well, after you've borrowed some more money what do you do with it you spend it. Spend. Spend. Spend. This is a fiscal fiasco that is staring our citizens in the face. A fiscal fiasco. In fact, it's so bad I've been accused that my hair is standing on end because I got an advanced look at this budget. Why did we do this? Why do we spend, spend, spend when we can't even pay for the programs we have now, for the pensions that we have guaranteed to the workers of this state? One point four billion in new spending and we're not making any kind of attempt to catch up on the pension shortfall. What we've done is added new programs, whether it's assistance to the college students who are trying to make their own way. We finally have agreed that, well, if you earn less than \$200 thousand then you qualify if you earn more than 200 thousand... that's not an average Illinoisan. We've added the All Kids. And believe me, it's not all Illinois kids that we're gonna be trying to cover for health insurance. It's all kids. Twenty-four hour residency in this state is all it takes for you to be covered by this state. We've added a third program, the preschool universal... the universal preschool programming. But this is only a first-year attempt. We're gonna have to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

pay another 45 million next year, another 45 million a third year. How are we gonna pay for this? By shorting the pensions next year and the year after. What we have is a champagne and caviar budget when we cannot afford it. Illinoisans cannot afford the champagne and caviar of the programs that you're putting in here, and you didn't even use Illinois grapes to make the champagne. We are not paying down our Medicaid debt, two billion dollars. No wonder our nursing homes are calling us every day, 'How do I keep my doors open? Do I have to roll the elderly out on the sidewalk and ask their families to come pick 'em up because I can't pay my staff, I can't buy food for 'em, I can't cover their medical expenses?' Another absolutely shameless thing that is in this budget is that for every dollar of new school funding we have identified about one and a half dollars of pork. Four hundred million in round numbers for new school funding and about \$600 million that the Democratic Caucus will split up for pork projects in their districts. Let me repeat. We were not involved in the budget negotiations. Our Leader has said he went to one for 45 minutes the day of the Budget Address and that was the last time he or any of our budget negotiators were allowed in the room. It's not our fault that you guys are bankrupting this state. It's your budget. You should be ashamed. When you go back to your districts and brag about this budget you should sha... hang your heads. I'm sorry for you because you have to defend an absolutely shameless budget. Shame. Shame on you."

Speaker Madigan: "Representative Bellock."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Bellock: "Thank you very much, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "The Sponsor yields."

Bellock: "Thank you. Representative Hannig, I'd like to ask you, first of all, is there any new money in the budget for autism?"

Hannig: "Representative, I believe there's a hundred thousand dollars in the Education budget and then on the state board."

Speaker Madigan: "Ladies and Gentlemen, would you please lower the noise level. Please. Keep the conversations down."

Bellock: "I'm sorry..."

Speaker Madigan: "Give your attention to Representative Bellock and Mr. Hannig. Mr. Hannig."

Bellock: "I'm sorry, I didn't hear your response."

Hannig: "It's... there's a hundred thousand dollars of new money for autism in the State Board of Education budget."

Bellock: "A hundred thousand dollars?"

Hannig: "That's correct."

Bellock: "I think it was a couple months ago we had the hearings in the Thompson Center with, I think, over eight hours with over 65 different people testifying about services for autism in children in schools especially. And I think all that was brought up was that there was no money given in state funding for education for autism, 700 thousand in federal money. So, is a hundred thousand all that was added?"

Hannig: "We've... we've been... we've also had the Department of Human Services looking into a children's DD Waiver. So,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

we're trying to figure out ways to get federal money as well, Representative."

Bellock: "Right. We're working on that with you, but we were hoping that there would be more money in that Education budget being that that was brought out that it was so important for children."

Hannig: "Yeah. I think the difficulty that we have is that if we can do it through DHS and... and try to get a waiver and... and try to get Medicaid, that allows for a match. But at the state board there's really no match, it's just gonna all be grants."

Bellock: "Absolutely. We know. I mean, we're wanting to get that waiver passed but we had hoped that we were able to go back to the 400 parents who came here this spring to tell them that we had prioritized in Illinois to put that issue because it's at such epidemic levels in Illinois, as it is throughout the country, that we would put that as one of our number one priorities. I respect the idea of universal preschool. I respect the idea of giving tuition credits to parents with kids going to college. But when we have so many people at epidemic levels right now with autism in our state it's hard to go back and say the state board is only going to give a hundred thousand dollars in that budget."

Hannig: "Well, Representative, I think we're trying to take a slow approach and a conservative approach, like we've heard sometimes we should do, but we also wanna at least increase the line. Some would say maybe it's a symbolic gesture, and I would agree that there is a bigger need. But I also think that we have to flesh out what it is we can do through DHS,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

what else we can do with the Federal Government. And I don't think this will be the end of the... of this issue, Representative. So..."

Bellock: "Thank you."

Hannig: "...we'll be back looking at it again next year."

Bellock: "Is there any money for emergency placement for CILAs?"

Hannig: "Yeah. I'm advised that we do annualize what we did last year, so we'll continue that process."

Bellock: "So there's no new money?"

Hannig: "There... that... that's correct. And we'll still have emergency placements, Representative."

Bellock: "And was the 3 percent COLA increase in there for DD and MI?"

Hannig: "We have the \$32 million that goes to DHS for the... for those items, but it's... it's not yet been determined whether it will be a grant or a continuing COLA. We wanna see what happens with the hospital assessment first."

Bellock: "Right. I sat through that hearing yesterday and I wanna know what is... how is that money dispersed if that money does come back through the hospital assessment? How can we be assured that the community groups will get that money?"

Hannig: "Yeah. So I think that the lockbox language that we use says that it's only available for... for those community providers."

Bellock: "Okay. Can we get a record of that after that takes place, if it takes place, as to who gets that funding and how much it is? Well, 'cause there are a lot of calls that state institutions are getting increases in funding but that

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the community providers are not. I've already received a couple of phone calls regarding that."

Hannig: "I think, Representative, we're saying we wanna try to help the community providers."

Bellock: "Right."

Hannig: "We hope that we get the hospital assessment approved and we have a permanent way to do that, otherwise, it may just be a one time grant. But in any case, we'll be happy to work with you with language or... or if you have thoughts on what you would like to see, share them with us."

Bellock: "How will that help them in this next fiscal year? When will that hospital assessment tax... when will know if that money is coming back?"

Hannig: "Well, we'll only know when the Federal Government tells us. We had hoped..."

Bellock: "I mean..."

Hannig: "...that we would know by now, obviously. We appropriate this as of January 1. Hopefully, when we come back in the Veto Session we'll... we'll have this issue settled then maybe we could go forward."

Bellock: "Okay. Thank... I wanted to ask you a couple questions about yesterday in the hearing. A couple of years ago we had a task force throughout the state regarding Medicaid Managed Care, and with the results of that task force we went forward and hired the Lewin Group to do the Lewin Report, of which the State of Illinois paid almost a quarter of a million dollars for that and in that report it said to implement managed care throughout the state in order to save money. So, this year when I thought we were going to go

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

forward and do that with the PCCMs then the administration put forth the All Kids program. Right now, in the State of Illinois, I think we have 1.2 million children being paid for with state insurance between KidCare and Medicaid. What do you think the projection is of the total amount of children in this state that you think are going to be paid for by the state for their health insurance when we implement the All Kids program?"

Hannig: "Representative, I don't... I don't remember the estimates that we had. I'll have to consult with someone and... and see if I can get an answer."

Bellock: "It's 1.2 million right now."

Hannig: "I'm advised that we believe that about 50 thousand youngsters will get into the program."

Bellock: "Fifty thousand that will be paid for by the state?"

Hannig: "Fifty thousand in total I guess through this umbrella now that we would call 'All Kids'. So, some of that is the old KidCare and... and then some of them would be people who are eligible above that."

Bellock: "Can we get the totals on that, the total projection?"

Hannig: "Yes. We'll have the Governor's people get that information to you, Representative."

Bellock: "Okay. Because right now when we had that task force, one out of every three children in this state is being paid for by Medicaid on their health insurance. The same as 50 percent of all births in this state are being paid for by Medicaid. So, do you think this will bring the number down to one out of every two children in Illinois will be on Medicaid?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I don't... I don't think so, Representative, but... but I guess it could."

Bellock: "Okay. What is the total cost projection of the All Kids program by the end of next fiscal year?"

Hannig: "I think it's 81.6 million gross, 47 net."

Bellock: "Okay. So going back to what the Lewin Report suggested and putting people into Managed Care to get a savings, do you plan to implement that program, the PCCM program, statewide by July 1?"

Hannig: "Yeah. It will start July 1 and then it will be phased in."

Bellock: "So, it's not gonna be implemented statewide on July 1."

Hannig: "Well, it will... it will be statewide, but it will be phased in."

Bellock: "Okay. When will Cook County be phased in?"

Hannig: "I don't know. We don't have a listing of... of how it will occur as terms... in terms of who will be first."

Bellock: "Oh, I guess... the reason I ask that is because I'm trying to figure out, especially through the Human Service Appropriation hearing yesterday, as to how we're going to get the savings from the PCCM program to underwrite the cost of the All Kids program if it's gonna be \$80 million. Do you know what the projected savings is of the PCCM?"

Hannig: "Fifty-seven million is the total and disease management will be where most of the money will be saved. So... and that will go online statewide July 1."

Bellock: "Okay. So, 57 million in savings from the PCCM if it goes as planned throughout the first year."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "PC... PCCM and disease management together will save..."

Bellock: "Together..."

Hannig: "...will save 57."

Bellock: "...will be 57 million."

Hannig: "And disease management will save the lion's share."

Bellock: "Right. But the All Kids, you said the projection would be at least 80 million, correct?"

Hannig: "It... it's... 47 net is what we anticipate it will cost."

Bellock: "Do you think we'll really follow through with that 57 million in that first year? I can't see how that's gonna happen if the majority of Cook County that's on... that's going to be in that isn't even gonna start to be implemented until December or January."

Hannig: "Yeah. Representative, I mean, that's... that's what the plan is. And I... and I think that there's a little bit of... of leeway or there's a little bit of cushion in those numbers, but it's important that we implement the plan. So, I think... ya know, we will save the 57 million, hopefully even more, and we'll implement the All Kids program July 1 and we should be able to pay for it."

Bellock: "Well, I think... according to the statistics that we had as of two years ago, I think probably after we get the All Kids plan... and I support the idea of that, but just at this time I don't think it's fiscally responsible because I don't see that those numbers are going to match up within the fiscal year of 2007. But just going back to my concerns on Medicaid, not only of what we've talked about today, but the Medicaid payment of bills is so far behind now with two out of every three people in Illinois being in a nursing home on

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Medicaid, 50 percent of all births in Illinois are paid for by Medicaid, almost one out of every six Illinoisans now is on Medicaid. And I think with this new program probably close to one out of every two people... two children in Illinois will be on Medicaid. The cost is unbelievable and the payment of the bills is unbelievable. But what really is striking is that in the Human Service Appropriation meeting yesterday, only... the numbers of people on TANF had been reduced to 40 thousand people. Thank you."

Speaker Madigan: "Mr. Black."

Black: "Thank you very much, Mr. Speaker. I do appreciate your attempts to get order in the chamber. I know that it's a difficult thing to do. Sometimes what we'd like, Mr. Speaker... and I realize there's only one speaker. But we give you extreme courtesy and always have when you go out to your seat and speak. It is quiet in here. You can hear a pin drop. I think that's the respect in which you're held and it's the respect that many of us on our side of the aisle and obviously on your side of the aisle have for the Office of Speaker. And I know you've... you've given your best today to try and get order. And I know many of you would like to go home, and that's probably my wife on the phone right now. But I... I think we show great rudeness sometimes to our colleagues when we just refuse to pay attention. When we have 20 or 25 staff members on the floor who tend to congregate, talk and we have meetings down in the front of the chamber with somebody who left this chamber and went over to the Senate. Perhaps we could ask our friends in the Senate to retire to the end... to the rear of

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the chamber. And you see how much the Senate pays attention to us in the House as he continues his visit. Hey, Senator Millner, why don't you do me a favor. I love ya. Why don't you retire to the rear of the chamber. I wanna paraphrase, if I could, some remarks yesterday made by your esteemed Majority Leader, a person I've worked with for years, I've cosponsored some very controversial Bills with, and I hold in great respect. Let me paraphrase from what she said yesterday. 'This discussion shouldn't be about the substance of the Amendment that is in the Rules Committee, it ought to be about the process and procedure. Anybody in this chamber who cares about the integrity of the institution, the integrity of the rules under which we operate should be voting to sustain the Chair, et cetera. Anybody who votes against sustaining the Chair, in my view, is undercutting the integrity of the procedures under which we have all agreed to work.' I couldn't say it anymore eloquently than she. As I've said many times on this House Floor, I don't take myself very seriously but I take this Body, this Legislature, this House of Representatives, and what we do on this floor and the rules under which we are supposed to operate, I take that very seriously. I think perhaps I take it too seriously because I certainly didn't take blood pressure medicine when I came down here 20 years ago. We often are rude. We often refuse to listen to other people's views who may not agree with ours. And we sometimes just talk over a roar and a din. I think we owe each other more courtesy and more respect than what we have shown thus far. And I know it's gonna be a long day and I

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

know we're all tired, but I think we should keep in the back of our mind that all of us run for election in this chamber and all of us have sworn to uphold the Constitution and all of us I think on most days try to do our very best and we owe a certain measure of respect, whether we be a Republican or a Democrat or an Independent. Having said that, Representative Hannig, if you would simply answer one question for me. I only have one question. Earlier today you said that the pension payment would be made according to the statute. What... what statute are you referring to when you... when you said that?"

Hannig: "The... the Illinois Compiled Statute. I'm not trying to be..."

Black: "No, I..."

Hannig: "...smart, Representative."

Black: "Was it the statute that you passed..."

Hannig: "The state statute."

Black: "...that you passed last year in Senate Bill 27?"

Hannig: "The statute that I think was... was first enacted in 1994 that provided for this ramp up plan and it was amended last year."

Black: "Thank you. So, you are putting in a pension payment in accordance with the statute that you amended last year in Senate Bill 27. One simple question. How much money, under your Senate Bill 27, are you putting in the pension for next fiscal year? How much money are you putting in? And then the second part of the question, how much money would you have been required to put in under the 1995 law?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I found it, Representative. So, this is the contributions for Fiscal Year '07."

Black: "Correct."

Hannig: "Do you want 'em by system or in total?"

Black: "No, I... you said by statute, how much are you putting in under the rule... under the law you passed last year?"

Hannig: "So it would be 1 point... 1,375,702,800 across the five systems. That's an increase of \$437,302,900."

Black: "Okay. How much would you have been required to put in under the 1995 law?"

Hannig: "Well... yeah, Representative, the systems certify the numbers each year."

Black: "Oh, I... I know that, Gary. I know that."

Hannig: "And so, I guess what I'm saying is we don't have a certified number. I will tell you that it will be higher. I'm not..."

Black: "You... I..."

Hannig: "Okay?"

Black: "Thank you. Thank you. You're a... you're an honorable and decent man. You... you're doggone right it's higher. Under the 1995 law, which you amended and changed... not you personally, Representative, but those of you who voted for that... you suspended the 1995 law. And we know what the figure is..."

Hannig: "We adjusted it."

Black: "...and you know what the figure is."

Hannig: "Representative, we adjusted it."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Black: "One point two billion dollars. That... that is what you should be putting in over and above what the figure you just gave me."

Hannig: "But... well, Representative, that isn't... not it exactly... it's hard to calculate what might have been. What we do know is since 1994 that we sold pension obligation bonds. We didn't adjust the schedule then, although perhaps maybe we should've. We know that we made changes in Senate Bill 27 as well that we can measure to some degree, and you could say they were significant or not, but I think all would... can see they would save the systems' money. We always worked on the assumption there would be increasing head counts in State Government, but now we see decreasing head counts in State Government. So... so there are a number of assumptions that always go into these kind of calculations. I think the key is that the Bill... that the goal of 90 percent funding by 2045 remains, and we'll still do the actuary study in 2012 and we'll still switch to the percentage of payroll in 2012. So, have there been changes since 1994? I would say there have been. Some have been good and some of them you would argue were not."

Black: "Yeah. And I... let me just add to your sentence. Remains... you know, we will... we will see if we reach the 50-year level. Whether we do that or not, that remains to be seen. And there are financial experts who simply tell us... not casting stones, not blaming anybody, but financial experts have said we do not have the revenues nor have we exhibited the fiscal discipline to meet the pension payment that will come due in 2010, under your plan, that will be

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

over \$4 billion. The only point I'm trying to make is this, and we'll round it off, I'll round it off. In this fiscal year, under the 1995 law that passed this chamber unanimously, the current Governor was a Member of this Body at that time. He voted for the 1994 pension reform Bill that took effect in 1995. He voted for it and I congratulate him for doing so. But had we not changed that Bill, yes, there would have been pain, but we would be putting in as we stand here today, and I'll round it off, a billion more dollars into the pension system than what we are doing. And I think it's disingenuous of us to say that we sold \$10 billion in bonds and put it into the pension system. We didn't put all of the \$10 billion in the pension system. We put in approximately 7.4 billion and we spent the rest. And so, when you look your constituents in the eye and say, 'Oh, oh my goodness. We put almost seven and a half billion dollars in the pension system in 2004,' would you explain to me, and it's a rhetorical question, how do you pay off debt by incurring more debt? You don't think that \$10 billion in pension bonds have to be repaid with interest? We didn't fix any of the problems by putting the money from the pension bond sale. We didn't fix any problem. We created a... another problem. We created more debt. You've all grown up, as I have... or many of you are much younger, obviously. I'm even older than the Speaker. And from what I heard him reply earlier in the day, I think we're... the Speaker and I are probably in about the same general frame of mind today. But you have learned, as have I, you can't get every credit card that comes to your house,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

max it out, get a new credit card in the mail, pay off... transfer your unpaid balance to that credit card, max out that credit card. You know what I'm saying. Eventually that Ponzi scheme will collapse. So, I think it's disingenuous for us to say we solved the pension problem or... or even temporarily by creating more debt. And that... that's what I would like to say about this process. Three years ago we worked together. In fact, it was a coalition of Republican and Democrats in the House who took on almost everybody else in Springfield, and we stayed here late, we... we stuck together, and we got the job done. This year... and that's the way the process should work. This year we were not invited to participate. We were certainly willing to do so and I think it's very disingenuous to say we refused to participate or that we weren't wanted there because we would've simply been obstructionists. You all know better. When this process works under the rules as best we can follow them it tends to work far better. When we allow ourselves to be put in a position where we establish an artificial deadline of April 7, established primarily so the workers can renovate this chamber, that's basically the only reason that... you know, what I... I heard them up there drilling yesterday. It sounded like a convention of dentists. And... and I know... I'm not criticizing the renovation of the chamber. This is a beautiful hundred-plus-thirty-year-old building. And as I said last year, what a privilege it is every day to come in here to work, look up and see that rotunda, and realize how special we really are that the people trust us to try to do their job,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

and I never, ever take that for granted. I go to the electorate every 2 years like you do and I never take that election for granted. But it was an artificial deadline that we didn't meet even though we sped up the process. Appropriation committees were given 90 minutes to deal with a \$16 billion budget. I'd like to see you do your household budget that way. Some of the meetings were held in Chicago. Sobeit. We did not have an opportunity to let proponents and opponents speak. They got 3 minutes if they were lucky enough to be able to travel to a budget meeting. That is not the way the process is supposed to work. We missed the deadline, and we will get a budget done today. And you know, I don't know why we didn't... why don't we take three days to put this budget on display, let all of those who are impacted by this budget have plenty of time to go through it, your staff and our staff time to go through it item by item, and then come back next week and vote on it when it has been out there in the sunshine for at least three or four days. Sunshine's the greatest disinfectant in the world. When we're transparent, when we let the public know what we're doing, they generally will... will feel better about the process. This budget was hatched in secret, released to us late Monday night, and will be voted on within 36 hours. That's not the way we should do the public's business. And in closing, let me... let me try to put a personal face on public aid medical care. There was an article in the Springfield Journal-Register (sic-State Journal-Register) yesterday written by an administrator... a nursing administrator of a nursing home. You all saw it.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

It's a matter of public record. 'The state's idea of timely payment leaves much to be desired.' Let me just quote very briefly. Very... very quickly. 'My facility has largely survived,' this nursing home, 'because of the determination and generosity of its owner, the hard work of a dedicated staff, the benevolence of an outstanding bank, and the understanding of many of our vendors. However, how can we continue to rely on the determination of our owner when he is pushing his financial means to near bankruptcy? Our benevolence and our vendors' understanding can't last forever when the State of Illinois interprets the releasing of our checks in a timely manner as once every 6, 7, 8, 9, 10, 11, 12 weeks or longer. So I ask all of you who represent us in State Government, does your paycheck arrive in this manner?' Well, come to think of it, per diem's a little later than it used to be. 'Do you pay your bills on time? And if you don't pay your bills on time, do you pay finance charges that will mount up on your utility companies until they threaten you with disconnection? My office personnel inform me today that we received a voucher number from Public Aid. That means we can now get in line to possibly receive our check for November's care in the near future. November's care will be paid hopefully in May.' Let me also quote from an article in the Champaign News-Gazette where they surveyed... and Champaign is a regional health care center. Article in the The News-Gazette, April 30. 'Legislation backed last year by health care providers around the state would have forced the release of Medicaid claims to the Comptroller's Office in a timely manner.'

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Many of you voted for that. It was vetoed by Governor Blagojevich and no attempt to override was made. There are three hospital clinics in Champaign-Urbana. All of them are owed more than \$1 million in back pay for public aid medical care that they provide and are not being paid for in more than 90 days. If you think that's fair and you think we can continue to pile debt upon debt and ignore, ignore our obligation to Medicaid providers... Twenty-three nursing homes went bankrupt in this state 2 years ago. I know of at least one who has already given a closure notice this year. My mother-in-law is 94 years old and she went into a nursing home about seven months ago. The most difficult decision I have ever watched anybody go through was my wife and my brother-in-law having to make the decision to put their mother in a nursing home. She cried. My mother-in-law cried, my wife cried, my brother-in-law cried. My mother-in-law is confused, often doesn't know where she is, is very unhappy. It's a good nursing home. Asks repeatedly when is she going to go home. And she isn't gonna go home. She'll live out however many days she has left in that nursing home. Now, how do you think I feel when I go out there and the staff and the administrator... and they're kind and they're generous people and they give excellent care in this nursing home... how do you think I feel when they ask me, 'Representative Black, is there anything you can do to get our check? We're owed hundreds of thousands of dollars. We have a payroll to meet. We have utility bills to pay. Is there anything you can do?' And I have to look them in the eye and say, 'No, there really isn't. I wish I could.'

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Comptroller's Office is... is good about returning phone calls and we make a good faith effort, as I know all of you do, to try and expedite payment. But what we're doing is wrong. It's wrong and it's harming some of the most vulnerable citizens of our state. We can't continue down this path. You know it and I know it. In closing, I'd like to quote a Member on your side of the aisle. I assume he was quoted accurately. And I think his quote says more eloquently than what anything I can say about this year's budget. 'We have made some short-term gain, but we have created some long-term pain.' I congratulate that Representative because he's absolutely on target. He knows what's gonna happen. This can't continue. There'll be a tax increase that we're gonna be asked to vote for, regardless of the Governor's campaign promise that made some of you mad, by the way. And when you're asked to vote for a tax increase for debt service, do you think you've made a tough vote, you haven't seen a tough vote until you have to do that and go back and your constituents say, 'Look, I'll pay a little more in taxes, but what am I gonna get? Are you gonna improve my roads? Are you gonna build a new bridge? Are we finally gonna get a new ambulance?' And you look 'em in the eye and say, 'No. We're gonna try and pay down Medicaid and bonded indebtedness debt.' I congratulate your Member on your side of the aisle for his very timely and cogent observance of what we're doing. 'Short-term gain creating some long-term pain.' I know what's going to happen on this Bill and you all do too. I won't take anymore of your time, but I will leave you the way I started. When we do the best we can to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

follow the process, as the Majority Leader so eloquently said yesterday, this place can work very well. When we short circuit the process and we get into a hurry-up two-minute offense it doesn't work very well. I don't think any of us are gonna leave today or tomorrow and go home and brag about this budget. Even those of you who vote for it are gonna know we could've done better, there are things we should do that we don't, and sooner or later we're gonna have to face that reality. We can't continue to live in a state of denial. We are in debt. We owe money. We are putting people at risk of going out of business. We are not dealing with the developmentally disabled. We are not dealing as best we can with the mentally ill and we're not dealing with our senior citizens in a fair and equitable manner, who are totally vulnerable and often dependent upon public dollars for their care. What we do today, in my opinion, is wrong and we will all answer for it sooner or later."

Speaker Madigan: "Mr. Stephens."

Stephens: "Thank you, Mr. Speaker. Will the Gentleman yield?"

Speaker Madigan: "The Sponsor yields."

Stephens: "Representative, in... in the big picture of this budget, did we increase spending?"

Hannig: "Representative, I think that we're at about the sa... the level that the Governor introduced in the big picture..."

Stephens: "Rel... relative... Excuse me, Representative."

Hannig: "Yeah."

Stephens: "I didn't mean to be rude. Relative to last year."

Hannig: "Relative to last year, we..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Stephens: "Did... did spending go up or down?"

Hannig: "Here's what we... the big picture. About 400 more for Education, about 400 more for Health Care and Human Services, and about 400 more for pensions. That's... that's..."

Stephens: "Okay. Thank... thank you, Representative."

Hannig: "...the big picture."

Stephens: "The... the fact is that we increase spending by a little bit over a billion dollars. This administration has raided pension funds, it's raided special funds, now it's raided its own campaign promises fund, if you will. The Department of Corrections has been decimated under this administration. We're saying now that we're... we're going to hire some people back. The fact of the matter is that the Governor wanted to spend 13.7 million and that was reduced to 11.75 billion... million for frontline staff. We're told that... the Democrat staff says that the Governor said that they overestimated the cost of the additional officers and so they're gonna cut that budget. All right. So we're not spending as much as we could on frontline officers, but we did have money in the Department of Corrections while at virtually every facility corrections officers are in jeopardy of their life today. We did have money to... we had \$790 thousand lump sum, reentry, transitional, and related services. Reentry. That wasn't for the people that we laid off from the Department of Corrections, that was reentry for those who were getting out of the system. So, we had \$790 thousand for them. We also had \$150 thousand lump sum for costs associated with the long-term prisoners study committee. A hundred and fifty thousand dollars to find out

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

something that I can tell ya right now, they're misbehaving in there. The longer they're there the more they misbehave and the more they put our corrections office in jeopardy... officers in jeopardy. As the one who represents an area that has a prison, I'm not impressed with this budget. Let me go on to another area that... that I have a great deal of interest in, and that is the veterans of the State of Illinois. I... I'm not one who supports veterans' issues just because it's now popular. I'm not one who with the... depending on which way the wind is blowing that year as far as whether you're supporting a war or not. I'm one who came home from Vietnam on a stretcher. And when I came home I was just as proud of our efforts in Vietnam then as I am today, because it's the effort of the soldiers that... the veterans now, that I reflect on and not on whether you might agree with the public policy of any administration. When we stand here this year and talk about veterans' issues every one of us has stood up and supported this veterans issue, this Resolution, this welcome home party, this pro-veterans' issue. It was more like the issue of the day. But when you put together this budget you decided that we were gonna cut \$79 thousand out of the Quincy Veterans' Home. We decided that at the various veterans' homes around the state where we have a 760 veteran... a list of 760 veterans waiting to get in, that we couldn't afford to add more beds. Not just... not add more beds literally, but to put the veteran in the bed, the space that's already available. Except that this budget, like the budgets of the last 3 years, has continued to eat away at one of the nation and Illinois's highest

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

priorities, service to veterans. I can tell you as a veteran who has never, ever hung his head about his service, one who appreciates what the men and women in Iraq and Afghanistan and around the world are doing today, as a veteran I am not impressed by this budget. I don't see anything in this budget to be happy about, except when you're wearing one hat. If you happen to be a partisan Republican you've got to be tickled to death by this budget. I'll tell you that every one of you that puts your vote on this budget today are going to jeopardize your careers. And it's not courageous that you're doing that, it's out of desperation. It's out of desperation because you have to support this administration only because you have the same small 'D' behind your name in this fall's election as the Governor. You are tied to him. This budget inextricably ties you to him. This is your last hoorah before you go into the fall elections. And you are going to say today that we support this failed administration, we support putting the pensions of the State of Illinois in the greatest jeopardy in the history of the State of Illinois, we support that what the administration has done to the veterans' homes in Illinois today, we support putting the corrections workers in jeopardy. This year before this election... unfortunately between now and then there will be a corrections worker injured because of this budget. I pray, I pray that that attack that we know is coming in this long, hot summer is one of little consequence. I know it's coming. You know it's coming. We can stop this process right now and correct it. I believe with the members of

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

AFSCME, that had a press conference this morning in Marion, Illinois, I believe that they were legitimately trying to talk to their downstate Democrat colleagues that they have supported year after year the people that have put the workers in the streets for your campaigns, they were legitimately saying to you, 'Please stop. Don't put our members in jeopardy any longer.' And your response to that is, 'Well, we did what we could. We hired 231 of ya back. Oh, that's not much of a hole in the 6 thousand that we needed, but... but it's the best we could do.' And if you think they're gonna forget it, you're wrong. Downstate Illinois... as someone told me the... the other day, 'The Democratic Party has wiped its behind with Southern Illinois.' And that came to me... that quote came to me in reference to a campaign close to my district by a lifelong Democrat. And I... I thought it spoke volumes about what they think about what you're doing to them with this budget."

Speaker Madigan: "Representative Bassi."

Bassi: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Bassi: "Representative, I have a few questions about the Elementary-Secondary Education budget. One of which... actually, my understanding is we've got about 400 million in new spending for schools. Is that correct?"

Hannig: "I... that... approximately correct, Representative. I show in GRF an increase of 408,895,300, the total increase..."

Bassi: "Okay."

Hannig: "...and this is for the whole agency's state board."

Bassi: "Right."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "431,558,200."

Bassi: "Yeah, but that includes the chargeback for the loan... the textbook loan program, I think. So, we're looking at 408 million?"

Hannig: "You're correct, Representative."

Bassi: "Okay. So, we're looking at \$408 million in new funding for schools, but the potential of \$577 million in pork. So, we're putting more into pork spending than we are into additional spending for... funding for education?"

Hannig: "I don't... I don't know that we're putting any money into pork, Representative. We're putting money into programs mainly in 4... about 400 in Education, about 400 in Human Services and Health Care, and 400 more in pensions. And that's the general makeup of what we're spending the money on."

Bassi: "Okay. What is the... do you know offhand what the mandated categorical funding level will be for this coming year?"

Hannig: "We understand that they would be at the 90 percent proration, which is what they were last year."

Bassi: "What they were last year."

Hannig: "And that's about a 56, almost \$57 million increase in spending to stay at that same percentage."

Bassi: "So, it's an increase in spending, but it's maintaining a level that we were at last year."

Hannig: "Yes."

Bassi: "How about for special education teachers?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Well, it... that's... that's part of the mandated categorical. So, I don't know of the exact amount of the increase, but we would prorate it at the same percentage."

Bassi: "Actually, I think... I think what we're doing is maintaining the level that was established in 1985. We have not increased spending for special education teachers since 1985, which is over 20 years ago. We're funding them at an \$8 thousand per teacher. And to my knowledge, there are no teachers in the State of Illinois teaching special education at \$8 thousand a year, but we are adding over... over \$23 million in brand new programs. So, we're not funding what we currently have, but we're adding brand new programs. And... do you know offhand, Representative, who's going to be administering the Bullying Prevention Program, which is a million dollar brand new program?"

Hannig: "I didn't hear ya. Which one?"

Bassi: "The Bullying Program, Bullying Prevention."

Hannig: "Representative, I'm not certain who's going to administer it, but it's... it's in the budget."

Bassi: "It is in the budget? Okay. Well, it is... it is a billion... it is a million dollars of new funding, taxpayer dollars that is going to be administered by private organization known as ICASA, which is a wonderful organization. But they are private and they're going to be administering a million dollars of new funding for education as one of the new initiatives?"

Hannig: "I'm not certain that that agreement has been reached, but certainly, the State Board of Education who'll actually

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

make the grant will ensure that the parameters are in place, as they do with all the grants that... that are made."

Bassi: "Well, one would hope so 'cause I don't think that the... the rules and regs have been written as yet for that particular item. Back to special education. Is gifted education in the budget in any way, shape or form?"

Hannig: "It... it is now, Representative. I think the history is that we eliminated that program a few years back then we reinstated it. So, it does exist, but it's not funded at any particular level in this budget."

Bassi: "Okay these are our best and brightest. They... the kids that are... are probably..."

Hannig: "Right."

Bassi: "...hopefully, gonna take some of... well, I hope some of them will take our jobs. Sometimes I'm not so sure."

Hannig: "So... so, this is... and... and this is the debate that we have whether we should fund programs or whether we should drive the money to the foundation. I think the decision generally was to try to drive the money to the foundation."

Bassi: "Well, in which case it probably is not gonna go to the ge... we have said for years if special ed, and that includes gifted children, were fully funded, which obviously it's not in any way, shape or form, that we could take care of the regular education for all of the kids. As to the early childhood program, the early childhood program for All Kids, the \$45 million, is that in the budget?"

Hannig: "Yes."

Bassi: "Does that include the... the funding for the transportation that will need to be involved? Because once

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

we put this in as a mandate and I get to add it to my long mandate list."

Hannig: "So, Representative, they'll... they'll be competitive grants that will be... they will be graded and then awarded. And so, if someone wants to make that a component of the grant and request the money, it will be... it will be a competitive grant procedure. So..."

Bassi: "Except that once we put this into programs, we're talking about needing to provide early childhood education for All Kids. So consequently, then we're gonna have to provide space, which we do not have, and transportation, which is expensive and going... and getting more so as the summer wears on. We need to provide certified teachers who are not there right now. We will need to provide breakfast and/or lunch for these kids because they're there and unfortunately, they will not... they... the kids that are going to be eligible for this program for the most part are the needier kids. So, we'll be needing to provide breakfast and lunch for them. So, out of the 45 million instead of preschool for All Kids, we're really talking about preschool for some kids. Correct?"

Hannig: "Well, there'll be... there's a substantive pro... there'll be a substantive Bill that I believe that we'll debate that will talk about the parameters of a... of an universal preschool. And this will be the ramp up of how we begin to absorb those young people into a universal program."

Bassi: "Okay. But the... but the money is in the budget. Is that correct?"

Hannig: "That's correct."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Bassi: "Okay. To the Bill, Mr. Speaker. One of my concerns about this particular budget... one of my concerns about this particular budget is that Dr. Dunn who is... Ladies and Gentlemen, if I could have your attention just for a minute. Ladies and Gentlemen, one of my concerns about this particular budget is that the state's superintendent who is obligated to provide this budget to the Appropriation Elementary-Secondary Education... Elementary and Secondary Education Committee admitted that he had not had input into this budget, received it 24 hours before he presented it to us. Why then do we have a theoretically independent State Board of Education who are defending a budget that is not theirs? I find that very sad. Thank you, Mr. Speaker."

Speaker Madigan: "Mr. Watson."

Watson: "Thank you, Mr. Speaker. To the Bill. Mr. Speaker, Ladies and Gentlemen of the House, I was thinking this morning when I walked in to this chamber about the first time that I entered this chamber, about the day that I was sworn in, and I bet most of you could also remember that day that you were sworn in. Think back to that. What were your dreams? What were your goals? What did you wanna do for the State of Illinois? Some of you have a passion for education. Some of you have a passion for minority issues. Some of you have a passion for those that are developmentally disabled. Maybe they were on your mind. Maybe, maybe your children or your grandchildren were on your mind. Maybe you simply wanted to leave this state in a better shape than when you arrived. There was book... a great book written a few years ago by a man by the name of Stephen

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Covey called the Seven Habits of Highly Effective People. Now, Mr. Covey in that book says that we all have basic needs and the most basics are to live, to learn, and to leave a legacy. Mr. Speaker, Members of both sides of the aisle, today I ask you whether you've been here for 3 years or 30 years, what do you want the legacy of your service to be? And more importantly, what legacy do you want to leave our children? Are we leaving them with a state that has a healthy economy, that has a great business environment, which will give them something that we all want? We saw hundreds of thousands of immigrants marching throughout this nation with one thing and one quest in mind, they want opportunity. Opportunity. Does this budget do that? Does this budget give our children and our grandchildren opportunity? Can you get up in the morning and say, I did my best for the future generations? I would like to close with a quote, Mr. Speaker, and a challenge. And I may get in some hot water for this, but this is a quote from someone whom I respect, someone who I watch, work, and manage and lead, and I take these words seriously. And I quote, 'Good stewardship requires elected officials to use a time horizon that extends beyond the present. It demands that we consider our obligations not only to those who need help today, but also that we keep the state on a sound financial footing so that we can meet our responsibility to those who will need our help tomorrow.' My challenge to all my colleagues today before you vote on this budget, can you honestly say to yourself that this budget's gonna leave us with a sound financial footing so that we can meet the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

responsibility that we owe to our children and our grandchildren? Thank you."

Speaker Madigan: "Representative Mulligan."

Mulligan: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Mulligan: "Representative, I hope everyone will bear with me, the hearing processes were quite short and there's any number of questions I have about the budget particularly the Human Service budget. There's a supplemental included in this budget Bill that is just short, according to your staff's analysis of \$1 billion, 98 million GRF and the rest from other funds. Some are federal rollover, but some of them aren't. But it's still \$1 billion. When I asked you at the end of last year on the budget Bill if you thought we would need a supplemental because this budget from last year, the FY '06 budget, was not accurate and had a lot of holes in it, I think your response was 'no'. Now, from your lines that we have from your staff this supplemental is almost a billion dollars, which increases what I would say spending or appropriation authority for this year, which certainly changes what last year's budget figures were. So, in some of those, there is a half a million increase in Telecommunications and Human Services. Could you explain to me what that half a million supplemental is? Is that all cell phone usage? When we asked that in committee yesterday, we were not given an accurate answer, but half a million dollars is quite a bit of cell phone bills. Perhaps you ought to look for a better plan. And will this be annualized?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "So, Representative, they... they've tried to manage with the costs... that the higher costs of higher telecommunication and, you know, they've done the best that they can. And it's... it's zero in the supplemental. It's... it's just moving around lines."

Mulligan: "They're just moving it around. And what do you mean by just moving it around? I always like that..."

Hannig: "Well, Representative, they're not requesting additional money in this line, they're just... in these lines they're simply asking that the lines be... some be changed up and some be changed down. So, if this was the only item there would be no net increase in spending."

Mulligan: "But it's half... half a million and it was allocated to individual places. I mean, we took this right off of the Bill."

Hannig: "Right. And..."

Mulligan: "I mean, Representative Munson went through this in committee and asked some of these questions. We were told that they would get back to us with the answers. Of course, we haven't gotten them yet. It's always interesting when they say they'll get back to us with the answers, I always like that. So, you have no idea what the half a million was for... I mean, it goes..."

Hannig: "It was for... for bills that came in, Representative, and we... we need to pay them. I think we'd all agree with that."

Mulligan: "Well, perhaps they are... and then are they gonna annualize that? Is there gonna be no containment on the usage of telecommunications with the different agencies?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I mean, I think the agency, first of all, is trying to... they're not just coming in here and saying, 'Give us more money.' They're trying to manage within their overall budget and say, 'Well, we... we spent more in the line where we didn't anticipate it, let's try to underspend some other places and balance this thing off.' So, the net cost is zero, but it is... some lines will go up. So, they... they've made I think a fiscally responsible effort to deal with it. As opposed to just coming in and saying, 'Well, give us an extra half a million bucks.'"

Mulligan: "All right. There's a line item for... under DHS for 3.5 million in tort claims. Could you explain that, please?"

Hannig: "I think, Representative, we would hope that no one would ever sue the state and if they did that they would never win. But sometimes those things happen. And so, ya know, we... we try to anticipate what level of tort claims we will have but some years we do better than others, so."

Mulligan: "Well, I would think that... I... I wanna go to one particular incident that's in the regular budget. Although, I hate to go back and forth. But... just trying to go through my... I'll go back, it's in Veterans where they had to pay off a claim and I'll go there. In the supplemental according to your staff's analysis and our staff crossing it, under DPH, the legislative transfer to AIDS awareness from other Department of Public Health tobacco funded projects is gonna be \$2 million and that's gonna be change... and moved. Is that gonna be moved into this year's budget or is that going to be currently spent in the supplemental?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I... I'm advised that just the supplemental expenditure, Representative."

Mulligan: "So, they have switched tobacco funded projects and they're giving 2 million additional dollars to FY '06' budget for indiv... individualized HIV grants in the City of Chicago."

Hannig: "Yes, Representative."

Mulligan: "All right."

Hannig: "It's an initiative that the Governor felt was very important and so he... he wanted to make that change."

Mulligan: "Well, I can understand why the Governor would think it was very important, because along about March he started hustling to pay off the memorandums of understanding and other issues from the FY '06 budget. Because I think many Legislators who had gotten those memorandums did not believe that they could vote for a budget this year when they didn't get what they currently were promised. So, I presume that's part of it. There's also a movement of money in the anticipation of the hospital assessment waiver. It looks like it's a movement of \$525 million that's being moved in the supplemental. So, is part of that to cover if you have chargebacks? What you call chargebacks, what we call fund sweeps. Is that the anticipation for that?"

Hannig: "It's made up of \$355,200,000 from the hospital assessments and then 170,000,300 in the chargebacks."

Mulligan: "What's the current Medicaid payment cycle as of today? A hundred and twenty-some days?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Representative, I'm advised that... that as of today or as of the end of the year, the fiscal year, it's supposed to be at 76 days."

Mulligan: "No, that's the hope for what it will be at the end of the fiscal year."

Hannig: "Of... of this fiscal year."

Mulligan: "77.6 days and 86.2 days in the worst case if we allow fund sweeps, which what my understanding is, is we're being asked to do the fund sweeps by our local people in order for them to get paid. They are being pressured to have us argue about the fund sweeps. But isn't the current payment cycle now around a hundred and twenty as of today?"

Hannig: "I'm advised that as of today it's 80 that we hope to have..."

Mulligan: "For who? For the people that are expedited or for the ones that aren't expedited?"

Hannig: "It's an average, Representative. Obviously, some are gonna be more and some will be less. And part of what we talked about earlier was... and \$80 million to try to... to bring the worst people on the scale down to the average. So, in other words, people who are saying that they haven't been paid for a long, long time would get paid first. So... so..."

Mulligan: "Well, that's another question..."

Hannig: "So, it's about... about 80 days. Now, I was here when it was 120 days so this isn't the worst ever, but certainly we always wanna see it reduced. Right?"

Mulligan: "Well, that was mentioned yesterday that... so I'm just curious as to who it is. I mean, I know there are people

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

out there that have called their Representatives because they didn't know how they were gonna pay a bill the following day. We would hope that they wouldn't wait that long but it's really a problem. But I noticed also in the supplemental that the medical assistance line for physicians is increased by \$80 million to pay down the payment cycle for FY 2006. That obviously is, and it was stated in committee yesterday, a blatant attempt to get physicians down so that they will sign up or be available for the All Kids program."

Hannig: "No, Representative, it's just an effort to try to take those people who are in the worst part of the cycle, who are experiencing the most difficulty and bring... and bring that payment cycle down."

Mulligan: "But you're taking the money back in FY '07."

Hannig: "Yeah, cer... Pardon me."

Mulligan: "So, you're giving them... you're putting \$80 million into that line for physicians but then you're taking it back in FY '07. And what you want physicians to do under the All Kids program is to believe that they're going to be paid in 30 days. I think that's really an insult to other groups who have bills that are hanging out there for longer than that. And I don't think physicians are necessarily believing that that's gonna be the case, but in order to have enough physicians statewide to implement All Kids you need to give... pay them off now so it does look like that. Don't you think that's a little bit duplicitous?"

Hannig: "Representative, we... we have another Bill that tries to help the other providers, Senate Bill 14, where we feel that

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

there's money that could be used to pay down the payment cycle."

Mulligan: "Is that the fund sweep Bill?"

Hannig: "That's... Representative Hoffman's Bill. Then we feel that... that there should be parity among the providers and this will provide parity to the balance. So, Representative, we just are looking for an issue of fairness."

Mulligan: "Okay. Let's go to the FY '07 budget. Oh, no, first I wanna go back. Where's the \$14 million from the Employee Health Insurance Fund coming? Is that gonna be moved in the supplemental or is that for the FY '07 budget?"

Hannig: "So, Representative, these are estimates that... that are made based on some... based on the number of employees and based on the actual estimates of... of what it will cost and so to the degree that you can save money through an HMO or any other thing, you can reduce those. So, I think that... that, ya know, it's just... they're estimates."

Mulligan: "So, is the Department of Health and Family Services planning on any sweeping changes in employee health care, which won't be signed up for until the beginning of the year? And since they now are the ultimate in all health care including employee health insurance, anything to do with Medicaid, anything to do with All Kids because of what we passed last year. Are they going to make \$14 million in savings or are they gonna increase the payment cycle to those that provide services under employee health care? How do they assume they're gonna save \$14 million?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Representative, I think what we've seen this year is a reduction in head counts. And so based on that, it... it appears that they can save the money and I think that's what... that's part of what they're estimating."

Mulligan: "All right. So, let's move to the FY '07 budget for Human Services. There is no COLA for early intervention workers and there hasn't been for quite some time. Even though in downstate, sometimes they drive an hour each way to provide services which are not covered. And yet, you have put \$45 million into early childhood programs and preschool. Wouldn't it be more advantageous to children... to young children to take 5 million of that money and put it into an increase in COLA for early intervention so those kids will actually be ready for school, rather than to not have them be able to provide the services or to be uncompensated either for fuel or for two hours of travel time, particularly downstate, since there is no COLA for them and hasn't been I think for what 8 years?"

Hannig: "Well, Representative, it would be nice if we could do both. And it was an option that I think we tried to pursue, but in the end the consensus was that we should go with the 45 million for... for preschool."

Mulligan: "Well, maybe they won't understand that with the 800 million you put into pork but, I mean, 5 million for a COLA for people that are providing services are really interesting."

Hannig: "Yeah, Representative, I think a lot of us feel like we didn't get enough of that pork. If you could share us the list so we could see where we missed out, we'd be happy."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Mulligan: "Well, Representative, we've ad... adequately had adequate time to do hearings perhaps we would've found those before. In the 14 years I've been here, this is the least amount of time we've ever spent on hearings and suddenly, the Speaker's... has changed from saying that he would go to individual Bills to putting all the budget into one big Bill. The new \$75 thousand line for affordable housing from the Affordable Housing Trust Fund has been deleted. What was the rationale behind that?"

Hannig: "It... it justs that it's a transfer instead of an approp."

Mulligan: "So it's just not gonna be there."

Hannig: "It'll... It'll be a transfer instead of an approp. So..."

Mulligan: "Okay, TANF received a reduction and there are also some other... there was something in your budget here under DHS. It's a million or \$302 thousand increase for the Cicero Memory Bridge. Could somebody explain to me what the Cicero Memory Bridge is?"

Hannig: "Representative, this was an item that the Senate asked us to include. So..."

Mulligan: "So does that mean you don't ask what it is if it's the Senate's? I... there should be a little bit of..."

Hannig: "I hate to tell ya... I hate to tell ya this but..."

Mulligan: "...reciprocal discussion between..."

Hannig: "Representative, I hate to tell ya this but I don't remember."

Mulligan: "I mean, but the Cisco... Cicero Memory Bridge. I mean... Come on. Yes, I know... yeah. There are a couple of comments over here that I won't repeat. Guardianship and Advocacy

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

reflects a 2.5 reduction in personal services across the board. For the last 3 or 4 years they have been the orphan in the storm and have managed to get by providing services to really... clients that have no other re... last resort at all by going out to law schools and begging for people to come in and help them. You know, I think that's very interesting. Don't you think that they at least deserve to have adequate staffing that they don't have to beg for as being free staffing so that they can meet emergencies? I don't understand that."

Hannig: "Well, Representative, this will not create any layoffs it will simply take positions that are currently on the books and... and erase them, because we're not using them. So, the... the Executive Branch feels that they can manage at this level of personnel and typically, this is something that we encourage them to do, I think, is to try to run Government as lean as they can."

Mulligan: "In the Department of Veterans Affairs, 466,200 was cut from personal services for the Quincy Veterans Home. Last year or during this current year, it's very understaffed and you're cutting more staff it appears..."

Hannig: "Act... actually I think it..."

Mulligan: "...or you're not going to hire staff."

Hannig: "Well, I think what they did is there's an increase in head count and... and in spending but it comes from the other funds."

Mulligan: "Well, in the past..."

Hannig: "In other words..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Mulligan: "...year because they were understaffed an elderly veteran wandered off and died. And they were fined \$50 thousand."

Hannig: "So... so we're spending more money over all to hire some additional people at these facilities, Representative. Now it doesn't reflect GRF necessarily but from all funds."

Mulligan: "All right. But you have additional add-ons, numerous ones for community colleges, particularly in the City of Chicago where we still have approximately 16 million for veterans' education that is going to go unpaid that local taxpayers and local institutions will pick up the cost for. Yet, both the Lieutenant Governor and the Attorney General who promoted the program of giving additional waivers to returning veterans and the Governor are taking credit for this program and still saying there's no tax increases when local taxpayers who pick up the cost for community colleges and local students who are paying for their education at Illinois universities are covering the cost of the veterans returning to the tune of \$16 million. Why wasn't some money put in the budget to cover that amount? If you're gonna take credit for it on the campaign trail, don't you think you ought to fund it?"

Hannig: "Representative, it's a... the program is a waiver program and I think every school that... that grants the waivers... that are required to grants the waiver, receives state money. So, I don't think anybody's... I think everybody's getting state money and that's part of what we asked them to do... we require them to do is to provide these waivers. Now, we have in the past given them some funds to try to help with

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

that but it's... but it's seldom been a hundred percent funded."

Mulligan: "Representative, last year before the budget was done and again this year we're pointing out to you that that money was not covered. It has been pointed out in any number of hearings that I have attended."

Hannig: "Repres... and the money for our General Assembly scholarships is... is not carved out and... and reimbursed separately either, but the schools are required to make those grants if we sign a piece of paper and the person meets the requirement."

Mulligan: "How come the amount of money for emergency placement for CILAs was only annualized? When in most instances any Representative in this room knows practically the only way to get someone into a CILA is if they have a relative that is dying or there is a true emergency. Why is that money only annualized?"

Hannig: "I... I think that we felt that the annualization still allows for emergency placements and consequently, there was... there's some room in... in the system and we should allow... we should allow it to begin to fill up before we go to the next level."

Mulligan: "I'm gonna talk to the Bill. In some instances my general ind... inclination is to stand back and let this happen because there's not much we can do about it. But that's never been my way in life and this particular year, in the 14 years that I've been in the General Assembly, this is absolutely the worst hearing process we have ever had. For the Department of Healthcare and Family Services, which

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

I fought last year combining, which has control over the employees' health care, the hospital assessments, the Medicaid, almost every major medical issue in the State of Illinois, the ability to make or break the state budget under Medicaid. We have spent a sum total of one and half hours hearing that budget. Questions that we asked on the All Kids when I asked specifically on the House Floor on House Bill 806 if the PCCM program rollout would begin all over the state and in the hearings, we were told specifically that the rollout that made those savings would start on July 1 and it would be statewide, and it would not eliminate Cook County and start them later. That is proven not to be true. The fact that they claim that All Kids will start July 1 is not true. They have to promulgate the rules and in the discussion that we had, the rules will not be emergency rules and they have to come to JCAR in July. So that program will not start. When we asked for the number of all the publicity that's being done both in television commercials and in forms that are passed out to our house, how many new children were added to KidCare because of all the forms that were filled out, which means you have to move those kids onto KidCare that are... that... are eligible for it, we weren't... could not be given the number. It took us until two days ago to get the number for the end of last year in December, not the fiscal year, which means that was before the big publicity push was on. Some of the pla... areas were told to hold back on pressing All Kids and going to see who would actually be eligible for KidCare, a program that we at least get 75... or 65 cents back on the dollar. As far as the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

hearing process, it was abominable. I quite am appalled and in some of my colleagues on the other side of the aisle, which I've worked with for a number of years and I've had cordial relationships for a number of years, I think I got a little bit testy with them because I expected them to have the same view of public policy that I had. The fact of the matter is, if you wanna go out and do some of these new programs, that's perfectly fine, some of us support those programs. But it's only fair to take it back to the public to discuss the public policy if that's what they wanna do and that's what they wanna do, if they want an income tax increase to cover it or if they don't. The fact that three or four people sit in a closed room and make these public policy decisions for all of us for... not just for the Legislators but the people that we represent and there's a large number of people on this side that we represent too is unconscionable. The fact that the process in Illinois has gotten so convoluted that it's really embarrassing. It's hard to stand up and be a Legislator and go home and not try to work to see how you can change it. Quite frankly, I think it's really embarrassing. I can't believe that any of you came here to be part of this kind of a process. Three years ago the Speaker wanted to rein in the borrowing and had a lot of good ideas. What happened from those 3 years ago? Does he think this Governor has gotten anymore fiscally responsible? I can't believe that. I suppose elections are really important but, quite frankly, some of these programs are important but they're only important if the public wants them, the public wants to pay for them, and

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

they wanna support it. When you have three minutes in a hearing and you're told to hurry along after you've gotten up at the crack of dawn to drive down to a hearing or you've come to Chicago where you're paying \$25 to park because we decided to have hearings in Chicago, this is an embarrassment. The fact that a little bit of pork this year had to be paid off before you could even get the votes. If all of you on the other side that are getting this 800 million think that this Governor who has such good word is gonna pay off your programs that you're putting in in pork for your vote on what's really bad budget and bad policy, you have another thing coming. When we stand here next year, if I'm back here next year, and discuss what's been paid off, what's not, what supplemental your gonna need and how this budget's gonna cave in, I'd like to hear some of you comment, some of you who I know have better ideas, are better Legislators, and have better ideas of public policy than what you're portraying. To have to stand up and take abuse on a Bill to justify a bad vote on pensions last year seems to be not what the Lady from Champaign has come here for. I do not understand how you can go along with this and then go home for the summer, go your merry way, and just sign off on what's a totally bad budget. Within 2 years all of this is going to just fall apart, you just wait and see. No matter who's the Governor, no matter what happens. I only hope to think that the people from the Bureau of the Budget who seem to think that we give them abuse, who sit back there and smile will be around to figure out how to pay it off. And I hope that some of us when we're asked to come

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

and help you solve the problem will do so with good faith,
but I think it's going to be pretty hard to do that."

Speaker Madigan: "Mr. Durkin."

Durkin: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Durkin: "Representative Hannig, for the last two Legislative Sessions, Members of the House Democratic and Senate Caucus have forced the Governor to sign a number of memorandums of understanding prior to voting for a budget Bill. Are there any memorandums of understanding which have been entered in between any Members of the House Democratic Caucus or the Senate Democratic Caucus regarding their... regarding this Legislative Session?"

Hannig: "Well, Representative, I can only speak for myself and I can say that I personally have not signed any. Now, I don't... I don't doubt that there'll be Legislators who would ask the Governor, and I wouldn't... I wouldn't doubt that there would be entities that I work with in my district that would be happy to have a memorandum of understanding with the Governor's Office."

Durkin: "Is there anybody in this chamber who can speak with some certainty of whether or not there are memorandums of understanding which were entered into with the Governor's Office?"

Hannig: "Well, Representative, I think that... that, typically, the memorandums are between someone in the administration and the provider or the recipient, whatever term you would use, and typically, to the degree that we are aware of those

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

on the House side, we... we make those items public once... at some point they typically appear on our website, I believe."

Durkin: "Okay. Now, if there were memorandums of understanding entered in with Members of the Democratic side of the aisle, will it be disclosed at some point?"

Hannig: "Yes, they will be, Representative."

Durkin: "Okay."

Hannig: "If... we will ensure that there is a complete search of any of these items and we'll put them on the Internet."

Durkin: "It'll be disclosed in a timely manner, I hope."

Hannig: "Pardon me?"

Durkin: "It'll be disclosed in a timely manner."

Hannig: "Yes, Representative."

Durkin: "Okay. I have one question. This is regarding this... Representative Hannig, this is regarding the Illinois State Police budget. The original budget, which was... which the State Police had asked for, included \$5 million for the... to be dispersed to law enforcement across the state for the implementation of the videotape interrogations on homicide cases. As you know, a few years back we had passed legislation which first created a pilot program which would apply to the City of Chicago. Now, this past July, it is... we must videotape interrogations in all homicide cases statewide, and one of the understandings was when this Bill was first drafted and one the architects was then Senator Barack Obama who said that this was not going to be an unfunded mandate, this would be a cost-sharing plan with the state and also local government. It's my understanding that the \$5 million, which was earmarked by the State Police for

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

this program, has been taken out of this budget. Is that correct?"

Hannig: "Representative, I think someone on the other side of the aisle said earlier today, sometimes you have to say 'no', on this item we said 'no'."

Durkin: "Representative Hannig, I just wanted... was your response 'no', that it was not removed from the State Police budget?"

Hannig: "It was... it was removed, Representative. It is not in this budget."

Durkin: "Okay. Well, thank you. I appreciate your answer and I will just speak to that question... that specific issue. You know, we're all gonna... you know, we're gonna vote our conscience, I think, today, and the Democrats will put their votes up. But when they go back and do the victory lap, I want you to talk to your... your sheriffs, your state's attorneys, and your public defenders and tell them why that the money was not included for this... this program. I think it's... it's a tragedy. We spent a lot of money and lot of time and effort over the last 4 or 5 years to clean up our criminal justice system and this is one of the keys to it, was the videotape interrogation. And the fact that we're not funding it I think it is a disservice to our administration of our criminal justice system in Illinois. Thank you."

Speaker Madigan: "Mr. Moffitt."

Moffitt: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Moffitt: "Representative, I'll try to be very brief, really will be. My concerns essentially... the questions I'm gonna ask

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

you on your budget are around Department of Corrections and community colleges. I guess I'd start by asking you, what do you see as the mission of the Department of Corrections?"

Hannig: "What... what do I see, Representative?"

Moffitt: "Yes."

Hannig: "I... I think I would say that I see the Department of Corrections, first of all, a place where we incarcerate people that have been sent to prison because of some conviction, and I would say that it's a place where we hope that we can work to bring out the better part of those people so that when the day comes and they're released into society again that they'll either have some skills or perhaps picked up some better attitudes about life in a way that they can become productive citizens."

Moffitt: "Thank you. I... Representative, I certainly share that view of the mission of Corrections. Do you feel this budget provides adequate funding to staff? The Department of Corrections, we've heard of... does it provide an increase? 'Cause we certainly heard of some problems all around the state of... of attacks on staff and... and then I talked to the director yesterday and he graciously agreed to have staff meet concerns of a prison in my district. Do you... do you think we've put funds in here to possibly increase funding to staff?"

Hannig: "Yes. So there's money in this budget and it's actually in the supplemental, so that we don't have to wait until July 1. But the day when the Governor signs this budget and it becomes law, they'll have the ability to hire... to begin hiring up to 250 correctional people, most of them will be

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

guards but there could some others. And we've also given them the authority to put them into those facilities that they think are most at risk and most in need. So, we've tried to take what number we can negotiate with the Governor and put it into the right facilities."

Moffitt: "I appreciate that and certainly, I hope they're spread around the state. That was certainly what you indicated by your comments. One other... you mentioned in your... what you see as the mission and I share your description, a place where we hope is... the Department of Corrections, we hope we correct some past problems, correct some behavior, correct some attitudes. Clearly, that takes education and it takes training. Would you agree?"

Hannig: "Representative, I think that... those are things that we would... we'd like to do and should do, yes."

Moffitt: "In my own district, Hill Correctional Center in Galesburg, Carl Sandburg Community College has been providing educational training for inmates. They've announced that they probably intend... and they've been down to Springfield and asked for increased funding..."

Speaker Madigan: "Ladies and Gentlemen. Ladies and Gentlemen. Please give your attention to Mr. Moffitt and Mr. Hannig. Mr. Moffitt."

Moffitt: "Thank you, Mr. Speaker. Carl Sandburg College has indicated that it cost them more to provide the training than what they are receiving in reimbursement. And if things continue that they actually intend to cease providing that education which, ya know, really stifles what you and I see as the mission of Corrections. Is there an increase in

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

funding for our community colleges and this would apply across the state to provide adequate reimbursement for training and education in our correctional facilities?"

Hannig: "Yeah, I think also, though, that the Department of Corrections has an obligation to try to... to try to make the best deal that they can with the community college or any other provider that would... that could do the program. So, it's a nego... a negotiated kind of an agreement and I... I certainly would hope that in a perfect world that there would be enough money... enough money that we could take care of the providers at a rate that would at least compensate them for their cost, that they would do a good job, and that the Department of Corrections could fulfill their mission of providing education and rehabilitation to everyone."

Moffitt: "Does this actually provide an increase that could be used to pay community colleges for the training and education at comm... at the Department of Correction? Is there a potential pool of money that could increase what we pay?"

Hannig: "Representative, I don't know that there is in this budget. Now, if you and I... ya know, and I'll be happy to work with you, there may be an opportunity to try to find the line item somewhere or in a worse case scenario, we'll be back in the Veto Session. But I understand your concern and it's certainly not something... I certainly hope that your community college and... and the Department of Corrections could work that out. And I'll be happy to work with you on it."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Moffitt: "I appreciate that response. That would be my hope too. Thank you for that response. Mr. Speaker, there's certainly been lots of comments made here today. There'll be a number of more. But just on the one issue of Corrections, I think we share that mission of what Corrections is. But if we don't provide adequate training, adequate education, a change, a correction in... in attitude and behavior and in skills, some of these people simply lacking skills. Then really, instead of Department of Corrections, it becomes the department of detention and I think we all want it to be Corrections where we're really correcting something. So, I hope that can be addressed, that is certainly a concern in this budget. And we've talked about the process, we're asking every portion of the state to pay for this budget. That's why every portion of the state should've had adequate time for input. Thank you, Mr. Speaker."

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you very much, Mr. Speaker. Will the Sponsor yield for some questions?"

Speaker Madigan: "Sponsor yields."

Eddy: "Thank you. Representative, how are you holding up over there? You doing all right?"

Hannig: "Well, I get a break once in awhile, there when we have a long speech."

Eddy: "Can we bring you a soda or something? You'll be okay?"

Hannig: "I'm doing okay."

Eddy: "All right."

Hannig: "We're doing good, Representative."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Eddy: "All right. Hey, I got a couple questions about the Ethanol grants."

Hannig: "Yes."

Eddy: "There's \$25 million in this budget for Ethanol grants?"

Hannig: "I believe there's 20 of them that are actually for the grants and then there's \$5 million for some alternative fuels and things like that."

Eddy: "Five million for what, I'm sorry? I didn't quite get all that."

Hannig: "I think... so, 20 million would be for plants that we know of that have submitted applications at DCEO. That are, you know, close to... to going on line but they need maybe that little extra boost to pull things together financially. We think they're good projects. They're all over the state. So, those would be the 20 million then there's another \$5 million of that pot that would be available for like some of the other alternative fuels."

Eddy: "Okay. There was a Senate Bill floating around here, it's Senate Bill 2236 that included a number of other incentives regarding alternative fuels and it's something that I had hoped we'd have the opportunity to... to vote on up or down this Session, especially when we look out, ya know, we drive down the streets, we see \$3 gasoline. I know that's not in this Bill. Could... can you give me status as to whether or not any of those good ideas that came over from Senator Demuzio are... are getting any consideration?"

Hannig: "Well, Representative, I think part of what you see here is... is the outgrowth of that Bill. So that was a substantive way where some money would be transferred around

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

and some things done, adjust some sales taxes. What we think we can do, though, is we can simply just find the money in this budget in order to... to do a lot of that same thing."

Eddy: "Okay. And I appreciate that approach and I wanna come back to that because... 'cause really what you're doing is you're paying... you're paying for it..."

Speaker Madigan: "Mr. Eddy, let's get some attention. Ladies and Gentlemen. Please give your attention to Mr. Eddy. Lower the noise level. Mr. Eddy."

Eddy: "Mr. Speaker, I've had experience with study halls that were... were quieter than this with more people and hopefully, we can have the decorum that you suggest that maybe teenagers can have in school, we could have as adults in this chamber. Representative, the... the \$25 million does help that industry. My concerns about the other issues related to the ethanol industry, are they included in here? The percentage of mandated fuel alternative use, is there anything in the 'bimp' language that also supports the use of those fuels?"

Hannig: "Well, Representative, I think even in the negotiation with the... that did occur on that ethanol Bill, the... this floor kind of began to erode away. I mean, at one point they wanted to have a mandate and then it become kind of a goal and then it became kind of a floor. It was very fluid negotiation as they often are. But... but this just is an appropriation Bill that would appropriate that. That... you know, we can still continue to try to..."

Eddy: "I hope so."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "...to get a Bill passed on ethanol that you... if you feel that there's a need to do that. But I think we wanted to make sure we went home with... in the end which is the money to do these programs."

Eddy: "Another question I have relating to my district regards a work camp in Paris, Illinois. The Department of Corrections, a couple years ago, closed that camp. I'm not expecting that... that camp has been reopened but I think I owe it to the workers in that area and the people of Edgar County to ask the question as to whether or not that that camp was given consideration for reopening?"

Hannig: "Representative, it was not in the Governor's introduced budget and it is not in this budget."

Eddy: "Yeah. I know I've... I've contacted the Governor's Office several times in the fact that it wasn't intr... introduced budget. However, we are opening... we're using some staffing to open another facility. Is that correct?"

Hannig: "There's some additional money in this budget and in the supplemental, for that matter, to open a prison that we built some years ago that's complete, that's sitting idle up in the Quad Cities."

Eddy: "Yeah, the work camp was built some years ago too and it's also sitting idle. So, I would hope that at some point or another we give serious consideration to using that before we begin to staff new facilities. But I also understand that this an election year and I know the geographic concerns that might have been at the top of the list. The other thing related to the Department of Corrections that I'm hearing from people in my district, the guards that work

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

in Lawrenceville and Robinson, Illinois, is that there are dangerous conditions in those facilities that this budget does not address as far as staffing is concerned. These are real people who work hard every day who have real concerns about the staffing level. And I believe that this budget does not adequately address the safety concerns of the workers at DOC in those facilities. Do you feel like this budget has done an adequate job of staffing facilities in DOC?"

Hannig: "Well, Representative, we met with the Governor and we tried to... and we met with AFSCME and we tried to find a compromise that we thought we could afford. And at one time, we felt that the 250 was that compromise. Apparently, perhaps there was just some misunderstandings by some people, but what I would say on this budget is, we have 250 new positions primarily correctional guards that will become available the moment the Governor signs the Bill, that is he'll... the... the funding will become available. And he's then given the authority to put those into those facilities that are most in need. We don't try to micromanage him and tell him send it here or send it there. So, I think..."

Eddy: "How... how many go to the new facility?"

Hannig: "Well, Representative, 250 I think is in addition to that. I believe. Yes. So... and... so 250 new, 75 will go up to the Quad Cities at Thomson."

Eddy: "So a total of 325?"

Hannig: "Yes."

Eddy: "I appreciate you getting that straight. I appreciate, Representative, your attempt to answer the questions

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

accurately. I sincerely do. I wanna go to the Education budget for just a couple minutes. I have some questions regarding some of this particular line items that I find rather interesting. There's a \$500 thousand line item for something called 'regional superintendent initiatives'. Now, I'm somewhat familiar with the State Board of Education budget and I notice that the regional superintendents have not fared well as a group. However, it seems as if \$500 thousand in that line item wasn't detailed out in the budget. Can you tell me what that's for?"

Hannig: "Representative, I'm advised that there's gonna be a pilot project around the state."

Eddy: "Excuse me?"

Hannig: "That there'll be a pilot project in Madison/St. Clair County that the regional superintendent down there will manage."

Eddy: "Do you have any idea what the pilot project is in regards to? Is it... is it in regards to alternative education for truants? Is it... do you know specifically?"

Hannig: "Yeah, I think it's... it's an effort to try to assess and... and train or at least assess and give direction to teachers in the... in their efforts to become technologically savvy in the classroom. So, it's an initiative that was brought to us from the Madison/St. Clair regional superintendent of schools."

Eddy: "Okay, thank you. There's also a teacher mentoring program, a couple million dollars. My question is, do all school districts in the state get to share in that pot of money? Is that a block grant per student?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I'm sorry, which line is it that you asked on?"

Eddy: "The teacher mentoring program, I think it's a good idea. Teacher mentoring is something that we're trying to do around the state."

Hannig: "Yes."

Eddy: "All school districts have new teachers. Is this something all districts will receive some funding for?"

Hannig: "I'm advised that they will, Representative."

Eddy: "Is there a block amount or is it per student probably?"

Hannig: "We know that it's statewide, Representative. I'm not sure if there's a... that there's a formula on how it will..."

Eddy: "But all schools will receive some funding from the \$2 million line item? Every school district in the state, there's 800..."

Hannig: "Well, just... just let me be perfectly honest. I'm not certain that they'll distribute it on some formula for everyone or they'll make it in a competitive grant fashion. I..."

Eddy: "Okay."

Hannig: "If I find out, I'll let you know."

Eddy: "I'm guessing that's the same for the community service line item, the security for schools line item. Those are... those are line items that are new and I know a lot of people in the education world are gonna wanna know what they need to do to access that funding. There were very few answers yesterday from Superintendent Dunn. He did his best, but he didn't have any real information."

Hannig: "I think those... those latter items that you spoke of were items that some of our colleagues in the Senate felt

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

very strongly about and they asked that they be added to this document."

Eddy: "Okay. Let me... let me just ask it this way. If I had a desire... if I had a desire to try and obtain some of that funding, would I be better off hiring a grant writer or a lobbyist?"

Hannig: "Maybe both, I don't know. But I would..."

Eddy: "Yeah, maybe both. Well, the way the ISAT contract was done this year, ya know, with all these separate line items that require RFPs, that particular RFP benefited greatly from the hiring a particular lobbyist. So, I... I'm wondering how busy Mr. Wyma is gonna be at the end of this budget. There's twenty three and half million dollars in... in new RFPs. There's a... there's a program added last year that I, quite honestly, think is a good program and I support the concept. It provided a line item for students who have visual problems to receive eyeglasses. Can you tell me if that program continues in this budget?"

Hannig: "It continues at the same funding as last year, Representative."

Eddy: "Which was? Do you have that?"

Hannig: "I think it was 3 million."

Eddy: "Three million dollars. Now, let... the next question does that... does that funding again only provide for eyeglasses for students who live inside the City of Chicago?"

Hannig: "I believe that's correct."

Eddy: "Okay. So, if you're from Decatur or... or East Moline or Carlyle or a number of other places and your students have

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

trouble seeing the blackboard and you wanna apply for money, you can't get this money."

Hannig: "Well, Representative, we actually passed a substantive Bill, I think, last year and then this was the money that followed that substantive Bill. So, when..."

Eddy: "But this money is limited by where you live."

Hannig: "Because that's the way that we passed the substantive Bill. So, you know, when we vote on these things in the House and send them on their merry way that... we... we sometimes probably oughta be concerned about, well, if it only said it applies to the City of Chicago and you and I as downstaters liked the concept maybe we oughta ask the Sponsor to amend the Bill in the future."

Eddy: "That would've been a wonderful thing to do..."

Hannig: "'Cause I'm with you."

Eddy: "...if I'd have had the opportunity."

Speaker Madigan: "Mr. Eddy. Again, Ladies and Gentlemen, bring down the noise level. Bring down the noise level. Mr. Eddy."

Eddy: "Representative, with all due respect, I certainly would've liked to have that possibility but I don't remember at any point that we had the opportunity to enter into negotiations regarding the budget. We had a little bit of an opportunity to listen to the final product but we didn't really have that opportunity to negotiate. I wanna go down..."

Hannig: "But... but I was trying to say that this was a substantive program that we enacted. I guess you could try to put money in the budget for downstate programs without a

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

substantive, ya know, a driver, you certainly could. But when you have a program that's... that we pass and then we fund, I mean, it only makes sense that we should fund... fund... that the money should be driven by that substantive Bill."

Eddy: "I would hope that the Members on the other side of the aisle who are part of those negotiations would feel the same way and in their downstate areas would try to make that happen for those children."

Hannig: "I think we do, Representative."

Eddy: "Does the budg... well, it hasn't happened if we're in the same place we were. I would hope that in the future we see that happen. Does the budget include any funding for the 23 school districts who were promised money for school funding?"

Hannig: "For school construction?"

Eddy: "School construction."

Hannig: "There's another Bill on the Calendar, I think we'll probably get to that later."

Eddy: "We have another Bill introduced on the Calendar as well that we'd like to get to that actually pays for 'em. You know, there are 23 school districts in the state who received this letter from the Illinois State Board of Education in 2001. At the top of the letter it says very clearly, 'School construction project grant entitlement approved.' In these communities for 4 years they've been waiting for the State of Illinois to fulfill the promise not to indi... to the children of those school districts that they would have the type of... of buildings and classrooms that they deserve in order to get an education. Approximately a

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

hundred and forty-nine million dollars would take care of that. There are twenty-three and half million dollars of new programs in this budget. For Education there's \$577 million in unidentified projects that can be referred to as 'pork projects'. Was there any consideration, whatsoever, whatsoever, of making sure that those districts that were promised the hundred and forty-nine million dollars received it before we went on the other spending spree?"

Hannig: "Well, Representative, I think all of us and... and I don't have... I don't have a school on that list but there are many Members on my side of the aisle that do, as well as your side of the aisle. It certainly is not a partisan issue. It just... one of those quirks of fate where the money ran out. So, I think the real challenge that... that you and I have is, how do we address this problem? And, you know, typically, we've done it through a bond Bill, through a capital Bill."

Eddy: "Representative, I don't mean to interrupt you."

Speaker Madigan: "Mr. Eddy. Mr. Eddy, are you coming to the end?"

Eddy: "Very soon."

Speaker Madigan: "Thank you."

Eddy: "Representative, what you just suggested was we ran out of money. My problem with that comment is, if you put them at the top of the list, they get paid first and you don't run out. You pay your obligations. And as you stated, I could go down this list..."

Hannig: "But this is... this is the capital project and we have a capital budget and we ran out of money on the capital side."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

And I'm saying we need to figure out a way to find more capital."

Eddy: "Does anything prohibit you from paying for projects like this out of General Revenue?"

Hannig: "Representative, it would not be. You're correct."

Eddy: "So, it could've happened? It just was a choice that \$577 million in other projects took priority over a hundred forty-nine million dollars for school children who had it promised. Very quickly, I wanna go to another issue and that's about the pension issues. You know, under the Edgar plan and... in FY '06 to the TRS Downstate Pension fund, there was supposed to be \$1,058,000,000 contributed. The actual budget contributed \$534 million last year, shorting that Pension Fund for downstate teachers 520, almost \$524 million. And at that time, that... that pension was funded at about fifty-nine and a half percent. In FY '07 that... that schedule would've paid \$1,372,400,000 this year, in the actual budget it's \$735,636,000, diverted out of the Downstate Pension Fund, a fund that's selling assets now. I have a concern because the funding percentage has gone from fifty-nine and half to 58.6 percent, it's actually going down. And we've examined the schedule for the future; we're talking about major pension bills coming in the future. This will be an issue. Last year, I stood here and I described that anyone who voted for this budget which was funded by pension raids and raids on other dedicated funds as lemmings. The nice thing about being a lemming is that you only walk off the cliff once, but many of you are walking off the cliff a second time. If you vote for this

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

pension raid a second time, you're gonna fall. But the fall is gonna be in 2006 when the people in your area realize what you've done to their pension system and you don't have the opportunity to walk off the cliff for a third time. The people are watching, Representative, they can't be fooled on this issue."

Hannig: "Representative, my... my data shows that in... that for TRS that the cash flow situation for them in '06 was a positive 1.4 and in '07 will be a positive 1.6. And it... billions."

Eddy: "That does not... that does not..."

Hannig: "So... so..."

Eddy: "...meet the schedule. That's a different issue. I appreciate what you're sayin'..."

Hannig: "Well, I... I think when you say they're selling off assets, what I'm trying to say is that when you look at the earnings that they have, the member payments and the state payments, it exceeds by over a billion dollars the benefits that are paid. So, do they sell some stock from time to time, well, I think that portfolios do change. But, ya know."

Eddy: "I understand that. The funding ratio is the important part and it's actually going down..."

Hannig: "Well... well what..."

Eddy: "...and I think your figures show that as well."

Hannig: "What I see also is that in the 1994 projections that were passed, we thought we'd be at about 53.4 percent when we came... came to 2007. And now it looks like were at about 57.7 percent. Now..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Eddy: "And when you borrow \$10 billion and put seven and a half billion of it into the fund obviously your gonna increase the percentage. But you're doing it with borrowed money. You know, if you... if you wanna..."

Hannig: "But... but we... but are you saying that we... but if you say that we borrowed the money, I mean, don't you believe we owe the pension obligation?"

Eddy: "You bonded the increase. You know, Representative..."

Hannig: "So..."

Eddy: "...if you wanna stop going in the hole you have to stop digging first."

Hannig: "Right. And so..."

Eddy: "And we're digging the hole deeper."

Hannig: "So, the question is... so you're saying that we don't owe the pension money then, right? You're sayin'..."

Eddy: "That's not what I'm saying at all."

Hannig: "Yeah, you're saying if we..."

Eddy: "No, Sir."

Hannig: "When we sell bonds to pay pensions..."

Eddy: "I'm saying we're not making payments with money we're earning, we're making payments with money we're borrowing, and there's a big difference. We're... we are pulling..."

Hannig: "Representative, our pensions are funded at a higher percentage today than we anticipated they would be today back in '94."

Eddy: "Because of... because of borrowed bonded money. It's not real. This is a charade."

Hannig: "It's not..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Eddy: "You know it's a charade. All this is is an attempt to make it look like you're funding a pension system while you're lowering the contribution. Except for the fact..."

Hannig: "Representative, it's real money that we sent to them."

Eddy: "Except for the fact that you don't lower the payment to those pensions anywhere in the City of Chicago, you actually increased that payment. And that's what's gonna have to be explained."

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you, Mr. Speaker. I appreciate the opportunity to debate this. I wish we had more time because I am absolutely certain that the facts bear out a real issue related to pension underfunding and I'd like to have that debate at another time. Thank you for the opportunity."

Speaker Madigan: "Mr. Myers."

Myers: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Myers: "Representative Hannig, as I look at... well, first of all, I have some questions, several questions for you. But first, I would like to ask some questions about the Higher Education budget. The Higher Education budget is... is pretty good. There's an increase across the board for just about every area of Higher Education, the state universities, IBHE, the Community College Board, ISAC, IMSA and the State University Civil Service System. But let's talk about the universities first. Now, they've received over-all a 2 percent increase in their budget over the previous year. However, there's some very glaring differences between the universities. Two different institutions received 6.5

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

percent increases while one institution received only a .09 percent increase. Now, I heard you explain a little earlier why some of those differences may exist and I will accept some of those explanations. But can you tell me why a couple of the Chicago institutions received 6.5 percent increase and the downstate institutions received 1.2, 1.4 maybe 1.5 percent increase?"

Hannig: "Yeah, Representative, I think that first of all, you're dealing with some of the smaller schools. If we looked at the total dollars that the University of Illinois received and compared them to these smaller schools, it would dwarf the amounts. Now, if you look at percentages you say, well, you know maybe it looks differently then. But the smaller schools in many cases they have a hard time raising tuitions or... or unlike the U of I, they can't raise their tuition very high. And so, they have to come to the State of Illinois and ask us to help them out. Now sometimes their pleas fall on deaf ears and other times they make a good case and we try to help them. So, I think we wanna see all the schools around the State of Illinois from our flagship in Champaign down to our community colleges all succeed."

Myers: "So you say it's easier for some institutions to increase their tuition and... rather than others? It's..."

Hannig: "Why... I mean, let's be honest, the University of Illinois could raise their tuition and it may mean that... that a few people won't apply but they'll still fill up the institution. Now, the one in your area may have a little bit harder time than... than the University of Illinois, Western might and Southern might, the other school. Then

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

when you get to community colleges and the very small state colleges, they have the hardest time of all raising tuition."

Myers: "And that's part of my point, Representative Hannig. Is we've talked about Chicago State and Governor State each getting 6.5 percent increase, but yet, we see the downstate schools like Illinois State and Western and Eastern and Northern receiving very little in percentage of increase. We acknowledge that the University of Illinois can maybe raise their tuition a little easier than the rest of 'em. But as we... as we look at the... the rest of the schools, they're all pretty much in the same boat. I'm not gonna say that Western could raise theirs any easier than... than Chicago State or vice versa. But I think there's a great disparity. Because we need to... all of these institutions are having a very difficult time now, especially as we have gone through previous years' budgets when they were cut up to 17 percent in the available funds that they had to use to provide an education. And then we... we come back and we start increasing the overall funds to these institutions, but we certainly don't... at least this does not demonstrate that we do it on an equitable basis unless you divide the institutions up by geography. And in that case, maybe you can make that argument. But I... but I don't think that's a very good argument to make. So I would... I just suggest that maybe in the future that maybe some of these downstate schools ought to be taken into consideration a little bit better. But let me move on to another question, because as we're talking about the disparity in funding, we certainly

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

look at some of the add-ons that have gone to various institutions, and I don't think anybody begrudges some of these add-ons. They do... some of them do look like they're going to very worthwhile projects, but one in... one in particular I want to ask you about. We... we all know that the universities that have been coming to the Appropriations Committee for Higher Education have suggested that deferred maintenance is a high priority for them. It is one that they're very, very concerned about because the... the State of Illinois not only has not been providing operations and grants money but they haven't been providing capital money for them to build on their... their deferred maintenance. But yet, for Southern Illinois University I'm not, and I'm not picking on Southern, but they have a line item of \$262 thousand of GRF for replacement of cabins at a Touch of Nature Center. Now, are these cabins... are they designed to last for 20 or 30 years or are they a disposable item that's only gonna last for 2 to 5 years?"

Hannig: "Yeah, Representative, I think these were facilities that had been run down. They needed to be addressed. As you well know, the president of that institution is a former Senator... State Senator who still has a lot of ties over in that other chamber. And I think he made a case, particularly to the Senate Democrats, that that would be an item that we should include in this budget. So... so that's the nature of how that arrived in this document."

Myers: "But isn't this something that would be a long-term capital item?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Well, Representative, I think it could be. I mean, if we had a capital Bill and we were debating a capital Bill, this might be a candidate to include."

Myers: "But that's my point. Here we have one institution that is getting capital construction dollars in the GRF budget, and I'm not saying that that's not irregularly done because we know it is, but yet there's a lot of other institutions in the State of Illinois that would like to have the benefit of some of those dollars as well."

Hannig: "Yeah, I think, Representative, at some point if we would... we would be able to get to a capital Bill where we would work together to look at the needs that exist around the State of Illinois, I think we would all agree that probably deferred maintenance at all the institutions is something that we would want to address."

Myers: "Well, my point was that I think all universities should be treated equally and alike. And this one singles out one university for one special project when the others also feel like that they're special in various other ways. Let me move on to a couple of other items. First of all, Medicaid, let's look at the Medicaid budget for the coming year and you've indicated that there's 50... \$353 million in new Medicaid funding. Is that correct?"

Hannig: "I... I think that that's probably in the ballpark, Representative."

Myers: "And you... do you have any idea how that will impact the payment cycle?"

Hannig: "Well, Representative, the idea is that first of all, we have the \$80 million that I think we've talked about a

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

little bit earlier that we'll try to take those worst situations that exist in the payment cycle, somebody who's been out there for a long time and drive those payment cycles down, to try and get them down to the average. We also have a Bill that... a substantive Bill that would take money that exists in some accounts that would earmark that money for the payment of Medicaid costs and help reduce the payment cycle there. So I think we have a couple of tools that we're using in this budget to try to keep the payment cycle at a manageable level. I mean, we know that it can't really get below 30 and we've seen it under Governor Edgar get as high as a hundred and twenty, we're somewhere around a little bit under 80. So, could we do better? I think we'd like to do better, but we have to continue to work together to do that."

Myers: "Well, I think we do need to work together and we need to work very diligently together, but this budget here is not going to address that problem. We're looking at \$2 billion of unpaid Medicaid debts when we reach the end of this fiscal year. One nursing home in my district has 36 beds, 70 percent of those beds are Medicaid beds. Now admittedly, it's a small nursing home. Admittedly, it's a locally-funded nursing home, but they also have the lowest reimbursement rate of any nursing home I know of in my particularly area."

Hannig: "Representative, just... I don't wanna interrupt you but the nursing homes were here, they agreed to this budget. They see it as a step forward. So, I think we do address

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

some of the needs that the nursing home industry have, especially in downstate Illinois."

Myers: "Well, let me proceed with this particular example, though, and it's kinda endemic of the problem that we face. This one particular nursing home when my staff and I checked on the status of payments for it since it had not received any payments since the end of the fiscal year, which provided payment for services of October, maybe November. We're told that they probably shouldn't expect payment until July, when the start of the new fiscal year came about. Now, we had a Bill in the State Government Committee recently, the fund sweep Bill, Senate Bill 14 as you mentioned earlier, that would reduce the payment cycle if the fund sweeps were allowed to go through and we met the federal match. Representative Hoffman said that that will reduce the payment cycle by 23 days. If you stay on that payment cycle and this nursing home wouldn't expect payment until July, you back it up 23 days then they're already going to have their doors closed. That's a \$2 billion problem then, you lower that by 353 million or let's just say you get the fund sweep and that's another 235, 250 million dollars. We're not solving the real problem of addressing the real needs of the Medicaid providers, whether they're nursing homes, whether they're pharmacists, whether they're doctors or hospitals. They're all concerned about the payment cycle. Admittedly, there are some nursing homes that are of different stature... different categories than others and some get paid a little quicker than others. But the one that I'm referring to is one of those that fall

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

through the cracks and they're in a category that's the last one to be paid. So, I... I think that we really need to take a look in the future at what we do to really address the Medicaid problem and the providers instead of us borrowing the money... instead of the providers borrowing the money, we need to be borrowing the money at the state to make that happen. One other area that I'd like to touch on very briefly and that is the fund sweeps. Representative, you've indicated that there's no increase in taxes or fees to the general public in this budget. Is that correct?"

Hannig: "I... I'm not aware that there are any, so yeah, that's correct."

Myers: "Okay. Do you... are you aware that the fund sweeps that the Governor makes on a yearly basis has any impact on those that either pay fees or... or pay licensers or of that nature? Are their charges increased, are their licenses... license costs increased that you're aware of?"

Hannig: "I don't think that... I don't think that this Bill... this spending Bill certainly does not do that."

Myers: "I had a call this morning from a constituent, Representative Hannig, that said that the employees that are in a particular fund, and I'm not sure whether it's a local government fund or a state fund, that provides health care costs for these employees has been raided by the Governor and will be raided again and their health care premium costs are going up 20 percent next year. Do... would you care to guess why they're going to go up 20 percent?"

Hannig: "Well, Representative, I think health care costs have gone up in double digits every year, that's one of the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

drivers that we have here in this state with our Medicaid and our... and our own health care... own health care for state employees. So, it's a... it is a problem."

Myers: "It is a problem, but the health admin... the fund administrator indicates that the reason it's going up 20 percent is largely because, not totally, but largely because the Governor keeps sweeping this fund and they have no reserves. The reserves are what help build an insurance fund and pay for the costs that the employees incur when they have health care concerns."

Hannig: "Are they required to be in this fund, Representative? And I don't know the answer to that."

Myers: "No, they're not required. And as a matter of fact, these employees are looking at the possibility of trying to go out on their own where they can secure services that's not going to jump up 20 percent a year because the Governor keeps sweeping their funds. Again, I just say that this budget is a good budget in many areas. It has a lot of increased funding for a lot of people. To the Bill, Mr. Speaker. And these areas will be helpful to citizens around the state, but at the same time, there are some... there are still some endemic problems in this budget with how we pay for the services of the existing programs and we need to address those. Not only in the future, we need to address them now, to make sure that we don't have citizens that currently are... are being provided for with these programs, falling through the cracks, seeing their cost increase in one way or another. I just thing that there's a lot of fiscal responsibility that could've been demonstrated in

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

this budget that hasn't been demonstrated. And I urge all of our colleagues here in the House to take a very serious look at this budget and its impact on all of our citizens before they vote on it. Thank you."

Speaker Madigan: "Bill Mitchell."

Mitchell, B.: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Mitchell, B.: "Representative Hannig, I have an awful lot of respect for you, our districts adjoin. First, a few questions regarding my... my area and I have some questions, we have Clinton Lake in Dewitt County, which is about 10 thousand, you know, acres. Several years ago they had 14 employees, now they're down to 5. So, I had a question, and I tried to look through the Senate Bill to see the head count in Clinton Lake and I just don't know what it is. What would be the head count?"

Hannig: "Yeah, Representative, the budget book doesn't really tell you the head counts. I... and..."

Mitchell, B.: "But that's of an interest to the people of, you know, a small county..."

Hannig: "Right."

Mitchell, B.: "...Dewitt County, 17 thousand people, 10 thousand... 10 thousand acres is a lot of... tourism is a big thing."

Hannig: "Right. Right."

Mitchell, B.: "So when you have in the last several years, you've got, you know, parks not being mowed, garbage not being picked up. And they call me and they say, 'What are you gonna do about it?' So we're debating the budget and I'm asking the question what's the head count for Clinton

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Lake or Weldon Springs or I was gonna ask about Lincoln...
Lincoln Homestead Park in Macon County."

Hannig: "Representative, I think the other..."

Mitchell, B.: "So what... what'll I tell the constituents? They...
they really expect us to know an answer. They expect the
state parks to be mowed."

Hannig: "Right."

Mitchell, B.: "They expect the garbage to be picked up. And
it's not being done."

Hannig: "Well, I... I think we can also..."

Mitchell, B.: "But we can have \$30 thousand dollars to study the
effects of slavery... I... I don't know. I can... I don't have an
answer for the people that says, 'Why aren't our state parks
being mowed?' There was a wonderful article, sad article in
the Chicago Tribune a few weeks about Starved Rock about
garbage not being picked up there. So..."

Hannig: "Well, Representative, I think we asked the Executive
Branch to try to run the government, you know, as
efficiently as they can, to have as few employees as they
can, and to do the things that we expect out of government
with the lowest head counts that they can. So, that's the..."

Mitchell, B.: "I think we're asking the Executive Branch to mow
a state park, that's not too much to answer or to pick up
the garbage. That's not puff, that's something that's a
needed state service."

Hannig: "So, what is..."

Mitchell, B.: "Well, I'm asking a specific question. What's the
head count for those... that state park?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Representative, we don't... we don't have that document by state park. And in fact, the budget only acts as an upward spending limit on any Governor. He could always spend less. So..."

Mitchell, B.: "What's the head count for the Department of Natural Resources?"

Hannig: "About 11 hundred people, roughly."

Mitchell, B.: "Eleven hundred? That's... that's proposed for '07?"

Hannig: "Yes."

Mitchell, B.: "Okay. What was it for '06?"

Hannig: "Okay, I'm... I'm advised about 17 hundred, Representative."

Mitchell, B.: "Seventeen. What was it... that 17 hundred for '07?"

Hannig: "That would be the funded head count for the fiscal year '07 that's being proposed."

Mitchell, B.: "It's enlightening. What was '06's funded head count?"

Hannig: "It was about 30 less, Representative. So this budget would increase the head counts by about 30..."

Mitchell, B.: "Thirty people. Okay."

Hannig: "...in this agency."

Mitchell, B.: "Thank you. Again, the question I've talked about, we've got Lincoln Homestead Park in my Legislative District, which is the first home of Abraham Lincoln and there's nothing out there. There's no people out there, things aren't being mowed, there's tremendous security issues there. When someone wants to come and look at the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

first home of Abraham Lincoln in Illinois, the park's in terrible shape. What do you tell your constituents that say, 'You know, tourism is a big thing in Central Illinois and we're not picking up garbage, we're not mowing our state parks.'?"

Hannig: "Well, Representative, I guess I don't... I don't know the details of every part of that budget as it applies to every state park in the State of Illinois. So..."

Mitchell, B.: "Okay. Let's go... move on to the Department of Corrections. Do you need a new staff person there? No. Or does that gentleman know?"

Hannig: "Go ahead."

Mitchell, B.: "Okay. Go over the... what's the budget personnel service line for the Decatur women's prison?"

Hannig: "Again, Representative, I don't... I don't think the budget doesn't have head count by prison."

Mitchell, B.: "It has a personal service line. What is the personal service line?"

Hannig: "We'll get it for you, Representative."

Mitchell, B.: "Thank you."

Hannig: "Yeah, Representative, I think the document is on the computer, too, so..."

Mitchell, B.: "Yeah. Well, you're presenting the Bill, could you please tell what the service line is for that facility?"

Hannig: "Perhaps your staff could help you find it, as well."

Mitchell, B.: "No, I'm asking you a question. I'd appreciate you telling me what is the personal service line under this budget?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Okay, so... Personal services for the directional... for the Decatur's Women Correctional Center, 12,384,000, Representative."

Mitchell, B.: "Is that less or more than last year?"

Hannig: "I'm certain that it has to be more, Representative."

Mitchell, B.: "It was, I believe, at least when I looked at the Bill, it was less. Now, I would certainly go back and check my figures."

Hannig: "Well, Representative, unless the people there are taking less money, there's a \$43 million increase in the correctional budget."

Mitchell, B.: "I guess what I'm hearing, and we can go to the Decatur facility or the Lincoln facility or the Logan facility and I know the Taylorville facility, which is in my district, I believe, but of course, a lot of people from Taylorville in your district work there. You go to those prisons and I don't think either you or I would wanna work there. You got one guard with hundreds of inmates to protect. That's not a job that's easy and we're asking those people to do more, more, and more with less. One of the interesting things that I've seen when you ask them, and I'm sure, Representative Hannig, you have people down in Christian County tell ya the same thing, is that there's been no correctional officers hired in the last 3 years, but there's been assistant wardens, there's been political patronage people hired, but not people to work on line. Have you heard those types of things out of Taylorville?"

Hannig: "Well, Representative, I've heard those out of Taylorville since the 1990s when I became..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Mitchell, B.: "I think, though, that if you look... if you look... Let's talk about Lincoln. Just talked to a guy yesterday, I believe he was a lieutenant. They have 12 less positions there than they had 3 years ago, but they have more, I believe, majors and I'm not familiar with their rank structure, which is a political hire. They have more majors but less people to do the work."

Hannig: "I think major..."

Mitchell, B.: "Now, that was a difference than it was in all years past."

Hannig: "No, Representative, I think majors have to pass a test and they have to be qualified."

Mitchell, B.: "I think... and I could... misspeak."

Hannig: "And... and so, and lieutenants do as well. Although, I think..."

Mitchell, B.: "I realize that, I worked for CMS so I know the personnel system, hiring system. Which one is Rutan exempt of this classifications?"

Hannig: "Representative, I don't know..."

Mitchell, B.: "I think major. I think political hires can be majors."

Hannig: "It may be the majors exempt, but... but... you and I..."

Speaker Madigan: "Ladies and Gentlemen, Mr. Hannig, Mr. Mitchell, let's bring down the noise level."

Hannig: "My point only, Representative, is that you and I couldn't be a major. I don't believe. Maybe you could, I know I couldn't. I don't know..."

Mitchell, B.: "I don't know that. Well, I guess the point I'm saying and I appreciate... is... is the patronage folks, the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Rutan exempt people are being hired but the people that are under the Rutan system which takes politics out, supposedly takes politics out, are not being hired. The people who're supposedly protecting our citizens in keeping those prisoners in, they're not being hired. And that's a great concern for the people of my area, I'm sure of your area."

Hannig: "Well, Representative, majors, I understand, are not paid overtime and lieutenants are. So, I think you could make an argument that there's some cost savings if you have to have people in the prisons work overtime."

Mitchell, B.: "Well, we might try to make that argument, but if you ask the people who do the work, they're not making that argument. They're saying..."

Hannig: "No, I think, the Department of Corrections would make that argument that that's one of the ways that they can save money."

Mitchell, B.: "Well, you know, I knew the director of the Department of Corrections. He used to be the sheriff of my home county; he used to be an assistant. And I can tell you I don't think he would want what's going on in the Department of Corrections in his sheriff department in Macon County. I think he'd be awfully shamed of what's going on in terms of the hiring the staff, he was not for that when he was sheriff. So, I don't, quite frankly, think he's calling the shots over there, but that said. Talk about, you know, and... To the Bill. And I appreciate, I mean, Representative Hannig, you work hard on this and I respect your... the job you do for the Majority. And it's not an easy job because, Representative, I remember 2 years ago, you

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

were here and you were presenting a budget and you know, you were trying to say the Thompson Center... we're gonna get \$250 million from the Thompson Center. We're gonna get \$350 million for the sale of the tenth license. Well, that's 600 million bucks, isn't it or something like that? And we didn't get any of it but we spent the money. That's a pretty difficult job that you have to do. One of things, you know, I think people who... and I come from... I'm very proud I was born and raised in Decatur, Illinois. It's a community of working people that they make things. I mean, I don't think any other city in the State of Illinois has seen in the last 20 years the effect of globalization or what have you. When a person 20 years ago, 25 years ago graduated from high school, he could get a job at a factory and support his family. Those times have changed regrettably and it's a little tougher to support your family now on McDonald's. So, you have to look when you talk about... when you talk to people in your district and try to explain a budget, you know, you don't want their eyes to haze over. You have to say a budget is a blueprint for Illinois's future. And... and people don't want us to bicker, they want us to get a job done. So, they don't want the partisan sniping, but that's what's happened. Half the people of Illinois were shut out of this process, you know, half the people were. At least on my side of the aisle, I'm sure, in fact the Governor says he voted for Ronald Reagan twice. We can remember when Reagan... and that Governor Reagan then had a debate... the famous debate with President Carter, he asked that question and it won the election. Are

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

you better off now than you were 4 years ago? And yet, budgets come and go. But the thing that we have to ask ourselves, in the posterity of the people that we represent, is that... what the actions that we do today, is the State of Illinois and our grandchildren... our children and our grandchildren, will it be better off now... or in the future for what we do today? And I think the hundred and eighteen Members of this Body know the answer is what we're doing now will not make Illinois better in the future. Thank you."

Speaker Madigan: "Mr. Beaubien."

Beaubien: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "The Sponsor yields."

Beaubien: "Could we have a little quiet in the chamber for a moment? I will be very brief. I'm sure that'll please everybody. Representative Hannig, I just wanted to get this on the record."

Speaker Madigan: "Mr. Beaubien."

Beaubien: "To your knowledge we have not met..."

Speaker Madigan: "Mr. Beaubien, let me get you some more attention. Did I hear you promise to be brief?"

Beaubien: "Yes."

Speaker Madigan: "People, he just said he would be brief so let's be quiet. Mr. Beaubien."

Beaubien: "Yes, thank you, Mr. Hannig. I just want to get this on the record. We have not met together as budgeteers at all this year. Is that correct, you and I in a budgeteers' meeting?"

Hannig: "I think that's correct, Representative."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Beaubien: "Okay. And to your knowledge Leader Cross has not met with the budgeteers except for the day that they gave the State of the State address when they talked about bond issues? You're not aware of any time that Leader Cross was involved in the budget process. Is that correct?"

Hannig: "I have no knowledge either way on that, Representative."

Beaubien: "And to your knowledge have you... well, have you ever met with Leader Cross at a budget meeting?"

Hannig: "I have never met with Leader Cross on a budget meeting this year, last year, or any year."

Beaubien: "Can the same thing be said about Kent Gaffney, that you have not met with him or discussed with him any meetings this year on the budget?"

Hannig: "That's correct, Representative. I mean we may have some informal discussion on something, but we have..."

Beaubien: "We have and we have talked very briefly on occasion. I was a little bit disturbed 'cause I read an article this year from a central Illinois district that essentially said the Republicans refused to partici... refused to participate. I would merely say to the people on the other side of the aisle, we did not. Very quickly, if we were subject to ERISA rules the 2005 contribution would have been how much to your knowledge? I won't put you on the spot. I'll give you the answer. According to the Business Round Table in December of '05, if we were subject to sound business practices of ERISA, last year's budget contribution would be \$10 billion. To the Bill. Rather than run into a lot of dialogue, just a couple of points. I would like to refer to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the concept of taking funds from the Refund Fund. My understanding is we are taking sweeping funds that, if they become short, the General Revenue Fund will fill them back up for most of the various items where these funds are being swept from. The Refund Fund is money we know we owe. We're borrowing money we know we have to pay back. The last statement you heard... heard me say, on many occasions and we hear it frequently on the campaign trail, I'm here to tell you I was on the budg... the Governor's original pension commission plan. I was here when it was presented, the six items, in order to save all of the money from which we've had the Bond Bill last year to cut the money contributions to the pension. Rather than go through all the details, and I'd be glad to give you copies of this, 815... .5 percent of those proposed reforms were never enacted. The only one of any substance dealt with the teacher's retirement which have already started to erode, and I think appropriately so because I think we had unintended consequences which we're beginning to accept. I would make the statement to all of you and I'll end with this. When you go around saying that we're shorting the pensions because there were pension reforms, there were no pension reforms of any substance. Thank you."

Speaker Madigan: "Representative Kosel. Kosel."

Kosel: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Kosel: "I just have a few short questions for you. I don't intend to editorialize them. I'd just like the answers to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

them, please. In the FY '07 budget what was the increase to Chicago public schools?"

Hannig: "Representative, the Chicago public schools are not broken out specifically. So all I can tell you is that we increased the foundation by \$170. We did the categoricals at last year's amount. So we... they get a percentage of those based on their head counts, based on their reimbursements."

Kosel: "I believe in committee yesterday you told me that it was \$104 million of the... of just over \$400 million increase."

Hannig: "Yeah, I think... I think that's like an estimate of where we think they'll end up being. But there's no line that I can go to and say, its right there. So..."

Kosel: "Well, it's a question that my constituents ask me. I mean, somebody in my school districts and my constituent..."

Hannig: "So they have about 23 percent of the kids in the state..."

Kosel: "They have 20 percent, yeah."

Hannig: "...and they have more... and they have more poverty than most and so..."

Kosel: "Well, that's... that's the reason why they would... my district wants to know. How much is allocated in the state budget for the Chicago Teachers Pension System for '07? And is that an increase or decrease from '06?"

Hannig: "It's 10.2."

Kosel: "10.2. And is that an increase or decrease?"

Hannig: "I think it's a slight increase."

Kosel: "Did the Chicago School System get the pension holiday that they asked for?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "They're required to make their payment, Representative, so they have no holiday."

Kosel: "Are there memorandums of understanding for promised projects to the Chicago School System?"

Hannig: "From... from with who?"

Kosel: "Memorandums of understanding tied to this budget for the Chicago public schools."

Hannig: "I can tell you I have none, Representative."

Kosel: "I..."

Hannig: "Not to the... not to the... on the Chicago school district."

Kosel: "You have none?"

Hannig: "I will have none on the Chicago school district. So..."

Kosel: "Will they be... if there are ones will they be made public?"

Hannig: "Yes, Representative, there will be... they will be."

Kosel: "And so based on the information that you've given me before, you cannot tell me what percentage of the education budget goes to the City of Chicago?"

Hannig: "Our two... your district or to mine exactly, we can make some guesstimates. But I mean I..."

Kosel: "And what would those guesstimates be?"

Hannig: "It's in the ballpark of around a hundred and million... a hundred million dollars, probably a little more."

Kosel: "Thank you."

Speaker Madigan: "Mr. Hannig, you can close."

Hannig: "Thank you, Mr. Speaker and Members of the House. It's been a long process and I thank all of those who participated in it. We understand... I understand that

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

there's basically two general criticisms of this budget. On the one hand I hear some of my colleagues saying, well, you know you're spending a whole lot of money that you don't have and you involve yourself to death. You're putting everything on the credit card. And then on the other side criticisms are, well, you're not spending enough for schools, you're not spending enough on prisons, you're not spending enough on social services. And I think when you find that the criticisms are on both sides of where you stand on an issue that probably you're in the right place, that we found just that level of funding that actually makes this budget work. So I'm very proud of what we were able to accomplish in this budget process to provide more money for our schools, to provide more money for our colleges and for college tuition, to address the needs of our senior citizens, to take care of those veterans who are not served by the Federal Government and to provide for economic development opportunities for our young people throughout the State of Illinois. I think this is a very important step in the right direction for the State of Illinois and I'd ask for your 'yes' vote."

Speaker Madigan: "The Gentleman moves for the passage of the Bill. Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? The Clerk shall take the record. On this question, there are 64 people voting 'yes', 49 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. Mr. Clerk, House Resolution 1246. House Resolution 1246."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Clerk Mahoney: "House Resolution 1246, offered by Representative Hannig.

WHEREAS, It is the privilege of this Body to recognize and honor some individuals who, through quick thinking and selfless action, were responsible for saving the life of another; and

WHEREAS, On Saturday, April 22, 2006, at the annual Tire Amnesty Day event, Ed Marsh, an employee of Expert Tire, was trapped when a truck fell off of a hydraulic lift; and

WHEREAS, Members of Centralia High School Orphans football team who were assisting with Tire Amnesty Day became aware of the accident and immediately sprang into action; and

WHEREAS, The team members rushed to the scene and immediately worked together to lift the truck to keep the weight off of Mr. Marsh until police, fire, and ambulance crews arrived at the scene; while he sustained injuries, Mr. Marsh survived the accident because of the assistance of the young men on the scene; and

WHEREAS, The members of the football team that helped to rescue Mr. Marsh are Kyle Pender, Darren Whitelow, Travis Patten, Tyler McAbee, Travis Arnold, Lucas Waters, Marquise Shackelford, Jarren Baker, Nathan Berry, and Marcus Currie; they were also assisted by Bob Lograsso, Expert Tire manager, and Jason Hill, a Clean and Green volunteer; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we honor and salute those involved in the rescue of Mr. Ed Marsh, and we

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

thank them for the selfless action involved in the rescue;
and be it further

RESOLVED, That a suitable copy of this resolution be presented
to each of those involved in the rescue of Mr. Marsh as an
expression of our gratitude."

Speaker Madigan: "Mr. Granberg."

Granberg: "Thank you, Mr Speaker, Ladies and Gentlemen of the
House. I appreciate your taking this time. I know it's
very, very busy today. I know all of us are proud of the
people we represent in our districts. I am particularly
proud today because it's not very often we get to introduce
true life heroes. The people of this football team saved a
man's life two weeks ago. A truck fell off a hoist, luckily
they were there. They did not hesitate. They immediately
moved and they lifted the truck off this man and saved his
life. So I am very, very proud, like we all are to
represent our people, but to represent these young men who
are in the true nature of the word, they're all a hero. All
of them are heroes. So would you please give them a warm
welcome."

Speaker Madigan: "On page 7 of the Calendar, on the Order of
Senate Bills-Second Reading, there appears Senate Bill 1977.
Mr. Clerk, what is the status of the Bill?"

Clerk Mahoney: "Senate Bill 1977 has been read a second time,
previously. Amendment #1 was approved in committee. Floor
Amendment #2, offered by Representative Hannig, has been
approved for consideration."

Speaker Madigan: "Mr. Hannig on the Amendment."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Yes, thank you, Mr. Speaker. I move for the adoption of the Amendment."

Speaker Madigan: "The Gentleman moves for the adoption of the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Mahoney: "No further Amendments. All notes have been filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

Clerk Mahoney: "Senate Bill 1977, a Bill for an Act concerning finance. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Hannig."

Hannig: "Yes, thank you, Mr. Speaker and Members of the House. We just passed the spending part of the budget, the spending Bill part of the budget. This is one of the Budget Implementation Acts. This is the Finance Act. Let me just talk briefly about some of the items that it does and then I'll be happy to answer any questions at that time. It deals with an issue under Medicaid Part D, where the State of Illinois is actually an employee and we're able to collect some subsidies, and so it would allow for us to do that. It deals with the renewable fuels program. It removes the cap from 15 million to 20 million that we could use. It adjusts the revenue split for the community health Medicaid... in the Medicaid for the Community Medical Mental Health Medicaid Trust Fund which helps the providers. It has the language on the IFly Program for the Marion, Decatur and Quincy airports. It has a Pension Stabilization Fund.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

It provides for... that the Road Fund cap... that the State Police and the Secretary of State remain at the level that it was in '06. It has the new language on the fund sweep changes and it has the fund sweeps. It has the 80 million that we typically put into the Tobacco Settlement Recovery Fund to get the fund going as... until the payments actually arrive. It does the 1.4 million transfer for the Violence Prevention Fund. It has the African-American AIDS Transfer Fund. It'll adjust the Personal and Corporate Income Tax Refund Fund which we do every year. It extends for two more years a \$30 million transfer from the Motor Fuel Fund to the Vehicle Inspection Fund so that we can do a program mandated by the Federal Government. It has the severance and health care buyout plan that... that we've offered to state employees for a number of years. And it removes and extends the sunset on authorized transfers from the Hospital Provider Fund and the Health and Human Services Medicaid Trust Fund. So those are some of the highlights of what we have in this proposal. This is a Bill that's necessary in order to make the spending plan that we just passed, work. This, along with the 'bimp' on education... Budget Implementation Bill on Education and Human Services along with a few other items will be needed to finalize the budget. So, I'd asked for your 'yes' vote and be happy to answer any questions."

Speaker Madigan: "Mr. Meyer."

Meyer: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "The Sponsor yields."

Meyer: "Representative, yesterday in Executive Committee you and I had a discussion on several items in Senate Bill 1977.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

One of those items was the OSLAD Fund. Are there transfers out of the OSLAD Fund with this Bill?"

Hannig: "Yes. Yes, Representative, that's correct. It would transfer \$12 million from OSLAD, which is a fund that generally works for opens lands to a fund called, that we've had for a long time that also does generally the same thing, Conservation 2000. So, we have been looking for a fund source for the Conservation 2000 program I guess, probably, since Jim Edgar left office. It had been a bond program at one time. The bond money was typically used to buy open lands and parks and frankly, I think this is a very good fit for a program that was set up for the same general purpose."

Meyer: "What amount of money is left in the OSLAD Fund after this transfer?"

Hannig: "I thought they said yesterday wasn't it like 60 million? Is that what I said yesterday?"

Meyer: "I believe that's probably pretty close. And the projects that are in this pipeline and what's expected to come in for OSLAD grant applications, what is that amount?"

Hannig: "I think the appropriation this year is for something around \$30 million."

Meyer: "So that's what's in the pipeline. Of course there'll be more... more... there'll be more grant applications coming in to tap into the 30... the additional 30 million that's left in the fund as of this transfer. Would that be your understanding?"

Hannig: "It's my understanding that even after we make this transfer that there will still be more than enough money to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

do the approp... to appropriate all the dollars that will be awarded."

Meyer: "And now it's my understanding in talking with the park districts and the forest preserves lobbyists down here that they understood that the Governor wanted to take \$12 million out of OSLAD grants this year only and fund the 2000 program. You spoke of looking for..."

Hannig: "I apologize, Representative."

Meyer: "Yeah, I understand. You spoke of looking for a funding source and thought that this was a good identified funding source for the 2000 program. Would I be correct in believing that you believe then that this should be an ongoing year after year funding source for this program?"

Hannig: "Representative, this only authorizes it this one year. We would have come back and make further authorizations next year."

Meyer: "All right. I'm asking this based on what you just stated though, here, as part of our discussion that you felt that this was a good match for a funding source which would lead me to believe that you would envision this to carry on into future years as the source for the 2000 program. Would that be correct?"

Hannig: "Well, Representative, this Bill only authorizes it for one year. So, I mean, I..."

Meyer: "Well, let me ask you it this way. Would you support it then into the future, continued sweeping of this fund at the expense of... or for the 2000 program? I'm basing mine on..."

Hannig: "Would I?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Meyer: "...understate... of the understanding that the park districts and forest preserves has on this budget, that they were willing to go along with this year only to take the \$12 million out because there's clearly enough funds in there for that. And your statement here today on the House Floor..."

Hannig: "But that... but that's what we're doing, Representative, 1 year."

Meyer: "...that indicates that it's a funding source. One year? Is yours..."

Hannig: "They just want... this only authorizes 1 year, Representative. Nothing more."

Meyer: "Would you agree that that..."

Hannig: "We'll be back next year."

Meyer: "...should be the case if they only would authorize it for one year and we shouldn't be coming back next year for an additional whack at it?"

Hannig: "Well, Representative, I think there would be some in this Body that would say we ought to do this permanently and others who would say we ought to not do it at all. But what this does is authorize it for 1 year."

Meyer: "Well, perhaps this may be the park district's need to reach their own level of understanding with this administration because I can see right now that what you're suggesting is going to set it up for future attacks on this fund, and they may not be in the best interests of open spaces in the future."

Hannig: "Representative, let me be honest. I did not mean to imply that there was a program or a plan to go beyond this

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

year. I just think that it was a good source of funds for this program. What happens next year remains to be seen, but there's a lot of people on this side of the aisle who don't like to take money out of that fund either."

Meyer: "Okay, I accept your explanation of it at that point. Thank you very much."

Speaker Turner: "Representative Turner in the Chair. If I can... just ask you to bear with me a minute. Representative Flowers has a special recognition that she'd like to do at this time. Representative Mary Flowers."

Flowers: "Thank you, Mr. Speaker and Ladies and Gentlemen of the House. Would you please welcome... help me welcome the Simeon Wolverine Basketball team there up in the Speaker's Gallery. And they are the Illinois High School Class AA Championship Basketball team in the State of Illinois. So would you give them a hand, please."

Speaker Turner: "Mary, Mary, did you ask Mr. Rose if he's coming to the U of I? Did you encourage Mr. Rose to come on over to the U of I?"

Flowers: "Mr. Speaker, anyone that wants to go to the U of I, I just get... got the word that they can, per you. Thank you very much."

Speaker Turner: "Thank you. The Gentleman from Vermilion, Representative Black, for what reason do you rise?"

Black: "Mr. Speaker, I've seen the NCAA do some strange things over the years. I just want the NCAA to understand that none of us are trying to do undue recruiting here. We cannot interfere in that process. God forbid the NCAA come down on us again. You know it's... if it isn't the chief it's

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

illegal recruiting or improper recruiting. But I do think it would be permissible and I know everybody joins with me, this is an outstanding high school basketball team, absolutely outstanding. And I wish... I wish all of them the very best and while the NCAA would not want us to put any undue influence on any of them, if they would like to enroll at a 4-year university in central Illinois, about 145 miles south of Chicago to where their family, their aunts, their grandparents could perhaps see them play and win a national championship, I hope they do. I hope they do."

Speaker Turner: "The Gentleman from Champaign, Representative Rose, for what reason do you rise?"

Rose: "Mr. Speaker, I am Rose and I did go to the U of I."

Speaker Turner: "Okay. Okay, we're back on Senate Bill 1977 and the next speaker is Representative Eddy, the Gentleman from Crawford."

Eddy: "Thank you very much, Mr. Speaker. I was wondering if a couple of the players could stay. We've been playing defense now for a couple of years and some of our players are a little tired and they look like they could maybe guard the basket. Let me... I've got some questions regarding some of these funds, Representative Hannig, if you would yield for a question."

Hannig: "Certainly."

Eddy: "The funds that I'm going to ask ya about, I'm basically interested in how the money is generated into the fund, as opposed to general revenue or fees or tax. I'm going to give you an example. There's one called the Asbestos Abatement Fund that looks like \$500 thousand is being

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

transferred out. I won't say its being raided, I guess that would be one way of putting it, I'm going to say transferred. But how does that fund generate revenue?"

Hannig: "So... so the question is, where does the money come from?"

Eddy: "Yeah, how does the fund accrue revenue?"

Hannig: "Well, we would always... we would always accept gifts or grants or attorney's fees and recoveries received for the purposes of asbestos abatements in state government buildings."

Eddy: "Okay, so... so it's allowed to accept money from... it's not general revenue?"

Hannig: "It is not. That's correct."

Eddy: "What about the Coal Mining Regulatory Fund? How does that accrue revenue? How does it become funded?"

Hannig: "It gets license fees and registration and any investment income."

Eddy: "It's not general revenue?"

Hannig: "None of these are general revenue, Representative."

Eddy: "Okay. So people who pay fees for a specific dedicated purpose, put money into this fund and they have an expectation that that money is being used for activities related to the coal mining industry in this case or removing asbestos from buildings... those types of... those types of activities are the expectation of those who fund the account."

Hannig: "Well, Representative, I know that they... they know they have to pay a fee in many cases to get a license, to get a certificate for any number of things. They pay a fine in

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

some cases, but I don't know if they know what happens with the money. I know that when I send my money to the Secretary of State I'm not sure exactly how he uses every dime, but I'm sure glad he sends me my driver's license."

Eddy: "So the Grade Crossing Prevention Fund, for example, the \$4 million that's being taken out of that fund isn't... isn't accrued... funded by general revenue, it's probably funded by some type of licensing or fee on the railroad industry in order to promote safety. Would that be an accurate depiction of that? And I don't mean to make you go through all of these... I..."

Hannig: "No. It's just... it's statutory transfers that come in. So all these funds, just so I can make clear, that all the funds that we're asking that there be sweeps, we believe that there are significant balances left in the funds so that they can pay any of the statutory... or that they can... or that they'll be able to meet all the obligations that are appropriated in our budget. In other words, we believe there's enough money that will remain that they can still continue operations at the level we expect of them. And there's also..."

Eddy: "So would you describe them as excess funds?"

Hannig: "Well, they're funds that are in the account that we believe are above and beyond what the agency that will spend from them needs."

Eddy: "Then why don't we lower the fee?"

Hannig: "Well, Representative, that would be perhaps an option we could do but what we're saying is, the money is here, these people have paid it and we have... this is state money."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Now we've heard of discussion about how, you know, we have all these unpaid Medicaid bills and we need to pay all those bills, so we're saying if we have money in one account, we ought to be putting it into the general revenue account where we can spend it on our bills."

Eddy: "Yeah, except for the fact that the people that pay the money are expecting the money to go for a specific purpose. And I know we'll get to that Bill and maybe discuss some of the funds that are being raided there. But I guess my point is a lot of people in here have recently joined the historic foundation or the historic site caucus. We're all interested in making sure historic sites around the state are taken care of. But I see in here that \$134,400 is being taken from the Illinois Historic Sites Fund, and my concern is that the people that want to see that money used for its intended purpose of taking care of those sites are being kind of short-changed in this process because we're taking money out of that and I don't think they would describe those funds as excess funds. I would think they could find a way to spend those funds. And I think it's just very disingenuous to create these funds, fund them through fees or some kind of dedicated way. And it's philosophically different than I think the way we're approaching this budget and we basically just disagree. I think that money in dedicated funds should be dedicated to those purposes whether its road funds, historic funds, asbestos funds. But I really believe that when people pay a fee to a fund that they expect it to be spent for that or we should lower the fee."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Well, Representative, these... these are state moneys when they're collected by agents of the State Government. The idea that we can use this money and transfer these fees is not a new idea that this administration thought up. I mean, this has been going on since the Edgar days and I think that... that both sides of the aisle have sort of danced with this devil, so to speak, and we've used it. Every Governor has used it since Governor Edgar. And so I would suggest that it has... it is become and has become a part of the process of budgeting. So..."

Eddy: "Well, I think it's... it's obviously one that has become more of a dependent upon source of funds recently. I had... My good friend Jim Sacia passed a Bill here this spring that I think he got a lot of support for that had to do with the police vehicles, and the fact that he took a fund and created it for the express purpose of making sure that the state police had money for their vehicles. Now in this I see \$144 thousand is being transferred out of the Police Vehicle Fund and I'm wondering how if police vehicles are in need of updating, we in good conscience can take \$144 thousand that could be used to purchase vehicles for policemen and take in out of that fund."

Hannig: "Well, Representative, I think to the credit of the Gentleman who sponsored the Bill, we've gone a long way in solving that problem. He created a fund that wouldn't be swept, a revenue source and it's dedicated. We've had a few other things that were on the books that we tried to use to raise money to buy cars in the past, but I don't think we

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

need them anymore. In fact, we probably ought to just take this fund and make it part of the General Revenue Fund."

Eddy: "And if that were the case we'd have a much different situation. We would be, by appropriation and general revenue, paying these rather than through dedicated funds and I understand that argument. My problem is, is when you create these funds and dedicated fees are being paid for that purpose, you're being disingenuous with those by not putting them in general revenue. Perhaps it does tie the hands of the General Assembly by having these, but while they're there we should respect the sanctity of those funds. Mr. Speaker, very quickly to the... to the Bill. You know, we have a budget that is growing by \$1.4 billion in spending. It includes a pension raid of \$1.1 billion; \$577 million in unaccounted for programs; \$950 million in new revenue that you think might be able to satisfy... to satisfy and quench the thirst of those who want to spend. However, it's not enough. We have to take \$200 million from dedicated funds in addition to all of the other revenue the state's generating and taking out of fund raids. Maybe what we need to do in this Body for people who are seeking to be public servants, is instead of asking them not to take no new tax pledges, we should ask them to start taking no new pension fund raid pledges or no new dedicated fund raid pledges. Because if you're going to increase spending by \$1.4 billion and you're not going to do it through any kind of tax increase, it's slight of hand to make that budget balance. We've got an 800 pound gorilla in the room, Ladies and Gentlemen, the pension system. And we're not just ignoring

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the pension system, we're poking it with a sharp stick and it's going to turn on us."

Speaker Turner: "The Gentleman from Cook, Representative Durkin."

Durkin: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "He indicates he will."

Durkin: "Representative Hannig, there's one fund in here I simply would like to speak to, that is the Savings and Residential Finance Regulatory Fund. Could you explain to me what that fund is set up to do?"

Hannig: "The fund purpose is to record various license fees received from savings and loan companies as prescribed by the Savings and Loan Act."

Durkin: "Gary, I can't hear you. Can you just speak into the mike, please?"

Hannig: "It says record various... various license fees received from savings and loan companies as prescribed by the Savings and Loan Act."

Durkin: "How much is currently in that fund?"

Hannig: "I don't have the balance, Representative."

Durkin: "Okay. How much are we taking from the fund?"

Hannig: "Six million dollars."

Durkin: "All right. Now I'd like for you to just stand with me for a second. Back in 2004 a lawsuit was filed in the Sangamon County Courthouse; the plaintiffs were the Illinois Credit Union League, the Illinois League of Financial Institutions, the Community Banker's Association of Illinois, the Illinois Mortgage Broker's Association and the Illinois Association of Mortgage Brokers. The defendants

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

were John Filan, the Budget Director, Fernando Grillo, the Department of Financial and Professional Regulation, Michael Rumman, Director of CMS, Judy Baar Topinka, Dan Hynes, and Rod Blagojevich. And that lawsuit was to challenge the action of the Governor's Office from raiding money from that fund, specifically the... one of many funds. One of them was the Residential Finance Regulatory Fund. Now in March 11th of 2005, Judge Leo Zappa from the Circuit Court in Sangamon County issued an injunction prohibiting State Government from removing any money from that specific fund. The..."

Hannig: "Well, Representative, this..."

Durkin: "The Savings and Residential Financial Regulatory Fund. How do we... what... under what authority can we go above this court when there is a sitting court injunction against the State of Illinois for that specific fund, what authority can we... do we have to violate that court order?"

Hannig: "Well, Representative, it's my understanding that the courts... first of all we're not a party to any of the court documents and it's my understanding that this issue that's at hand is not about what we're proposing here, which is a sweep. The idea of sweeps was something that we have done statutorily, where we simply sweep money from one fund to the General Revenue Fund. We've done, as I've said before at least to my knowledge, back to the 1980s. And as far as I know there's been no court case to the contrary on a sweep. It's my understanding that that court case has other issues that are... that have to do with chargebacks and things of that nature."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Durkin: "Well, let me... I'm just going to read this into the record. I would disagree with your analysis and the fact is we have Constitutional Officers, the Budget Director and the Governor, are named as defendants. But here's what the order says, that the defendants are enjoined and shall refrain from and those in active concert with or participating with them are hereby restrained and enjoined from transferring any moneys from the Credit Union Fund, the Savings and Residential Financial Regulatory Fund and the other funds. And also that John Filan, Director of the Governor's Office of Management and Budget and Rod Blagojevich, the Governor, are hereby enjoined from transferring, reallocating or spending funds collected pursuant to the... a number of those other acts, but also specifically the Residential Mortgage... Residential Financial Regulatory Fund. This court has ordered the Governor from not moving any of those moneys. Now if we're gonna pass this Bill, it's gonna go over to the Senate, the Governor's going to sign that Bill. Trust me, one of these people who is a plaintiff is gonna go back to that court and seek another injunction to keep that money... that Bill from actually having any type of effect. What is the... do you have a response to that? Is this..."

Hannig: "Well, Representative, I mean, first of all, I don't think we are a party to the case. We did this last year in spite of the fact that people on your side of the aisle argued that we couldn't. And if someone wants to file a lawsuit and the judge makes a ruling, in the end I think the court will have their say and we will do what the courts

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

say. So... but we believe that we have the authority to do this again this year just like we did last year and years before."

Durkin: "All right. Well, I'm going to speak to the Bill. Now I have a serious problem with this and I think the points I've just raised. But the fact is, because it didn't happen last year, doesn't mean it's the right thing. What we're doing is we're telling the Circuit Court of Sangamon County, another branch of the government, that the heck with your orders despite what they've already ruled. This is a standing order from 2005 that prohibits the State Government from sweeping this specific fund, and the fact is we're doing just that... doing just the opposite. When you violate a court order it's called contempt of court, so for those of you who are voting for this you know I hope you have a good conscience and think about what you're voting about."

Speaker Turner: "The Gentleman from McHenry, Representative Tryon."

Tryon: "Thank you, Mr. Speaker. I rise to question the Gentleman about his Bill. Will he yield?"

Speaker Turner: "He indicates he will."

Tryon: "Mr... Representative Hannig, on page 209 of this Bill there's an item there called the CTA Pension Intercept, which appears to be a means of requiring the CTA pension to become healthy in 50 years. What will that actually cost us in the way of dollars?"

Hannig: "It will not cost us anything, Representative. We're just simply saying that when we send money to Chicago to the CTA, specifically, of which we do from time to time, that a

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

portion of that money has to be directed towards the Pension Fund."

Tryon: "Okay, then let me ask you this. If the CTA at some point in the future decides not to fund their pension system and use it for operations or other means, what would the impact to the taxpayers of the State of Illinois be?"

Hannig: "Well, Representative, that's exactly the issue we're trying to address. We're trying to make sure that at least the moneys that we send to the CTA, that a portion of that money gets into the pension funds as opposed to a scenario like you just said where we send them a check and they spend it all on operations. So we're trying to protect our interests."

Tryon: "But my question is what if they don't meet this requirement?"

Hannig: "I'm sorry. I didn't hear it. I'm sorry."

Tryon: "My question is what if they don't meet that requirement?"

Hannig: "You mean if they... if they do not follow the law? I mean I think this will allow us to send the money directly to the pension system."

Tryon: "Well how much money in this budget is going directly to the CTA in addition to what was appropriated last year?"

Hannig: "Representative, I'm not sure but this doesn't create any special line. This is not in an effort to try to funnel special money or new money to the CTA. This is an effort to take the money that already goes to the CTA and make sure that it gets into their pension program which is underfunded."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Tryon: "Okay. It says here that this is gonna be a pension change that requires a minimum funding target of 90 percent to be reached in 50 years. Is that correct?"

Hannig: "That's correct."

Tryon: "Okay. Now yesterday we heard a lot of debate about how it was the Republicans that really started the pension raiding years ago under Thompson and then in Edgar. And under the Edgar administration he proposed a 50-year solution to getting the pension funds, all pension funds in the state up to 90 percent. And yesterday we heard how that was a bad thing, but today we're hearing from you that that is a good thing, correct?"

Hannig: "Well, Representative, I don't think that anybody said that the Bill we passed in 1994 was a bad thing."

Tryon: "I didn't hear you, what?"

Hannig: "I do not believe that anyone said and perhaps I misheard, but I don't believe anyone said that the Bill we passed in '94 to get to... to ramp up and fully fund our pensions was bad. I think we all think that's a good idea."

Tryon: "Well, we think it was a good idea too, but last year you made another Bill that took \$2 billion out of that plan and called it a mid course correction."

Hannig: "Well, Representative, we do make corrections from time to time. We made some corrections when we put additional money into the pension systems through the pension obligation. We changed the way the TRS calculates their liability by closing some of those loopholes. We know the Governor has less people on the payroll. Some of the assumptions do change. Had the systems done better or worse

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

on their investments that certainly would have an impact on where we would end up on these things. So... and we always anticipated that by 2011 or '12 we would have to make a mid course correction anyway."

Tryon: "So we're in agreement then that the 50-year plan in '94 was a good plan and the 50-year plan in the CTA, in your opinion, is a good plan to restore the pension system to the point it should be?"

Hannig: "I think we all understand that when we put this plan in place today for the CTA or the plan that was enacted in '94 that there could be adjustments to it as we go forward. But indeed, I think both of them are good plans."

Tryon: "Okay, one other question, Representative. Some time ago the General Assembly approved a permissive action to allow the Chicago Teacher's Union, which was then nearly a hundred percent funded in its pension plan, to use some of those dollars to be provided for medical costs to the retirees, and in that there was a caveat that said should the plan ever fall under 90 percent that the General Assembly would make up the difference between the shortfall. Is that correct?"

Hannig: "I think it's... that's generally correct, Representative."

Tryon: "Okay. In this budget is there money going directly to the City of Chicago's teacher's plan to bring them in compliance with that rule?"

Hannig: "Yeah, Representative, that was actually in the spending plan, but the answer, is yes, there was 10.2 million."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Tryon: "Ten point two million to more or less make the Chicago Teacher's Union whole. To the Bill, Mr. Speaker."

Speaker Turner: "To the Bill."

Tryon: "I can't believe that we would ignore the downstate Teacher's Pension Fund like we are and the State Employee's Retirement Fund like we are and the state universities systems like we are. But we are more concerned about the pension systems in the City of Chicago. We are even taking money that we've taken out of the other pension plans and shifting it to the Chicago Teacher's Union plan. Now I think that's wrong. I think we ought to have the same commitment to all of the... all of the insurance... retirement plans in the state the same. I can't believe that a downstate Representative or a suburban Representative would stand by and watch this. It's why I voted against the budget. It's mortgaging the future of our state at the expense of the pension systems that it's making one of the pension systems very healthy and that's wrong."

Speaker Turner: "The Gentleman from Jackson, Representative Bost, for what reason do you rise?"

Bost: "Will the Sponsor yield?"

Speaker Turner: "He indicates he will."

Bost: "Representative, in one of the proposed sweeps is the Coal Mining Regulatory Fund. What exactly is that used for, Gary?"

Hannig: "The purposes of the fund is to receive and record fees and civil penalties received by the Department of Natural Resources under the Surface Coal Mining Land Conservation Reclamation Act."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Bost: "Okay, and then what is that... what is that money... obviously we don't just receive and record the fees, we do something with that fund. What is it that that fund is used for?"

Hannig: "It's... it can be used for the operation of the Department of Natural Resources. Moneys in..."

Bost: "To... to record more of them?"

Hannig: "Pardon me?"

Bost: "Okay. In your description you said it's used to record the..."

Hannig: "Yeah, that's what the agency does, and so..."

Bost: "So we charge them a fee to record it... so that we can just record it?"

Hannig: "No. Moneys in the fund may be expended by the department for the enforcement of coal mining regulatory laws and rules."

Bost: "Okay, regulatory laws. It could be safety rules; it could be those type things as well?"

Hannig: "It could be, yes."

Bost: "Okay. And how much... how much was taken from that fund and where are we at as far as balance is concerned?"

Hannig: "Well, Representative, all the funds that we sweep will have balances that will more than meet the... will have balances and cash flow that will more than meet the appropriations out of the fund for the next year. Now, what we also did is we have a provision that says if we're wrong then the fund gets backfilled. So... but the amount is 50 thousand."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Bost: "Okay, I just saw that on there. I really didn't know what it was. Thank you for enlightening me with that. Thank you."

Speaker Turner: "The Lady from Cook, Representative Hamos, for what reason do you rise?"

Hamos: "Mr. Speaker, Ladies and Gentlemen, I'm following up on a previous speaker on the transit funding piece of this legislation. This is actually a very important idea in this Bill; however, it does not... it is not a free item. It comes at some cost and we, all of us, especially all of us in the RTA territory will understand this. In exactly 2 years when it is time for the RTA system to put together their 2009 budget. That happens a year before in 2008. The only system that is impacted by this legislation is the CTA because the other three, METRA, Pace and RTA itself, is funded close to 90 percent. So the only system that is impacted by CTA, this could cost the CTA we don't know how much. The actuary will determine that. Some numbers being thrown around are 100 or 200 million dollars a year to ramp up, to actually fund their pension system. They don't have 100 to 200 million dollars sitting around, and they only have four ways to generate new revenues. And let's remember that all of us in the RTA region will hear about this and will feel the impact of what we are voting on in 2 short years. The four ways that they can generate new revenues are; number one, to get it from us as a State Legislature; number two, to get it from the existing pot that the RTA controls, which means basically to get it from METRA and Pace; number three, to raise their fares; and number four,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

to reduce their service and face the same kind of drastic service cuts that they were talking about a year ago. So while this sounds good, that they're going to be ramping up their pension to achieve this 90 percent mark, the truth is that this is going to put incredible pressure on the entire system and on the other service boards as well. So if you're hearing about this back home, be prepared to, this is going to be a big impact for us and something that we will be dealing with in the next 2 years."

Speaker Turner: "The Lady from Cook, Representative Mulligan, for what reason do you rise?"

Mulligan: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "He indicates he will."

Mulligan: "Representative, would you please explain the changes in the fund transfer for the 718 fund as it is finally going through, and is this the only place where we're seeing any language authorizing that?"

Hannig: "I think the answer... the answer to the latter part is yes."

Mulligan: "Yes, this is the only place we're going to see the proposed changes, and then would you explain what they actually are because in the last several weeks I've seen three or four different proposals."

Hannig: "Okay. I'll read part of this to you or I'll just say it increases the threshold from 73 to 75 million. Okay? And then this is... this is due to the 3 percent provider COLA that we did in '06."

Mulligan: "All right. There was some question in how additional moneys would be spent and how this split would be. At one

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

point so much would go to general revenue, so much would go back to providers, so much would go to the department. My understanding is that in the additional way the moneys will be split, the understanding is that additional moneys will go to providers?"

Hannig: "Yes, that's correct."

Mulligan: "Okay. You're creating the Pension Stabilization Fund, which was a big object of debate. How much money do you actually think will be in that fund?"

Hannig: "Representative, I think we've put a provision in the law that the Governor's Office could, even without... without having the trigger kick in, put money into the Rainy Day Fund or the Budget Stabilization Fund as they desire. So they will have an opportunity to do so. This Bill, obviously, will not become law until the Governor signs it, so I'm not certain any money will be put in the first year."

Mulligan: "Did that Bill pass the Senate?"

Hannig: "Well, this... it's in here, Representative."

Mulligan: "I'm sorry, no. The Pension Stabilization Fund that created that, did it pass in the Senate?"

Hannig: "I think it's on First Reading in the Senate."

Mulligan: "All right, and does anything in that Bill dissolve the obligation of returning the money that was borrowed from the Rainy Day Fund by the end of the year to the current Rainy Day Fund?"

Hannig: "No, it does not, Representative."

Mulligan: "There's an Efficiencies Initiative Revolving Fund having to do with CMS. There has been a big controversy and much discussion in Human Service Appropriations about

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

efficiencies of great amounts of money charged to human service agencies that they had to pay. What is in the initiative... Efficiency Initiatives Revolving Fund and what are you doing with that money? It looks in my analysis here; something's going to facilities management. Could you explain the Efficiency Initiatives Revolving Fund, since efficiency initiatives have been quite controversial with CMS?"

Hannig: "The idea is that the Governor or his office or his appointee like CMS will try to find an efficiency. So let's say that it might be by combining all the computer systems or combining all the telephone systems or in any other way where they could find some efficiencies in State Government. Part of what they would then is, hopefully, when they save the money in the state agency. So in other words lets say that we, by hooking all the telephones together, we would get a cheaper telephone service. Each agency would expend less money, so consequently... consequently there would be savings which could be put into this fund."

Mulligan: "There have been some astronomical amounts in the last 3 or 4 years that have been charged to human service agencies for these efficiency initiatives which were always very hard to explain. It seems to almost be, in some instances, just a slush fund of taking money out of human service agencies. I think that's really inappropriate. Tobacco Settlement Recovery Fund; it's a transfer in of 80 million from GRF to later be retransferred back to GRF at the request of the Governor. Is that the 80 million that is going to cover payments to physicians?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "No, I think we're doing here is just a... is a cash flow question, so, we don't have any money in the fund until the feds... until we get money. And so we put some money in so we can begin the process of paying bills and doing the things that we need to do. Then as the money comes in and the system pays out, we can sweep out what's left."

Mulligan: "Is the Budget Stabilization Fund also part of the Bill that created the Pension Stabilization Fund?"

Hannig: "I think we already have the Budget Stabilization Act. The Pension Bill that we debated yesterday and it's in here is sort of a mirror image of that only it works for pensions."

Mulligan: "I see. Okay. Do you have a transfer from funds for the sale of the ISAP loan portfolio from the Student Loan Operating Fund to GRF? The maximum amount that can be transferred is 38 million. Is that what the anticipation of the sale is going to bring or are we just selling a certain portion of it, and aren't you anticipating something that has not been done, and doesn't that need some approval?"

Hannig: "Yeah, I think this would reflect that portion of the sale that we would put into GRF and it was dedicated to higher education."

Mulligan: "Do you have a transfer from the Hospital Provider Fund? Well, let's go back to the last one. Is that being set up just to anticipate the sale of that portfolio?"

Hannig: "Well, as I talked earlier in the budget part of it, the spending part of it, there are a number of options that are available. We would... we know that the administration will take the one that is the best for the state and raises the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

most cash. But in all cases we think they'll raise more than we've appropriated in the Bill. But this is how you get the 38 million from this fund into the General Revenue Fund for the purposes of higher education spending."

Mulligan: "All right. Some of the funds that you're sweeping, that you're anticipating putting money in to take are not actually there yet, but yet you're basing your revenue assumption that we're going to do all of that in order to make your budget supposedly be a balanced budget?"

Hannig: "I mean we can't sweep the fund if the money isn't there, so..."

Mulligan: "Right. But you're using it as a basis for money that's not there yet and hasn't been approved yet and hasn't been done yet."

Hannig: "But when it does happen then you can do the sweep."

Mulligan: "Okay, but you're still going back to the original part of it. You're basing your budget assumptions on these Budget Implementation Acts on moneys that aren't there yet."

Hannig: "Yeah, so we take a risk, frankly, that if this doesn't happen we've already appropriated that money to the institutions of higher education around the state. The other option would be to say, well, let's just wait 'til next year and see what happens and let the universities go another year without increases or at least reduce their increase by this amount. But we want to make sure that they get the full impact so this is what we believe is the best way to do it."

Mulligan: "There's a transfer from the Hospital Provider Fund and the Health and Human Services Medicaid Trust Fund to

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

GRF. There's a change in that because the current law sunsets at the end of June. Is this changing the sunset automatically till the end of June '07?"

Hannig: "It doesn't change how the moneys will be used. It just changes in which fund they'll actually live."

Mulligan: "All right and is that from the hospital tax?"

Hannig: "If it's approved, Representative, yes."

Mulligan: "All right, but you may not change it in this Bill but you're trying to change it in another Bill, so... That's pretty much my sum total of this. I think this Bill is based on a lot of suppositions that have not happened yet and may not happen. It's a nice way to put a budget together, but it's got a lot of false premises in it that I think make it really difficult to vote for."

Hannig: "Yeah, Representative, we... we don't know for sure that the income tax or sales tax will come in either. We take our best estimates."

Mulligan: "Yeah, some years they're better than others."

Speaker Turner: "The Gentleman from Knox, Representative Moffitt, for what reason do you rise?"

Moffitt: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Moffitt: "Representative, just a clarification for myself. At one time in the budget process, the Fire Prevention Fund and the Firefighter Memorial Fund were on your list. Have both of these been taken out of any sweep or administrative chargeback or any use of funds?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "I don't see them on the list, Representative. I have an alphabetical list and a list in numerical order. But... and I don't see them on the list, so they should be out."

Moffitt: "Right. I appreciate that. That was the way it appeared to me because a list I'd seen earlier, they were on the sweep list. So, I appreciate them being taken out and all persons responsible. We passed legislation protecting those two funds prior. I know one of the pieces of legislation to prevent a sweep of the fund was by Representative Joyce. I think there was a second piece of legislation. Is there anything in the budget implementation, the budget process, anything we're doing with the budget that would remove that legislation or reverse it or void it, that prior action we took protecting those funds?"

Hannig: "There is not, Representative."

Moffitt: "There is now?"

Hannig: "There is not and the protection will remain."

Moffitt: "That protection remains in place."

Hannig: "Yes."

Moffitt: "Because at one time I thought there was some indication that it was going to say superseding any prior law. So those protected funds for fire are still there?"

Hannig: "The... you're correct, Representative."

Moffitt: "Okay. Just three more quick questions. I don't believe anyone had asked on these. I... they do impact, of course across the state. One of the sweeps is a Grade Crossing Protection Fund."

Hannig: "That's correct, Representative."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Moffitt: "Can you tell me what that fund is used for?"

Hannig: "It says it pays the state's portion of the cost of installing protection devices as ordered by the Commerce Commission, at all places where public highways intersected with the railroad."

Moffitt: "Okay. At one time there was quite a backlog of crossings, of communities that applied. Do you know if we're current on applications to upgrade railroad crossings?"

Hannig: "Representative, honestly I don't know that answer but I do know that this will... that there's an appropriation out of this fund and that that appropriation will not be hindered or in any way affected by what we take out of this fund."

Moffitt: "Because I mean I would hope we aren't delaying the upgrade of crossings. At one time there was quite a backlog and that's just..."

Hannig: "So it's my understanding that the commission makes an estimate of what they'll need; we appropriate that amount to the degree that there's excess, we're suggesting that we sweep it. We also have the safeguards in place in case we do make a mistake and sweep too much, they can go back and get their fund backfilled."

Moffitt: "Okay. Because if one is, you know, a dangerous crossing, there have been incidents there and they've applied for funding, I think we would all want to get that upgrade as soon as possible, not be doing something."

Hannig: "I agree."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Moffitt: "Another fund is the IPTIP Fund, which I believe is Illinois Public Treasurers Investment Pool. Is that correct?"

Hannig: "It's..."

Moffitt: "It's fund #0195 on my list."

Hannig: "Right. The Treasurer's Investment Pool."

Moffitt: "Yeah, it's listed as IPTIP, Illinois Public Treasurers Investment Pool. Is that the correct..."

Hannig: "It says the State Treasurer may establish and administer a public treasurer's investment pool to supplement and enhance the investment opportunities otherwise available to other custodians of public funds for public agencies in the state. In administering the Public Treasurer's Investment Pool the Treasurer may receive public funds paid to the pool. Any other custodian of such fund may serve as the fiscal agent of the custodian of public funds for the purpose of holding and investing those funds. So it's public funds."

Moffitt: "Right. We're talking about public funds of local government. I was a county treasurer before I was elected to the House and I used the Illinois Public Treasurer Investment Pool. It would appear to me if we sweep this fund we're taking funds that could have gone to local government. Is that correct or am I in error?"

Hannig: "Well, again, Representative, the whole process is set up so that first of all we would appropriate out of these funds. Certainly we would appropriate what we believe is the necessary amount in State Government. We would take the excess and transfer it to the General Revenue Fund. If we

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

find that we were in error and either we needed more money in that fund because revenues didn't come in or some other... something happened that we did not perceive, there is a process to backfill that fund. So I think we believe that we have the safeguards in place. One of the good things about doing this year after year after year is we kind of get the system fine tuned to a point where we put the safeguards in place and we protect the funds in those cases where there are errors. And they do occur from time to time. So we think that... that all local governments will be protected."

Moffitt: "Funds that would be earned by the Illinois Public Treasurer's Investment Pool, it just would seem to me that that would collectively belong to the units of local government that each of us represents back in our counties or townships or cities or villages, and we certainly want them to get all the funds that they're entitled to. You know, a few years ago there was a court case where county treasurers when they collected taxes, property taxes, that when they held those funds prior to distribution to local taxing bodies, schools, et cetera, they would earn interest on it but the interest did not belong to the county, it belonged to the taxing bodies. It would seem this would be in the same realm where the state is holding this money helping local government earn more money, investment pooled to help them get a better rate, and yet, we want to make sure that they're getting their share. And I just... I would certainly be concerned and would be in opposition if we're

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

taking funds that really would seem like they should be going to local government."

Hannig: "Well, the sweep is only 700 thousand, so I can't imagine that we're taking a huge amount out of the fund."

Moffitt: "Certainly a significant amount for a local government. One final fund that I wanted to ask about and it's... I see it as #0397, Trauma Center Fund. And I believe it's a sweep of at least 5 million. Is that correct?"

Hannig: "That's correct."

Moffitt: "So what... what is that to go for? We're taking money from a Trauma Center Fund. I think almost everyone in here represents communities that have trauma centers. They're experiencing difficulty in certainly staffing and financing and keeping up with technology. Five million would be a significant amount towards trauma centers. Can you explain what..."

Hannig: "Well, again, Representative, this is above and beyond what we believe that the agency will need to administer these funds and meet their goals in the next fiscal year. And so rather than just have the money there, we're saying that we want to transfer the money into the General Revenue Fund. Again, if there is a problem and we've miscalculated on the amount that we need to meet our needs in the next year, there is a process where the fund can be backfilled."

Moffitt: "And at what point would that occur? And where would that money come from?"

Hannig: "I think if they got to a point where the agency needed to process a voucher to pay something and there was no money

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

in the account, then they would appeal to have the money backfilled from GRF and it would be."

Moffitt: "Thank you, Representative. I appreciate your direct answers. It does raise a concern, though, for me, that we're potentially taking money that might be going to our local trauma centers. It might be going to local government and might slow the process of upgrading railroad crossings. If I have a mis... if I'm misunderstanding, you know, feel free to... I hope you would correct me. But I think we all want as much funding for those very worthy projects as possible. So thank you, but that's certainly some concerns I have on this sweep. Thank you."

Speaker Turner: "The Gentleman from Vermilion, Representative Black, for what reason do you rise?"

Black: "Thank you very much, Mr. Speaker. Would the Sponsor yield?"

Speaker Turner: "He indicates he will."

Black: "Representative, it was a year ago that I stood up on the floor and I'm not an attorney, I listened to Representative Durkin very closely. There is a court injunction that prohibits the transfer of any funds from various financial institutions. It's my understanding that that injunction still stands. Is that correct?"

Hannig: "Representative, I understand that just as was argued last year, there is a court case from 2005, I believe, that has to do with chargebacks and other items but doesn't deal with sweeps. And what we're suggesting is that these items that we have... that we legislatively mandate to be swept, as

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

is the case in previous years, would be done and could be done legally."

Black: "Well, let me ask... let me ask you a basic question of law. Is there a severability... do you have any severability language in this sweep Bill?"

Hannig: "I don't believe there is, Representative, but I am like yourself, I am not an attorney."

Black: "Again, in talking with my colleague, Representative Durkin, it does not appear that there is any severability language. Now there was speculation in the press a year ago, what if the courts rule that because they have already and I'm quoting, enjoined Mr. Filan, Mr. Blagojevich, ta da da da da are hereby enjoined from transferring, reallocating or spending funds collected pursuant to the Illinois Credit Union Act, the Savings Bank Act, the Illinois Banking Act, the Illinois Savings and Loan Act of 1985, and the Residential Mortgage License Act of 1987, by virtue of the authority granted them under 30ILCS105/8h and 8g. Now do you have... have you discussed with the Governor what your plan is if the court not only enjoins those funds but says, issues a ruling that these fund transfers are not constitutional in toto."

Hannig: "Representative, I think that we believe that the fund transfers have always been legal. The issue at hand has to do with chargebacks and some fees. In fact, I think that I got a letter from the Treasurer saying that if we passed the Jay Hoffman Bills that mandates that she makes these transfers, that she'll be forced to do so. So I think even

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the com... it sounds like even the Treasurer's conceding that if we do it in this form, it's legal."

Black: "Well, I guess that's why we have a court system and we'll find out. As I said last year, I'm not putting my vote, going home and telling people in my district that I am cavalier about a court injunction. I expect my children to follow the law, I expect my grandchildren to follow the law. My late mother and my father have always raised me to follow the law. And so, as you did last year, you're asking me to vote on something that I think the courts have said you will not do this. We are enjoining you from doing it. And it's my understanding that those funds had better be held in escrow. But I, you know, that's why we have a court system, but I'm not going to in any way, shape or form be arrogant or ignore what a court has said because I think it has dire consequences down the road depending on what the courts decide to do. Let me just ask you a few questions about some of the fund transfers that I honestly don't understand. A 0024... excuse me, 0363, the Department of Business Services Special Operations Fund. What is that?"

Hannig: "It says that the fund receives and records all moneys collected by the Secretary of State for expedited services as per the Illinois Revised Statutes. Money in the fund may be expended pursuant to the General Assembly appropriations by the Secretary of State for the operational expenses associated with the Division of Corporations Expedited Services. So it's the Secretary of State's fund."

Black: "Would that fund be able to be used for staffing purposes to get titles and other things that people ask the Secretary

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

of State? Would that money be available to hire staff to expedite some of those things?"

Hannig: "Representative, it could be if we would appropriate it."

Black: "Okay."

Hannig: "Now we just passed the spending Bill that was at a level that the Secretary of State was comfortable with. So the money that will be in this fund, we could sweep out and use in general revenue or we could let it stay there."

Black: "All right. Look, Representative, if you'd look on that line item and follow it across, you're transferring 7.6 million, cash balance 4.4 million, and then in the right hand column, in my accounting courses that I took years ago, with the parenthesis that means that... meant when I took accounting 101 and 102, that that becomes a negative balance. Is that... is that correct? Is that... am I interpreting that correctly?"

Hannig: "I think that when we discussed this with the Secretary of State he would tell you that there are days when the fund is low and there are days when the fund is high, but that he is comfortable with what we're doing here, Representative, in this sweep."

Black: "Well, set my mind at ease. When there is a parenthesis around a number, in general accounting practice that means that number is a negative number. It means you've taken more money from the account than there is. Oh, I'm sorry. I'm sorry, Representative. This is on our chart; you may not have that."

Hannig: "I don't."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Black: "It simply shows that there under the balance transfer our staff has \$3.1 million in parenthesis, which would indicate to me that that fund has not only been swept, it has been eliminated. In fact, you're transferring more money than the fund had in it. But you know..."

Hannig: "Well, Representative..."

Black: "...hey, what's a few million dollars among friends, right?"

Hannig: "When we asked the Secretary of State if he had any funds that he would be comfortable with for us to sweep and he knows we had the list, he has the list, he was willing to do this."

Black: "Well, maybe he gave you that line item because he knew it didn't have enough money in it to meet what you were trying to do. But again, time will tell. All right. Down the page at 0907, the Health Insurance Reserve Fund sweeping \$21 million out of that fund. You and I have been here long enough to know that we get in trouble on that fund every year. Last year we had state employees who were being literally dunned by health care providers because we didn't have enough money in the Health Care Fund to pay claims. Why would we want to sweep that fund? It seems like we never do a very good job of budgeting. And I'm not being critical, it just seems like that's a hard item to budget and if you make a mistake or God forbid we get an avian flu that would ravage not only state employees but people in the State of Illinois, that obviously we're not going to have enough money in this fund and it's there to pay unexpected claims."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "At that point, Representative, and that could occur, then we would be in a position where the fund would ask for the money back from the General Revenue Fund. And under the provisions that we have in the law..."

Black: "All right."

Hannig: "...they would be given their money back."

Black: "That's a good answer, Gary, and you're right. I'm not... I don't want to insinuate in any way that we wouldn't. And we may have to. We've done it before. Fund #278, now this one really worries me because those of you who have been in office more than a few years, if your constituents do not get their income tax refund in a reasonable period of time, now reasonable is subject to debate. I have some constituents who think three weeks should be a turnaround time. Others will say that it should be five, six whatever. But in 0278, the Income Tax Refund Fund that we set up not too many years ago because you were here when we ran out of money and couldn't pay income tax refunds, and I know I'm sure your constituents and I know mine at the time were livid that they were having to wait three, four, five, six, seven months to get their income tax refund. Why in the world would we want to go back to those days and sweep \$44 million from that fund?"

Hannig: "Well, Representative, we adjust the fund up and down each year based on what's in the fund and where were at, and I think we've shown a sensitivity on both sides of the aisle not to run out of money in that fund. You're correct, many of us were here. We know the wrath of the voters, the taxpayers when we do that. This year we decided that the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

easiest thing to do as we adjust that fund, rather than transfer the money, is just to sweep it out."

Black: "All right. I've gone through three tourism... tourism, easy for me to say. You know, you just can't buy these things on eBay. It doesn't work. I found three tourism funds with the help of staff that takes \$7,070,000 out of the International Tourism Fund and other var... tourism funds and that makes no sense to me. We spend over \$200 million to open the Abraham Lincoln Presidential Library and Museum, which is absolutely fantastic, and I think the first museum, presidential museum in history that to approach a million visitors or whatever it was, I can't remember the exact number, and we are trying to encourage people to visit Illinois and traverse the Lincoln Trail, finding Abraham Lincoln. Now when we've invested so much money in our Lincoln heritage, again, and I know the answer, we could put more money back in if we need to, but it just doesn't make any sense to me to take... to rob tourism funds when we are doing everything possible to increase tourism not only in Chicago, a world class city, but to get them to come down from Chicago and visit the various Lincoln sites in Illinois. And I won't go on, but let me just... let me just mention one more. 0040, the State Parks Fund, we're transferring \$1,046,000 out of the State Parks Fund. I'm blessed with more acres of park land in my home County of Vermilion per capita than any county in the State of Illinois. And it's something that we're very proud of but what I'm not proud of, are the number of cuts that have been made to DNR. I got many complaints last year. I have three

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

people trying to take care of over 10 thousand acres of state recreation and park land. We have a campground that does land office business in the summer. Years ago and you helped, Representative, we worked in a bipartisan way. We did a complete upgrade at Kickapoo State Park; new electrical facilities, new water facilities, hot showers in the campground. Now we don't have staff to clean them and so often they're locked and people certainly aren't bashful about calling my office to complain. We do... employees do the best they can. But again, to sweep a fund when we have literally skeleton staff manning some of our state historic sites and state parks makes absolutely no sense to me whatsoever. Let me, in closing, just ask you one question and I think Representative Eddy asked the same question. If some of these funds like the Real Estate Administration Fund have so much money in them that we transfer \$5 million out, wouldn't it seem more prudent to lower the fees? I'm a licensed real estate salesman. If I'm paying so much more for my license than is necessary to regulate that profession then why don't we in the interest of transparency and truthfulness in government, why don't we lower the fee?"

Hannig: "Representative, I mean that could be one option but then you may run into the position that the fees are too low, then the agency says that we don't have enough money to operate. And so we tend to operate... we try to operate somewhere near a balance. But it's..."

Black: "Well, if you can sweep \$5 million out of the Real Estate Administration Fund, leaving a balance of \$5 million, I don't think we have to worry about the fee being too low.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

In other words, of the hundreds of professions that we license... Mr. Speaker, to the Bill. If... you know, if you're a real estate person, a lawyer, a teacher, a doctor or cosmetologist, barber, whatever, you pay a fee for the license that you use to practice your profession. And that fee is suppose to be used to run the Department of Professional Regulation, to hire inspectors to go out and see that you are doing what you're suppose to be doing to investigate complaints. If you're absconding with an escrow account, somebody needs to come out and put a stop to that. Something's wrong here. We are using licensure fees as an income producing procedure and that's not the purpose of a professional license or fee. That fee is to make them self-sufficient, hiring enough staff to make sure professions are... and licensed individuals are doing what they say they're doing. And I don't want to get my barber, we call them barbers downstate. You call them hair stylists up north. He told me he has not seen an inspector in his shop in 15 years. And he asked me, he said, why should I renew the license? And the only... the only thing I could think to tell him is 'cause we need the money. But he... I think he raised a good point. He pays his fee, he puts his license on display and he hasn't seen an inspector in his place of business in 15 years. I assume he's doing things right. Although I looked in the mirror yesterday and I'm not so sure. When all is said and done, and I appreciate your indulgence and I appreciate the attention, we can't continue down this path. Fund sweeps will eventually wipe out balances or in some cases will make the profession not

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

sustainable and so then we'll have to turn around and either raise the license fee, heaven forbid, or transfer some of this money back into the intended purpose. I think that's why the courts are interested in this. You pay a fee for your license for a specific purpose that's embodied in statute and then we come along and say, well, that's wonderful but the fund has a little more money in it than necessary so we're going to take some of the money. And I know that people have called each and every one of us in this chamber and said wait a minute, what's this all about? I mean, why don't you give me a break on the fee or why don't you hire more inspectors to police the industry? We're using this as a backdoor way of raising taxes. Now it's not a tax that everybody pays, but if you're in one of these licensed categories and we're raiding your fund and we raised... remember 3 years ago we raised the fees on a lot of those licenses, it's a backdoor tax increase. I don't think that's the way we ought to do business. It's not the way we used to do business. But when all of this runs its course, and it will in another year or two, what have we gained? A temporary fix is not going to solve the fiscal problems of the State of Illinois. We have some systemic problems that we are not willing to address and so we come up with more gimmicks than... it's like going to a circus and watching the clowns. They have more gimmicks that hold your attention, to entertain your children and grandchildren, and at the end of the day you feel good, you've been entertained, but nothing's really changed. I don't find this entertaining at all. I find this, as someone said earlier, driving very

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

close to the cliff, stopping the car, getting out and looking and hope you're not going to fall over. But sooner or later this will collapse within... you know, of its own weight. We won't have the fund sweeps, we won't have some of the gimmicks we're using and we're still going to be faced with massive debt. So, as Representative Durkin said earlier, this... this is going to pass. It doesn't make any difference what anybody says on the floor of this House. And I don't use the word deal in a pejorative manner, but the deal has been cut. Each of you in your own way feels comfortable with what has transpired. Some of us are not as comfortable with what has transpired, but everything will pass. But the public, in the next 10 days, will begin to find out what's in here, how we did it and where the money's going and then each of us, to the best of our ability, will have to answer the questions that we are going to get and that we deserve to get. How did this happen? Why did this happen? And who made this happen and what was your role in it? Some of those questions aren't easy to answer and we put ourselves in that position."

Speaker Turner: "The Gentleman from Champaign, Representative Rose, for what reason do you rise? The Gentleman from Lee, Representative Mitchell, for what reason do you rise?"

Mitchell, J.: "Thank you, Mr. Speaker, will the Sponsor yield?"

Speaker Turner: "Indicates he will."

Mitchell, J.: "Representative Hannig, I want to ask just a couple of questions about 0193, the Local Government Health Insurance Reserve Fund. It shows, I believe, a million dollars that's going to be swept. Is that correct?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "One million. That's correct."

Mitchell, J.: "With your indulgence, Representative, I'd like to read a very short letter from Thomas Meyers, the Executive Director of the Lee County Housing Authority, which says, 'Dear Representative Mitchell. I'm insured through and also a member of the State of Illinois Advisory Board for Local Government Health Plan with the State of Illinois. Each month we pay a premium into reserve fund #09...193, which assures coverage for all medical bills submitted by health plan members. A reserve of 8 to 10 million is necessary for unprocessed claims and any excess is intended to provide increased coverage to members. Unfortunately, under the authority of Public Act 093-0032, this fund was stripped of over \$2 million in 2004 to cover the Governor's initiatives, even though it is not a State of Illinois tax fund or a state trust fund. Again, in 2005, the Legislature approved another \$2 million sweep of our reserve fund. As a result, 5 percent of the increase in our health care premiums is directly attributable to these fund raids and proposed increases in dental and vision benefits had to be tabled. If that isn't bad enough, we have learned that House Bill #2316, although now it's Senate Bill 1977, will authorize even more pilferage of our money. It is our contention that reserve fund #193 should be declared exempt since its purpose is solely to provide health benefits for those who pay into it. It is not reasonable that the employees who pay into this fund should see their benefits disappear to cover... cover other state debt deficiencies over which they have no control. Our members are not able to realize the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

benefits for which they have already paid.' Now I don't know if he's completely accurate or not, Gary, but it seems to me that this is not excess funds that can or should be swept. Is there a process by which these people that have their insurance paid out of this fund can request an exemption of this particular fund?"

Hannig: "Well, I suppose that you could always make the case to the Governor's Office that we were in error and that we should... we should restore the funds. So..."

Mitchell, J.: "And if that request is denied, what would be their next step?"

Hannig: "Well, Representative, I'm not an attorney so I don't know if they have any legal recourse. Obviously, it's a voluntary fund. It seemed to be a voluntary fund and so if it's their view that they can... that they need not participate, perhaps... perhaps that would be an option for them too. I'm not encouraging that by any means, but..."

Mitchell, J.: "Well, I can certainly understand that, but to the Bill, Mr. Speaker. Ladies and Gentlemen of the House, I don't know how many mistakes have been made with the list of funds that have been swept or are going to be swept. This is the first I had heard about this one. This particular letter was sent to me on May the 1st, so it's my first look at that particular letter and the first thing I did, of course, is check and see if this fund is in the sweeps in this particular Bill and it is. And I assume that it has been swept twice before. If there's been a mistake like this and innocent people's health insurance has gone up because of this action, in this particular sweep, in this

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

particular fund how many more are there that there's been this kind of a mistake. You've got to think seriously about what you're doing to people out there and what they're thinking about sweeping funds that they feel are there for their benefit. I'm very concerned about it and I certainly can't support a Bill that would take away somebody's health insurance."

Speaker Turner: "Representative Hannig to close."

Hannig: "Well, thank you, Mr. Speaker and Members of the House. It appears that the main contention of this Bill has to do with the whole question of fund sweeps and I would simply remind Members that fund sweeps have been a part of the budget process since the 1980s. They've been embraced by both sides of the aisle in this chamber from time to time and certainly by every Governor since Governor Edgar. We've actually fine tuned the process as we've gone along in the last few years and provided for safeguards to ensure that any fund that does run out of money and finds itself unable to process its claims, its vouchers, that there's a process where money is backfilled into the system. So I don't think that it's an issue that we need to be extremely concerned about as far as the operations of how these funds work. This is a mechanism that we've used to help fund the spending Bill that we just passed. We've done it for a number of years. I think most of us are comfortable with it and I simply ask you to pass this Bill again this year. So I'd ask for your 'yes' vote."

Speaker Turner: "Seeing no further questions, the question is, 'Shall the House pass Senate Bill 1977?' All those in favor

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

should vote 'aye'; all those opposed vote 'no'. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 63 voting 'aye', 50 voting 'no', 0 'presents'. And this Bill, having received the Constitutional Majority, is hereby declared passed. The Gentleman from Jasper, Representative Reis, for what reason do you rise?"

Reis: "Thank you, Mr. Speaker and Ladies and Gentlemen of the House. I'd like to draw your attention to the Speaker's Gallery. It's an honor for me to introduce Miss Ceitlyn Glenn. She's the Miss Teen Illinois for this year. She's from Effingham in my district. She's 17 years old and a junior at Effingham High School, and she will be competing for Miss Teen U.S.A. this August. You can vote online and she'd certainly appreciate everybody's support. Welcome to Springfield."

Speaker Turner: "The Gentleman from Cook, Representative Lang, for what reason do you rise?"

Lang: "Thank you. I have a point of personal privilege, Mr. Speaker."

Speaker Turner: "State your point."

Lang: "Thank you. I know we still have a little way to go on the budget, but I didn't want anymore time to pass before I congratulated Gary Hannig on the wonderful work he's doing. This is very difficult work."

Speaker Turner: "Representative Hannig. Representative Hannig. Gary, you're excused for two minutes."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

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

Black: "Thank you very much, Mr. Speaker. I have filed a Motion and it's been carried on the Calendar for two days. At this time, under Rule 18(g), I move for the discharge of House Bill 5785 from the House Rules Committee. I... you all know what this Bill is. You all know the calls you're getting from your constituents. The State of Illinois can't do a great deal on gasoline prices, but what we can do we should do. And what this Bill does is to eliminate the state sales tax on motor fuel from May 15th until September 15th. The summer driving period, we could very well see gasoline approaching \$4 a gallon. At 6.25 percent, if it gets to be that high, I think the money should go to the pockets of working men and women and working families who are having difficulty in commuting to work. Students are having difficulty commuting to school. I don't know if you've noticed the difference, but I certainly have, in the cost of gasoline just to come over to Springfield. It is having a ripple effect on our entire economy. It doesn't do one bit of good for the Governor of this state to be silent on this issue. In fact, the only thing he's said is that it's George Bush's fault. Well, fine, whatever you want to say is okay with me, but that doesn't solve the problem. It doesn't do one thing to give working men and women relief from what may very well be record high gasoline prices in the summer driving period. That's all the Bill does. It's simple, it's straightforward. We did this in 2000. And a good friend of mine on the other side of aisle, the last

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

time we debated this said, ah, you know, it was a bunch of baloney. It didn't save any money. 'Ec & Fisc' estimated, when we did this in 2000 and gas prices were no where near as high then as they are now, 'Ec and Fisc' gave us a report and you all have it and we got it too, that the consumers saved \$160 million by our action. They would save, I would suggest, much more today. And by the way, please don't tell me that sales tax on gasoline goes to the Road Fund and oh my goodness we can't afford it. Sales tax on gasoline goes to the General Revenue Fund. It is expected that by the end of this fiscal year we will take in 200 million more dollars than we anticipated. I think giving working families a break, I think the state's still going to come out ahead on this deal. That's what the Bill does. I think it's a vital Bill, needed and necessary. I don't do this in any partisan way, but I've tried in other Bills to address some kind of relief for people throughout the State of Illinois and particularly in my district. I would ask that the Bill be released from Rules."

Speaker Madigan: "The Gentleman moves to discharge the Committee. The Chair recognizes Representative Currie."

Currie: "Thank you, Speaker. I object to the Gentleman's Motion."

Speaker Madigan: "The Lady has objected. Mr. Black."

Black: "Mr. Speaker, in the interest of time and trying to be as civil as possible I will not ask that the Chair be overruled. I will just say this to all of us in this chamber, I think many of you share my concern and many of you share my disappointment that we can't do this. It's one

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

of the few things we could do directly to give people in our district some modest relief from record high gas prices. It isn't the total answer and I understand it's a very complicated program, but I fail to understand how people who spend all of the campaign season talking about what they do and how much they love working men and women, when given an opportunity that would give honest to God relief to working men and women, you turn your back on them. I won't move to overrule the Chair, that's an exercise in pure futility. But shame on you and some of you are going to hear from your constituents."

Speaker Madigan: "Mr. Osterman."

Osterman: "A point of personal privilege, Mr. Speaker."

Speaker Madigan: State your point."

Osterman: "Ladies and Gentlemen of the House, someone who is... remains a teen in our eyes, today is the Majority Leader, Barbara Currie's birthday. And I'd like all of us to give her a round of a hand on her longest birthday."

Speaker Madigan: "On page 4 of the Calendar, on the Order of Senate Bills-Second Reading, there appears Senate Bill 230. For what purpose does Mr. Moffitt seek recognition?"

Moffitt: "I rise to a point of personal privilege. We just recognized the birthday over on your side, there's another birthday I'd like to tell you about. Yesterday, one of our colleagues became a grandfather again, Representative Sid Mathias. His son in Israel had a granddaughter and he's headed over there. Congratulations to Grandpa Sid Mathias."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "We're on the order of Senate Bills-Second Reading. Senate Bill 230, Mr. Clerk. What is the status of the Bill?"

Clerk Mahoney: "Senate Bill 230 has been read a second time, previously. Amendment #1 was adopted in committee. Floor Amendment #2, offered by Representative Hannig, has been approved for consideration."

Speaker Madigan: "Mr. Hannig on the Amendment. Representative Currie on the Amendment."

Currie: "Thank you, Speaker. I'd like to move the Amendment to... adopt the Amendment and move the Bill to Third. It's another Budget Implementation Bill."

Speaker Madigan: "The Lady moves for the adoption of the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Mahoney: "No further Amendments. All Motions have been filed."

Speaker Madigan: "Put the Bill on Third Reading and read the Bill for a third time."

Clerk Mahoney: "Senate Bill 230, a Bill for An Act concerning revenue. Third Reading of this Senate Bill."

Speaker Madigan: "Representative Currie."

Currie: "Thank you, Speaker and Members of the House. This is the Revenue Budget Implementation Bill. It does only two things. First, today businesses that experience losses can take the... take the loss against their income tax liability. If they don't have enough liability, they can take additional losses off over a 12-year period. Under the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

current law the Department of Revenue only has 3 years in which an audit might discover that they have overused that credit; and this would say that the department has unlimited time. There is no opposition to this measure and it would bring in about \$15 million not only this year but in years to come. The second provision has to do with QSWEFs which are the qualified solid waste electricity facilities. These are the facilities wherein the state loans money to those groups that are using methane gas and selling them to the utilities. We will not impair current contracts; current activities in this area, but going forward this program will no longer be available. There is no opposition to this measure either and, again, it is likely to bring in about \$15 million this year and in years to come. I would be happy to answer your questions. That's all this measure does and as I say, there is opposition to neither of the proposals in Senate Bill 230."

Speaker Madigan: "Mr. Leitch."

Leitch: "Will the Lady yield?"

Speaker Madigan: "The Lady yields."

Leitch: "So there's no opposition, if I understand, to this Bill directly, to shortening the tax loss carried forward to 3 years?"

Currie: "No, no it does not. It doesn't change that at all. They still would have 12 years in which to use up their business loss against their tax liability. But under current law the Department of Revenue only has 3 years to audit and if they discover that somebody is misusing, is taking a credit where they are not deserving of one, the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

department only has 3 years to make that finding. Under this measure, the department would not be limited in its ability to do an audit and tell somebody they do not have, that they're not legitimately taking a credit in later years."

Leitch: "So the tax loss carried forward remains 12 years?"

Currie: "It remains 12 years."

Leitch: "I thought I saw something in a 'bimp' Bill that shortened that to 3."

Currie: "No, no. It will stay 12 years. It just gives the department more time to catch up with somebody who may either intentionally or unintentionally be abusing the system."

Leitch: "Thank you."

Speaker Madigan: "Mr. Black."

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

Speaker Madigan: "Sponsor yields."

Black: "Representative, this is a Budget Implementation Bill on the revenue... on the revenue side, correct?"

Currie: "That is right."

Black: "All right. Now, I'm... I'm looking at... at my analysis and it says, and I quote, 'Amends the Illinois Income Tax Code to provide that any net loss claimed by a business on or after December 31, 2002, must be reported to the Department of Revenue within 3 years and all net loss claims may be subject to an audit.' Now, am I to surmise from that that the carry forward provision has not changed in the original bill?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Currie: "The... the carry forward provision remains at 12 years."

Black: "Okay. All right. And then how many... do you have any idea how many landfills in the United... how many landfills in the State of Illinois actually tap into methane gas? I have a very large... the reason I ask, I have a very large landfill in my district and they do not."

Currie: "I don't know that I can answer that question. I know that there are several who have participated and I know that, as I say, going forward we're grandfathering in those who are already are part of the program. And I'm looking here to see if I can tell you the answer, the actual number. I don't see it. But again, this provision was... was agreeable."

Black: "All right. Yeah, yeah, I understand. And then if... if one is participating and they do decide to sell methane gas to a distributor, then who gets the tax credit, the company, the distributor who owns the pipeline or the landfill who sells the methane gas?"

Currie: "The... the utility that buys the methane gas gets a credit for the difference in price between what this costs compared to something cheaper might have... might have been."

Black: "Okay. Thank you very much."

Currie: "And the company gets the loan."

Black: "Thank you very much. As always, Representative Currie, your answers are generally always succinct and to the point, I appreciate that. Wish you a very happy birthday."

Currie: "Would you like to vote for my Bill as a kind of present?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Black: "Well, you know, I... you're not old enough for me to send you an invitation to AARP yet, but I thought that would be your birthday present in a few years. Yeah, where's the cake by the way?"

Currie: "We... we didn't have enough money left in the budget to provide one."

Black: "We'll... we'll... we'll sweep something. We'll sweep the Bakers Regulatory Fund. Somebody get that cake up here. Mr. Speaker, Ladies and Gentlemen of the House, to the Bill. This is a straightforward Bill, it's a tax Bill. One can say that it isn't a tax increase or it's a tax decrease or it's neutral or whatever. It isn't what the Governor... I guess it's a good news, bad news sort of thing. It's nowhere near what the Governor requested that... that those evil, money grubbing businesses in the State of Illinois should pay. Those... doggone those businesses. Oh wait a minute, they hire our constituents. They give constituents jobs. They pay a lot of taxes. We've lost more than 100 thousand manufacturing jobs in the last 4 years. Twenty thousand trucking jobs since we passed the onerous commercial distribution fee. Well, you know what? Representative, I would like to vote for this Bill. It's relatively straightforward. But, I'm not going to participate in a process that builds a budget on some minor revenue enhancements, that's what we call tax increases now, so that we can prop up a budget based on toothpicks and marshmallows. And when you eat the marshmallow then the foundation will crumble. Debt, borrowing and to borrow a phrase in honor of your birthday, let those pensioners eat

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

cake. We'll get around to that pension system. Why in 50 more years, Bill, you'll see we'll have met that goal that we passed in 1995. Well, in 50 more years I'll be 133 years old. So, I won't be here to see if you met your goal. But, I sure hope you do, but I don't think you're on a path to do it. And I'm not gonna vote 'yes' for this Bill."

Speaker Madigan: "Question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? The... Have all voted who wish? The Clerk shall take the record. On this question, there are 64 people voting 'yes', 49 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. Mr. Black, are you seeking recognition?"

Black: "Yes, Mr. Speaker, with your indulgence. Math was not my strong suit in elementary, high school or college. In 50 more years, I'll be 113, not 133. But, either way... regardless of my fuzzy math... I've been around the Governor too long, fuzzy math. You know, two and two is five, three and four is four, five and five is eleven. But, either way I've got a hunch that I won't be here in 50 more years. I hope you make that goal 'cause I know a lot of young teachers are counting on you making that pension goal. But, we'll see, you know, leave a message on my grave if you would when... when it happens. I'd like to... I'd like to see it."

Speaker Madigan: "Page 7 of the Calendar there appears Senate Bill 1863. Mr. Clerk, what is the status of the Bill?"

Clerk Mahoney: "Senate Bill 1863 has been read a second time, previously. No Committee Amendment. Floor Amendment #1,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

offered by Representative Hamos, has been approved for consideration."

Speaker Madigan: "Representative Currie."

Currie: "Thank you. It's just another Budget Implementation Bill. I'd like to adopt the Amendment and move that... do the Bill on Third."

Speaker Madigan: "The Lady moves for the adoption of the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Mahoney: "Floor Amendment #2, offered by Representative Currie, has been approved for consideration."

Speaker Madigan: "Representative Currie."

Currie: "I'd like to adopt Amendment 2."

Speaker Madigan: "Mr. Clerk, how many Amendments are there? Mr. Clerk, we adopted Amendment #1?"

Clerk Mahoney: "Floor Amendment #1 was adopted to the Bill. Floor Amendment #2 has been recommended for consideration."

Speaker Madigan: "Representative Currie."

Currie: "Thank you, Speaker. If I might, I'd like to table Amendment 1 to this Bill."

Speaker Madigan: "You've all heard the Lady's Motion. Is there leave? Leave is granted. You were late."

Currie: "And then I would like to move adoption of Amendment 2."

Speaker Madigan: "The Lady now moves for the adoption of Amendment #2. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Clerk Mahoney: "No further Amendments. All Motions have been filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

Clerk Mahoney: "Senate Bill 1863, a Bill for an Act concerning State Government. Third Reading of this Senate Bill."

Speaker Madigan: "Representative Currie."

Currie: "Thank you, Speaker and Members of the House. This is the Human Services Budget Implementation Bill. It does five things. It gives the Department of Healthcare and Family Services the opportunity to do emergency rulemaking in the area of the hospital assessment. We have been waiting for the Federal Government to determine whether to approve or disapprove of the plan we adopted last spring. We believe that we will get some information from them soon, but we don't know how soon that is. There is a possibility that they will ask us to tweak the plan that we sent them and if so, this legislation would give the department, as I say, the opportunity to adopt emergency rules so that we could conform to what the Federal Government requests. Second, the measure gives emergency rulemaking authority so that 'bimp' related rules, budget implementation related rules that are needed for Medicaid rate adjustments can happen on an emergency basis. Next, it would freeze Medicaid nursing home reimbursement rates, we do this every year. Next, it would implement the minimum data set, rate methodology for institutions for the mentally diseased. Next, there would be a pilot program author... authorized so that vulnerable, ventilator dependent people aging out of the state's current

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

support program would be able to find some support through a pilot program. And then finally, it removes the authority for nursing homes to operate under the old... something about care... inspection of care program to ask the department to come and examine them. And the reason for this is this language is now redundant because of the adoption of the minimum data set program for nursing homes in the state. That's all these things do. There is no opposition, to my knowledge, to any of these provisions. And I'd appreciate your support for the Bill."

Speaker Madigan: "The Lady moves for the passage of the Bill.

The Chair recognizes Representative Mulligan. Mulligan."

Mulligan: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Mulligan: "Representative Currie, on the part that allows the director of the Department of Healthcare and Family Services to be the sole negotiator of what will now be in the hospital provider tax, how can you say there's no opposition when we have been discussing a Bill for several weeks both as a part of the CON Bill and then asked to be separated it out? What legislative oversight is left if you put this in the Budget Implementation Act for this Body, depending on what the negotiation, if it is successful, provides?"

Currie: "Representative, we'd rather be in a position to make changes ourselves. However, to bring the Legislature back is expensive for the taxpayers and we believe that the department will be working with the Hospital Association and others to respond to whatever federal requests may... may happen. It may be that we get rejected, it may be that the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

feds buy the program we've sent them. My point would be that JCAR will continue to have oversight. The hospital groups, nobody... nobody testified or slipped against this measure in committee. And I would remind you that most of the rates for hospital payment are not set by statute, but in fact, are set by department rule. So, I don't think this is any different from what we do ordinarily in the business of funding our health care institutions at least in the hospital arena."

Mulligan: "I think it differs a great deal. Last year when this legislation was negotiated at the end of Session there was a big disagreement over the fact that the director wanted unlimited authority to negotiate without any legislative oversight. That was denied him in the legislation that was passed by this Body. And now, you want to change that in a Budget Implementation Act. I would also suggest to you that the hospitals are no longer in any position to argue with him since because we combined the agencies so that they now have oversight on every different amount of money that is given as a fee whether it be for what hospitals are paid under the Illinois Employees Health Insurance, what Illinois hospitals are paid for Medicaid, what legislation is trying to be pushed through the General Assembly which is punitive to hospitals. I think they find themselves in a very difficult position here. They do have to come to JCAR, is that my understanding?"

Currie: "You are correct."

Mulligan: "So, what kind of authority would JCAR have... what would it take for JCAR to dispute any emergency rulemaking

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

that they would make? And wouldn't the emergency rulemaking allow them to move forward almost immediately no matter what JCAR does?"

Currie: "They can file statements of objection; they can suspend rules if there is an extraordinary vote on... among the members of JCAR. And that, of course, is what happens. As I say, most of the time we don't set rates. The reason we did this time was because we wanted to participate in the decision. How far can we go and still win federal approval. We're now in a whole different time zone. Now, we will know what it takes to get federal approval or whether the feds say no or whether the feds say yes. So, it'll be a smaller arena in which the department will work."

Mulligan: "Under the emergency rulemaking process there is no time for a comment period like there is under a regular rulemaking process. So, JCAR could be told that..."

Currie: "There's..."

Mulligan: "...they're going to come for emergency rule without there even being a time for a comment?"

Currie: "There is an opportunity for written comment in any rulemaking, including emergency rulemaking."

Mulligan: "Oh, I think if you go back and you look a book under the emergency rulemaking there's not the same period of comment to make a comment on that."

Currie: "There is the opportunity to make written comment."

Mulligan: "Therefore, when you go before JCAR, a Hospital Association cannot testify. They can only discuss through the members of JCAR as they are lobbied or as far as their rules go. I think this is a very big advocacy of rules

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

for us to give away our legislative oversight on things like this through a 'bimp' Bill to the director of an agency where we were only allowed to hear an hour and a half of testimony on their \$16 billion budget, which they certainly went along with. I really find this to be a really scary thing to do in this budget Bill. To the Bill. The Department of Healthcare and Family Services does not want oversight on anything. They wanted last year to be able go in and negotiate without this. This year, when we wanted to put together an oversight committee on All Kids Program they totally sabotaged it and said that they did not want any oversight, they were perfectly happy to do that. When we asked for a longer discussion on the Human Service Budget in their area for that Department of Healthcare and Family Services, we have been allocated including the time and the discussion of the budget yesterday one and one half hours on a \$16 billion budget. Hospitals in my area, my... one of my particular hospitals will pay the single largest tax of anyone under the current proposal. And the Federal Government is looking for more losers. So, this could definitely change so that others hospitals were penalized. In legislation that was sponsored earlier that was very punitive to hospitals, there was absolutely no provision for any of these hospitals who sacrificed their own ability to help a whole system turn out better and to help the state to have any consequences or any kind of reimbursement even in an issue because they're putting out such huge taxes to give the state additional Medicaid money and to give their hospital system additional advantages to help the people

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

that they represent. What's happening to hospitals in Illinois is a really interesting thing driven both by unions and people who are pandering to them. To allow this to go through in this Budget Bill, to give them unprecedented authority and to give up your legislative oversight on something that is so very, very important is unconscionable. I think it is foolish for the Legislature to give this away. Remember, we are three branches of government here. Why are we giving everything away to the Executive Branch. This is totally foolish. This is a really bad thing to do. How much would it take for us to come down for one day and pass this? If they even get it. I was told the other day in a very brief conversation with the director that, of course, Denny Hastert wanted him to have this kind of oversight. I doubt that seriously. I don't think this is a good thing to do, even though I'm on JCAR which we'll watch very carefully what happens here. This is a really bad precedent for us to set to give our way... legislative oversight to the Executive Branch that doesn't even want you to examine their budget for more than an hour and a half."

Speaker Madigan: "Mr. Myers."

Myers: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Myers: "Representative, you've mentioned in your remarks when you opened that this included the freeze on... the Medicaid freeze for nursing homes, their rate freeze, is that correct?"

Currie: "That is right, we do that every year."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Myers: "Yes. And you said that, you do that every year. And every year we go on and we have more and more nursing homes closing. So, why do we... why do we freeze these rates every year?"

Currie: "They are actually getting a rate increase in this budget, but what this does it to say they don't also get the COLA. The automatic COLA that is in the statute and that's what we do every year. But, there is a rate increase for nursing homes. There... we are also moving to the minimum data set approach in terms of... of reimbursement and nursing home associations, all of them, support this proposal."

Myers: "Well, I can understand maybe if the Nursing Home Association supported this proposal, but there are individual nursing homes within the state, I believe, that would very much like to see some additional rate increases. The one that I'm most familiar with has a reimbursement rate of about \$73 a day. Now, I stay in a hotel down here that I get the state rate and I pay about \$70 a night on the state rate basis and I get a room with two beds and a clean bathroom. When we're paying \$73 a day to this nursing home for a Medicaid patient, they're not only providing the room, but they're providing medical services, they're providing nurse... skilled nursing services, they're providing food and they're providing 24 hour security. And I think that we do a disservice to many of our nursing homes, even though they're getting a rate freeze as you mentioned in another part of the budget, I really think they we're doing a disservice when we just automatically every year deny them any kind of a cost of living allowance or cost of living

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

increase in their Medicaid rates because not every nursing home is at the same level. We know that they go from 50... or 70 dollars a day in my instance to over \$100 a day in other instances. We also know that in the State of Illinois our reimbursement rates are about 49th in the nation. We certainly are lower than any of our neighboring states when it comes to reimbursement rates for the geriatric care of long-term patients in the nursing home industry and I... I seriously think that someday we need to step back and say rather than just do this on an automatic basis every year, let's take a look at it and see if some nursing homes deserve a raise more than others. And I know the minimum data sets are gonna help this if we've got enough money in the budget. Thank you very much, Representative."

Speaker Madigan: "Question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? The Clerk shall take the record. On this question, there are 63 people voting 'yes'; 50 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. On page 4 of the Calendar, on the Order of Senate Bills-Second Reading, there appears Senate Bill 176. Mr. Clerk, what is the status of the Bill?"

Clerk Mahoney: "Senate Bill 176 has been read a second time, previously. Amendment #1 was approved in committee. Floor Amendment #2, offered by Representative Hannig, has been approved for consideration."

Speaker Madigan: "Mr. Hannig."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hannig: "Thank you, Mr. Speaker. I'd move for the adoption of the Amendment."

Speaker Madigan: "The Gentleman moves for the adoption of the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Mahoney: "No further Amendments. All Motions have been filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

Clerk Mahoney: "Senate Bill 176, a Bill for an Act concerning education. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Hannig."

Hannig: "Yes, thank you, Mr. Speaker and Members of the House. This is the Budget Implementation Bill concerning education. It does just a few items and I'll briefly read them. It postpones the phase-in for the poverty hold harmless. It changes the foundation level to \$5,334. That's an increase of \$170. It provides a transitional assistant payment so that no school district receives less than it... than... less than the payment received in fiscal year '04. It corrects some... corrects the source of deposits to the State Board of Education's Federal Department of Agricultural Fund. This is just technical in nature. And it provides for a cooperative agreement between the state board and the Arts Council for the administration and award of that program, of the Arts Education Grants. So, that's what the Bill does. I'd be happy to answer any questions. And I'd ask for your 'yes' vote."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you very much, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Eddy: "Representative, very quickly a couple of questions. The addition of \$170 to the foundation level, what does that do to the foundation level in relationship to the recommended level of funding from the Education Funding Advisory Board?"

Hannig: "I think it makes it... brings us closer, Representative."

Eddy: "I think that's an accurate statement. I think, however though, even with the additional 170 it falls about a thousand dollars short of the EFAB recommended level. And I understand the amount of money it might take to do that. I just want to remind the Body that the larger question and the larger issue here is how we're going to address at some time or another the real problem and that's the inequity that still exists and... and the underfunding that exists in some school districts. The... the foundation level is supposed to be the minimal state level that is afforded to each school district per pupil. And even with this increase we are woefully short of that amount. And without some type of infusion of revenue and a serious effort to bring revenue into this... this situation we're probably going to continue to be short. The other issue that I want to point out regarding this, there... there's nothing done with special education personnel reimbursement with this budget. Is there... there's no... there's no increase?"

Hannig: "That's correct. There is no increase in... in the underlying statutory language."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Eddy: "So, so we are... we are really operating under a 1988 certified personnel funding level for special education teachers? I... I think that's an also... an issue at some point or another we're gonna have to address. It takes funding and it's something we're gonna have to come together on. Do you know if there was any serious discussion of adding money to the special education line item to help with that problem?"

Hannig: "Representative, I think what we really need to do on the substantive side is to... is to introduce and pass a Bill. And then that will drive the appropriation."

Eddy: "Yeah, Representative Coulson has a Bill in that didn't get out of Rules, suffered the same fate as many Bills. But, it does just that. What it does is it ties that amount to... to an increase over a period of years to try and bring it up to a level that, it was close to what 20 years later might require for certified teachers in special education or other types of aides. I certainly understand the issue, but I... I keep... I keep harping on it because it is an important one to school districts. It helps all districts in the state, not just districts in Chicago. We always get this argument, downstate versus suburbs versus the city. But, this is truly one area, Representative, that I believe that in the future if we get serious about we can get some real agreement in this Body, which would be a... as you know sometimes we're able to do that and it makes it a lot easier. But, thank you very much for... for your indulgence and I appreciate the opportunity to make those points. Thank you, Mr. Speaker."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 64 people voting 'yes', 49 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. On page 4 of the Calendar, on the Order of Senate Bills-Second Reading, there appears Senate Bill 14. Mr. Clerk, what is the status of the Bill?"

Clerk Mahoney: "Senate Bill 14 has been read a second time, previously. Amendment #1 was approved in committee. Floor Amendment #2, offered by Representative Hoffman, has been approved for consideration."

Speaker Madigan: "Mr. Hoffman."

Hoffman: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. Floor... Floor Amendment #2 to Senate Bill 14 would free up \$250 million in money that..."

Speaker Madigan: "Mr. Hoffman, did you wish to adopt the Amendment to the Bill and then..."

Hoffman: "Yes, I do."

Speaker Madigan: "...present the Bill on Third Reading? So, Mr. Hoffman moves for the adoption of the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Mahoney: "No further Amendments. All notes have been filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Clerk Mahoney: "Senate Bill 14, a Bill for an Act concerning State Government. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Hoffman."

Hoffman: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. Senate Bill 14 is designed to transfer up to \$250 million in general revenue funds into specific Medicaid funds to help pay bills to pharmacists, nursing homes and hospitals. These payments will generate up to \$250 million in Medicaid reimbursement, which will total \$500 million in provider payments, will reduce the state's payment cycle by 23 days. And we've heard much debate today about the payment cycle, the pharmacists, nursing homes and hospitals. This money is a result of a vote that was taken back in July of 2004 in the House on the budget of that year in which there was an administrative chargeback that was allowed of up to 8 percent. That has produced this \$250 million which we then can send to the Federal Government, can double it under their Medicaid match program and we'll be able to reduce for pharmacists, nursing homes and hospitals 23 days of the state's payment cycle. I ask for a favorable Roll Call."

Speaker Madigan: "Mr. Winters."

Winters: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Winters: "Basically, what we have here are administrative chargebacks. We sometimes confuse this with the sweeps, but as I understand these, at least some of these have been the topic of court cases where the Circuit Courts have said that these were not allowed. And that's what the Treasurer is

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

basically saying, that as long as these court cases are still out there not finally adjudicated that we probably shouldn't be... be taking this money because we would then have to replace it, probably with interest. Is that a... a fair statement of at least some of the funds that are in here?"

Hoffman: "It's my understanding that there... there is injunctive relief that has been issued for some funds. Those funds are not contained in this."

Winters: "Okay. But the... the same legal argument can be made for the other funds that are in this Bill. We've already had court cases that have resolved that the sweep was not legal. Therefore, if we do, excuse me, and I... I'll get my terminology mixed, not the sweep but the chargeback, that the chargeback was not legal. If we do transfer this money we, I think, stand a great chance of having to later repay it into these funds. Is that... I mean can you... can you tell me where the logic is wrong in saying the courts have found that a chargeback is illegal in this fund and there's another hundred funds? What is going to stop the courts from finding with another court case that the same... the same argument won't hold sway? Now, I'm not an attorney so maybe that makes too much logic. You are an attorney, tell me where the logic's wrong."

Hoffman: "Well, first of all, I don't know of any cases that have been taken to the highest court, the Supreme Court, that has been successful. The court has generally been positive of the actions that we've taken with regard to chargebacks and taking money out... out of some of the funds."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

However, there is one case that is still pending. I don't know that the legal reasons for that case, but that case is... we are not using any of the money that was as a result of that case. This money is a result of unilateral action that was taken by the Treasurer after you and I and a hundred..."

Winters: "I don't..."

Hoffman: "...and a hundred and five individuals in the House on July 23rd, 24th of 2004 allowed for this administrative chargeback and the Treasurer believed that the action authorized direct transfers and was too open-ended. So, what we did regardless of whether she's right or wrong, we decided, well, let's have the Legislature be very specific about the uses and the uses that we're recommending is uses to pay down the payment cycle. So, we're attempting to address her concerns, whether they're right or wrong. This is an attempt to do that and allow for a 23-day reduction in the payment cycle."

Winters: "Well, setting aside those concerns, I think that is... that is one reason not to vote for the Bill as we do have some legal concerns, but you then say that we are trying to pay down our Medicaid backlog with these funds. Let me point out that what this is saying that is the Medicaid overrun the late payment cycle counts more than the \$14 million coming out of the DCFS, Children Services. So, we're taking this from Children Services that DCFS is providing for kids that are wards of the state that are in danger and transferring that money away and spending it in another rather than where the initial fund was set up. That... that's one example of hundreds in here where I... I feel

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

that we may be making a serious mistake. These funds were set up for specific purposes. The fees that... that provide the funds are charged to that industry or that group within our state that is concerned with that. They're to be set aside and used for those purposes and now we say, you know what, you may not need it this year so we're gonna... we're gonna charge that back. I believe it's an 8 percent charge each year to a different purpose than what it was originally for. Is that a fair statement? Maybe... that may be not the best question. I... I think it is a fair statement."

Hoffman: "Well, I... I... I don't agree with what you're saying because this is different than what you were arguing about any new money that was taken out of any funds. Back in July of 2004, the historic overtime Session, we had an agreement and there were two Bills that were passed and you voted for both of them, Representative. I voted for them, 104 voted 'yes' on Senate Bill 2020... 2206 and 105 people voted 'yes' on Senate Bill 3340 that allowed for an 8 percent administrative chargeback. That 8 percent was then applied to the funds. We... 105 of us voted for it. You voted for it. And that money was then taken pursuant to the actions of the Legislature and it is already out of the funds."

Winters: "Well, I admit..."

Hoffman: "It was taken..."

Winters: "...I..."

Hoffman: "...it was taken at that time. And now the money has been frozen as a result of this action. Now, whether you agree with the action or not, this is not any new money that has been... is being taken from the funds."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Winters: "Were... were..."

Hoffman: "It's money you voted for already."

Winters: "...were these funds specifically in that part of the legislation? Were they... they named?"

Hoffman: "It's my understanding that the funds that were not... the funds that were not allowed to be charged an 8 percent chargeback were delineated..."

Winters: "Okay."

Hoffman: "...in the language. So..."

Winters: "So, what we didn't..."

Hoffman: "So, I mean... I mean, I... you knew that if it wasn't delineated then those funds were subject to an 8 percent administrative chargeback of which you and I both supported."

Winters: "I guess what I'm saying is I probably made a mistake at that point because by having only the... the funds that were not going to be charged back, the only ones delineated, we didn't realize some of the funds. I want to put on record that we are... we are shorting the Trauma Center Fund almost 1.3 million, the Firefighters Memorial Fund, Early Intervention Services lose over \$3 million, Renewable Energy... I... it's hundreds of funds in here that we think that the purpose of that fund is better served to retain this money rather than artificial 8 percent chargebacks so that we get it into GRF and people need to understand that's all that we're doing. It's taking money that isn't necessarily gonna be used in the next six months, putting it into GRF where it's gone tomorrow."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hoffman: "That... that is not correct. That is absolutely incorrect."

Winters: "In... in what way."

Hoffman: "Because number one, the money is already out of the funds. The money was taken out of the funds as a result of our actions..."

Winters: "And where is it now?"

Hoffman: "...and the actions that we took back in July of 2004. The Illinois Comptroller has up to 250 million and it... that is sitting in the State's General Revenue Fund as a result of the transfers. The State Treasurer has refused to process this. Now, whether she's right or whether she's wrong, I'd rather not get into that debate. But what I am saying here is the money is sitting there. We are now saying by legislative action, we are going to say that these things will go out of the State General Revenue Fund and they'll be put into the fund that pays the pharmacists, nursing homes and hospitals and by doing that, we can double it. We can take the 250 million, we can make it 500. And we can then reduce the payment cycle to pharmacists, nursing homes and hospitals. Now, you may argue we should reduce it more. I'm saying this is a plan that will allow for a reduction and utilize money that has already been taken as a result of action you and I took."

Winters: "Well, I... I'm willing to admit my mistake. I'd like you to join me in admitting that we probably made a mistake 2 years ago, these funds should have left... been left sacrosanct instead of raiding the money. So, I would urge opposition to this Bill. Thank you."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Mr. Sacia."

Sacia: "Thank you, Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Sacia: "Representative Hoffman, yesterday I... I was looking this Bill over and if my math was correct I counted 173 different funds. And I just listened carefully to the debate between you and Mr. Winters and I... I'm little bit in a quandary because to me it appeared that... that this is an out and out sweep. And some of the ones that really jumped out at me and I... I've really gotten a lot of emails and calls, OSLAD is one in particular, Natural Area Acquisition, that's the total between the two of 8 million. One that really hit me and one that... a colleague of mine on this side of the aisle had spoken so eloquently about in committee, 374 thousand from Veterans Rehabilitation. We've taken 200 thousand from the fairs, Ag Premiums 2 million. Representative Winters already talked about DCFS. We've got Alternative Fuels, 247 thousand. Early Intervention, three plus million. Department of Corrections, 1.6 million. I guess I could go on and on and it would do little good. But I... I truly don't understand, Representative Hoffman, how... if this isn't a sweep to get \$235 million, please help me understand that. Because I... I don't... I just don't see it."

Hoffman: "So, you and I... Joe, on the fateful day of July 24, 2004, maybe you made the worst vote of your life. I don't know."

Sacia: "Maybe I did."

Hoffman: "I don't know. But, you and I both voted in order to allow an 8 percent administrative chargeback on these funds."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

That money... that money... the money that the 8 percent represents is sitting in the Comptroller's Office. Way back then it was taken, it was given to the Comptroller's Office. The Comptroller under his constitutional duty has ordered the Treasurer to release these funds. The Treasurer not, in my opinion, not following her constitutional duty has refused. Now, you can say this is whatever you... what... whatever you want to say. The bottom line is, back then on that fateful night that maybe you wish you wouldn't have voted that way, you voted..."

Sacia: "No."

Hoffman: "...with me and pursuant to that vote the money is sitting there. My point is, why would you leave money sit there that can be doubled and can go to pharmacies, go to nursing homes, go to health care providers and hospitals and reduce their payment cycle? It makes no sense. The money cannot go back into the funds. The money was taken pursuant to your and my vote."

Sacia: "Representative Hoffman, that may be true, but I... I stand here and assure you, Sir, if I would have known in any way, if there had been any paperwork or anything on our computers in front of us showing that we were taking \$374 thousand from Veterans Rehabilitation, I can... and just use that one item, Sir. If I would have known that was in there I never in a million years would have voted for it. And... and I just... the only way it could have been in there would have been through some type of deception and I... I don't want to believe that that happened, Sir."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hoffman: "Hold... hold on... hold on. Now, that... we're both... I hope that... and I consider you an honorable man, I hope that I am."

Sacia: "Yes, Sir."

Hoffman: "This was the grand coalition year. Okay. Where we had the coalition of the Republicans and the Speaker..."

Sacia: "I agree. Yes."

Hoffman: "...and everybody agreed on a budget. Represent... Leader Cross voted for the budget, I voted for the budget, you voted for the budget."

Sacia: "I did."

Hoffman: "I don't... I wouldn't ever accuse... I would never accuse Leader Cross of deceiving your caucus by slipping something in there such as an 8 percent administrative charge."

Sacia: "I don't think Leader Cross slipped anything in there and I don't think you did either, Representative Hoffman. But I can assure you that there isn't a veteran in this Body that would have voted for taking money from Veterans Rehabilitation. That would be absolutely unconscionable. That isn't a big amount of money in the overall scheme of things, but I think it makes the point. Representative Hoffman, I'm not gonna to take up a lot of time on this floor. All I know is having listened to the debate in... in committee the other day between you and Representative Stephens and... and seeing all the items that are on the computer and what I counted up yesterday, I don't know what happened. Maybe it was just the grand scheme that I did, in fact, miss 3 years ago. I doubt that. I don't think these items were spelled out at that time. Thank you, Sir."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Representative Mulligan."

Mulligan: "Thank you, Mr. Speaker. I'd like to ask a question.
Representative Hoffman, will you yield?"

Speaker Madigan: "Sponsor yields."

Mulligan: "I'd like to know where you got the title for this
Bill, the Opportunity Fund Act? It always amazes me what's
showing up on the board, but that one is really beyond
belief. Who's opportunity?"

Hoffman: "Can... I think it was... it was..."

Mulligan: "You obviously didn't think up that name."

Hoffman: "It was constructive thinking by LRB, I don't know."

Mulligan: "Very interesting. I'm just gonna talk to this Bill
and I'm not gonna..."

Hoffman: "It was a vehicle Bill, I'm told. So..."

Mulligan: "...I'm not gonna ask anymore questions. As far as the
vote in 2004, you know, when we've tried to go along with
the Governor and he presented the fund sweeps and he
presented it kind of on the basis that it would be a one-
time thing that we would help him get through a bad time.
And so, we went along with it and then he reneged on all his
promises that he made in the following year and has
continued to renege on them. And, you know, you don't have
to stay wed to an abuser that's why there's divorce. And so
at some point we walk away from it. And the Governor's
mismanagement does not make an emergency for us. Better
planning could have averted this. And to have providers or
to call providers and tell us that they absolutely have to
have this to pay their... have their bills paid is really
unconscionable. They deserve to have their bills paid.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

They don't need to have their arms twisted. But, I want to go to one really telling thing that happened this year. At the Thompson Center during the hearings on Human Service Appropriations I asked one of the Governor's people there that was representing him from the Governor's Office of Management and Budget what rationale there was in how they swept funds? And he said to me, 'What do you mean rationale?' And I said, 'Well, when we decide how we're gonna cut a budget or what we're gonna do with a budget, we sit around the table with staff or with other people and we go, how will this impact the public? Can we put off buying the police cars 'til next year? Can we take the money from community care services line, if they're gonna help... help the elderly or hurt the elderly?' And we make decisions based upon how they impact the public and what happens. And the gentleman from GOMB said to me, 'There is no rationale.' And I thought, that pretty much describes the fund sweeps in Illinois the last couple of years. There is no rationale. They sit there and they take whatever 'til the Legislators come back and say, 'you can't do that because it's gonna hurt somebody.' And we throw enough of a fit if we have enough time to see it to stop that fund sweep. This is really a really bad, bad policy. Occasionally, you could see doing it once or twice, taking a fund if there was a lot of money. But, not con... over and over and over again when the main driver of this, the Governor's Office of Budget and Management says there is no rationale on how they take the fund sweeps. Just think of that. No rationale for how

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

they're doing this, really intelligent. We're not gonna vote for this Bill on this side I am sure."

Speaker Madigan: "Mr. Black. Black."

Black: "Thank you very much, Mr. Speaker. You know, in the overall scheme of things... and I voted against the original Bill, by the way. I voted for the extension. But in the overall scheme of things and the, you know, the mind can endure... the mind can only put up with what your rear end can endure and I think all of us are getting tired. But, I... I can't help but think when I... when I went over awhile ago and said hello to Representative Patterson and welcomed him back, some of these arguments are... they're not silly. People have... people feel strongly about the issue on both sides. But I think Representative Patterson's health is a lot more important than me speaking for the next 30 minutes on something that I know is gonna pass. So, let me just say, very briefly and very quickly, I will resist any of you on your side of the aisle who will throw back at me a vote that I made in good faith in trying to get us through a very difficult budget year. Let's not forget that this chargeback authority goes away at the end of the next fiscal year. We put a sunset clause on it so at the end of fiscal '07 this chargeback authority will disappear unless you decide to extend it. And I think most of us have learned our lesson on this side of the aisle. We tried to help, we worked in a cooperative, coalition manner, we did some things that we thought would get us out of the difficulties we were in. And the difficulties have widened, the rancor has increased not decreased. And here we sit and argue

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

about \$235 million when we owe Medicaid providers almost \$2 billion. That's the equivalent of passing somebody on the street who's hungry and you say, here have a cigarette. And you feel good about the offer. Two hundred and thirty-five million for past due Medicaid bills, I suppose one could argue is better than nothing, but not much. Next year, Mr. Speaker, I hope you will involve us in the process. I look forward to that. I always enjoy working with you; I certainly enjoy working with Representative Hoffman. But this Bill is going to pass regardless of my feelings about some of the transfers. I won't belabor the point. Let's vote on it. Let's let Representative Patterson get the rest that he needs. Let's get on with the business of the House."

Speaker Madigan: "Mr. Ramey."

Ramey: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Ramey: "Representative, in committee last week when we... yeah, last week we discussed this, there was a few questions you were unable to answer that I asked. Are you prepared to answer those now? Do you remember those questions?"

Hoffman: "Do you remember 'em?"

Ramey: "Yes, I do."

Hoffman: "Okay."

Ramey: "Are you ready?"

Hoffman: "Maybe I ask 'em and maybe... I have staff here now that maybe we can answer."

Ramey: "All right. Since I was not here 2 years ago to vote on this, my question to you back then was, how much was

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Medicaid owed 2 years ago? Okay. We're not ready for that one."

Hoffman: "I'm looking... I'm looking at our budget person and he did this, so..."

Ramey: "He does that. Okay. How much do we owe Medicaid now?"

Hoffman: "I don't know that we owe Medicaid, we would owe providers. So..."

Ramey: "Okay. Well, let's say the providers then. Is it about 1.8 I think we came up... that's been in discussion all day today?"

Hoffman: "I'm..."

Ramey: "1.8 billion dollars?"

Hoffman: "...I'm getting a lot of help here."

Ramey: "Well, let's move on then. I believe the next question I asked you was that we're taking the 234 million to get 500 million back, correct?"

Hoffman: "Yes. It's my understanding it's 2... it's more like 250 million."

Ramey: "Okay. Well, the sweep says 234; it's 250 to get 500 back?"

Hoffman: "Yes."

Ramey: "Is what you're saying? Okay."

Hoffman: "I think... it's essentially doubled."

Ramey: "Okay. Are we applying the whole 500 million then to the providers?"

Hoffman: "It'll be specifically put into the funds for pharmacists, nursing home payments and hospital payments."

Ramey: "All 500 million?"

Hoffman: "Yes."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Ramey: "Okay. 'Cause I... ours states 250 million would go to those three and then 250 goes into GRF?"

Hoffman: "It's my understanding in order to insure that you get the 250 for the federal program that you have to... you're gonna have to pay it towards Medicaid. Otherwise, they won't just give it to you in order to go somewhere else."

Ramey: "So, all 500 will... million will..."

Hoffman: "Yes."

Ramey: "...go to Medicaid? Okay then. I think the next question I'd asked you then, are we gonna pay that 500 million all at once to the providers?"

Hoffman: "I... I have an answer for the pre... at the end of FY '06 if we do not do this Bill it will be 1.7 billion dollars that would be owed."

Ramey: "That's now. Did we get the question answered for 2 years ago? Still working on that one. Okay."

Hoffman: "Yeah."

Ramey: "Okay. Is all 500 million then gonna be applied to the providers now?"

Hoffman: "It... yes. It's my understanding that it'll reduce the payment cycle by 23 days."

Ramey: "So, as I asked before, does that go... once you get the 500 million does it all go directly out then to the providers?"

Hoffman: "Well, it all has to go to providers. So, we're not gonna sit on it. We're gonna send it out to providers and try and reduce their payment cycle."

Ramey: "By 23 days? And the average I believe you said was at the time 75 days now?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Hoffman: "I... it's my understanding that the... we... if we did nothing the payment, the average payment cycle would be 74 days towards the end of FY '07. So, therefore this would reduce that by 23 days and would make the average 51."

Ramey: "Okay. That's, I think, what we discussed the other day. When the 500 million is gone, do we lose the 23 days saved?"

Hoffman: "It's my understanding the cycle is back bills. So, it's really a one-time payment. When you reduce back bills, increase... but you increase your cash flow then... then your cycle will remain throughout FY '07 at about 51 days."

Ramey: "On an average? Because we heard in testimony before, it's 90 days, 100 days, 120 days."

Hoffman: "Yeah. All I can do is address... I heard that earlier. All I can do is address average payment cycle."

Ramey: "Okay."

Hoffman: "And it is true average is just that, some are higher some are lower depending on the circumstances."

Ramey: "So, for FY '07 you're saying we're gonna drop 23 days for the whole year?"

Hoffman: "It's my understanding that our appropriations in the budget, if your appropriation meets the expenditures then your payment cycle will remain at that level and it will be reduced by this 500 million."

Ramey: "So, we have roughly you're saying 100... a 1.7 billion we owe providers, we're gonna give 'em the 500 million now to lower it to about 1.2 billion we owe. That's for the past year, correct?"

Hoffman: "Well, it's my understanding the way this works is your appropriation... if your appropriation equals your anticipated

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

expenditures, which we believe it does this year, you will never be in a situation of increasing your payment cycle. Okay? Because your appropriation is gonna meet your expenditures. However, you're right. You will always be behind by about 51 days."

Ramey: "Okay. And the last question that I didn't get answered the other day was, are we gonna... since I guess we're paying all this money to the providers, I guess we won't be putting the 234 million back in that we're sweeping out?"

Hoffman: "Again, it's not a sweep."

Ramey: "I'm sorry, chargeback."

Hoffman: "It's a chargeback and I... I understand some people think they're the same, but they're not. It's a... it's a chargeback and the money has already been removed. It... it would... either way if we did nothing, it wouldn't go back."

Ramey: "It would just sit there without being used at all?"

Hoffman: "It would just sit there in a trust fund and we wouldn't be utilizing it, we wouldn't be doubling it and we wouldn't be using it to the benefit of health care providers."

Ramey: "Why... why can't it go back in?"

Hoffman: "Well, I guess we could pass a Bill that... if we were to pass a Bill and put everything that was taken out as a result of the Bill that we passed in 2004 back, I guess you could do that. But, it... otherwise pursuant to the law that we passed it's sitting in a fund."

Ramey: "Right."

Hoffman: "It's sitting in a trust fund."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Ramey: "So, we could put the money back in once we get the 500 million back?"

Hoffman: "You would put... you could pass a Bill that delineate all the funds and put it back if you wanted to. I haven't seen that Bill proposed, but it wouldn't be the 500, it would just be the money you took out."

Ramey: "Correct."

Hoffman: "Yeah."

Ramey: "That's all I was saying. All right. Thank you. And so, a few more of those questions we'll get answers to eventually?"

Hoffman: "Yeah, I think... the only... there's only one outstanding one and I'll try and get it."

Ramey: "All right. Thank you."

Speaker Madigan: "Mr. Rose."

Rose: "Mr. Speaker, will the Sponsor yield for a quick question?"

Speaker Madigan: "Sponsor yields."

Rose: "I... Representative, this is... I... I wanted to ask this on the last one and I... I didn't get in. But the State Asset Forfeiture Fund there's some money in here that's being transferred out of the State Asset Forfeiture Fund. Where's that going? I mean, is that going into GRF?"

Hoffman: "Here... So, what happened is back in 2004 we allowed for this administrative chargeback of the funds. The money pursuant to our Bill that we passed, you and I voted for, it was removed into a trust fund. It was going to be used in order to provide for the administrative services of the funds. Yes, into GRF. However, that hasn't happened. The

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Treasurer has put a lock down on this money. The money is sitting there. So, we have taken the affirmative step instead of letting the money just sit there in limbo, we'll..."

Rose: "I understand that."

Hoffman: "...double it and send 500 million to providers."

Rose: "The question is simple. And this one specific fund that goes into GRF, it's not been used for a law enforcement purpose. All right."

Hoffman: "I apologize..."

Rose: "You answered the question, that's fine. Thank you, Speaker."

Hoffman: "I apologize, I didn't hear."

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 63 people voting 'yes', 50 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. Senate Bill 611. Mr. Clerk, what is the status of that Bill? The Bill is on page 5 of the Calendar on the Order of..."

Clerk Bolin: "Senate Bill... Senate Bill 611, a Bill for an Act concerning local govern... the Bill has been read a second time, previously. No Committee Amendments. Floor Amendment #2, offered by Representative Molaro, has been approved for consideration."

Speaker Madigan: "Mr. Molaro. Mr. Molaro on the Amendment. Mr. Molaro."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Molaro: "Yes, I'm... I'm sorry, Mr. Speaker. This is a... thank you. This is Amendment #2 and forget what it says on the board, that's not what it does. It's been gutted. Basically, all this does is a bunch of fees haven't been changed for the sheriff. When you're going out to serve a summons or serve a warrant or serve an order of attachment or serve a notice of judgment, you spend \$15 and that's the ceiling that the Cook County sheriff could... could serve. On lawsuits out there, the sheriff's office is losing money. So, now when people come up and file these lawsuits it's actually the taxpayers paying for it 'cause the sheriff can't go over \$15. All this says that in Cook County the sheriff may go up to \$35 for something that's now a \$15 fee. This fee is not paid by the public. This is being paid by people who go out there and want to serve a warrant or serve a notice. So, the two things are. It's Cook County only. Taxpayers of Cook County are losing money and it's permissive language. That's what the Amendment does."

Speaker Madigan: "Mr. Saviano."

Saviano: "Thank you, Mr. Speaker, Members of the House. I rise in support of this Floor Amendment. Being a Cook County Legislator this will take some of the burden off the Cook County taxpayers. In general, it will allow the civil process unit to continue to act in an autonomous manner and do the job they've always done and a fine job speaking as a former process server. And I would urge you supporting Floor Amendment #2 to the Senate Bill 611."

Speaker Madigan: "The question is on the Amendment. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

it. The Amendment is adopted. Are there any further Amendments?"

Clerk Bolin: "No further Amendments. No Motions filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

Clerk Bolin: "Senate Bill 611, a Bill for an Act concerning local government. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Molaro."

Molaro: "Thank you. It's a pretty uncomplicated Bill. I explained it. It's been \$15 for many, many years. We have to push it to \$35 because that doesn't cover the cost. It should be cost... the cost should be covered by the person filing the lawsuit and asking the sheriff could go out there. It should not be covered by the taxpayers. So, the person who is filing this, we're serving the warrant, serving the judgment, now they would be able to pay for it. It is permissive and it is Cook County only."

Speaker Madigan: "The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 71 people voting 'yes', 41 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. Mr. Clerk, do you have a Rules Report?"

Clerk Bolin: "Committee Reports. Representative Currie, Chairperson from the Committee on Rules, to which the following legislative measures and/or Joint Action Motion were referred, action taken on May 03, 2006, reported the

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

same back with the following recommendation/s: 'direct floor consideration' for Senate Bill 1892, which is referred to Second Reading; and 'direct floor consideration' for Amendment #3 to Senate Bill 2030, approved for consideration."

Speaker Madigan: "Mr. Turner. Mr. Turner, did you wish to call Senate 1279? Mr. Clerk, Senate Bill 1279, what is the status of the Bill?"

Clerk Bolin: "Senate Bill 1279 is on the Order of Senate Bills- Third Reading."

Speaker Madigan: "Read the Bill."

Clerk Bolin: "Senate Bill 1279, a Bill for an Act concerning employment. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Turner."

Turner: "Thank you, Mr. Speaker and Ladies and Gentlemen of the House. Senate Bill 1279 is a Bill which would provide tax credits for eligible ex-offenders and qualified veterans. It does a couple of things and I'd like to just break it down and tell you exactly what those things are. In terms of tax credits for ex-offenders. What it does is it provides a \$600 maximum tax credit for the first year wages paid to eligible offenders. It must be within 1 year after release from an Illinois Correctional System. And the eligible offender is a person who we're considering for these purposes a non-violent offender. This is... this Bill also includes a renewable tax credit for qualified veterans. It's a \$600 renewable tax credit for the gross wages paid to qualified veterans. What is a qualified veteran? One who must have worked at least 185 days during a taxable year.

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Qualified veteran includes an Illinois resident who was in the Armed Forces or the National Guard or the Reserves; he served on active duty in connections with Operation Desert Storm, Operation Enduring Freedom or Operation Iraqi Freedom. And that person was honorably discharged and hired on or after January 1, 2007. This Bill also increases opportunities to request... or certificate of relief from disabilities. Currently, when a... an offender is released from a correctional institution there are certain professions that he or she cannot apply for. We are increasing those eligible professions and those professions are a person can now be an architect, he can now work in the Architect Practice Act. They could then qualify for the auctioneer's license. He could serve as a dietetic nutrition or he could be a environmental health practitioner or funeral home embalmer and the list goes on. That certificate of relief is a... is a certificate that's issued by the Prison Review Board or the Circuit Court. So, that an individual who will be granted a certificate there will be some correlation between... there will be no correlation between the crime they commit and the certificate that they're applying for. This Bill also encourages vendors to hire ex-offenders and veterans. And so, the Chief Procurement Officer of this state will encourage vendors to hire veterans and ex-qualify... qualified ex-offenders. It also develops a pre-released job readiness or job preparation for inmates. So, that be... prior to their release from the Department of Corrections, they will have some job readiness skills so that when they come out they

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

will be ready to go to work. I'd like to let it be known at this time because I know that there was some question about this legislation and the fact that we were dealing with veterans and ex-offenders on the same Bill. It had been brought to my attention, in fact, in committee. I think the AMVETS stated or their spokesperson at that time stated they were opposed to the legislation. I have subsequently been informed that they are neutral on this legislation. They have been informed on how the legislative process works and to that end they are neutral on the legislation. For those who did not know that, I just wanted to share that information. And I move for the adoption of Senate Bill 1279."

Speaker Madigan: "Mr. Sacia."

Sacia: "Thank you, Mr. Speaker. Sponsor yield?"

Turner: "Yes."

Sacia: "Representative Turner, your last comments pertain directly to veterans who initially were opposed to this and I... I believe you said AMVETS. Are VFW, Veterans of Foreign Wars, still opposed to the Bill?"

Turner: "I... you know, I don't know, Representative. I was told the AMVETS are neutral. I'm not certain where the VFW, I didn't hear back from them. I had asked them to contact Representative Stephens, I... as the point person here, but I have not been able to verify about VFW. But, I do know AMVETS for a fact are neutral on this Bill."

Sacia: "Do you think that it's offensive to veterans to be lumped into a Bill with offenders?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Turner: "I don't think so, Representative. You know, the... there's an old adage about you don't want to see how laws are made or how legislation is made. And I think this would probably be a fine example of that. The veterans will benefit from this Bill, as well as ex-offenders. And... and so, to say you don't want to be with somebody it kind of makes... it reminds me of the old scarlet letter. You know, and I think that at some point we all realize that we're all Illinoisans and that ex-offenders can be productive citizens as well as veterans who have returned."

Sacia: "Representative Turner, I... I certainly agree with you. We're all... we are all Illinoisans, but... but, I... I personally don't like being lumped together with ex-offenders having similar opportunities for jobs as ex-offenders when veterans have fought for their country and they come back from Iran or Afghanistan or Vietnam and they are head and shoulders right along side a guy that went down for burglary or what have you and they receive the same 'opportunities'. It would seem to me that they should be two separate Bills."

Turner: "First of all, Representative, I guess it's the Legion that went neutral and not AMVETS. I get all of them confused, you know, but... and to answer your question about the opportunities. There are... some ex-offenders are veterans. In fact, a good number of them..."

Sacia: "Yes, Sir. I agree."

Turner: "...are veterans. And so, you know because... you know that person has served his time as well. He fought for our country. And in many cases we're not talking about the armed robber, we're not talking about the violent ex-

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

offender, I'm talking about the guy who was arrested, was charged with a felony because, quite frankly, he probably was selling crack cocaine or meth... metham... methamphetamine or whatever that word is. And so, we're talking about individuals, as far as I'm concerned, have a sickness. We call it a crime, but it is a sickness. If that same young man in my community who now has a felony for selling crack, if he had pure cocaine, a small amount, it would not be a felony. And I think that we have a number of people who are incarcerated in the penal system today, after they've served their time I think they deserve the ability to get back out. The veterans in this Bill actually have an advantage. This Bill is not giving veterans the same... not putting them on the same playing field as ex-offenders. For the ex-offender, it is a one-time credit that applies only once and that person has just have to be released from prison within the last year. For the veteran, it is a \$600 credit that goes as long as that veteran's hired. So, if he stays employed for the next 6... next 20 years the employer would get a 600 a year tax credit for hiring that employee. So, they're not on the same playing field. They're on the same train, but it is not... they're in different cars."

Sacia: "Well, yeah... thank you for saying that. They're in different cars. And... and as I read the legislation, Representative Turner, it only applies to honorably discharged veterans, but yet we are dealing with ex-offenders. Now, on one hand you have to be an honorably discharged veteran to qualify and over here you're an ex-offender to qualify, that... that gives me a little bit of... of

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

concern. And I... I know that the AMVETS are opposed and you corrected yourself on that. And I know that the Veterans of Foreign Wars are opposed. Those are two of our greatest veterans' organizations in this state. And when those two organizations are opposed it... it gives me great... a great deal of concern. And again, to have honorably discharged veterans only and then ex-offenders just..."

Turner: "These are..."

Sacia: "...seems to be..."

Turner: "...these are eligible ex-offenders. These are ex-offenders who have not committed a violent crime. They have not committed a crime against a person, they're not sex offenders. These are... and as I say, many cases... I know what the numbers are coming out of the inner city, but I'm telling you with what we've done down here in the last 2 years they're gonna be your cousins, your nephews, my friends who will now have been charged with felons because of their use of methamphetamine, meth. But..."

Sacia: "Thank you, Representative Turner. Just one last comment. To me a Bill of this nature, to lump honorably discharged veterans, not general discharge, not dishonorably discharged, but honorably discharged veterans in the same... as you said yourself, Sir... on the same train, just does not seem fair to me. And... and taking a lead from the Veterans of Foreign Wars and AMVETS, I would encourage a 'no' vote in all due respect to you, Sir."

Speaker Madigan: "Representative Chapa LaVia."

Chapa LaVia: "Thank... thank you, Speaker. Will the Gentleman yield?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Turner: "Yes, I will."

Speaker Madigan: "Sponsor yields."

Chapa LaVia: "Representative Turner, who's... who is a proponent of this piece of legislation?"

Turner: "Proponents are the Department of Veterans Affairs and Military Affairs, the AFL, the Illinois Chamber, the Employment Law Council, the Illinois Retail Merchants, Chicago Metro... Metropolis 2020, the Department of Corrections, the Illinois... the Lieutenant Governor, the Department... I should say the Governor's Office, Illinois Manufacturers Association and the Department of Professional Regulations."

Chapa LaVia: "Thank... thank you for your comments there. As everyone knows..."

Turner: "And... and the American Legion."

Chapa LaVia: "Thank you."

Turner: "They're neutral."

Chapa LaVia: "As... as everybody knows, I'm probably one of the strongest proponents for veterans in Illinois, if not United States. And at face value when I first received the Bill I wasn't very happy about it either in the way they married together. But, people send us here to Springfield to represent everybody. It's not just the veterans and I... that is so hard... it's so entrenched in my body and my bones. But, we represent everybody. Representative Turner, I'm gonna tell you an anecdote. When I first was elected to office it was the day before my election, I was feeling very bad about my opponent doing something to me that wasn't very nice and a gentleman came in my office at... it was about 6:30

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

in the morning and he brought in two bags of food. And I said, 'Well, put it over there. It's for my... my party later.' He goes, 'No Ma'am, it's not for your party. I just got it from across the street because I'm an ex-offender and this is for my family and no one will give me a job and no one will give me a break.' And I... I prayed with this gentleman. And one of my friends came and we helped him and he was... you know, everything you can think of. You think people are pulling the wool over your eyes. I don't have any gas for my car, here's prescription drugs, my daughter's birthday is today, the whole gamut. But, I really feel strong that God sends people in your paths for a reason, to represent everybody. And we have to be humble sometimes. We have to be very humble because in a city as large as mine, I have 15 hundred parolees on probation on the street right now that are hung... they are just hungry for a job, to be given a second chance to contribute to society and we do not give them this chance. And I'm honored to stand up and support this legislation because it's the right thing to do. Now, at the federal level we do have tax benefits for both categories. But, we don't have anything at the state level. So, we need to encourage employers throughout this state to employ everybody who's willing to work hard and give them another chance. Once again, I'm humbled and I'm also honored to say, I request an 'aye' vote. It's the right thing to do. And we have to stop pointing fingers and start holding hand in this state so we can stop the crowding in all our prisons in this state. So, thank you very much."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "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 people voting 'yes' and 49 people voting 'no'. Mr. Watson, for what purpose do you seek recognition?"

Watson: "A point of personal privilege."

Speaker Madigan: "Let me do the Roll Call first."

Watson: "Yes, Sir."

Speaker Madigan: "This Bill, having received a Constitutional Majority, is hereby declared passed. Mr. Watson."

Watson: "Thank you, Mr. Speaker. Point of personal privilege."

Speaker Madigan: "State your point."

Watson: "One of the previous speakers mentioned that we all come to Springfield to represent everybody. I would hope that next year when we all come to Springfield again that we make sure that the 5.3 million people that are represented from this side of the aisle get a voice to say in this budget. Before you get to be the point where you want to preach to us about representing everybody, how about including everybody?"

Speaker Madigan: "Senate Bill 2030. Mr. Clerk, what is the status of that Bill? 2030."

Clerk Bolin: "Senate Bill 2030, the Bill's been read a second time, previously. Amendment #1 was adopted in committee. Floor Amendment #2, offered by Representative Colvin, has been approved for consideration."

Speaker Madigan: "Mr. Colvin."

Colvin: "Thank you, Mr. Speaker. I move for the adoption of Amendment #2 to Senate Bill 2030. It deals with two

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

distinct issues. One is the Bill that we passed out of the House and Senate unanimously earlier this Session and last year out of the House and Senate unanimously. It deals with the LIHEAP Fund in the State of Illinois. And the attempt with the rising price of energy in the United States of America coupled with the cold Mid... Midwestern winters..."

Speaker Madigan: "Mr. Colvin."

Colvin: "Yes?"

Speaker Madigan: "I've been advised that our... our desire would be to withdraw Amendment #2 and then consider Amendment #3. So, if you would withdraw Amendment #2."

Colvin: "I move to withdraw Amendment #2, Mr. Speaker."

Speaker Madigan: "All right. So, Amendment #2 shall be withdrawn. Mr. Clerk, are there any further Amendments?"

Clerk Bolin: "Floor Amendment #3, offered by Representative Colvin."

Speaker Madigan: "Mr. Colvin."

Colvin: "Okay. Thank you, Mr. Speaker. I move for the adoption of Amendment #3 to Senate Bill 2030. As I just stated previously it deals with the growing problem of affordable energy here in the State of Illinois. This Bill, a Bill that we passed out of the House and Senate unanimously earlier this year, creates a supplemental fund. It is a little over \$5 million in which we would redirect the average amount of the gas revenue tax paid per residential gas utility customer to the state during the fiscal year '05 multiplied by the number of residential gas utility customers who receive LIHEAP grants. So, what we're essentially will be doing is abating the Gas Revenue Tax of

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

individuals... from the gas bills of individuals who receive LIHEAP grants. Those dollars, which are estimated to be a little over \$5.2 million, would then be used to put into the LIHEAP fund to extend the program further. There is no opposition to this Bill. As I stated before, it passed out unanimously. There is a second provision to this Bill that also deals with the issue and the question of... of tax revenue in the event of... in the way of tax credits for the movie industry. As you know, here in the State of Illinois for the last few years we have created a number of incentives to get more movie business here in the great State of Illinois. It has been very successful. And to that end I would like to defer to my colleague, Representative Dunkin, who will explain the context and the composition of the Tax Credit Bill."

Speaker Madigan: "Mr. Dunkin. Dunkin."

Dunkin: "Thank you, Mr. Speaker and Representative Colvin. Yeah, this is a... this is our... our great Tax Film Credit Bill that we are about to..."

Speaker Madigan: "Mr. Black."

Dunkin: "...that we are about to..."

Speaker Madigan: "Mr. Col... Dunkin, one second."

Black: "Mr. Speaker."

Speaker Madigan: "Mr. Black."

Black: "Inquiry of the Chair. I don't see Representative Dunkin's name as a cosponsor. Why's he talking on the Bill? He wants to ask questions, that's fine. He wants to explain the Amendment he'd better get his name on it. That's House

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Rules. Does it show up? Is he a cosponsor of the Amendment?"

Speaker Madigan: "Well, Mr. Black, I... I believe he would be more than willing to be a cosponsor of the Amendment. If we could..."

Black: "Okay."

Speaker Madigan: "...ask the Clerk to do that."

Black: "Just as long as you get the Amendment filed. You know, if Hollywood's gonna take 30 minutes of my time, telling me that we can give Hollywood, the real Hollywood, \$20 million, I want him to be a cosponsor. You know, and then maybe we can all have dinner with Julia Roberts and go home happy."

Speaker Madigan: "Are you referring to Hollywood, the city or you ref... using that to describe a member of the House? All right. Mr. Clerk, would you add Mr. Dunkin as a cosponsor of the Amendment. All right. And Mr. Dunkin. Mr. Dunkin on the Amendment. Please be brief."

Dunkin: "Thank you, Mr. Speaker. This Bill simply exstands the... expands the film... the tax film... the film credit for the citizens here in this state in improving the credit as it relates to bringing more production here to the state. It will hopefully double, maybe triple the production here in the State of Illinois in terms of television shows, feature films, short films, et cetera. This is added value to the state. So far we've generated about \$90 million in revenue that we wouldn't have realized otherwise. And again, this Bill simply puts people to work. It gives everyone in this state a chance who is in a specific industry to help expand their wages, it helps create jobs, helps create rentals,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

tourism, the whole nine. It is a step in the right direction. And I would encourage all of us to support this Amendment. Thank you."

Speaker Madigan: "The question is, 'Shall the Amendment be adopted?' Mr. Black. On that question, those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Bolin: "No further Amendments. No Motions filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time."

Clerk Bolin: "Senate Bill 2030, a Bill for an Act concerning revenue. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Black. Mr. Black."

Black: "Thank you very much, Mr. Speaker. Will the Sponsor of the Bill yield?"

Speaker Madigan: "Mr. Colvin? Yes."

Black: "Yeah, thank you very much. Representative, as I'm sure you know I suggested that we increase LIHEAP by \$50 million by taking the 50 million out of the sales tax on gasoline because we're... we're gonna take in 175, 200 million more dollars than we budget. And as you know, the sales tax on motor fuel does not go to the Road Fund, it goes to the General Revenue Fund. So, it makes sense to me. One of the Governor's spokespeople and I... I don't know who it was, there... there's so many of them I can't keep 'em straight, implied that I was some kind of an idiot. That first of all, there was no windfall in the sales tax on motor fuel and even if there was they couldn't afford it because they had better places to spend that money than on LIHEAP. Now,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

I know you don't agree with that and I didn't either. 'Cause I think we have very similar districts. And I work closely with my community action agency. Given the importance of LIHEAP, given the refusal of your side of the aisle to suspend the sales tax on natural gas, like that's a luxury item. God forbid, we would do anything that would help people stay warm in the winter. Why... why did you agree to mar... to marry a reasonable, sensible Bill with a tax credit for people in Hollywood who make tens or hundreds of millions of dollars and we're gonna double the tax credit they get if they film a movie in Illinois? Why would you marry those two together? That doesn't sound like you, Sir."

Colvin: "Well, we married these two Bills together here in the final days of Session, one, because I believe that, like you, the LIHEAP Fund is grossly underfunded. And as a result of a cold Midwestern winters I think we have to have a sufficient number of dollars, knowing that \$5.2 million is not nearly enough to cover the gap of individuals who are eligible to receive LIHEAP grants versus those who actually do. This Film Tax Credit is important in regard... and let me say that while I see them as two separate issues, as it relates to government they're in simil... not similar, but they cover the same topic with respect to taxation here in the State of Illinois. But, I do support the Film Tax Credit because it's not about the Hollywood stars who make \$10 million a movie, it's about the people who get put to work here in the State of Illinois who could contribute it... who continue to contribute to our economy."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Black: "Okay. Ya know, what... what I find so... so frustrating... so aggravating is that when I propose at the request of my community action agency an even bigger increase in LIHEAP than... than what you did, perhaps bigger than it should have been and I get criticized by someone who's never run for election, Abby 'Hottentot or Hoetentote' (sic-Ottenhoff) or whatever her name is, I don't know. Then she never has the common courtesy to call me and discuss a LIHEAP Bill with me. Nobody in the Governor's Office would lift up the phone and call a Legislator who proposed how we add money to LIHEAP and asked me to scale back the program or change the program or how we might find financing. I find that so doggone frustrating with this administration. You can't talk to them, they won't talk to you. They will criticize you in the paper, but they won't give you the common courtesy of calling you and say, 'How can we work with you, Representative? How can we help? How can you help us?' I've been here 20 years I've never seen an administration like this. Never. And I know some of you feel the same way I do. We're not treated like third class citizens, we're simply ignored. And they send out one of their multiple spokespersons to criticize us or our idea because it isn't cleared by the Bureau of Information. I... I just... I find this administration so aggravating and you know what happens? When I leave here if I even insinuate that I've criticized an agency, their liaison will call me and chew me out. I'm an elected official. I'll get chewed out by the voters. I don't need some legislative liaison to pick up the phone and chew me out because I dared to insinuate that

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

a particular agency wasn't doing what perhaps they could do or weren't... they weren't doing enough or they were not responsive. I've got letters that I've written months ago that I haven't gotten a response from in more than one agency of this government. I've had people tell me in agencies that they have written me a letter to get back to a constituent, but it hasn't been cleared by the Governor's staff so they can't send it. I thought the Soviet Union disappeared. But, I'll tell you the ministry of information is alive and well in Springfield. I stand with you on LIHEAP, I don't like the marriage. But, let me ask Representative Dunkin a question. Representative, what exactly does the Film Tax Credit do? Is it a tax... is it a tax break on wages paid or expenses? How... how is the tax credit computed?"

Dunkin: "Yes, Representative, it is a tax credit on wages spent per Illinois... an Illinois resident. You will not..."

Black: "Okay. Not... not computed on what the stars are being paid?"

Dunkin: "No, as a matter..."

Black: "On what the technicians, lighting, sound, whatever?"

Dunkin: "Yeah. What we're doing is, as we've done every year."

Black: "Yeah, okay."

Dunkin: "It's a... we've always capped the salaries at \$25 thousand."

Black: "Okay."

Dunkin: "And... typically. And this right here takes it to 100 so we can expand it... expand the pool of hiring employees for a longer duration. Because if you have a film... a major

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

feature production here sometimes it takes two months, sometimes it'll take six months. And they can exceed that cap. It also... also goes with expenditures as well towards an accredited production."

Black: "Okay. Now, how much... did we use the full tax credit the last fiscal year? Or how much did we use? How many millions?"

Dunkin: "Well..."

Black: "Twelve million. So, we... we could be opening ourself to how much of a tax credit now? I mean, is there any cap? I mean, would it go to 50 million or 100 million or I mean, is it I assume from what I read it's wide open."

Dunkin: "Well, what it... what happens over the last two and a half years it's coming to around... roughly around fourteen and a half million dollars..."

Black: "Okay."

Dunkin: "...for two and a half years of tax... actual tax credit."

Black: "Okay. So, the only thing that disturbs me, there's no cap on this tax credit. Let's say we get lucky enough to attract 30 films in the next fiscal year. Is there a limit to the tax credit that we'll give? I mean, it... that... that's what I'm trying to figure out. Let... let's... I know you were talking to staff. If... if... if we get very lucky and 30 productions are scheduled to be shot in Illinois, that... that's a lot of money in every respect. Do you cap the tax credit or we just continue to give the tax credit on wages paid no matter how many films would be produced in Illinois?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Dunkin: "Correct, Representative. I would love for us to have 30 or 50 or 100 productions here. There is... there currently is no cap and..."

Black: "All right. I..."

Dunkin: "...that's a... that's a great thing because that means a lot of Illinoisans will be working. That means a lot of dollars will be spent here in our state in order to use..."

Black: "I... I think that's..."

Dunkin: "...the tax credit."

Black: "...I think that's something you might want to look into."

Dunkin: "Sure."

Black: "And I know we... we moved the repeal date back. But, if we were to become more successful in this at some point, given our fiscal status, we ought to tell filmmakers come to Illinois, but you ought to be first or second or third in line because we're only gonna give tax credits up to 50 million or 75 million or however many million dollars. I don't think it should be left wide open. I think that's a potential problem."

Dunkin: "Right. And actually, that's a problem that we want to make sure that... that we would love to have on one hand. And maybe next year we can look at capping it for the first 30, the first \$50 million because again, if you have a number of productions here..."

Black: "Yeah."

Dunkin: "...it's gonna be a great thing for Illinoisans. And so, again, we would love to have that problem. And next year, you know, that sounds reasonable to... to... if we want to cap it. If we're successful at such, keep in mind if they spend

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

\$50 million... excuse me, we allocate \$50 million worth of tax credits that's a... that's... I'm not a mathematician either that's close to about a half a billion dollars in film production. So, that's... that's a great thing."

Black: "Would... would a television production get the same credit?"

Dunkin: "A television series wouldn't."

Black: "Okay. Like..."

Dunkin: "Series would... like... like Prison Break for example."

Black: "How about ER?"

Dunkin: "ER, absolutely."

Black: "That's supposedly set in Chicago."

Dunkin: "Yes."

Black: "So, when they... when they film there then they're eligible for the break as well?"

Dunkin: "Yes, Sir."

Black: "Okay. Mr. Speaker, to the Bill. I met with Representative Dunkin and I think Representative Turner was in that meeting, I don't know, Representative, 3 years ago when you first brought this up and I was a supporter then and I'll be a supporter today. I don't like the way this has been done, but I'll be a supporter 'cause there was a film produced and direct... filmed in... in... largely in Danville and part of it in Chicago. And I've got the movie poster that's... well I did have. The asbestos people made me take all my pictures down. But it was a... it was a remarkable event in a town of 35 thousand people. They left a lot of money in the town. They hired dozens of extras, dozens of people to work on the set. And in fact, the man who cuts my

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

hair became the company barber for all of the extras. And I know he enjoyed the extra money as well. I proposed some months ago, Representative, and I have talked, I think, some months ago about LIHEAP. You know what, I... I wish all of us could represent a district or represent a state that didn't need any LIHEAP money. But, we're not gonna be that lucky. I would hope and ask that some of you next year, I have year after year taken to the Revenue Subcommittee a Bill... why do we levy sales tax on natural gas, propane and heating oil? That's telling people that what they need to stay alive is a taxable product. Heck, we don't... we don't levy sales tax on food at a grocery store if isn't consumable on... on site. Why in the world do we levy a utility tax on the very commodity that people need to stay alive? And I... I again, and I make no apology trying to work with this administration has proven to be the most frustrating, difficult thing I have ever encountered in my life. I pride myself on constituent service; I pride myself on answering constituent complaints and inquiries. And it's like pulling teeth, on occasion, to get an answer. Some respond more quickly than others. In summation, these are the kinds of things that the longer you stay here the more you will become a little bit leery of. I don't know if Representative Dunkin's Bill could have passed on its own. I think it could have and probably should have. The LIHEAP Bill I think on its own would have passed unanimously. I... I represent a blue collar district. I... I haven't called my district office, but when I tried to float the LIHEAP increase I said, 'I'm gonna have hundreds of people as soon

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

as warm weather gets here disconnected.' And I have had. I don't know the exact number; I haven't called my district office this week. This is a serious problem. And you know what, if we could just work together and find a way to fund LIHEAP more equitably and more fairly it would be... behoove as somebody said awhile ago everybody in the State of Illinois if we could find a way to fund it more fairly and more equitably instead of begging our federal tax dollars to come back and help us. I intend to vote 'yes' on this Bill. But, I want my views known and I think I've expressed them clearly. I don't like the way this Bill was put together. I don't like these kind of Amendments. I don't think it's necessary. I think it creates more rancor than throwing oil on troubled waters. But because of the district I have and because of the fact I worked with Representative Dunkin on this original idea, I intend to vote 'yes' on this Bill."

Speaker Madigan: "The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 111 people voting 'yes', 2 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. On page 8 of the Calendar, on the Order of Senate Bills-Second Reading, there appears Senate Bill 2350. Mr. Clerk, what is the status of the Bill?"

Clerk Bolin: "Senate Bill 2350, the Bill's been read a second time, previously. Amendments 1 and 2 were adopted in committee. Floor Amendment #3, offered by Representative Lang, has been approved for consideration."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Mr. Lang."

Lang: "Thank you, Mr. Speaker. I... perhaps we should just debate this on Third Reading. I would simply move the adoption of Amendment #3."

Speaker Madigan: "The question is, 'Shall the Amendment be adopted?' Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Bolin: "No further Amendments. No Motions filed."

Speaker Madigan: "Put the Bill on Third Reading and read the Bill for a third time."

Clerk Bolin: "Senate Bill 2350, a Bill for an Act concerning property tax. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Lang."

Lang: "Thank you, Mr. Speaker, Ladies and Gentlemen. As I'm sure you all know that Senate Bill 2350 embodies what would be the extension of what was previously referred to as the 7 percent solution. There's been a lot of talk about this, a lot of talk about its success rate, but the facts are pretty simple. This originally was conceived to deal with rapidly rising assessment increases. In many parts of the state, particularly Cook County, but certainly other... some other parts of the state, the sticker shock of these increases were brutal and left many with some real problems in paying their property taxes. The 7 percent solution, in the first year of it nearly 80 percent of Chicago homeowners actually received a lower property tax bill in 2003 than they did in 2002. In northern Cook County 97 percent of the homeowners received exemptions greater than \$5 thousand. And fully

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

half received lower tax bills in the year 2004 than they did in 2003. When the homeowners in southern Cook County received their second installment of their tax bill, they'll enjoy those similar benefits. And Ladies and Gentlemen, there's been a lot of talk about the impact on business. Yes, there is a shift, but I want to point out that even with the 7 percent solution the full share of homeowners property taxes, vis-á-vis business property taxes, is still higher. It's still going in the wrong direction. There's still a skewing between the percentage of taxes that homeowners pay and the percentage of taxes that businesses pay even with the 7 percent. The statistics are very clear about that. And it is... it is a really telling story as the business community has traveled around Springfield, has been to many of our offices to try to convince us that this tax shift is not good for them. Additionally, there are many examples of some real horror stories. The recent assessments in Rogers Park, which is the portion of the City of Chicago that's in my district, would indicate that the average increase of assessment was about 60 percent and some homeowners and other property owners called me to tell me that their increased assessment was 100 percent, fully double what their assessment had been. These folks need some help. These folks need some consideration. And so, let me stop there and simply answer your questions. But, for... for us to go home and not address this would be a serious mistake. For those who say this is skewed in favor of rich people with large properties, I submit to you that the statistics would show that many people in all strata..."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Mr. Lang..."

Lang: "...of our economic..."

Speaker Madigan: "...can I interrupt you for a second? Representative Patterson is leaving the Chamber, if we could give him a proper farewell? Mr. Lang."

Lang: "Thank you, Mr. Speaker. Let me point out that while there's been a lot of talk about how this Bill relates to Cook County, it relates to all counties in the state. It would require Cook County to opt in once again, but it allows any of your counties to opt into this. And I don't think any of you wanna go home, at least not saying to your constituents that you gave your own county at least the option of getting this 7 percent solution. At least getting the option of what could be at least a small property tax break. Ladies and Gentlemen, this is an important piece of legislation and I think we should pass it at the earliest possible time. Thank you."

Speaker Madigan: "Mr. Froehlich."

Froehlich: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Froehlich: "Representative, now do I understand you correctly, you agree this Bill if it passes will cause a tax shift? Is that correct?"

Lang: "There will be a small tax shift. But, let me point out once again, Representative, that even with that small tax shift homeowners and residential property owners are still paying a much higher share than business owners, vis-à-vis the entire pie."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Froehlich: "So, you're saying that even with this in effect the residential portion of the tax bill still grew? That residential homeowner, property owners are still paying a bigger portion of the whole."

Lang: "It is, and even with the 7 percent solution it's been more and more skewed. If we do not pass this Bill, that skewing will get even worse. And property owners, residential owners in your district and mine will suffer and... and have a much different burden than businesses."

Froehlich: "So, you're saying if we don't pass the Bill it'll also cause a tax shift?"

Lang: "It'll cause a tax shift back to homeowners and make it even worse for them, Sir."

Froehlich: "Okay. Now, we have a variety of exemptions and freezes already in the Property Tax Code. For example, we have the homeowners exemption. Is it fair to say that the homeowners exemption, which we raised a couple of years ago the value of it outside of Cook County, that that policy causes a tax shift?"

Lang: "Every time we do any kind of an exemption it causes a shift. Of course, the homeowners exemption causes a shift just as the senior citizens exemption causes a shift."

Froehlich: "And how about the senior freeze? We raised the cutoff income on that a couple of years ago. When we did that did we cause a tax shift?"

Lang: "Yes, we did, Sir."

Froehlich: "And do you think it would be fair to say there were more losers than winners among all the property owners when we raised the senior freeze cutoff?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Lang: "Yes."

Froehlich: "So, the issue is not... is there a shift? Would a TIF district? Every time we vote to extend the life of a TIF district, does that cause a tax shift?"

Lang: "Yes, Sir."

Froehlich: "I... I think it's fair to say almost everybody in here at one time or another has voted either for a TIF district or to extend a TIF district or to extend the senior freeze income cutoff or to raise the amount of the homeowners exemption. In effect, they were voting for a tax shift every time they voted for that, is that right?"

Lang: "That's correct. I think virtually everyone in this chamber has voted for something that has created what you would call a tax shift."

Froehlich: "So, the issue isn't, is there a shift or not, there is a shift. The question is, is this a... justified given the problem created by rapidly rising residential assessments in Cook County?"

Lang: "Once again, Representative, you have your finger on the pulse of this Bill."

Froehlich: "Thank you."

Speaker Madigan: "Mr. Dunkin."

Dunkin: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Dunkin: "Representative, can you give me a sense of how this property tax... the 7 percent home... property tax shift has impacted nursing homes, excuse me, senior citizen facilities?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Lang: "There would be a slight shift and would slightly increase their burden."

Dunkin: "Roughly, how much would you say?"

Lang: "Well, I don't think there's any way to tell. We don't know the tax rate, Sir."

Dunkin: "Okay. What about businesses?"

Lang: "Well, that was the whole point of Representative Froehlich's questions. There would be a tax shift, but again, let's recognize that the whole purpose of the tax system other than to create revenue is to create fairness. Today, there is not fairness in the tax system. Residential homeowners are paying a substantially higher burden than business owners today even with the 7 percent. And that is getting more and more skewed every year even with the 7 percent."

Dunkin: "What about renters?"

Lang: "Well, of course, renters don't pay property taxes, but certainly their landlords do. And certainly there would be some impact there as well."

Dunkin: "Do you have any idea of how much that impact would be, Representative?"

Lang: "No, Sir, because we don't know the tax rate."

Dunkin: "So, what about in some of those homes... in some of those areas where there's been modest... where there's a stable community? Let's say... let's pick a neighborhood, oh in the Eighth Ward where the... or in Pill Hill where there's a relatively stable community and property values don't really fluctuate that much."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Lang: "In virtually every community, Sir, in Cook County property tax assessments have gone up dramatically. You heard me say earlier that in the first year of the 7 percent exemption, which is the 2003 tax year, almost 80 percent of Chicago homeowners not only benefited but actually received a lower property tax bill."

Dunkin: "Those are studies done by the University of Illinois, am I correct, Representative?"

Lang: "I'm sorry, I missed your question, Sir."

Dunkin: "Was there a study done by the University of Illinois recently in this regard?"

Lang: "There was a study."

Dunkin: "Can you elaborate on the study?"

Lang: "Well, the..."

Dunkin: "And at least give us their conclusion."

Lang: "...the study showed there was some winners and some losers."

Dunkin: "To what degree were the losers and where were they coming from, what areas, what communities?"

Lang: "Well, I don't have that study in front of me. But, I would tell you that many and I wasn't there when it happened, but many have questioned that study. Many have questioned all of its results. But, let's stipulate to the fact that there are some losers, Sir."

Dunkin: "I'm... what I'm trying to do because... here's the thing, Representative, some of us represent business... businesses in their districts, some of us have areas in our district that have not experienced a big upward increase in value. Some of our communities are relatively stable. And it seems as

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

if they have increased or improved upon some of the tax burden from that shift. And I'm trying to figure out what is the best mechanism or taxing mechanism that we can implement that comes out as even as possible with businesses getting their fair share of taxes and being fair also with... with home... with renters who may be impacted by their landlord and in stable communities that because of the shift, you know the balloon effect? You take a water balloon... most of us are familiar with water balloons... at some point either we've thrown them or have been hit with one. If you squeeze a water balloon on one end, the other end gets a little swelled. I'm trying to see... is that the analogy with this tax... with this Bill here, Sir?"

Lang: "Representative, I want to go back to what I've said a couple of times already. You, in your comments, talked about fairness. The fact is that business already pays a smaller burden than homeowners pay; business is already on the thin end of that balloon. It is the homeowner that's on the fat end of that water balloon."

Dunkin: "But, Representative, is it the homeowner who has experienced a tremendous growth in value of their property or is it the average home that has experienced maybe a modest, such as a 3 percent, maybe a 5 percent growth?"

Lang: "I can only tell you, Sir, that most homes in the City of Chicago had significant assessment increases. And this Bill benefited most homeowners in the City of Chicago and in the County of Cook."

Dunkin: "So, again, I guess... well... To the Bill, Mr. Speaker. Ladies and Gentlemen, we're down here again in our... well,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

this is... we came up with this measure about a couple of years ago or so. And I was under the impression that the Cook County Assessor and other bodies across this state who have... who were having similar experiences with a property tax shift or helping to relieve some of the rapidly increased value of some of these beautiful homes or these high valued areas, some of these newer areas that are just hot, but that hasn't been the case. What's happened is we put a Band-Aid on it a couple years ago and we're back down here this year trying to put another Band-Aid on this problem, when in fact, the assessor and his office or their offices should come up with an equalized assessment value or measurement tool. I don't know all of the... the fancy terminology for evaluating homes. But to come down here and to have us put another Band-Aid on a systemic problem in communities that are succeeding in property value, such as... for example, the community that I live in where I've experienced a tremendous bump in increased equity and value because the area is hot. However, the shift goes over to the renters as the... the speaker acknowledged. The landlords, they shift that cost onto them. If you live in a nursing home where you pay a certain percentage of your income to live there, they'll get ex... they'll get hit also with that extra shift. If you are a business... and let me say this about business. You know, I think there's a great misnomer about some of these businesses. If we don't have businesses here in this state, in our counties, in our cities, where in the world are our citizens gonna work to help pay for their property taxes, to help pay for their

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

mortgage? Why should we have such a hard-on for these businesses? Excuse me. Why should we have a problem with... with some of these businesses... Excuse me, I... excuse me, I misspoke and I... I ask for forgiveness chamber? Excuse me?"

Speaker Madigan: "Mr. Dunkin, did you wish to conclude your remarks?"

Dunkin: "Yes, Sir. I'm sorry, I... I... I... Excuse me. A point of clarification. Why should we have a... a negative approach towards certain businesses that employ many of us here in this chamber, our constituents in our respective districts? I don't think we should..."

Speaker Madigan: "Mr. Flider. Flider."

Flider: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Flider: "Yes, Representative Lang, as Sponsor I wonder if you've been able to do an analysis of what this legislation... what this plan... the impact that its had on properties that are not eligible for the extended homestead exemption?"

Lang: "Representative, there... there may be a slight tax shift in that direction; however, let's understand that the huge assessment increases for those who are winners under this are still so large as to decrease everybody's burden. So that burden may not be quite as limiting as it might have been. But, those folks still have a smaller tax burden, a smaller assessment... a smaller taxable assessment than they might have had."

Flider: "One of the concerns that I think we should all have when we try and change the equation to help some people when we know that some others will have an... it will have an

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

adverse affect on them is that there are unintended consequences. In this case, I wonder if we're concerned about the unintended consequence of, even those properties or those people who own property that are eligible for this extended assessment for this program they... many of them also pay higher taxes even though their property is eligible for it, according to a U of I study."

Lang: "Well, first, let me say that in that U of I study they drew no conclusions. Secondly, let me point out that... you know, we spent a lot of time here, Representative, talking about local control. This Bill gives local control. It allows every county in the state, the county you represent, the county I represent, the option to get in if they wish. There is no requirement. This isn't a... a mandate on 102 counties in the State of Illinois to do this program. It allows each county to decide for itself whether they will have sufficient winners to want to do this. What's wrong with that? It sounds like a great option to me. It sounds like you have the option to say to your local county, if you think this will help our citizens, do it. If you don't, don't. Why eliminate from all the counties of the State of Illinois the option available to avail themselves of this exemption for their people?"

Flider: "My concern with this legislation from the very beginning, and I think it's borne out to be true, is that this is like a Robin Hood type of approach, redistributing wealth if you will. And... so, for example, you know you have... you have a situation where businesses are now paying higher taxes. And... and... and we have a situation as the previous

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

speaker pointed out that... so suddenly we're now creating disincentives for businesses to be locating. In fact, according to the U of I study the... we've had in Cook County, where this legislation's been in effect, the property tax rolls for commercial and industrial properties have shrunk by 78 hundred units since it's been in effect. And so, you know, that tells me that perhaps we're chasing away business. So, while we're trying to help people save something on their property taxes, we actually may be in a situation where we are creating an environment where businesses will not want to invest in our state and there will be fewer jobs for those people."

Lang: "Representative, before we passed the first 7 percent Bill, in Cook County... I'm sorry... in the City of Chicago commercial properties were paying 40.7 percent of the total property tax bills. Today, with the 7 percent solution they're paying 38.6. The Business Property Taxes... their... their percentage of the burden is decreasing, not increasing. And theirs... theirs is decreasing because the assessments are ballooning out of control for homeowners. And there has to be some fairness in the tax system. And that's all I'm after here."

Flider: "Well, one reason that may be is because there has been an increase of 168 thousand parcels due to new homeownership, new construction and so on. So, obviously the number of people who buy homes and build homes far exceeds the businesses that would be investing. And so that's a challenge. But, one of the things that really concerns me about this whole discussion, concerned me a

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

couple years ago, concerns me today, is that during this whole discussion... you know, as we talk about the need to shift the tax burden around from certain... one set of homeowners to other set of homeowners or increasing the tax burden of businesses. And as I understand the same U of I study showed that commercial and industrial taxpayers were hit with \$171 million property tax increase during the first year of this law. One of the things we don't talk about is our need to curb the appetite of the tax spenders, those who are spending tax dollars. So, why don't we find a way to reduce the taxes that are collected by reducing government spending or finding ways to be more efficient rather than trying to tax somebody at some... and... and impose a higher tax on somebody to benefit another person. Again, I would tell you or I would suggest to you that we have a situation where we're trying to play Robin Hood and I'm not sure that's all in the best interests of technically the working-class people, many of the people that we represent."

Lang: "Representative, I would submit to you that that's an argument that ought to be made before your county board, if they put a resolution before it. That's the argument that's says, don't do it. That's fine. If that's the argument you wish to make in your county or the count... or the argument that your county board wishes to make, that's fine. But, you are a Legislator who has talked on this floor about no mandates. And you're a Legislator that's talked on this floor about local control. This Bill is about local control. This Bill gives a power to 102 counties to make a decision about whether this is good for them or not good for

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

them. I have no idea why anyone on this floor would want to take away the power from their own county to avail themselves of something that might be valuable. Let's let the counties decide. Why should we not put into place an opportunity for 102 counties to make a decision that could be good for their homeowners?"

Flider: "And I agree with you, Representative, on the argument... or on the discussion that we should have local control. In... in many cases we have acted exactly to do that, to give our local governments control. However, I could tell you as a... as a mayor of a small community I... the housing stock there was pretty... pretty diverse. We had 30, 40, 50 thousand dollar houses; on the other side of town we had million dollar homes. Now, one of the concerns and I think one of the reasons we haven't seen this enacted in any other county throughout the State of Illinois is that we can't foresee the possibility of trying to help the working... hurt the working-class people or raise the tax burden of the working-class people in order to help people with million dollar or \$500 thousand or \$750 thousand homes. Or if it's not those people who own those homes, then it's the business owners, those that are trying to provide jobs for the working-class people, for the people that we represent. So, I would just strongly say to this Body that I think that the economics of this program have skewed the tax situation, placed a higher burden on people who could least afford it. And I would encourage us to vote 'no'. Thank you."

Speaker Madigan: "Mr. Winters. Winters."

Winters: "Thank you, Mr. Speaker. Will the Sponsor yield?"

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Speaker Madigan: "Sponsor yields."

Winters: "Representative Lang, I believe there are two provisions... two major provisions. The first one that I would like... would like to deal with is the expansion of the cap from \$20 thousand to \$60 thousand and that is in the Bill. Is that correct?"

Lang: "That's correct."

Winters: "The argument that I would make is that by expanding this cap what you're doing is targeting the tax savings, primarily to the very richest. A data... some data that was given to me by the Chicagoland Chamber, they did a study along with the University of Illinois and they looked at Winnetka. Now I'm not from the Chicago area, but I believe Winnetka is a relatively high-income, property rich suburb of Chicago. Their findings were that at least half of the homes, over 50 percent of the homes in Winnetka received about a thirteen hundred and fifty dollar tax break. With the \$60 thousand exemption that tax break would go to over \$4 thousand, almost tripling the tax savings of the highest income suburbs. Is that a fair assessment?"

Lang: "Well..."

Winters: "Do you have anything to counter... counter argue that that would not be the result of that expansion of the exemption?"

Lang: "Well, first, I have no way of knowing if that is a correct assessment or not. But let me respond this way. Simply because we have provided in this Bill a greater exemption which provides perhaps more tax savings for people on the other end, it doesn't mean that there aren't tax

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

savings for people on the lower end. The people that were saving..."

Winters: "That's..."

Lang: "...the people..."

Winters: "...I'll take that up next. I'll take that up next.

It's not an argument on the 60 thousand. I... I guess what I'm asking... we'll... we'll deal with the inequities. We'll deal with the inequalities of the law as the second argument. But the first argument, when you expand the cap don't you almost by definition the people that you're helping are those that are having large property expansions; therefore, the most expensive housing is the ones that will get the tax breaks by that expansion."

Lang: "Representative, I don't necessarily agree with that.

I've got records and... and calls from all over Rogers Park, which is a small... smaller homes in the north side of the City of Chicago which are in my district. These are small homes; they cost maybe \$200 thousand. Now, in some of your areas that's an expensive home, but these are fairly small homes. They're getting huge, 90 and 100 percent assessment increases. These are not expensive homes given the rest of the area, certainly not compared to Winnetka. These are small homes. There's... the homes in your community would be impacted by this in the... very much the same way if your assessments are going up as fast as they are in Cook. Remember that this only gives your county board the option of opting in."

Winters: "I understand that. All... what I'm arguing is that the expansion from 20 thousand to 60 thousand will not affect

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

somebody that's got a \$150 thousand home. In Cook County, I believe that would be assessed at around \$10 thousand, 16 percent of a... it'd actually be about 20 thousand. Well, you've already got a 20 thousand assessment cap. Expanded to 60, inadvertently, almost automatically it's the houses from a half million down to a quarter million that are gonna be receiving the... the... the most help there. Or above, any... a million dollar house... anything above a quarter million is gonna get the advantage. It's the cheapest houses that get nothing. Let's move on to the second which is the whole inequity of the 7 percent solution. Because we already know that by definition somebody whose house is not rising rapidly or is... is rising less than the average will be penalized by this. Because when the assessed value in aggregate is not allowed to rise with the market, those whose property assessments are not going up as fast will have to pay a higher tax rate. Now, the only... the University of Illinois study, it's the best one we have by professional people that look at taxation and revenue questions. What they are finding is that those whose property is not going up get a higher tax rate by... in the order of 5 to 5.8 percent, 5 to 6 percent higher tax rates. Seniors... where this property freeze, they've already got a freeze. If they're below 45 thousand in income and most seniors are, their house is already frozen. They don't get any help from this Bill at all, but because of the higher tax rate they pay more dollars. Apartment building owners, commercial property, industrial property all will be paying

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

a higher tax because of the 5 percent higher rate. How am I wrong in that assessment?"

Lang: "Well, the rate might be slightly higher than it would have been..."

Winters: "Exactly."

Lang: "...but the tax rates are lower than they've ever been."

Winters: "That..."

Lang: "And..."

Winters: "...no, that doesn't matter."

Lang: "...let me... can I... do I get to finish?"

Winters: "Go ahead."

Lang: "So, yes, a senior citizen might pay a little more than they would have paid without this but still less than they were paying previously."

Winters: "But that's not because of the 7 percent cap, that's because the assessments were... we allowed a higher exemption. The rates have not gone down because of this Bill. You cannot say that the tax rates..."

Lang: "I... I didn't say that. The... the savings for senior citizens will be slightly less if this Bill passes but still savings. Not because..."

Winters: "Where..."

Lang: "...of the Bill."

Winters: "...where is the savings coming from?"

Lang: "Because the assessments are so huge now the tax rates are decreasing."

Winters: "But they are not decreasing as fast as they would without this Bill. And that's the whole point. That

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

they're paying a higher burden as a percentage than they would if we didn't have this 7 percent solution."

Lang: "Let me remind you, again, that nearly 80 percent of all Chicago homeowners received a lower property tax bill in 2003 than they did in 2002. Let me further remind you that 97 percent of the homeowners in northern Cook received exemptions greater than \$5 thousand and half of them paid a lower property tax than they... in 2004 than they did in 2003."

Winters: "That's like... that's like saying that just because 60 percent would have without this Bill... would have received a lower tax bill, too bad we only gave it to 50 percent. So, let's ignore the extra people that paid more in taxes than they would have otherwise. That's the whole point. There are people... many more than gain from this, lose. Now, they don't lose as much. But they... the balloon is only so much. There's only so many tax dollars in that balloon. When you give somebody a higher exemption so that they'll pay lower taxes, everybody else in that balloon has to pay more. It may not be a percentage increase as fast as those that are receiving a reduction, but what you're doing is targeting it at the people that made the most property wealth increase at the... at the expense of those who didn't have a property that expanded. I'd like to further go on to the fact that the reason why Chicago commercial and industrial property is paying a slighter smaller percentage of the overall tax burden is not because the 7 percent is helping the residential... or not helping them enough and therefore, you want to expand it, I think that's your argument. We... they

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

are... they are paying a slightly higher... the residential is paying slightly higher percentage and the commercial and the industrial is paying slightly less. The reason they're paying slightly less is that... overall percentage is because there's a glut of commercial and industrial in particular because we've raised the tax rate so high in Cook County that they're fleeing Cook County. They're trying to get out of there to get away from the tax burden. Therefore, the property values are not going up. That's why they're paying less total dollars... excuse me, they're paying more total dollars, but their percentage of the pie is slightly less because their values are not going up. There's too much commercial and industrial property available on the market. Nobody wants to buy it. Therefore, they don't have any higher values. Residential property, limited amount of area, they therefore... the residential market has been going up and they... because they have a bigger slice of the pie of wealth they are paying more. This is shifting the burden to the apartment owner, to the person whose house is not going up as rapidly as the higher end houses are and it's shifting it to commercial and industrial properties. All you're doing is driving jobs out of Cook County and by extension you're driving them out of Illinois. I think it's bad public policy. We tried a 3-year experiment. The data coming from the University of Illinois shows that it was not the right public policy. Why the heck expand it, let alone extend it. Thank you."

Speaker Madigan: "Mr. Mautino."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Mautino: "Thank you, Speaker and Members of the House. I just simply rise in opposition to the legislation. I had concerns when we passed this Bill originally. Not to go over the... too much of the ground. Just to summarize something I was concerned about and the term 'overkill' comes to mind. And in that sense, I think it makes a bad law worse. Fully qualifying recipients are going to get a tax cut and that's true. You'll have many of the wealthier homeowners that will receive about \$5 thousand in... in breaks. The lower value homeowners will pay more. Cook County homeowners would see probably about \$5 thousand exemptions while downstate would see a few hundred dollars. And in the form of an unprecedented tax shift, not actual tax relief, over 700 thousand Cook County homeowners got an increase. Some of the homeowners will pay less, but all other taxpayers pay more. The losers in this would be the owners of residential housing, commercial property, industrial property, senior freeze recipients and owners of slowing appreciating or low value properties. I wanted to restate those concerns and would simply ask for a 'no' vote."

Speaker Madigan: "Mr. Miller."

Miller: "Thank you, Mr... thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Miller: "In ear... I think an earlier version there was a... an Amendment and I don't know if it was this Bill, talking about winners and losers. I think in some of the discussion that was had earlier, we... there was discussion about winners

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

or losers. Are there any... any provisions in that to discuss what is the affects of something like this?"

Lang: "No."

Miller: "And that's not considered at this point?"

Lang: "It's not in the Bill at this point, Sir."

Miller: "To the Bill. I don't want to repeat what has been talked about before. I'm in strong opposition to this Bill. Some of the discussion that has happened already as a reality in the south suburbs. When you have a certain... folks who get a certain type of a... a certain property tax relief it really goes to property poor districts, which is in the southland. And even if it shifted to our businesses, the businesses will have to make a decision whether to continue to... to continue their business in Cook County or go onto Will County. And so, when we talk about... you hear me talk about the airport, educational funding and all these other issues, this is just one of those patches that just really unfairly burdens us in the southland. And we're just trying to play at a economic... the same economic level and receive the same kind of benefits as other communities. And when we start having people who have high value houses, high value homes and it's shifted to those of property poor district, this is the wrong direction in which we need for public policy. I urge 'no' votes."

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you, Mr. Speaker. Will the Sponsor yield for a question?"

Speaker Madigan: "Sponsor yields."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Eddy: "Representative, could you in general terms very quickly describe the possible impact of this legislation on the schools in... in the City of Chicago as far as revenue?"

Lang: "Right. There is no impact on the schools, Sir."

Eddy: "So, they're not able to access a certain percentage of their available EAV for levying purposes, but it won't have an impact?"

Lang: "Yeah. This Bill is about how the tax burden is apportioned. And so, the same taxes are out there to be collected. You've heard some talk about a tax shift, that's what that's all about."

Eddy: "I guess I'm trying to understand how if you're going to limit one's access to their EAV for levying purposes how that might not affect how much they can levy for and therefore, affect their revenue. If you can't get to it, you can't levy for it, you're gonna get less money than you could have if the cap wouldn't have been there."

Lang: "The... the... the PTELL law requires that there's a... there's an automatic maximum each year that the school district can access. It has little to do with EAV."

Eddy: "So... so, the City... the City of Chicago is capped in that manner, for those purposes?"

Lang: "That's my understanding of the current law, Sir."

Eddy: "Outside of the City of Chicago in non-capped counties what is the affect then of this cap on the amount of revenue that a school district can realize from it's EAV?"

Lang: "It... it... it will affect the rates so that a school district can get the same dollars, but it won't impact the other part of it."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Eddy: "Representative, with all due respect, if I... if I or any other taxing body's not able to access part of its levy, unless it's held harmless in a formula, it would be impossible for us to realize the revenue we could have if there wasn't a cap on what we're able to access. Because, quite frankly, I... if... if I'm not... if I'm not able to access that, I can't get to it. Now, if you're suggesting that somewhere in another formula that's held harmless because of... of general state aid replacing what you don't get to locally, one way or the other you have to make it up."

Lang: "Let me just say this simply. If your counties believe that this is bad for their schools, then your county won't opt in. What the..."

Eddy: "Well, unfortunate..."

Lang: "...my whole point here is that I'm happy to answer these questions, but some of them are... they're questions that ought to be directed at your county board if and when this Bill passes. This is about whether your county wants to do this. And so..."

Eddy: "I understand your point and I... I do recognize and respect that point as far as the local issue is concerned, local control. The problem with it, and Representative Flider made comments earlier, I can tell you the Decatur school system the last time we did this lost a couple of million dollars. I know that in Peoria they lost a couple of million dollars. And that happens. But, there is a way to replace it in general state aid, but that puts pressure on general state aid. It basically takes the burden and shifts it in another way so that we have less reliance on local

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

property. And I'm not suggesting that's a bad thing. What I'm saying is, if we want to work on... on those issues related to property tax and the burden, let's work on them. For those folks in here that are concerned about House Bill 750 and one of the major components of that House Bill, that tries to... to shift the property tax burden, this... this Bill is just putting a Band-Aid on the problem so that we never really get to... it's a symptom of the disease. We don't get to the disease if we continue to put these kind of quick fixes in."

Lang: "I... I would respond by saying, I don't completely disagree with you. You and I have talked about this personally. And we both agree that we need to find a better way to fund schools and if we did that we wouldn't be having these debates about property taxes all the time. But, we haven't done that. Who's to blame? I can't tell you, maybe we're all to blame. But, we haven't done that. And so, when sticker shock takes place in my district maybe it doesn't take place in your district. When sticker shock of 100 percent property assessments hit my homeowners' mailboxes they were a little peeved. They were a little put out. And all I'm asking for is the option for my county and yours to deal with this in a way that they choose to deal with it if it's a problem in your county."

Eddy: "Representative, I... to the Bill. I... I have a tremendous amount of respect for Representative Lang and what he's trying to do here. I can only tell you however, that the longer we look at short-term solutions like this the further we are away from fixing the problem. And... and if we're

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

gonna tackle the problem, let's tackle the problem. Let's... let's look at reducing local property taxes by shifting that burden. And... and I'm even willing to do that without looking at this huge increase in the amount if... if that's what we need to do. But, we're getting further and further away from that day the more we look at these short-term solutions. I... I would strongly urge a 'no' vote for the purpose of making sure that the issue becomes the issue and that we don't continue to hide the real issue. Thank you."

Speaker Madigan: "Mr. Fritchey. Fritchey."

Fritchey: "Thank you, Speaker. To the Bill. Let me pick up where the previous speaker left off. The problem that needs to be addressed is a real one and that's how we fund schools. That issue has been in front of this Body since before I was born. And there has not been the collective will to do that. You're right we should not be in this situation. I don't enjoy it. I don't think anybody else here enjoys it. We are dead last in the country when it comes to inequity in how we fund our schools and a large part of that problem is the over reliance on property taxes. Ladies and Gentlemen, ya know, it's... it's late in the year, you'll be happy to know I don't have the passion and the vigor maybe that I would have had a couple of months ago. But, let me just appeal to you on a couple of sentences here. The people that Representative Lang are talking about are not theoretical people. I've got in my hand some assessments... assessed valuations that were mailed out April 11th. Here's one from Representative Osterman's district, a house valued at \$93 thousand. This isn't a yuppie mansion,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

this is a modest home by modest hard... hard-working people. Their assessment went up 107 percent. Here's one in Representative Lang's district, 70 percent, 58 percent, 42 percent. Ladies and Gentlemen, I will tell you that I've dealt with a lot of issues in the 10 years I've been here. And I can still recall vividly the phone calls that I have received, and they've been more than one, people that have called me in tears. Representative, I live in the house I was born in. I want nothing more than the ability to die in that house and I can't do it. We don't have a mortgage on our home. We cannot afford our property taxes. Now, 3 years ago the argument was this is a yuppie Bill. This is for the rich people. Can't it... the rich people can afford to absorb the property tax increases. The people that can't are the people that we are sent here to represent. Representative Black talked earlier about the hard-working people of Illinois. These are hard-working people. This is not a north side of Chicago issue. This is a problem in Ravenswood, in Englewood, in Galewood and as Representative Lang eloquently stated, if your county does not want to do this don't do it. We are not forcing anything upon your counties. The... people talked about the impact on businesses. Crain's, they're a pro-business publication, did an editorial on this issue and they said in part, when the cap went into effect in 2004 homeowners were kicking in more than 45 percent of the county's property tax revenue compared with 40 percent from business. Homeowners are paying more than businesses. Now, 'the cap in effect,', and I'm quoting, 'the gap surely closed. Another 3 years would

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

probably see business taking the larger share of the tax burden than they have been in the past.' They went on to say, 'but this is a shift that all of us should accept for several reasons. First, raising residential property taxes will take money out of homeowners' pockets, sucking disposable income out of the local economy. A study by the Civic Federation concludes that lifting the cap would deal many homeowners a double digit increase in their assessed value next year, a shock that the Chicago housing market would be hard pressed to absorb. Second, limited tax increases would encourage further gentrification, which will continue to bring educated, ambitious young people to this city.' Ladies and Gentlemen, this... this legislation did what it was supposed to do 3 years ago; it's continuing to do it. My only regret is that it doesn't do more. Now, many of you have been asked by various people to vote against the Bill, oftentimes for political reasons. But I'm gonna submit to you that in the last month, over the last Session, definitely over the last 9 years, a number of my colleagues on this side of the aisle and that side, you've come to me for help in... with issues saying, John, this is just about my district come help me. Whether it was River Edge tax credits, whether it was something for truckers, whether it was something for coalminers, whether it was something for corn farmers. And whenever I could do it, I've been there. If your county doesn't want to do this, they don't have to do it. The majority... the overwhelming majority of Cook County Legislators are asking and pleading saying, this is our big issue. This is not about politics,

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Ladies and Gentlemen. And again, we need to fix the big picture. I'm not gonna get away from that fact. We need to get... fix the big picture or we're always gonna have some type of Bill like this. But, Ladies and Gentlemen, this is about real people. This is about real families being forced out of their homes. It is a tragic phone call to get for somebody that has been in their home for decades. I got an email no more than two hours ago from a woman telling me that she has to sell her house of 30 years because she cannot afford her property taxes. Has nothing to do with her mortgage payments, has nothing to do with losing a job. This is a vote about allowing people to stay in their communities, allowing them to have the home that they want to live in. Do we have to come back and fix the big problem? We do. This is not going to hurt any of you. It's going to do a tremendous amount of good in Cook County because we will reenact it. I will plead with you give us the help that we need. I have always tried... my colleagues have always tried to be there for you when you need help. This is something in my backyard and beyond. My voters are looking at this, my residents are looking at this, my homeowners are looking at this as a way of keeping themselves in their home. We're asking you to face a choice that is between big business, big commercial property owners, rental property owners, people that are supporters of all of yours or homeowners and people that we are truly down here to represent. The bread and butter of our community. Please, please help us help them. Thank you."

Speaker Madigan: "Mr. Biggins."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Biggins: "Thank you, Mr. Speaker. To the Bill. I rise in opposition to the 7 percent solution as it's properly called, but I voted for it the first time because many of the ideas that the county assessor has come up with I've supported. As a man of great vision and he's... he's... he's a very creative individual. This one doesn't seem to have worked as well as the other ones. The study by the University of Illinois confirms that in the south suburbs one half of all the homeowners, in the south suburbs of Cook County, are losers. Additionally, senior citizens lose part of their senior citizen exemption as a result of this shift. Now, the... this current version of the Bill expands the exemption and includes higher priced homes. Well, that dilutes the affect of the exemption of lower priced homes. And so it becomes less of a favorable exemption to those homes that it was favorable for. So, I'm gonna vote 'no' on this Bill."

Speaker Madigan: "Mr. Osterman."

Osterman: "Thank you, Mr. Speaker. I want to thank Representative Lang for his sponsorship of this legislation. He, like Representative Fritchey and others that have had their communities impacted by rising property taxes know that the benefit that we put in is not something for wealthy people. It's something for working-class people all around Cook County. And as was stated earlier, 80 percent of the homeowners in Cook County got a benefit from this. I would suggest to you today that those people would like the opportunity to see this Bill continued, this legislation continued. Those people are middle-class homeowners. And

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

this Act when it was enacted the first time was called the Neighborhood Preservation Act. The reason is that many of these middle-class homeowners who for years have been getting exorbitant, 50 percent, 100 percent, 150 percent increases in their property taxes were being forced to move out of their neighborhoods, neighborhoods that they invested in as parents, as members of the local school council, as business people. Those people want to stay in the homes that they helped... the neighborhoods that they helped create, where they saw their children being born. That's what this Bill did, it benefited those people. Not continuing this is going to put many of those people in harms way where they're gonna have to make tough choices with their spouses around the dinner tables trying to figure out how they're gonna be able to stay in their homes. This is a middle-class Bill, working-class people. Representative Lang talked about Rogers Park. Anyone that's ever been to Rogers Park will tell you that it's the furthest thing from wealthy suburbia, wealthy homeowners. A kid was shot at a school there today. High rate of minorities in there. Those people that own homes in that community want to stay in Rogers Park, as in Edgewater, as in Logan Square, as in other communities around Chicago and Cook County. This benefits those people. Those are the ones that are emailing us, calling us, asking us, begging us to get this Bill passed. Many of the people that are in opposition to this, big downtown developers that don't want to see this tax break for the middle-class people extended, those are the ones that are emailing in opposition. I got a whole stack of 'em. The John Buck

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Management Company, Mark Realty, those people want that benefit taken away from those middle-class homeowners to line their own pockets. I would ask all of you today to give Cook County the ability to continue this legislation and continue this benefit to those homeowners. Cook County wants to do this. They're down here working to pass this legislation. I also wanna say I find it ironic that some of the people that spoke about curbing spending three hours ago voted for a budget. I think we should practice what we preach. But Ladies and Gentlemen of the House, I simply ask you today this affects people that need the break. They want to stay in their homes, they want to stay in their communities, it's who they are. And they need this break. And I ask for your support of this legislation."

Speaker Madigan: "Representative May."

May: "Thank you, Mr. Speaker. I rise in support of this Bill. With all the rhetoric and the allegations that this would hurt business, I took it very seriously. I took seriously and I worried about a shift or hurting businesses. So, I asked the assessor's office to give me an impact analysis for my suburban district. This is not Chicago. We've heard a lot from Representatives from Chicago. This is suburban Cook County in addition to Lake County. What I found is very important. The percentage of the tax burden went up 4 percent for the residential homeowners. That's 4 percent. Even though we had the 7 percent cap, they still were bearing a greater burden. The commercial... the commercial portion went down 2 percent, even though we had the cap. So, the commercial was decreasing. The vacant and apartment

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

stayed the same, the industrial went down almost 1 percent. I took it seriously. I am concerned about the business climate, but I am concerned about the homeowners in my district. I voted for this before only when we made sure that other counties could opt in because I have Lake County and Cook County. But, many of my homeowners have seen assessment increases of 100 percent. Representative Osterman talked about neighborhoods in Chicago; I'm talking about suburban communities where homeowners in the most modest homes, the people who built these communities can no longer afford to stay there. These are the ones that are seeing the biggest increases. So, I checked out... I found out that the homeowners are still com... are still getting the greater portion, up 4 percent, the commercial is down 2 percent. For these reasons, for the taxpayers, the people who've lived in Northbrook and Glencoe for 35 or 40 years in modest homes, I urge a 'yes' vote. Thank you."

Speaker Madigan: "Mr. Scully."

Scully: "Thank you, Mr. Speaker. To the Bill. I rise in strong opposition to this Bill. And I think you can see from the tenor of this debate and from the people speaking out exactly where the dividing line is. This Bill is very damaging to south suburban Cook County. It shifts the tax burden away from the people who are enjoying very strong economic growth, very strong appreciation in their tax... in their real estates values. It's shifting the burden away from them to the people whose property isn't going up in value. Regarding the issue of commercial real estate taxes, that is the most outrageous red herring I've heard in a long

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

time. Yes, commercial businesses as a gross number are paying less real estate taxes because they're leaving town. They're leaving the county. Commercial real estate taxes are driving businesses out of Cook County. As a result, the gross dollars paid by commercial taxpayers is decreasing. And who is paying the lion's share when the businesses leave? Your homeowners are. It is totally disingenuous for the people from the north side of Cook County to say this is for ma and pa. This is for ma and pa who enjoy rapidly increasing real estate values to shift their tax burden to ma and pa who are not getting appreciation of their tax values. This is a classic example of a reverse Robin Hood. Stealing from the poor, making the poor pay for tax benefits that are being paid to the rich. The original Bill had a cap of \$20 thousand. This Bill has a cap of \$60 thousand. This Bill makes a bad Bill three times worse. Tell me how the ma and pa homeowner needs that \$60 thousand exemption? I rise in strong opposition to this Bill. Voting 'no' on this Bill 3 years ago was the best bill (sic-vote) I ever cast down here. The people of my district are painfully aware that the tax burden has been shifted from the appreciating homeowners in north... north half of Cook County to the suburban and south Cook County residents pushing more businesses out of Cook County, making the entire inequity of the real estate tax pay system for public education substantially worse. This is not merely a Band-Aid, this is a shot of morphine. We are still sick, we just don't know... know it anymore. We can't feel the pain. But, we are just

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

as sick as we ever were. I strongly urge you to vote 'no' on this Bill. Thank you."

Speaker Madigan: "Mr. Sullivan."

Sullivan: "Thank you, Mr. Speaker. To the Bill. I know we've been here for a real long time and I'm gonna try and be as brief as I can. But, some of the things that were said today we need to... we need to clarify a little bit. First of all, 2 years ago when we passed this legislation... Mr. Speaker, could we have some order, please? Could we have some order, please? Thank... just tone it down. Thanks. We passed this 2 years ago and we thought that it might hurt schools, it might hurt businesses, it might hurt..."

Speaker Madigan: "Mr. Sullivan."

Sullivan: "...renters."

Speaker Madigan: "Mr... Ladies and Gentlemen, please give your attention to Mr. Sullivan, bring down the noise level. Mr. Sullivan."

Sullivan: "Thank you, Mr. Speaker. It might hurt schools, it might hurt renters, might hurt seniors, might hurt farmers. Well guess what? We spent a hundred thousand dollars on a study. We asked two professors from the University of Illinois... to... to verify what this does and does not do. Well, guess what? They verified exactly what we said it was going to do. I want to point out two things. We talked about 80 percent of the people in Cook County receiving lower tax bills that Representative Lang said. He's partially right. Yes, that did happen, but why? Why did that happen? That happened because the tax rate went down, not because of the 7 percent solution. The other thing that

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

the previous speaker just talked about is this shift from commercial properties... the taxpayers from commercial properties to residential properties. Is that happening? Yes, it's happening, but why? Well, here's what these professors talked about and some other folks. A hundred and sixty-eight thousand new homes have been built in Cook County. So, you have to put them on the tax rolls. That's gonna shift the burden. You have... 20 thousand commercial and industrial properties have left Cook County in the last 10 years, 44 percent less apartment buildings because of condo conversions that are taking place. So, yes, there's gonna be a shift, but why? We just explained why. This Bill is going to hurt the lower valued properties. In southern... or in south Cook County, the professors came up with how many people benefit or don't benefit from this in Class 2 properties, 52 percent of Class 2 properties in southern... suburban Cook on the south side lose under the 7 percent solution. Why do we want to have a Bill that's gonna hurt lower valued properties and help higher valued properties. We know who lives in each of those properties, so I don't need to go into that. We talked about affordable housing in this Body. Under this Bill one person in a unit, they consider affordable housing \$150 thousand. You right now get an exemption without this Bill of \$30 thousand market value. To get from \$150 thousand to \$180 thousand is 20 percent, simple mathematics. This Bill calls for a 7 percent. So, if you're in affordable housing you gotta grow by greater than 20 percent a year to even to be eligible. So, under this Bill anybody in affordable housing can no

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

longer be part of this new exemption. Why do we want to do that in this Body? I think we've talked a lot about this Bill; I don't need to go on. But one thing as a new Legislator I learned real early is that a lot of legislation has unintended consequences. Clearly, we have shown the unintended consequences on this Bill, they're overwhelming. We need to put this issue to bed. Please vote 'no' on this Bill. Thank you."

Speaker Madigan: "The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 37 people voting 'yes', 69 people voting 'no', and the Bill fails. Mr. Bill Mitchell."

Mitchell, B.: "Thank you, Mr. Speaker. I wish the record to indicate my switch malfunctioned on Senate Bill 2030, and I wish to be recorded as a 'yes'."

Speaker Madigan: "The record will reflect your statement. The record will reflect your statement. On page 3 of the Calendar, on the Order of Senate Bills-Third Reading, there appears Senate Bill 998. Mr. Reitz. Mr. Clerk, read the Bill."

Clerk Mahoney: "Senate Bill 998, a Bill for an Act concerning health. Third Reading of this Senate Bill."

Speaker Madigan: "Mr. Reitz."

Reitz: "Thank you, Mr. Speaker. This Bill is the initiative of AFSCME and in concert with the Mental Health Association. It's intended to improve the treatment of persons in state mental hospitals and the safeties for both patients and

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

staff. We set up provisions that will determine whether medications are appropriate for each patient and if the patient needs that medication and cannot give informed consent. It determines whether the patient meets the criteria for that and we also document in writing whether.. whenever the medication is not given to someone whom it would be appropriate and collect data and publish that. And I'd be happy to answer any questions."

Speaker Madigan: "The Gentleman moves for the passage of the Bill. The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 112 people voting 'yes', 0 voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. On page 6 of the Calendar, on the Order of Senate Bills-Second Reading, there appears Senate Bill 835. Mr. Clerk, what is the status of the Bill. Mr. Bradley, the Clerk advises that there's been a request for a note."

Bradley, J.: "I'd...I'd move to deem that note inapplicable."

Speaker Madigan: "Mr. Bradley, we're gonna take this out of the record at this time. On page 9 of the Calendar, on the Order of Consideration Postponed, there appears Senate Bill 2445. Representative Feigenholtz."

Feigenholtz: "Thank you..."

Speaker Madigan: "Representative, this Bill is on Postponed Consideration. I would suggest that you speak very briefly to the Bill. One person wishes to speak against the Bill and then we'll go to Roll Call."

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Feigenholtz: "Ladies and Gentlemen, this is a Bill that affects one business in my district as I told you yesterday. It employs 20 people who otherwise will be out of a job if this license isn't moved one block north. I would appreciate your support. Thank you."

Speaker Madigan: "The Lady moves for the passage of the Bill. The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? Has Mr. Delgado voted? The Clerk shall take the record. On this question, there are 62 people voting 'yes', 50 people voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared passed. The Chair recognizes Representative Currie for a Motion."

Currie: "Thank you, Speaker. I move to suspend the posting requirements so that Senate Bill 789 can be heard in the Personnel and Pensions Committee this afternoon."

Speaker Madigan: "The Lady moves to suspend the posting requirements. Mr. Cross. Cross."

Cross: "We have no objection."

Speaker Madigan: "Thank you. Is there... you've all heard the Lady's Motion. Is there leave? Leave is granted. The posting requirement is suspended for Senate Bill 789. Mr. Clerk, Agreed Resolutions."

Clerk Bolin: "Agreed Resolutions. House Resolution 915, offered by Representative Cross. House Resolution 1271, offered by Representative Rose. House Resolution 1272, offered by Representative Brosnahan. House Resolution 1273, offered by Representative Pritchard. House Resolution 1274, offered by

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

Representative Bill Mitchell. House Resolution 1276, offered by Representative Sacia. House Resolution 1277, offered by Representative Daniels. House Resolution 1278, offered by Representative McGuire. House Resolution 1279, offered by Representative Chapa LaVia. House Resolution 1280, offered by Representative Monique Davis. House Resolution 1281, offered by Representative Molaro. House Resolution 1282, offered by Representative Molaro. House Resolutions 1283 and 1284, offered by Representative Molaro. House Resolution 1285, offered by Representative May. House Resolution 1286, offered by Representative Flowers. House Resolution 1287, offered by Representative Flowers. House Resolution 1289, offered by Representative McAuliffe. House Resolution 1290, offered by Representative Sullivan. House Resolution 1292, offered by Representative Flider. House Resolution 1293, offered by Representative Granberg. House Resolution 1294, offered by Representative Hoffman. House Resolution 1295, offered by Representative Kosel. House Resolution 1296, offered by Representative Pihos. House Resolution 1297, offered by Representative Poe. House Resolution 1298, offered by Representative Kelly. House Resolution 1299, offered by Representative Jakobsson. House Joint Resolution 131, offered by Representative Daniels. And House Resolution 1246, offered by Representative Granberg."

Speaker Madigan: "You've all heard the Agreed Resolutions. Representative Currie moves for the adoption of the Agreed Resolutions. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Agreed Resolutions are

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

adopted. We'd like to advise all of you that the schedule for the Veto Session has been distributed. And we hope to see you then and we'll see you tomorrow also. Clerk, would you... Mr. Clerk, would you read the committee schedule. So, please give your attention to the Clerk concerning committee schedule. Mr. Clerk."

Clerk Bolin: "The following committees will meet immediately upon adjournment: the Executive Committee in Room 118, Personnel and Pensions in Room 115 and Revenue Committee in Room 114."

Speaker Madigan: "Mr. Clerk, do you have a Supplemental Calendar? You don't. Ladies and Gentlemen, the Supplemental Calendar consists of this document which I believe that all of you have. It would be on the Order of Resolutions and these would be Agreed Resolutions where we will take one Roll Call on these Resolutions."

Clerk Bolin: "Supplemental Calendar #1. Agreed Resolutions. (sic-House Resolution 858, offered by Representative Pihos. House Resolution 940, offered by Representative Flider. House Resolution 941, offered by Representative Franks. House Resolution 951, offered by Representative Chapa LaVia. House Resolution 952, offered by Representative Moffitt. House Resolution 957, offered by Representative Schock. House Resolution 966, offered by Representative Joyce. House Resolution 973, offered by Representative Chapa LaVia. House Resolution 984, offered by Representative Monique Davis. House Resolution 989, offered by Representative Pihos. House Resolution 995, offered by Representative Granberg. House Resolution 998, offered by Representative

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

John Bradley. House Resolution 1029, offered by Representative Jakobsson. House Resolution 1038, offered by Representative Delgado. House Resolution 1040, offered by Representative McKeon. House Resolution 1053, offered by Representative Daniels. House Resolution 1073, offered by Representative Sacia. House Resolution 1078, offered by Representative Munson. House Resolution 1084, offered by Representative John Bradley. House Resolution 1085, offered by Representative John Bradley. House Resolution 1101, offered by Representative McCarthy. House Resolution 1116, offered by Representative Holbrook. House Resolution 1121, offered by Representative Watson. House Resolution 1129, offered by Representative John Bradley. House Resolution 1134, offered by Representative Osterman. House Resolution 1148, offered by Representative Coulson. House Resolution 1150, offered by Representative Flowers. House Resolution 1158, offered by Representative Chapa LaVia. House Resolution 1160, offered by Representative Howard. House Resolution 1181, offered by Representative Phelps. House Resolution 1184, offered by Representative Cultra. House Resolution 1185, offered by Representative Will Davis. House Resolution 1188, offered by Representative Acevedo. House Resolution 1197, offered by Representative Chapa LaVia. House Resolution 1210, offered by Representative Howard. House Resolution 1222, offered by Representative Mendoza. House Resolution 1230, offered by Representative Granberg. House Resolution 1235, offered by Representative Feigenholtz. House Joint Resolution 82, offered by Representative Hannig. House Joint Resolution 91, offered

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

by Representative John Bradley. House Joint Resolution 99, offered by Representative Lyons. House Joint Resolution 105, offered by Representative Lyons. House Joint Resolution 118, offered by Representative Pihos. House Joint Resolution 127, offered by Representative Madigan. Senate Joint Resolution 73, offered by Representative Leitch. Senate Joint Resolution 78, offered by Representative Watson. Senate Joint Resolution 87, offered by Representative Durkin. Senate Joint Resolution 88, offered by Representative May)."

Speaker Madigan: "Representative Currie moves that the Resolutions on Supplemental Calendar #1 be adopted. Those in favor say 'aye'; those opposed say 'no'. And we will go to a Roll Call. Those in favor will vote 'yes'; those opposed will vote 'no'. Has Mr. Tryon voted? The Clerk shall take the record. On this question, there are 112 people voting 'yes', 0 voting 'no'. And the Agreed Resolutions on Supplemental Calendar #1 are adopted. Ladies and Gentlemen, we are prepared to adjourn for the night and I would like to say that we feel that we have a reasonable chance to finish our work tomorrow. Now, please let me underscore reasonable chance. So, you've all been here long enough to know that the train can be derailed and there are some here that are trying to derail the train, but looks pretty good. See you all in the morning. Representative Currie moves that we stand adjourned until 9:30 on Thursday, May 4, providing perfunctory time for the Clerk. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have

STATE OF ILLINOIS
94th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

127th Legislative Day

05/03/06

it. The House does stand adjourned until tomorrow at 9:30 a.m., providing perfunctory time for the Clerk."

Clerk Mahoney: "House Perfunctory Session will come to order. Referred to the House Committee on Rules, House Resolution 1275, offered by Representative Bill Mitchell, House Resolution 1288, offered by Representative Reitz, House Resolution 1291, offered by Representative Chavez and House Joint Resolution 132, offered by Representative Colvin. Committee Reports. Representative Richard Bradley, Chairperson from the Committee on Personnel & Pensions, which the following measures were referred, action taken on May 3, 2006, reported the same back with the following recommendations: 'do pass as amended Short Debate' Senate Bill 789. Representative Reitz, Chairperson from the Committee on Revenue, which the following measures were referred, action taken on May 3, 2006, reported the same back with the following recommendations: 'recommends be adopted' House Amendment 2 to Senate Bill 1892. Representative Burke, Chairperson from the Committee on Executive, which the following measures were referred, action taken on May 3, 2006, reported the same back with the following recommendations: 'recommends be adopted' is Floor Amendments 3, 4 and 5 to Senate Bill 2049. Second Reading on Senate Bill 789. Senate Bill 789, offered by Representative Turner, a Bill for an Act concerning public employee benefits. Second Reading of this Senate Bill. There being no further business, the House Perfunctory Session will stand adjourned."