

STATE OF ILLINOIS
89TH GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

73rd Legislative Day

February 7, 1996

PRESIDENT PHILIP:

The regular Session of the 89th General Assembly will please come to order. Will the Members please be at their desks and will our guests in the galleries please rise. Our prayer today will be given by Pastor Rick Wenneborg, Chatham Christian Church, Chatham, Illinois. Pastor Wenneborg.

PASTOR RICK WENNEBORG:

(Prayer by Pastor Rick Wenneborg)

PRESIDENT PHILIP:

Please rise for the Pledge of Allegiance. Senator Sieben.

SENATOR SIEBEN:

(Pledge of Allegiance, led by Senator Sieben)

PRESIDENT PHILIP:

Reading of the Journal. Senator Butler.

SENATOR BUTLER:

Mr. President, I move that reading and approval of the Journal of February -- of Tuesday, February 6th, be postponed, pending arrival of the printed Journal.

PRESIDENT PHILIP:

Senator Butler moves to postpone the reading and the approval of the Journal, pending the arrival of the printed transcript. There being no objection, so ordered. Committee Reports.

SECRETARY HARRY:

Senator Rauschenberger, Chair of the Committee on Appropriations, reports Senate Bills 1260, 1261, 1262, 1263, 1277 and 1347 Do Pass.

Senator Butler, Chair of the Committee on Commerce and Industry, reports House Bill 1470, the First Conference Committee Report, Be Approved For Consideration.

PRESIDENT PHILIP:

Messages from the House.

SECRETARY HARRY:

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A Message from the House by Mr. McLennand, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 1122, with House Amendment No. 5.

Passed the House, as amended, February 6th, 1996.

PRESIDENT PHILIP:

Introduction of Bills.

ACTING SECRETARY HAWKER:

Senate Bill 1461, offered by Senator Raica.

(Secretary reads title of bill)

Senate Bill 1462, offered by Senator Farley.

(Secretary reads title of bill)

Senate Bill 1463, offered by Senator Rauschenberger.

(Secretary reads title of bill)

Senate Bill 1464, offered by Senator DeLeo.

(Secretary reads title of bill)

Senate Bill 1465, offered by Senator Dillard.

(Secretary reads title of bill)

Senate Bill 1466, offered by Senator Dillard.

(Secretary reads title of bill)

Senate Bill 1467, offered by Senator Donahue.

(Secretary reads title of bill)

Senate Bill 1468, offered by Senator Dillard.

(Secretary reads title of bill)

Senate Bill 1469, offered by Senator Dillard.

(Secretary reads title of bill)

Senate Bill 1470, offered by President Philip.

(Secretary reads title of bill)

Senate Bill 1471, offered by Senator Barkhausen.

(Secretary reads title of bill)

Senate Bill 1472, offered by Senator Raica.

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(Secretary reads title of bill)

Senate Bill 1473, offered by Senator Woodyard.

(Secretary reads title of bill)

Senate Bill 1474, offered by Senator Raica.

(Secretary reads title of bill)

Senate Bill 1475, offered by Senator Raica.

(Secretary reads title of bill)

Senate Bill 1476, offered by Senator Hawkinson.

(Secretary reads title of bill)

Senate Bill 1477, offered by Senator Hawkinson.

(Secretary reads title of bill)

Senate Bill 1478, offered by Senator Weaver.

(Secretary reads title of bill)

And Senate Bill 1479, offered by Senator Dunn.

(Secretary reads title of bill)

1st Reading of the bills.

PRESIDENT PHILIP:

Senator Demuzio, for what purpose do you rise?

SENATOR DEMUZIO:

Thank you, Mr. President. I'd like the record to reflect that Senator Molaro is absent today due to illness and that Senator Carroll is still out of the country attending a symposium, as I announced yesterday.

PRESIDENT PHILIP:

The record will so indicate. Senator Geo-Karis, for what purpose do you rise?

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, there will be a Republican Caucus immediately after this morning's Session at Senator -- Pate Philip's...

PRESIDENT PHILIP:

That's always in order. Senator Demuzio.

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SENATOR DEMUZIO:

Could you enlighten us as to perhaps what the schedule might be?

PRESIDENT PHILIP:

Yes. We -- we intend on going into a caucus; hopefully, we'll be out by 11:30, so we would stand in recess till 11:30. I -- I would hope that we would take -- probably take up the workmen's -- I mean, unemployment insurance, and that would probably be it for the day. Senator Demuzio.

SENATOR DEMUZIO:

...you have -- do you have any idea about the -- will we be here tomorrow and -- and Friday now, or is that going to be perfunctory?

PRESIDENT PHILIP:

I -- I would think this: At this point, we'll probably be in tomorrow morning at 9, probably be here for an hour or two. The House has sent some stuff over; I'm not sure what we're going to do with it yet. But Friday's perfunct anyway. Senator Jacobs, for what purpose do you rise?

SENATOR JACOBS:

Thank you, Mr. President. There'll be a Democratic Caucus in Senator Jones' Office immediately.

PRESIDENT PHILIP:

Thank you. The Senate will stand recessed till 11:30 a.m.

(SENATE STANDS IN RECESS)

(SENATE RECONVENES)

PRESIDENT PHILIP:

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The Senate will please come to order. Introduction of Bills.

SECRETARY HARRY:

Senate Bill 1480, offered by Senator Trotter.

(Secretary reads title of bill)

Senate Bill 1481, by Senator Carroll.

(Secretary reads title of bill)

Senate Bill 1482, by Senator Hendon.

(Secretary reads title of bill)

House {sic} Bill 1483, by Senator Hendon.

(Secretary reads title of bill)

Senate Bill 1484, by Senator Hendon.

(Secretary reads title of bill)

Senate Bill 1485, by Senator Cronin.

(Secretary reads title of bill)

Senate Bill 1486 is offered by Senator Raica.

(Secretary reads title of bill)

Senate Bill 1487, by Senator Raica.

(Secretary reads title of bill)

Senate Bill 1488 is presented by Senators Garcia and
del Valle.

(Secretary reads title of bill)

Senate Bill 1489, by Senator Lauzen.

(Secretary reads title of bill)

...Bill 1490.

(Secretary reads title of bill)

...Bill 1491, by Senator Lauzen.

(Secretary reads title of bill)

Senate Bill 1492, by Senator Lauzen.

(Secretary reads title of bill)

Senate Bill 1493, by Senator Parker.

(Secretary reads title of bill)

Senate Bill 1494, by Senators Fitzgerald, Philip and

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Rauschenberger.

(Secretary reads title of bill)

Senate Bill 1495 is offered by Senator Fitzgerald.

(Secretary reads title of bill)

Senator Molaro offers Senate Bill 1496.

(Secretary reads title of bill)

Senate Bill 1497, by Senator Cronin.

(Secretary reads title of bill)

Senate Bill 1498 is presented by Senator Berman.

(Secretary reads title of bill)

Senate Bill 1499, by Senator Dunn.

(Secretary reads title of bill)

Senate Bill 1500, by Senator Woodyard.

(Secretary reads title of bill)

Senate Bill 1501, by Senator Garcia.

(Secretary reads title of bill)

Senate Bill 1502, by Senator O'Malley.

(Secretary reads title of bill)

And Senate Bill 1503, by Senator Peterson.

(Secretary reads title of bill)

1st Reading of the bills.

PRESIDING OFFICER: (SENATOR MAITLAND)

Resolutions.

SECRETARY HARRY:

Senate Joint Resolution 76, Constitutional Amendment, offered by Senators Watson, Fitzgerald, Klemm, Jacobs and Geo-Karis.

PRESIDING OFFICER: (SENATOR MAITLAND)

Ladies and Gentlemen, if I could have your attention please. Rules Committee is -- is presently meeting. They will conclude their work in -- in a few minutes. The next order of business will be the Supplemental Calendar, and on that Calendar is House Bill 1470. So for those of you who are within the sound of my

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voice, I would invite you to the Floor as quickly as possible.

Introduction of Bills.

SECRETARY HARRY:

Senate Bill 1504, offered by Senator Petka.

(Secretary reads title of bill)

Senate Bill 1505 is presented by Senator Rauschenberger.

(Secretary reads title of bill)

Senate Bill 1506, by Senator Rauschenberger.

(Secretary reads title of bill)

House {sic} Bill 1507, by Senator Rauschenberger.

(Secretary reads title of bill)

Senate Bill 1508, by Senator Rauschenberger.

(Secretary reads title of bill)

Senate Bill 1509 is presented by Senator Parker.

(Secretary reads title of bill)

Senator DeAngelis offers Senate Bill 1510.

(Secretary reads title of bill)

Senate Bill 1511, by Senator Syverson.

(Secretary reads title of bill)

Senate Bill 1512, by Senator Dudycz.

(Secretary reads title of bill)

Senate Bill 1513, by Senators Maitland, Parker and Watson.

(Secretary reads title of bill)

Senate Bill 1514, by Senator Bomke.

(Secretary reads title of bill)

Senate Bill 1515 is presented by Senator Madigan.

(Secretary reads title of bill)

And, Senate Bill 1516, by Senator Geo-Karis.

(Secretary reads title of bill)

1st Reading of the bills.

PRESIDING OFFICER: (SENATOR MAITLAND)

...Reports.

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SECRETARY HARRY:

Senator Weaver, Chair of the Committee on Rules, reports the following Legislative Measures have been assigned: Referred to the Committee on Appropriation - Senate Bill 911; to the Committee on Commerce and Industry - the Motion to Concur with House Amendment 1 to Senate Bill 21; to the Committee on Environment and Energy - Senate Bills 1390 and 1391; to the Committee on Executive - Senate Bill 1386; to the Committee on Insurance, Pensions and Licensed Activities - Senate Bill 1222; to the Committee on Judiciary - Senate Bill 1388; to the Committee on Local Government and Elections - House Bill 682; to the Committee on State Government Operations - Senate Bills 1385, 1387 and 1389; and Be Approved For Consideration - House Bill 809 and Senate Amendment 1 to House Bill 809.

PRESIDING OFFICER: (SENATOR MAITLAND)

All right. Ladies and Gentlemen... Ladies and Gentlemen, on your desk, on Supplemental Calendar 1, Conference Committee Reports, is House Bill 1470. Mr. Secretary, do you have on file a conference committee report on House Bill 1470?

SECRETARY HARRY:

Yes, Mr. President. First Conference Committee Report on House Bill 1470.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Thank you, Mr. President. Ladies and Gentlemen, just three minutes of background concerning unemployment insurance. This issue is about more than money; it's about people in the State of Illinois. More jobs paying higher wages will solve so many of the problems that Illinois citizens face. The solution provides a substitute for welfare, an alternative to crime, a tax base for effective public education, and a source of self-respect where

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family members can take care of themselves rather than turning dependent toward government. Although the long-term solution for economic self-reliance depends...

PRESIDING OFFICER: (SENATOR MAITLAND)

Excuse me, Senator Lauzen. Ladies and Gentlemen, would you please give the Senator your attention, please? Senator Lauzen.

SENATOR LAUZEN:

Thank you. Although the long-term solution for economic self-reliance depends on education, in the short run creating a climate of individual opportunity requires cutting the cost of doing business in Illinois relative to other states and other countries. The more money Illinois businesses spend on taxes and mandated insurances the less cash flow is available for higher wages, benefits, and productivity enhancements. Reducing the unnecessary unemployment insurance burden on employers cuts the cost of doing business in Illinois and creates the climate to achieve the benefits for our people of more jobs paying higher wages. Basically, all Illinois employers pay an average of 3.4 percent on the first nine thousand dollars they pay their employees. This rate goes up to 8.2 percent on the high side, and down to .6 percent on the low, depending on the amount of unemployment compensation benefits paid out on an employer's account. Then, generally, when a -- a worker is laid off through no fault of his own or her own, they receive unemployment compensation. These benefits increase each year by the wage inflation index. In 1991, when the most recent changes to the Unemployment Compensation Act were made, it was projected that the trust fund would hold about nine hundred million dollars at the end of 1995. This was agreed to by employers and organized labor as a sufficient balance before the legislation was passed. However, the trust fund has swollen to sixteen hundred and seventy-five million dollars or seven hundred million in

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employment taxes overpaid in the past several years. We propose to gradually reduce this unnecessary surplus by a hundred and thirty million dollars in 1996. The basic decision to be made by policy makers today is: Which will help workers in Illinois more? To return a hundred and twenty-eight million dollars into the productive economy or leave these funds in a savings account in Washington, D.C., financing the federal deficit? By reducing the taxes paid on each employee by about fifteen percent, a hundred and twenty-eight million dollars will stay in the Illinois economy in 1996. One final note before answering questions: We should differentiate between this action today in 1996, which is basically tax relief only, and the action needed for 1997 and beyond, which is to renegotiate and reform the whole Unemployment Insurance Act, as far as benefits and eligibilities, all those kinds of things. So I would think that it's helpful, as we consider this today, to consider what we do in 1996, which has to do with the rates, and 1997 and beyond, which has to do with reforming the whole system itself. Thank you, Mr. President.

PRESIDING OFFICER: (SENATOR MAITLAND)

Is there discussion? Is there discussion? Senator del Valle. I'm sorry. Senator Garcia.

SENATOR GARCIA:

Thank you, Mr. President. Would the sponsor yield for a couple of questions?

PRESIDING OFFICER: (SENATOR MAITLAND)

Indicates he will yield, Senator Garcia.

SENATOR GARCIA:

Thank you, Mr. President. Senator Lauzen, would you explain the purpose of the speed bump that you alluded to, that the current legislation, in effect, would trigger, and why it was put in there and how it relates to this bill, please?

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Senator Lauzen.

SENATOR LAUZEN:

How the -- how the speed bumps operate is, about four years ago when there was an agreement between labor and management and employers, both sides put into the bill incentives to come back to the negotiating table by the end of 1996. Speed bump is basically that if we take no action in the second -- and this is a question that you're asking about legislation that's needed that is not what we're talking about today. But to answer your question specifically, the taxes go up for employers, which drives them to the negotiating table; benefits go down to people receiving the benefits, again giving labor and management an incentive to get together to negotiate what the next phase in 1997 and beyond. But I would remind you that what we're talking about today is something separate, which is about 1996.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Garcia.

SENATOR GARCIA:

Thank you, Mr. President. Since the concept of the speed bump and management or employers and workers and labor getting together to ensure that there is an agreement, a compact, that is good for everyone in Illinois - for business and for working people - if it's a good idea in general, why was labor, why were workers, why was our side of the aisle, not consulted in crafting this bill? We just concluded a Democratic Caucus, and everyone on this side of the aisle wants to consider, wants to save money, for small businesses especially, if it is true that this fund is overfunded, if it is too generously healthy, we would consider -- we want to send money back to save employers, especially small businesses, some money. Why aren't we being consulted? We want to do that. I have hundreds and hundreds of small businesses in my district that I want to help. Why was I excluded from the possibility of

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discussing an agreement on that, that could be bipartisan?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen, before you answer. Ladies and Gentlemen, this is a critical -- critically important issue. Very few are listening to the discussion between the two speakers. I'm absolutely going to insist that the conferences be kept to a minimum, and if any discussions are necessary, you keep those discussions at a low tone, and please give the courtesy to the sponsor and those answering {sic} the questions. Senator Lauzen.

SENATOR LAUZEN:

Thank you. Senator Garcia, I understand the importance of the agreed-bill process, and I know that there are some circumstances when the agreed-bill process is selected by the various leaders in the Governor's Office, the -- both -- both Houses of the Legislature. However, when you say that you were excluded, I personally called at least eighty-five percent of our colleagues on the Democratic side of the House approximately three weeks ago, with an offer to -- and this is personally, so I -- this is not secondhand. I picked up the phone. I called your office twice, left two messages. So -- and I was ready to send over the same information that I gave my Republican colleagues so that you'd have the benefit of that. I also believe that in 1970, that was the last time that the agreed-bill process was used - when it was a Democratic Governor, both Majorities in the House and the Senate - and it was labor's decision at that time to not select the agreed-bill process. As a matter of fact, the AFL-CIO passed a resolution in 1992 that Sally Jackson referred to in -- the -- the Director of the Illinois Chamber of Commerce referred to in the committee meeting yesterday, that it was labor's position that they were going to opt out of that -- or recommend to opt out. Finally, and it gets to the heart of what you're asking about, labor has resisted what many consider just commonsense fiscal

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management: Why give veto power to one group to stop progress for eleven million people in the State of Illinois?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Garcia.

SENATOR GARCIA:

Thank you, Mr. President. First of all, Senator Lauzen, with all due respect, 'cause I have great respect for you and for your convictions on principle, I think that I speak and I understand the English language, even though it is my second language, a little bit better than your average person. I would have returned your phone calls if I had been aware of it. But that's neither here nor there. To the bill -- or one final question and then I'll speak to the bill. If this bill is enacted, will businesses, employers, receive a refund or a check in the mail as a result of it?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

The answer is no.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Garcia.

SENATOR GARCIA:

To the bill: Mr. President, Senator Lauzen, and Ladies and Gentlemen, I would be willing to revisit the trust fund of the unemployment insurance trust fund if it is true that it is overfunded, and needlessly overfunded, because I represent a district that has thriving commercial strips all through it - hardworking people, and they are people who get up very early in the morning and sometimes the last ones to go to sleep because they're working overtime. I have entrepreneurs all throughout my district that are successful that would like to save some monies on their unemployment insurance premiums and taxes. However, I

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would like to come up with a compromise, an agreement, that could enable us to do that. And I think that if it is true that there is too much money, we could have done that. But I'm also cognizant, Senator Lauzen, that as a result of this bill, we aren't likely to create hundreds or thousands of new jobs in the Illinois economy, because the savings of your average -- your average-size business is not going to be that large. Your average employer in the State of Illinois is approximately sixteen to seventeen people per business. And it's my understanding that the annual savings, as a result of this bill - average savings - is likely to be between five and six hundred dollars, hardly enough to create that many new jobs, unless you're going to create a handful of minimum-wage jobs and not likely to result in wage increases for people who need to make better wages to make a living wage. And I think it's important to point that out. I would like to pass a bill that could result in giving money back to people if, in fact, this trust fund is overfunded, but I'm also concerned about the future in our State's ability to have an adequately funded unemployment insurance fund. And if there is money to be given back, I would have liked to have been part of it. Thank you very much. That's why I cannot support this bill.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator del Valle.

SENATOR DEL VALLE:

Thank you, Mr. Chairman. Mr. Chairman, just a couple of minutes ago you indicated that you wanted everyone's attention because this is an important issue. You used the word "critical", and I would agree with you. And I think that it bears repeating that there wasn't much time given here by this Body, by the committees, for deliberation on this important, critical issue. I understand that we are under -- based on the proponent's position, under time constraints here, and I understand the reasons why.

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But the fact is that this is a critical issue. Today's Tribune Business Section has two mentions of two companies, two groups, that are cutting back jobs. Samsonite to cut jobs, consolidate. Then it also mentions that January job cuts reach two-year high. U.S. employers slash ninety-seven thousand jobs in January, the highest monthly total since January of '94. It seems that a day doesn't pass that we don't pick up the paper and we read about downsizing, we read about layoffs, we read about job cuts. And yet, here we are today talking about basically raiding the employment insurance trust fund, and we're saying this and trying -- we're attempting to do this at a time when all polls indicate that there is a lot of anxiety out there, that there is a lot of uncertainty out there. Why are seniors feeling anxiety? Why are young workers anxious? For the same reason: they both wonder what's going to happen with the Social Security trust fund. People are concerned about the future. People are concerned about the unfunded liability in our pension funds. People are concerned about whether or not they're going to be able to rely on the programs that government established for the purpose of their security. And here we are talking about doing something that many experts say we shouldn't be doing. The amount recommended by the Joint Employers is almost one billion dollars less than what is recommended by the U.S. Department of Labor, in terms of what should be in that trust fund. But here we are talking about reducing the rates, and that reduction is not going to translate into job creation. We all know that. Who are we kidding here? We know that that's not going to happen. It's going to go -- the few dollars that the employers are going to save are going to go into their pockets. They're going to get, under the current formula, over a hundred and twenty million dollars in reductions even if we do nothing. Who are we kidding here? Who are we trying to convince that we're doing something that's good for

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business? And this is not a labor issue - organized labor issue. Most of the individuals -- many of the individuals who will be laid off and who will have to apply for unemployment insurance are not union workers. They're going to be affected down the road. Now, some of you will say, "Well, that -- this legislation doesn't do that; this legislation doesn't reduce benefits," but I'll take you back to where we were, not that long ago, when we had to borrow from the federal government and we had to come to the table and we had to reduce benefits for employees -- for laid-off employees, and we had to increase the rate in order to get ourselves out of the red. We did that. And now we want to take an action that may point us in that direction again, and, folks, we are looking at a recession down the road. Whether you think so or not, I think we are. And that's going to affect -- are we going to come back here and reduce the benefit levels for people as a result of not having enough funds in the trust fund? That's probably what we'll end up doing. Where's fiscal responsibility? Senator Lauzen, you preach and you talk about fiscal responsibility. I say to you that the fiscally responsible action to take is to leave that trust fund as it is. Leave it as it is so that we are able to pay out the benefits that have to be paid out to the hardworking men and women of this State.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Palmer.

SENATOR PALMER:

Thank you, Mr. President. Question of the sponsor.

PRESIDING OFFICER: (SENATOR MAITLAND)

Indicates he will yield, Senator Palmer.

SENATOR PALMER:

Senator Lauzen, you and I have talked by phone, so some of my questions should not surprise you. First of all, I wanted to ask you, where in this bill is the language that says that these

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dollars will be returned to the Illinois economy rather than to employers and therefore will, as your opening speech said, create jobs and more income for the State of Illinois?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Senator Palmer, I -- I respect your question. Naturally, as those dollars are saved, rather than sending fifteen, sixteen percent more into Washington, D.C., those dollars will stay in the Illinois economy. Initially it is in the form of dollars saved for employers, but then you have to answer the question of what will those employers do with those funds. Even if, as Senator del Valle said, they go into someone's pocket, well they don't go into the pocket and stay there. They either get spent in the economy or invested in the local bank, rather than being shipped out to Washington, D.C.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Palmer.

SENATOR PALMER:

You and I disagree on that, and I'll get to that in my closing remarks. Second question: The trigger - is there a trigger in this legislation that will immediately respond to a change in the economy that creates a downturn and that will negatively affect employment with the possibility of more people being unemployed and, therefore, more calls on the trust fund?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

The answer is yes. And I think that what you're asking about is a concern that we share, that we have safety of the trust fund itself. There are several pieces. Number one, in 1991, 1992, labor agreed with employers that a -- to a formula that would

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result in nine hundred million dollars being in the trust fund. So that was given, at that time, as a figure, and now it's at - as I mentioned before - 1.6 billion. Put into place was better forecasting. An actuarial department was put in and then the trigger mechanisms serve as another safety net. We've also made an adjustment in what we're proposing today to keep the funds at a level, according to the best forecasts available, to keep it at five hundred and twenty-one million or above.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Palmer.

SENATOR PALMER:

Senator Lauzen, are you familiar with the U.S. Department of Labor's recommendation - and I believe this was originally proposed during the Reagan administration - that the unemployment trust fund should be equal to 1.5 times the State's greatest benefit, the payouts, in the largest amount of payout - that was 1983 for the State of Illinois, during which time the State paid 1.6 billion dollars out in unemployment? Therefore, logically, if that is accepted, we are not oversubscribed; we are, in fact, under-subscribed.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Two responses to that: Number one, consider the incentive that the federal government has to overstate the need in that trust fund. You know that they're going to be receiving these funds and using them to finance the federal deficit. So there's -- a skeptical person might say they have a built-in incentive to overestimate. That'd be one point. A second point is, according to the Associated Press, on November 26, 1995, marked to quote: Illinois officials have never accepted the higher standard that you're referring to. They say it fails to recognize that since

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1987, State law has provided for flexible taxes and benefits during a recession, and that reduces the need for large reserves.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Palmer.

SENATOR PALMER:

...Mr. President. To the bill: Senator Lauzen, I'm glad you used the words "skeptical person," because I think that describes me. I certainly find this seductive - the logic of it. However, if it were limited to giving back the lump sum of the two hundred million or whatever the difference between what was agreed to, there might be some interest in this. However, that's not what's happening here, and I think people need to understand this. This gets really into changing a formula that was agreed upon in an earlier year between labor and commerce. And as far as I understand it, there is no agreement to sit down together and to do what the speed bump was supposed to trigger, and that was to sit down in this year and review again and come back to the table and make decisions of common interest. I am skeptical, secondly, because this is like that old saying, "If it walks like a duck, it must be a duck." This is a trickle-down, again. It's another part of a pattern that is very disturbing to me, that we've had in this Body - the attacks on workers' comp., the Structural Work Act, and all the rest of this. If you put this as a package together, I think it is a very dangerous way to go, and I do not agree with it. And I think that this is a tiny change, but it is critical and one that is going to have tremendous effects on everybody. And I think its danger is that it is so seductive. I say we vote No on it.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Syverson.

SENATOR SYVERSON:

Thank you, Mr. President. A couple questions of the sponsor.

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First of all...

PRESIDING OFFICER: (SENATOR MAITLAND)

Indicates he will yield, Senator Syverson.

SENATOR SYVERSON:

The -- the comments that were made about borrowing of -- how they had to borrow funds back in the seventies and eighties because there was a deficit there. What was the reason that deficit was created in the first place?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

My understanding of what occurred at that time was that the State of Illinois was under the mistaken impression that we could tap into federal funds without having to pay back. When there was the double-bounce in the recession at about that time, the -- the federal government changed its mind, said, "Not only are you going to have to pay back what you have -- what you're borrowing this year, but what you did in previous years with interest."

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Syverson.

SENATOR SYVERSON:

Did not the Legislature also increase benefits to workers and not increase the tax on employers, thus creating what would be a -- a disaster?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Yes. That was the last time that we departed from the agreed-bill process. Some of those measures were put into law at that point.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Syverson.

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SENATOR SYVERSON:

As far as trust funds go, compared to what other states like ourselves - industrial states or even all the states across the United States - how does Illinois' trust fund compare to them?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

If -- if I'm not mistaken, our fund balance is approximately fifth in the ranking of the industrial states.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Syverson.

SENATOR SYVERSON:

Okay. I just rise in -- in support of this bill. I think it's been stated very well that this is putting money back into the economy. It's not going to have any effect on workers. Benefits - this year are going to increase over last year. The trust fund at the end of the year is still going to be able to pay out one and a -- one and a half years' worth of benefits, which is more than forty-five other states have the ability to do. And I think this is one more step in making Illinois a more competitive place to do business. Thank you.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Collins.

SENATOR COLLINS:

Thank you. I'm going to be brief because I think most of my questions have been answered. But -- but, Senator, I want to know, given that you -- when you -- when you opened you said that under the speed back {sic} law agreement that was agreed to four years ago, that business and labor was to come back to the table the end of this year to actually talk about renegotiation and looking at lowering -- raising taxes and lowering benefits, will that process take place this year? Do you have any intentions of

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doing that?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Yes.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Collins.

SENATOR COLLINS:

Well, Senator, if you are going to do that, what is the urgency of pushing this bill forward right now? Why not -- because we are dealing -- and then it could become -- if we -- if we did that, why would it be necessary for us to push this bill right now?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

I appreciate the question. Again, it goes back to the fact that if we don't have the decision by -- I believe it's Friday on February 9th, we're not going to be able to send out the forms that people use to pay it out, and that's for the 1996 unemployment compensation taxes. So that's why it has an immediate reason to get action right now. And the speed bumps, and the reason why we have to, you know, go back to work on that, the speed bumps take effect on January 1st of 1997. So we have that time to sit down and figure out, well, what can we put together in the respect of, you know, eligibility, you know, qualifications - what the benefits are, what the tax rates are.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Collins.

SENATOR COLLINS:

On a further question, are you indicating that with the passage of this bill there -- there would be a two hundred and

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seventy-five million dollars' benefit to -- to business?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

My -- my understanding is that based on where we were going to be under current law versus where we are now, it's approximately a hundred and twenty-eight million spread across all businesses, not just large but also small - the whole gamut is covered.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Collins.

SENATOR COLLINS:

The reason I -- I would like for you to actually, you know, say it loud enough in the record so that people can hear it, because there seemed to be actually a misconception about just how much money you're talking about here, because part of that - a hundred and twenty-four million dollars - they would have already experienced it anyway, in terms of benefits gained. So it -- it's not actually the two seventy-five; it's more like the two -- two fifty-one, I think, or something like that.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Klemm.

SENATOR KLEMM:

Well, thank you, Mr. President. Some years ago when I was involved in this over as a House Member, management and labor made a promise, really. We had said at the time, when we found out that the federal government was going to charge us interest and we had these millions of dollars behind because of the economy turnaround, we said, "Let's do something to prevent this in the future," and we did. We agreed - both sides - that we would build up this trust fund to approximately nine hundred million dollars, and we have done that. ...fact, we not only have built it up to that figure, but we've almost doubled it, to a hundred -- or, one

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billion six hundred million dollars in a trust fund. Businesses took the money out of their operations and paid into the trust fund. They kept their promise and they did it. Nobody has gone without the benefits; the economy has turned around; we're moving ahead. We don't need a trust fund just for the sake - of that amount - to say we have it. Why not allow those dollars to come back to businesses, such as mine, to help employees, to help expansion, to help us create more opportunities? And we still have the safety net; we still have the triggers involved that if it does go lower, it would automatically be increased. We don't have to continue this again, as we did years ago. I think we've built the safeguards in it. And you know what we did before would happen; if it did go low, we would increase the amount the businesses had to pay into it regardless, whether we had the triggers or not, but we've built it in. I feel confident that this is the right thing to do, not just for businesses, because it's going to turn out for their employees and the economy itself. I think this vote is important for all of us and our communities to vote Yes.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Berman.

SENATOR BERMAN:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I've listened very carefully to the debate. Let me state for the record why I am not going to vote Yes. First of all, I think that small businesses in my community are -- have been misled by the newspaper accounts. They think they're going to get a check, and they're not going to get a check. That's number one. Number two, this is a reduction that's spread out over three years. I'm concerned, speaking on behalf of employed persons and persons who may become unemployed, that if this bill passes, they have lost a very important bargaining chip, a very important leverage point,

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to bring management to the table. And what I mean by that is this: There was an agreement in 1992. Both sides, labor and management, sat down and worked out a plan that extended for four years plus. Things change. We find on one hand that there's more money accumulated than they thought would accumulate in '92. But as Senator del Valle pointed out and others have pointed out, there's an awful lot of scaling back, of layoffs, of unemployment, that may not have been anticipated in '92. I'm not an expert in this and I would daresay that there's very few people on this Floor that are experts on this. The best people to negotiate and reach conclusions is labor and management, at the same table. If we pass this bill now, we're going to be giving management back a lot of money and not giving the employees any leverage to force labor to sit down and reexamine what's going to happen in '96, '97, '98, '99, at least. If -- if we were sincere about, as Senator Lauzen says - and I don't doubt his sincerity, but he doesn't call the shots - if we were sincere about forcing management to sit down with labor and look at this from a "you planned this; you work this out for the next two, three, four years" - management and labor - then what we should have done is to probably started a one-year refund, not a three-year refund, a one-year refund so that there would at least be an incentive for management to sit down in 1996 and negotiate with labor and for labor to negotiate with management. By the passage of this bill, those incentives disappear, and all we're going to rely upon is the good faith of both sides. I don't think that's smart legislation. I don't think that's smart public policy. We ought to keep incentives available for both sides to sit down and negotiate together. Voting Yes takes away that incentive. That's why I am not going to vote Yes.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Bomke.

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SENATOR BOMKE:

Oh! Thank you, Mr. President. I rise in support of this bill. It would seem to me, and not surprisingly, that only one side of the aisle was listening to the Governor's State of the State Message when he said unemployment is down; he did not say it was up. In fact, he said there are over three hundred thousand more employed today than there were over a year ago. This is a very good bill. This bill sends a message throughout the country that was started last year with tort reform, the repeal of the Scaffold Act, and now the reduction in the uninsurance (sic) trust fund. A very good bill. I want to commend Senator Larson (sic) for his hard work in the sponsorship of this bill. It -- it would appear to me that it's a win-win situation: a win for the employer and a win for the employee. The employer through expansions; the employee through better benefits. Thank you, Mr. Speaker.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Jacobs.

SENATOR JACOBS:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Would the -- would the sponsor yield for a question or a few questions?

PRESIDING OFFICER: (SENATOR MAITLAND)

Indicates he will yield, Senator Jacobs.

SENATOR JACOBS:

And I know we've went over this a couple times, but I -- I still haven't got it clear in my mind. What was your reasoning to reduce the rate rather than to give back the lump sum to the small business people, which I think is -- is what they -- a lot of those small business people are anticipating?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

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SENATOR LAUZEN:

Thank you, Senator. I -- you know, I -- I really can't speak for what the -- what press reports have done. You know that that's beyond any of our responsibilities or constructive control. The -- the reason -- it's a very practical reason for having -- you know, rather than going through the extra administrative work of sending back a refund -- and by the way, I'm sure that the employers' groups would prefer what was suggested earlier, which would be send back what there is in that fund over, and it wouldn't be two hundred million; it'd be seven hundred million. And I'm sure that clients who -- who I serve - small business clients - would love to have that check. But from a practical standpoint of getting this job done with the least cost to the taxpayers, just adjusting the rate down is -- is going to get that job done of gradually bringing it down. Also, I think that it gives us more flexibility. If something bad does occur in the economy, we can recover more quickly.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Jacobs.

SENATOR JACOBS:

Yeah. I -- I look at this and -- and it's being sold -- you know, and a lot of us on this side, you know, really have some -- some sympathy for the issue, but it's being sold as job creation; it's being sold for small business. Correct me if I'm wrong. The actual savings -- if -- if I -- if I am a store owner and I have ten employees - ten employees - how many employees I'm -- am I going to be able to hire at that six-dollar savings per week?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Well, I think that when -- when you take a look -- and my -- my figure is not six dollars per week, but I'll do -- I'll think

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through what you're referring to. But I -- I get your point, that it's -- even if it were, on average, thirty-one dollars and fifty cents per employee across the State of Illinois, each small piece, of course, is not going to solve, and I know that you wouldn't be proposing that there's one magic bullet that's going to create full employment, more jobs. But it is true that in -- in composite of putting all those thirty-one dollars fifty cents, it is true that it is better to have a hundred and thirty million dollars in this economy, rather than shipping it off to Washington, D.C., where it's not useful to the Illinois economy - it finances the federal deficit.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Jacobs.

SENATOR JACOBS:

Well, I agree. I -- from that standpoint, you don't get an argument out of me. I guess my problem I have still is that if you would have said onetime shot, don't mess with the rate, don't -- don't go halfway on what we did, and that's what we did. Is it true or is it not true that because we did not revisit the other side of the equation, which are the employees' benefits, that next year the employees' benefits, in fact, will go down from what they are this year - they will be reduced?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

That would only be the case if labor and management don't come back to the table to negotiate the next step. What we're talking about - and again, I think it's occurred maybe two or three times; been mentioned in the debate - that what we're talking about today is 1996 tax relief. And it's true that we have to sit down together. Now, from all the reactions that I've -- I've perceived so far from organized labor, I'm not very encouraged with labor's

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enthusiasm. I've gone to listen to what the concerns might be and how we can -- I even met with fifteen local labor leaders in my district, and twelve out of those fifteen, after about a twenty-, thirty-minute discussion -- where it was a cold reception in the beginning, twenty, thirty minutes later, twelve of those fifteen people were at a consensus that, yes, let's do this in 1996, better to have the money here. But you're right, that if -- if those speed bumps -- if we fail to get together, those speed bumps hit, it'll be the failure of both labor and employers to sit down together, but that has to do with what's already been created in the law for 1997 and beyond, not in this year.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Jacobs.

SENATOR JACOBS:

Well, again, I have a lot of good friends on the other side of the aisle. I think that my record is pretty clear, that I've -- I've voted for a lot of business ideas and business votes I have given, but you know, it appears to me that if we would discuss things more, if there would be more rapport back and forth - and I don't know how in the hell we'd do this, but somehow it's got to be done. Because I think we could've come up with a bill that would have given probably fifty-eight to fifty-nine votes on this. And that's a problem I think that we're experiencing. And if we're trying to put people in a box to where one side goes this way and one side goes that way, that becomes petty politics, and I don't like to play those games. But let me just say in closing that for a lot of reasons, I'm going to vote No on this bill, but I think the fact that -- that the provision that we're going to give the money back over a period of time and it's going to be reinvested in the community -- President Reagan just celebrated his eighty-fifth birthday, and I think that this is a belated birthday present to the trickle-down theory, and just for that

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reason alone, I'd want to vote No.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, I think we'd better look at this with common sense. Labor and business are partners whether they like it or not. You cannot produce anything if you don't have labor, and you cannot have labor if you don't have business. So they're both involved whether they like it or not and they're both partners. We keep forgetting that. So if we get -- we cut down and get -- get some relief for the employers here, what are we doing? We're not doing anything drastic. None of the benefits are going to be cut or -- or frozen under this proposal. This is a commonsense proposal, because you cannot just kill the goose that lays the golden egg. We want business to remain in Illinois. We want more business to come to Illinois. We want labor to be more satisfied. You're not going to be doing it if you just look at it one-sided. And all I -- been hearing from the other side is one-sided arguments. Not once have any of you said, "Well, you cut off a hundred and twenty-nine million dollars; you still have plenty of money in that trust fund; we won't have to borrow from the federal government." Not once. All you can think about is what sounds good in sound bites for the newspapers. I feel it's fair for both, and I speak from experience because I'm one of those legislators who worked in a factory for -- for very small amounts. So I'm not antiunion. Union resulted from bad management. But be sensible. Good union people understand the need for compromise. And I think this is a good bill and I rise in support of it.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Demuzio, for what purpose do you arise, sir?

SENATOR DEMUZIO:

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On a point of personal privilege.

PRESIDING OFFICER: (SENATOR MAITLAND)

State your point, sir.

SENATOR DEMUZIO:

I'd like the Senate to recognize that we've been graced today with the chairman of the Cook County Board; that's the honorable John Stroger who is here with us today.

PRESIDING OFFICER: (SENATOR MAITLAND)

Sir, welcome to Springfield. Nice to have you here, sir. Senator Demuzio.

SENATOR DEMUZIO:

Thank you -- thank you, Mr. -- Mr. President. I would like to pose a question, if I might, to the sponsor of the bill, Senator Lauzen.

PRESIDING OFFICER: (SENATOR MAITLAND)

Indicates he will yield, Senator Demuzio.

SENATOR DEMUZIO:

Senator Lauzen, at what point does the fund automatically kick in? If we are reducing it by, let's say, two ninety, two ninety-six, two seventy-six, whatever that number is, and I -- it escapes me, over the three-year period, as I recall, assuming that we have a recession, and help us -- God help us that we don't, at what point would the fund -- what amount would the fund go down to before we would kick in for higher rates?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

I'm sorry I did not -- the last word, before it kicks in for what?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Demuzio.

SENATOR DEMUZIO:

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Is there a cap at a level that the fund cannot go below? Is it eighty million dollars?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Okay. If you're describing the trigger points -- first of all, in the projections used by the best, and I believe some of the best in the country, forecasters, at no time, even including a 1998/99 recession, does this fund go below five hundred and twenty-one million dollars. But as far as my understanding of how the trigger mechanism works, at the two-hundred-million dollar level, benefits freeze. At the eighty-million-dollar level, the tax -- there's an automatic jump up in the tax rates that employers pay.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Demuzio.

SENATOR DEMUZIO:

Well, let me ask another question here. On these fancy machines we have on our desks here, on page 22, there is a provision in your bill, this House Bill 1470, that -- it says that the Director shall make available to an elected federal official the name and addresses of an individual or entity that is located within the jurisdiction from which the official was elected and that, for the most recently completed calendar year, has reported to the Department as paying wages to workers, where the information will be used in connection with the federal official's duties -- the official's {sic} duties of the official and that the official request the information in writing. By what purpose are we commanding the Department to give to a federal elected official -- any federal elected official -- that type of information?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

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SENATOR LAUZEN:

Senator, I -- I have to tell you that my personal feeling on that is that, if it had been my choice alone, I wouldn't have that on this bill. But I can explain the background of what's -- what's occurring. That's been -- this -- that provision that you're referring to refers to the Hastert amendment, or has been referred to as the Hastert amendment. We have -- and -- and actually I've experienced some of this same kind of obstacles in some of my own work for constituents and I'd bet you that you've experienced a lot more trouble in your years in -- in doing business with some of the agencies of State and even federal government. Denny Hastert had legislation that was calling to repeal the trip reduction of the Clean Air Act that was going to require employers of a hundred employees or more to make certain investments that were very expensive. The Illinois EPA made -- took a list -- asked for a list for -- from the Illinois Department of Employment Security, to notify those people that they had to get into immediate compliance. Yet, Denny Hastert knew that because it was based on faulty information, that it was going to be repealed. He went to IDES to get the exact same list so that he could tell the exact same people who had been notified that, "Well, we're coming up on a repeal; if you hold off on investing the money, you may -- you know, you may not waste that money." He -- it was refused. It's been about an eighteen-month struggle. I have two other examples, two different agencies, but for the sake of time, I won't -- you know, maybe after debate we could talk about that. But he's been working on it for eighteen months. Naturally, this is an Illinois Department of Employment Security bill, so it's placed on here.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Demuzio.

SENATOR DEMUZIO:

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What's the penalty if the Director refuses to comply with the law and furnish such a list? What's the sanction?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

That's a good question. The penalty on the Director? I think that their Director is required to do it. And -- and what happens if the Director -- that's a -- that's the first time in the three months of going through that -- and especially over the last three, four weeks that I've been aware of this, that's been asked. So I don't know the answer to that question.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Demuzio.

SENATOR DEMUZIO:

Well, Senator, with all due respect, this is your bill; if you didn't want this provision in there, you didn't have to accept it. Maybe we cut off the Director's nose or earlobes or something if he -- if he doesn't comply. So my guess is that the only penalty provision in here is if, in fact, a federal elected official apparently uses it for some other purpose than for which he was requiring it. Let me just make a -- a statement to -- to you when we talked about, and I've heard from both sides of the aisle, with respect to the agreed-bill process: I was one of those few people that was around here in 1975 when that -- agreed-bill process was scrapped, and there were a number of us who had wished that it had not been over the -- over the years that we had been here. Now, since 1992, I guess it is, that we're back into the agreed-bill process again and that we are scheduled in some time this year because of the benefits -- schedule, I guess, concludes in 1998 at a two-hundred-and-thirty-dollar level, that somehow or other we -- we have to go back in that sunset provision and renegotiate. The problem I think you got in 1992 is that we had an agreement

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between labor and business in this State, that they agreed to everything that -- that we have currently been doing. And what you're doing now is you're changing one side of the agreement versus the other side. And I think that's where the problem comes in. There are a lot of us who -- who believe that we ought to keep the -- agreed-bill process in effect, and I'm a strong supporter of that, I might add, because of that experience in '75. But it just seems to me that we're changing the rules of the game here, and it just seems to me that this is something that we ought not to be doing, because whoever is in power is going to be able to -- to dictate what the benefits, what the rates, will be without -- with -- for one side or the other. And it just seems to me that we're setting up ourselves for more retribution in the future.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Watson.

SENATOR WATSON:

Yes. Thank you, Mr. President. I've got a lot of friends in my area who -- who are members of organized labor and -- and I've -- they -- they question me. They get the same mailing lists and the same voting records that are sent out on all of us, and they always come in and they say, "Frank, you know, why are you so antilabor?" And I even go -- I get invitations to go into labor halls, and I do that a lot. I think that's important. I think that's a responsibility I have as an elected official. And I get the same question: "Frank, we're told that you're just antilabor." And I -- so I -- I pose a question. I say, "How many of you are working?" You know, and hands go up, few hands here or there, but there's a lot of them that don't. I say, "Well, why is that? Let's talk about why is it that you're not working today. Would you like to work?" Everybody's hand's up. What do we need to do in this State to put everybody to work? Well, we're not

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trying to be pro-business here in the General Assembly and on this issue; we're trying to be pro-job and job creation. I remember when I was in Centralia and Dennis Whetstone was there, who is the Director of the Department of Commerce and Community Affairs, who's the -- who's the job-creation arm of State government. He's out there in the trenches every day, flying all over this country trying to bring industry to this State, and jobs for the people that we represent. And he said: I can't tell you what an impact that this State has seen since the legislation dealing with tort reform and the repeal of the Scaffolding Act has had, as far as his phone ringing from the business community outside of Illinois, wanting to know what's happening in Illinois. We like what we see. We like what we hear. We sent a strong message to the business community throughout this country and throughout this world - we are in a worldwide, global economy - that we mean business here in Illinois and we want to see you come here and bring your factory and bring your jobs, who can ultimately employ the very people who are opposed to what we're trying to do today. That's my speech. I give it to them in the labor halls. Well, a lot of guys come up after I give that speech and they say, "Frank, you know, maybe you're not all wrong. Maybe we need to be looking at some changes, and maybe we ought to be sitting down and talking about some meaningful change in workers' compensation costs, in unemployment compensation costs, in the business climate in Illinois, so that I can provide for my family. Maybe we ought to be doing that." My answer to that: "Call your labor leaders. Call them. Tell them to sit down and discuss it." Do they? Generally, no. I've been very involved in my district, and I know many of you have too, all of us, in economic development. And I try to help bring work and jobs. And I'll sit down with that individual from Connecticut or New Jersey or California and say, "We'd like to have you locate your industry in my district or in

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our State." And they say, "You know, there's a lot of good things about Illinois. You got a great educational system, great transportation networks; you're centrally located; you've got good recreation for the people that would work here, but one thing you don't have in Illinois is, unfortunately, a climate that is competitive with Missouri, Iowa, Wisconsin, Indiana, Kentucky." It doesn't matter. Every single time you compare our costs of doing business in Illinois with some -- one of our neighboring states, we lose. And business - that's a decision they have to make when they relocate or where they expand, is those kinds of costs. And I think that's important, in the name of job creation, that we make Illinois a positive state in which to bring jobs and work. Now, in southern Illinois, all of you know what's happening there. I mean, we're under tremendous economic distress. And that, too, brings me to the point that this is not -- should not be a partisan issue, and I hope it isn't. I've got a feeling it won't be. I've got a feeling that this is going to create some support on both sides of the aisle, and I hope so, because this should not be a partisan issue at all. Somebody got up and talked about they were concerned about the loss of bargaining chip. My concern is the loss of the job, and that's what we ought to be concerned about, and that's why we ought to be voting for this. And this is a pro-job piece of legislation, and that's why we ought to be voting Yes. Thank you, Mr. President.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Cullerton.

SENATOR CULLERTON:

Thank you, Mr. President, Members of the Senate. I would just like to address that portion of the bill that does not have anything to do with unemployment comp. Senator Demuzio had spoken about it earlier. The sponsor of the legislation indicated that there's a portion of this bill that he doesn't like, and if it was

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up to him, it wouldn't be in there. The sponsor - if it was up to the sponsor. Which makes me wonder who's driving this train. We are passing a crazy bill to have included in it a provision that allows for us, the State Legislature, to tell the federal congressmen that they can get a list which is now prohibited from them obtaining - a list of the businesses in their district. Oh! But they can't use it for political purposes. I bet you they could use it to or send a letter saying that they voted for this bill. I bet you they could do that. And we can't get it. The State Senators can't get it. The congressmen can get it. Now, I -- I really like Congressman Hastert. He -- I served with him in the House; he's a great guy. And I just can't understand why we are putting this in here. Now, the sponsor happens to be -- it happens to be your congressman, and I bet you, after carrying this bill for him, he's probably going to return your call, and you probably can get the list from him. But what about your seatmate? Fitzgerald's got to call Crane. He ran against him in the primary. Hawkinson's got to call Lane Evans. Bomke's got to call Durbin. I've got to call Flanagan. This is not fair. You get to call your congressman; he'll give you the list and you can send out a letter saying, "Hey, I sponsored this bill, this great unemployment compensation bill." But -- you can get that list from him, but we can't get it unless we ask our congressmen. That is just crazy. So I would say that this should not be a partisan bill - I agree with Senator Watson. But, you know, the agreed-bill process is not when Pate and Lee agree. The agreed-bill process is not when Pate and Lee and Dave and Greg agree. And the agreed-bill process is not when Pate and Lee and Dave and Greg and Jim agree. There's a certain advantage to you to invite in the other side, the people that are affected by this. Invite them in. Have them sit down. If you feel that they're vetoing progress, as you said before, in your opinion, then tell

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them that "I'm sorry, we can't talk to you anymore because you're vetoing progress." But there's nothing wrong with inviting them in and having them there. Now what this bill does, and it's been, I think, fairly admitted, it does affect a portion of the business communities' portion of the speed bump, which is supposed to kick in. And I know that there's a reason to pass it right now before a certain deadline, but it does affect the equation. And I think that for that reason, it's unfair. And I -- and I would think that if we reject it today, that you can then, as the sponsor of the bill, tell the powers that be that you want to take this silly provision out that you don't even agree with, and then we can vote for a clean bill, which is what you had tried to pass in the first place.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Welch.

SENATOR WELCH:

Thank you, Mr. President. I wanted to respond to Senator Watson's proclaiming this to be a pro-jobs bill. I find that very ironic, and it's a very broad categorization, which basically has been used all of last year by that side of the aisle, and now it's being used again this year. Anytime we have a bill that cuts back benefits for working men and women, well, it's a pro-jobs bill because employers have to pay less. You know, last year we -- we rolled back rights from collective bargaining; we had bills cutting back workers' compensation benefits. Those were pro-jobs bills, because they cut the benefits employers had to pay. Now we hear in the national level there's -- there may be a cut in the minimum wage. Another pro-jobs bill that's going to help workers. Well, it's not just a question of how many people are working in the State of Illinois; it's a question of the quality of life. And if you're only making four dollars and fifty cents an hour, you don't have a very good quality of life. You know, Senator

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Watson said he goes in his union halls and says, "Yeah, we could all be employed," and that's right - we could all be flipping burgers at McDonald's or one of these other places and being paid four twenty-five an hour, but that's not the question. We can be like Mississippi, if we want to be. We've managed to do that as far as voter registration and as far as funding education. I don't think we want to be like Mississippi when it comes to employee rights. So what we've got here is an attempt, once again, to reduce benefits to employees. We could have probably great employment in the State of Illinois. All we have to do is reduce everybody to the minimum wage and pass a right-to-work bill, because that is where this movement is heading - is passing right-to-work legislation. We keep taking away benefits from employees and call it a pro-jobs movement, when it's really not. It's reducing the quality of life of the State of Illinois; it's reducing good-paying jobs that allow individuals to buy homes and buy decent cars, and it's something that we're going to have to stop before it goes too far. And today is another step in the wrong direction. Thank you.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Hendon.

SENATOR HENDON:

Thank you, Mr. President. I just wanted to express my disappointment that we're going to be giving power to congresspeople that we won't even have ourselves, and it -- it makes no sense to me. And I talked to Senator Lauzen about that, and I know that if he had his way, it wouldn't be in there either. But all of us should -- should really think about that anytime we pass legislation and we're giving authority and power and access to another branch of government that we're not even reserving for ourselves. I would like to be able to mail something to the businesspeople in my district, explaining my vote. Now, I -- no

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one is one hundred percent correct on this issue. I wish that we did have an agreed-bill process. This would be a much more productive Chamber if Republicans and Democrats sat down and worked on bills together. I wasn't here when perhaps the Democrats didn't do the Republicans right. So, you know, when you get revenge, you're getting revenge on some people who had nothing to do with mistreatment that you may have felt in the -- in the past. This particular bill is a -- a very close call for me, and I really wish that we would get back to the agreed-bill process, where people sit down together and work on the things that are important to the people in this State. And I simply do not see that happening, Mr. President. So that's all I have to say about this. I hope that we would really get back to doing that so that we can get back to helping people in this State by a -- a nonpartisan level. And all of this one side against the other makes no sense; it's damaging to the people of the State of Illinois, and I simply don't know why we can't get together.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Jones.

SENATOR JONES:

Thank you, Mr. President. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR MAITLAND)

Indicates he will yield, Senator Jones.

SENATOR JONES:

Senator Lauzen, you mentioned about the agreement as it relate to management and labor, the two-part agreement. Could you tell this Body what the two parts were in that agreement, as it relate to unemployment and the trust fund?

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Lauzen.

SENATOR LAUZEN:

Senator, I'm not exactly sure what you're referring to, but

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labor and employers agreed in 1991 and '92 that the employers were going to be responsible for increasing benefits over the next four years and a trust fund formula -- or, trust fund balance formula that would result in about nine hundred million dollars being in that fund at the end of 1995. Both of those commitments have been kept, plus seven hundred million dollars. And what we're proposing in this legislation is that we want to get a -- a hundred and thirty million dollars of that swollen surplus back into the economy so that people have -- so that that economy is -- has more dollars so that people have more jobs paying higher wages.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Jones.

END OF TAPE

TAPE 2

SENATOR JONES:

Well, on that two-part agreement, because it goes back a little further than that, when we had problems with the -- with the trust fund, one part of the agreement was that that formula would be put in place. The other part of the agreement would be that the employees, labor, took a reduction in benefits. That was the other part. So what is happening now in this legislation is that you're dealing with one part. And -- and I have no problem if you say off the top we're going to take two hundred or two hundred and seventy-five million dollars and give to businesses. That's not what -- this is what -- not what is happening. You're actually changing the formula equally as well. But you are taking

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care of one part; the other part where the employees took a reduction in benefits, nothing is happening there. So as a result, way -- way this bill has been presented to the business community and the people of the State of Illinois, they think that they're going to get a windfall of money. And what's so shocking to me, as I listen to the debate from the other side of the aisle, it is remarkably different from what the Governor said in his State of the State Address. He said the business climate in Illinois is beautiful. Matter of fact, Motorola, for example, is expanding in Oak Brook. I mean, McDonald's is creating seven thousand new low-paying jobs. Motorola is expanding. U.S. Robotics is going to invest seventy million -- dollars for a new facility in Morton Grove and Mt. Prospect, adding three thousand jobs. And all downstate in Senator Watson's area, businesses are expanding. So, therefore, the formula is not hurting anyone. The business climate in Illinois is doing well. And when you talk about the two sides coming together to negotiate, if you do not have the power to sit down and negotiate for working conditions, for health care, for -- for insurance, if you don't have the power to do it, business is not going to give it to you. We're not antibusiness on this side of the aisle; we are pro-business. But by the same token, everyone should be able to sit down at the table as equals. And I see a lot of folks in the gallery here who are down here on some other labor issue, and I wish you would pay very attention to what is happening, because some of you may reside in some of the districts that people are voting on this issue. And it's issues like this when you strip away the rights of the working person, when you take away their health care benefits, when you take away their unemployment benefits, when you chip and chip and chip, eventually you will have it all. You will have a right-to-work state. There will be no such things as unions. This so-called trickle-down theory - Reagan trickle-down

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theory - if we give these businesses this money through a cut, they're going to reinvest it. The sponsor has stated there is not one word in this bill that says that the businesses in this State will expand, will give increased wage benefits. All they're going to do with this money is take this money, put it in their pockets, go to Florida, have a better vacation, but not one dime - not one dime - will go to help the working people in the State of Illinois. It is a bad bill. It's a terrible bill. And for the Members on this side of the aisle, let me say this one thing to you: Sure this should not be a partisan issue. It shouldn't be, but when you begin to strip away the working rights of people piece by piece by piece, if you don't stand now on this issue of unemployment compensation -- you don't stand on this issue right here, then you're giving them everything that they want to do harm to the people of the State of Illinois. This is not going to help expansion of businesses. It's not going to create any jobs. The sponsor said it's not in the bill; it's not going to happen. I urge a No vote.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Butler.

SENATOR BUTLER:

Thank you, Mr. President. I won't repeat much of what has been said, simply because I think we've covered the subject pretty thoroughly. Senator Cullerton said it was a crazy bill, and he's exactly right. It's a crazy bill that we shouldn't even -- be discussing half the length of time we've devoted to it. This is one of those bills where rhetoric reigns supreme. You can say outrageous things and -- and -- and there is some hope that somebody will believe it. Yesterday, at our Commerce and Industry Committee meeting, I asked one of the leading labor people in the State of Illinois what he would feel comfortable with in a worst-case scenario. And he said he'd like to see a pay-down of

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about a hundred and forty -- or a million dollars a month over a one-year period. And by my calculations, that's about, let's just say, 1.4 -- 1.5 billion. Now, keep that number in mind - 1.5 billion dollars. This bill, at the end of this year, with all of the -- the pay-downs will be 1.6 billion dollars, so we're at least a hundred to a hundred and fifty million dollars over the worst-case scenario. Now, where is -- where are the benefits cut? I can't see it. This -- our aim is to protect the workers, to make sure there is money there in the worst case. Now we've got a hundred to a hundred and fifty million dollars more than the -- than the worst-case scenario. And I would appreciate it, in the closing, I'd -- I'd like Senator Lauzen to address this whole point, this whole rhetoric, about benefits being cut. They are not being cut. And, Chris, I'd appreciate it if you'd -- you'd spend some time, because this false -- this phony -- this phony element has been raised over and over again.

PRESIDING OFFICER: (SENATOR MAITLAND)

Further discussion? Senator Lauzen, to close.

SENATOR LAUZEN:

Thank you, Mr. President. Well, it's -- it's hard after a debate like this to know exactly where to start, but let me just first say that the sponsors have done their best and our best to take both labor's and employer's concerns to heart. No matter -- and I appreciate Senator Butler's invitation to address this idea about benefits being cut. No matter how many times people say on this Senate Floor that benefits are being cut under this bill, I say that that's just not true. There are -- I can't say it any more clearly than, under this bill, there are no benefits being cut. More -- even more, over the last four years, under the agreement that's been put together and agreed by both labor and management, benefits have increased twenty-one percent. So I do -- I know that I have to respect different points of view,

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especially as we come together to serve all the people in Illinois, but it's just not an accurate statement to say in any way that -- that benefits are being cut by this bill. Here's our -- here's -- and let me handle one other concern that was expressed by several Senators, opponents to the bill. You know, there's not a person in this Chamber who hasn't experienced what I experienced, and we experience every day, when people request to have amendments put on our bills. Would we rather have a clean bill? Of course, we would, and that's what I was addressing as -- as I answered the question. I acquiesced to the request because I saw the need that different bodies of government have to work together. It's a legitimate request. The penalties that have been put in place are severe. To answer the question that was asked about what are the -- what's the penalty for a Director not complying: Number one, the person can lose their job; number two, there's a Statute, 5/33-3, for official misconduct, where there's severe penalty there. But more importantly, if a federal elected official misuses this information, it's a Class B misdemeanor, which means a person could go to jail for using a list that, if you want to use it for some other use, you can go to Dun & Bradstreet, very inexpensively, to get that job done. I think that that is a -- a manufactured issue; it's not a big deal. So here's our decision today: If you vote Yes, you're saying that Illinois workers are better off if we keep a hundred and thirty million dollars in the Illinois economy. President Clinton - Bill Clinton - has said that you can't have capitalism without capital. Here is a chance for us to have a hundred and thirty million dollars of capital going through the economy in Illinois. When I went to meet at the union hall with fifteen labor leaders, as I said earlier, and I -- I understood the cold reception that I initially received from friends of mine, but after the twenty, thirty minutes that we talked about the issue, twelve out of those

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fifteen people came to the consensus "Let's have that money here, where we have a shot at having a piece of it." It's very important for our jobs, for our pay, for our benefits, for investment in Illinois, that we have that money working through the economy. If you vote No on this bill, you're saying that what we ought to do with a hundred and thirty million dollars is that we ought to ship it to Washington, D.C. to sit in a bank account to finance the federal deficit. I think that that's a -- a bad -- that's a bad choice. There was -- there was one argument used yesterday by opponents to this bill that I found very strange, I think even incredible. They said that -- in the committee hearing - and this is -- this is incredible to me - they said that workers in Illinois have been shortchanged 1.1 billion dollars of benefits that they could have received over the last four years. Well now, when you actually thought about what was being said there, people were saying that we should have paid out 1.1 billion dollars of benefits. But why didn't that happen? The reason that those benefits weren't paid out in unemployment was that people were working. I just hope that opponents to this legislation aren't saying to the good people of Illinois that they would rather have people on unemployment compensation rather than having a job so that they can take care of their -- their -- their families. There is -- there is no one who I get a chance to talk to in my district that makes a decision that way. Finally, I say that let's pass this tax relief today and begin the larger project of unemployment insurance reform tomorrow. If labor or management resists passage of the 1997 reforms, it's going to be either of those parties' responsibility for a decrease in benefits in what occurs in 1997 and beyond and an increase in taxes that will drive jobs out of the State of Illinois.

PRESIDING OFFICER: (SENATOR MAITLAND)

The question is, shall the Senate adopt the Conference

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Committee Report on House Bill 1470. Those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record, Mr. Secretary. On that question, there are 34 Ayes, 16 Nays, 7 Members voting present. The Senate does adopt the Conference Committee Report on House Bill 1470, and the bill, having received the required constitutional majority, is declared passed. Senator Fawell, for what purpose do you arise?

SENATOR FAWELL:

I inadvertently pushed my button No and I'm -- I wanted to vote Yes on that bill.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Fawell, the printed record will show your intention. Ladies and Gentlemen, on your desk now is Supplemental Calendar 2, House Bills 3rd Reading -- I'm... Out of the record, Mr. Secretary. Ladies and Gentlemen, if I could have your attention please. We're going to have one other possible -- there will be at least one other agenda item that we have to deal with this afternoon. It is not quite ready to -- to move. And so, I think we're going to move into our -- our second-grade class on our computers. And so, the Chair directs -- may I have your attention please. The Chair directs that the Sergeant-at-Arms and the doorkeepers request those persons in the gallery, the Floor, the side hallways and the press areas to retire from the Chamber. And the Senate will stand in recess until the call of the Chair. I'm sorry. Senator Weaver, for what purpose do you arise, sir?

SENATOR WEAVER:

For the purpose of an announcement, Mr. President. There'll be a Rules Committee meeting at 1:30 in the anteroom.

PRESIDING OFFICER: (SENATOR MAITLAND)

Senator Weaver indicates a Rules Committee at 1:30 in the anteroom. Senate stands in recess.

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(SENATE STANDS IN RECESS)

(SENATE RECONVENES)

PRESIDING OFFICER: (SENATOR DeANGELIS)

Senate will please reconvene. Committee Reports.

SECRETARY HARRY:

Senator Weaver, Chair of the Committee on Rules, reports the following Legislative Measure has been assigned: Approved for Consideration - Senate Amendment 2 to House Bill 809.

PRESIDING OFFICER: (SENATOR DeANGELIS)

We'll be going to the Order of House Bills 3rd Reading on the second -- or Supplemental Calendar No. 2, House Bill 809. The Calendar has been distributed to everyone. Supplemental Calendar No. 2, House Bill 809, 3rd Reading. Mr. Secretary, has there been a change of sponsorship on that bill?

SECRETARY HARRY:

Yes, Mr. President. The sponsorship has been changed from Senator Rauschenberger to Senator Woodyard.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Let the record show reflect -- so reflect. Senator Woodyard, do you wish this bill to be returned to 2nd Reading for the purposes of amendment? Senator Woodyard seeks leave of the Body to return House Bill 809 to the Order of 2nd Reading for the purpose of an amendment. Hearing no objection, leave is granted. On the Order of 2nd Reading is House Bill 809. Mr. Secretary, are there any Floor amendments approved for consideration?

SECRETARY HARRY:

Amendment No. 1, offered by Senator Luechtefeld.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Senator Luechtefeld.

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SENATOR LUECHTEFELD:

Yes, Mr. President. I move to table Amendment 1.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Senator Luechtefeld moves that Amendment No. 1 be tabled. All those in favor, signify by saying Aye. Opposed, Nay. The Ayes have it, and the amendment is tabled. Any Floor -- further Floor amendments?

SECRETARY HARRY:

Amendment No. 2, offered by Senator Luechtefeld.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Yes, Mr. President. Amendment No. 2 would -- would -- would fund the Amtrak for the remainder of this fiscal year to -- 2.5 million dollars, which would take us through to the next fiscal year, July 1. I move for its adoption.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Any discussion? Senator Demuzio.

SENATOR DEMUZIO:

Well, I -- I just rise in support of the amendment. And I would ask the Chair if you might ring the bell and alert the Members that we're back in Session again and ready to do business. And be happy to -- to rise and support Senator Luechtefeld's amendment.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Any further discussion? ...Luechtefeld has moved to adopt Amendment No. 2. All those in favor will say Aye. Opposed, say No. The Ayes have it, and the amendment is adopted. Any further Floor amendments?

SECRETARY HARRY:

No further amendments reported, Mr. President.

PRESIDING OFFICER: (SENATOR DeANGELIS)

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3rd Reading. Introduction of Bills.

SECRETARY HARRY:

Senate Bill 1517, offered by Senator Walsh.

(Secretary reads title of bill)

Senate Bill 1518, by Senators Shadid and Hawkinson.

(Secretary reads title of bill)

Senate Bill 1519, by Senator Fitzgerald.

(Secretary reads title of bill)

Senate Bill 1520, by Senator Fitzgerald.

(Secretary reads title of bill)

Senate Bill 1521, by Senator Fitzgerald.

(Secretary reads title of bill)

Senate Bill 1522, by Senator Philip.

(Secretary reads title of bill)

Senate Bill 1523, presented by Senator Butler.

(Secretary reads title of bill)

Senate Bill 1524, Senator Sieben.

(Secretary reads title of bill)

Senate Bill 1525, by Senator Severns.

(Secretary reads title of bill)

Senate Bill 1526, Senator Woodyard.

(Secretary reads title of bill)

Senator Barkhausen presents Senate Bill 1527.

(Secretary reads title of bill)

Senate Bill 1528, by Senator Sieben.

(Secretary reads title of bill)

Senate Bill 1529 is presented by Senator Woodyard.

(Secretary reads title of bill)

Senate Bill 1530, by Senator Karpziel.

(Secretary reads title of bill)

Senate Bill 1531, Senator Walsh.

(Secretary reads title of bill)

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Senate Bill 1532, Senator DeAngelis.

(Secretary reads title of bill)

Senate Bill 1533, Senator Cronin.

(Secretary reads title of bill)

Senate Bill 1534, by Senator Cronin.

(Secretary reads title of bill)

Senate Bill 1535, by Senator Fawell.

(Secretary reads title of bill)

Senate Bill 1536, Senator Madigan.

(Secretary reads title of bill)

Senate Bill 1537, offered by Senator Mahar.

(Secretary reads title of bill)

...Bill 1538, offered by Senators DeLeo, Jones and others.

(Secretary reads title of bill)

Senate Bill 1539, by Senator Walsh.

(Secretary reads title of bill)

Senate Bill 1540 is offered by Senators Sieben and Jacobs.

(Secretary reads title of bill)

Senate Bill 1541, presented by Senator Bomke.

(Secretary reads title of bill)

Senate Bill 1542, presented by Senator Cronin.

(Secretary reads title of bill)

Senate Bill 1543, by Senator Maitland.

(Secretary reads title of bill)

Senate Bill 1544, Senator Rauschenberger.

(Secretary reads title of bill)

And Senate Bill 1545, by Senator Sieben.

(Secretary reads title of bill)

1st Reading of the bills.

PRESIDING OFFICER: (SENATOR DeANGELIS)

Any further business to come before the Senate? Any further business? If not, Senator Geo-Karis moves that the Senate stand

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adjourned until 9 a.m., Thursday, February 8th.

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