

Speaker Madigan: "The House shall come to order. The Members will please be in their seats. We will be led in prayer by the House Chaplain, Reverend Krueger."

Krueger: "In the Name of the Father, the Son, and the Holy Ghost. Amen. O Lord, bless this House to Thy service this day. Amen. Let us pray for the continued recovery of William, our Speaker. Almighty God, who art the giver of all health, and the aid of them that turn to Thee for succour; we entreat Thy strength and goodness in behalf of Thy servant William, that his weakness being banished, he may be healed of his infirmities, to Thine honour and glory; through Jesus Christ our Lord. Amen. Samuel Gompers once said, 'Doing for people what they can and ought to do for themselves is a dangerous experiment.' Let us pray. O Lord, our heavenly Father, we acknowledge Thy infinite wisdom in the creation of this great Universe, the blessed planet of abundance upon which we dwell, and especially for the life which Thou hast given us to share. We beseech Thee, O Lord, on this day as we gather to perform our duties as the elected officers of this House of Representatives, to lead us into paths of understanding and into courses of action that will ensure the dignity and right of every citizen of this state, seeking only to do that which is beneficial for all of society, to the detriment of none, and the advancement of individual freedom and integrity. We ask this in the Name of Jesus Christ our Lord. Amen."

Speaker Madigan: "Will the television cameras please be turned off during the Pledge of Allegiance. Mr. Kay. Mr. Kay, could you wait for just a few moments please? We will be lead in the Pledge of Allegiance by Representative Ropp."

Ropp: "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. Mr. Lechowicz, are there any excused absences from the Democratic side of the aisle?"

Lechowicz: "Yes. Yes Mr. Speaker. Would the record indicate the Representative... Speaker Redmond is excused because of illness. Representative Garmisa is excused because of illness and Representative Sam McGrew is excused because of illness."

Speaker Madigan: "Mr. Ryan, are there any excused absences?"

Ryan: "No, Mr. Speaker. I don't have any excused absences."

Speaker Madigan: "Thank you Mr. Ryan. Hearing no objections, the record will reflect the excused absences as recited by Mr. Lechowicz. For purposes of an introduction, Representative Polk."

Polk: "Mr. Speaker and Ladies and Gentlemen, we have an unusual thing happening for us today. On my left here are two students from the school, from Jacksonville School of the Deaf. I have Leon Diberent from East Moline and Raymond Francini from Crystal Lake, Illinois. These two gentleman have been over...they're seniors at the School for the Deaf in Jacksonville. They've been to the Capitol now for the last three years visiting us on many occasions. The school is... I discussed with them this last year the possibility of them coming down here and serving as Pages. So today, for the first time, from Jacksonville School for the Deaf we are having two young men who are going to serve as Honorary Pages and I ask the Members on my side of the aisle and the young men are very capable, of course, of carrying out instructions and will do so as other Pages do. They're looking forward to being the first to serve in this capacity. I wish you would all give them a nice welcome."

Speaker Madigan: "If the Membership would give their attention to Mr. Ryan, he would like to introduce two new Members of the House of Representatives. Would the Members please



give their attention to Representative Ryan. Mr. Ryan."

Ryan: "Thank you Mr. Speaker and Ladies and Gentlemen of the House. As you all know, two of our former colleagues, John Friedland has gone to the Senate and Bill Kempiners has gone to be the acting Director of the Department of Public Health, and they have left the House to take these other positions. So today I'd like to take a few minutes to introduce the two people that have been appointed to fill those seats and our new colleagues. Doris Karpel was sworn in last December as Senator Friedland's replacement to represent the 2nd District. She's a Roselle resident. She's a Political Science graduate of Northern Illinois University and has been active in Republican politics for some twenty years in the State of Illinois. Although she may be a new Member to the House and to the chambers, she's certainly not new to public service. She's distinguished herself as an able and dedicated public official on the local level and most recently serving as a Bloomingdale Township Supervisor. And prior to that she was a member of the township's Board of Trustees. Doris will now be joining fellow district lawmakers, Senator Friedland and Representatives Roger Stanley and Richard Mugalian. Doris Karpel in the back of the chambers. We have from the 39th District a face that may be familiar to a few Members here, Bob Casey, was a Member of the 71st and the 72nd General Assembly and he returns to state government with an outstanding background in legal and business. Bob has been involved in politics, Republican politics since 1957 and he served as a precinct in Batavia for the last eight years where his home is. He's a graduate of the University of Illinois, Commerce and Law School and he currently practices law in the City of Geneva. And I hope that you'll join me in welcoming our newest colleague Bob Casey. There he is over here."



Speaker Madigan: "The Chair recognizes Mr. Lechowicz."

The Clerk shall read a Resolution."

Clerk O'Brien: "House Joint Resolution #70, Lechowicz.

Resolved that the House of Representatives of the 81st General Assembly of the State of Illinois, the Senate concurring herein, that the two Houses meet in Joint Session in the hall of the House of Representatives on Wednesday, January 9, 1980 at the hour of 12:10 p.m. for the purpose of hearing the Governor deliver his state of the State address in person pursuant to Article 5, Section 13 of the Constitution of the State of Illinois."

Lechowicz: "Mr. Speaker. Mr. Speaker, I move the adoption of House Resolution #70."

Speaker Madigan: "The Gentleman moves for the adoption of House Resolution 70, House Joint Resolution 70. All those in favor signify by saying 'aye', all those oppose by saying 'no'. In the opinion of the Chair, the ayes have it. The Resolution is adopted. Would the Members please clear the center aisle. Would the Members please clear the center aisle. Representative Harris, would you please take your seat. Representative DiPrima, would you take your seat. The House will be in order pending the convening of the Joint Session. The Members will please be in their seats. Mr. Doorkeeper."

Doorkeeper: "Mr. Speaker, his excellency, Governor James R. Thompson, and the Committee of Escort are at the door and seek admission to the chambers."

Speaker Madigan: "Mr. Doorkeeper, are the Senators present?"

Doorkeeper: "They are."

Speaker Madigan: "And you have an announcement for the Senate?"

Doorkeeper: "I have."

Speaker Madigan: "Would you read that please."

Doorkeeper: "Mr. Speaker, the honorable President Rock and Members of the Senate are at the door and seek admission



to the chambers."

Speaker Madigan: "Mr. Doorkeeper, would you please admit the honorable Senators. The hour of 12 noon designated in House Joint Resolution 70 having arrived, the Joint Session of the 81st General Assembly will come to order. Will the Members of the House and our esteemed guests from the State Senate please be in their seats. Mr. Clerk, is a quorum of the House present?"

Clerk O'Brien: "A quorum of the House is present."

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

Rock: "Mr. Speaker, a quorum of the Senate is in attendance."

Speaker Madigan: "There being a quorum of the House and a quorum of the Senate in attendance, this Joint Session is convened. The Gentleman from Cook, Mr. Lechowicz is recognized with regard to Joint Session Resolution #2."

Lechowicz: "Mr. Speaker, I move the adoption of House Joint Resolution #2."

Speaker Madigan: "The purpose of this Resolution is to create a committee to escort the Governor to the rostrum. All those in favor signify by saying 'aye', all those oppose by saying 'no'. In the opinion of the Chair, the ayes have it. The Resolution is adopted. Pursuant to the Resolution the following are appointed as a committee to escort the Chief Executive. Senators Hall, Sangmeister, Savickas, Geo-Karis, Mitchler. Representatives Goodwin, Chapman, Slape, Neff, and Campbell. Will that committee of escort convene at the rostrum and then retire to the rear of the chamber to await the Governor. Would the committee of escort please form in the front of the chamber immediately. And would those Members then retire to the rear of the chamber to escort the Governor. Would the Members of the committee of escort please retire to the rear of the chamber to escort the Governor. The Chair recognizes Representative Ryan for the purpose of an introduction."



Ryan: "Thank you Mr. Speaker and Ladies and Gentlemen of the House chambers and Senate Members. Gives me great pleasure today to introduce Samantha's mother and the First Lady of the State of Illinois, Mrs. James Thompson, in the balcony over here on the Democratic side."

Speaker Madigan: "Mr. Doorkeeper, do you have an announcement?"

Doorkeeper: "I do. Mr. Speaker, his excellency, Governor James R. Thompson, and his committee of escort are at the door and seeking admission to the chambers."

Speaker Madigan: "Admit the Honorable Governor. Ladies and Gentlemen, his excellency, the Governor of the State of Illinois, Mr. James Thompson. The President of the Senate, the Honorable Phillip Rock..."

Governor Thompson: "Mr. Speaker, Mr. President, my fellow constitutional officers, distinguished Members of the 81st General Assembly, honored guests, and the eleven million people who are the State of Illinois. I am proud to report to you that the state of our State in this new year and this new decade is very much alive, very well, and very strong. We have reasons to be confident. First, our financial condition is sound. Indeed, in the teeth of the Chicago schools crisis we retained our AAA bond rating and on the heels of the agreement of last weekend we easily sold \$150 million dollars worth of general obligation bonds at an excellent rate. Second, we have strengthened our capacity to cope with the needs of our people. We have achieved for Illinois state government a proper balance of purpose, policies, and performance. But as we enter this new year, we also have reason to be cautious for that balance could be all too easily upset by the chill winds of recession, the waves of inflation, in essence, national and global economic forces beyond our control... or by the whims of petty politics, or by the weakening of our will to stand firm on the solid ground that we have won thus far. Tests of our strength will surely come. From



as close to home as the crisis in Chicago's schools or from as far as half a world away as the crisis in Afghanistan which has triggered a possible \$750 million threat to the agriculture economy of our state. We can cope with the crisis in Chicago's schools. We can hope that Washington will act to insulate our farmers from bearing alone the economic consequences of the cold war that we are waging with our arsenal of grain. But we can expect many more such threats to our strength and tests of our will in this new time of our state's life. Most of you have served with me over the past three years in a time when the single most urgent business before us has been to repair the damages of excess and oversights of the past. We have hit snags. We have made mistakes. But we have also made great progress, particularly in the year just past toward the balanced government that the people we serve demand of their elected leaders. A recent poll of Members of the United States Congress shows that more Members think that their effectiveness is poor than think it is good. That lack of self-esteem, of course, says a great deal about the work product of this Congress. On the other hand, we have every reason to be proud. In my view, as I have previously told the people of Illinois, the 81st General Assembly has been the hardest working, most productive Assembly in the history of the State of Illinois. And when I point with pride to what Illinois state government has done, it is to make the point to the people of Illinois that you have served them well. And see what has been done. We have fought our way back from the brink of bankruptcy to a solid footing of financial stability and strength. We must insure that we do not stumble again. We have protected our hard-won credit by managing the business of the people well at a time when other governments have not kept faith with their people. We must not lose ours. We have made government better



not bigger. State government today is the smaller part of our people's lives because, in the three years of this administration, with your help you and I have kept new spending below new revenues, below inflation, and below the growth in our people's income. And we must continue to keep government in its place. We have focused our priorities and new spending on our most pressing needs. On education, transportation, help for abused and neglected children, services for families and the elderly and the handicapped, on controlling crime and rebuilding our prison system, on benefits and services for people in dependency. And we must never forget that's why we're here. We have consolidated, reorganized, and reoriented dozens of agencies to strengthen programs that touch people's lives to make programs work, to make the bureaucracy more responsive to the people's priorities. Because we listened to most of the ideas of the Governor's Cost Control Task Force, we are making a major difference in the bottom line cost of state government, and we have stopped the growth of the state workforce. But our hard-won Cost Control savings are not there to be spent anew. They're already making the difference in our ability to carry out major new responsibilities thrust upon us in services vital to the health, welfare, and economic well-being of our people. We've been able to do more with less. We now make more sense out of the dollars we have to spend. We have done more than any Illinois state government in memory to bring new private sector jobs to Illinois and to keep jobs we already have. And we have done more to move people out of dependency and into self-sufficiency. There are more men and women working today in Illinois than ever before. And there are fewer people on the unemployment and welfare rolls than when we began this great effort. We have made government work where other have failed or



not even tried. Where our predecessors stood still, we have moved to resolve divisive issues as we did in breaking through the nine-year impasse over replacing the Corporate Personal Property Tax. Where some of our predecessors turned their backs, we stepped forward to make tough decisions to meet crises as we did in rescuing our transportation system, the backbone of our economy, from certain decay and ultimate ruin. Where some of our predecessors might have yielded to extreme political pressures, we have had the courage to stand firm as we did when we made the hard decision to step-by-step on tax relief, to make sure that we would not undercut vital services or undermine our strong fiscal condition. Those are only a few highlights of a proud record of accomplishments of the last year. It is a record of elected leaders who have listened to the people's demand for government in balance with reality, government in balance with their means, and most importantly, government in balance with their expectations. Two crucial tests of the strength of our will are before us today. First, we must act and act now to make it possible for the schools of Chicago to survive the effects of a decade of gross mismanagement. Our failure to act would make half a million children, their families and their teachers innocent pawns in a fiscal catastrophe that could undermine the stability of a great city and, ultimately, of the State of Illinois. The hard-won agreement you are asked to ratify this week will not put Chicago's schools into receivership. It will put them on the road to solvency. It is not a bail-out. Chicago schools will not get a penny more in state funds than they are already entitled to. It is not a sell-out of the thousand other Illinois school districts that have done their job and done it well. This plan does nothing we would not do for any other district that needed help to fight its way up and out of bankruptcy of the same magnitude.



And it is not a cop-out on the state's taxpayers or on our hard-won, strong fiscal condition. Under no circumstances would I ever agree nor should Members of this Assembly ever agree to any plan that does not compel a local school system to help itself as it asks for our help. Of the \$875 million in credit extended by the agreement, the state has agreed to accept responsibility only for six per cent, and that a short-term, secured loan at a high rate of interest, while 94 per cent of the financing must come from Chicago together with the imposition of a strong fiscal control board as overseer. Those are far more stringent conditions than have ever been placed on any other school districts in this state when they have asked for our help in the past. Since Chicago is helping itself, therefore; and since that city is shouldering the burdens of financing and since we have been far more generous in years past to districts in less trouble in downstate Illinois I trust that no Representative of downstate Illinois will let regional bias or regional fear interfere with this short-term plan. This plan is nothing more than a means to the ends of keeping a half a million children in their classrooms while we work to put the bottom-line management of their schools in competent hands. This plan is nothing less than what we must do for the collapse of Chicago's schools could generate a tidal wave of economic chaos that could eventually sweep over every citizen of the State of Illinois. Second, we must act right now to stop the robbery of Illinois property taxpayers that I've been warning about since last August. Property tax Bills will be in the mail this spring and summer demanding an average of 13 per cent more from all the weary homeowners and renters in this state. And nearly a third of the people that you and I represent are going to get socked with real estate property tax increases of more than 20 per cent this year.



We can't let this happen. Spot surveys... Spot surveys by the Department of Revenue, as I promised this Assembly would be taken, indicate that only a few, a tiny handful, perhaps no more than 4 per cent of all the local taxing districts in this state are lowering their now extraordinarily high property tax rates. Local governments are taking advantage of extraordinary inflation, confusion over the impact of the Corporate Personal Property Tax replacement, and, in too many cases, their uncontrolled appetites for cash and an inability to keep government within bounds. Last August, I urged local governments and school districts not to jump the gun on the court test of the Corporate Tax replacement. When the tax was upheld, I urged those local governments which had increased their taxes, or which had planned to out of fear or confusion or design, to roll them back. This has not happened. Far too few local governments have rolled back their taxes and are, in fact, going to roll over the beleaguered local taxpayer unless you and I act and act now this week. For when you return in March it will be too late. Your fast action, on an acceptable version of Senate Bill 1292, passed the Senate and in the House, could make at least a \$225 million difference in local tax Bills this year, nearly a quarter of a billion dollars in here and now tax relief for the people that we serve. Your failure to act now will let local governments dig that much deeper into the people's pocket and will raise the question in your district of how and why that happened. There's no excuse for local governments to be digging that much more deeply. They can't point to problems with the Corporate Personal Property Tax replacement. It will produce more revenues than they received under the old tax, and we will move those revenues out to local governments faster than they or we had anticipated because the state is doing its



job. They can't say spending can't be controlled. We've kept new state spending within the rate of growth of our people's income for three years running which is what Senate Bill 1292 would force local governments to do. The real wealth of our people the wealth that makes the difference in the quality of their lives is in the value of their hard work, not in what inflation, sometimes irrationally, does to the value of their homes and businesses and farms. We cannot stand by while that wealth is stolen away by local units of government that refuse to keep their spending in balance with their people's ability to pay. We need to take this first of many giant steps toward controlling taxes and spending at the state and local level now because for property taxpayers, the need is right now. We also need action, this year, on the principles embodied in the 18 other tax and spending limit Bills that have been proposed to carry out the mandate of the Thompson Proposition. The people we serve by their vote have demanded that our laws and our Constitution reflect their commitment to the ideal of balanced, controlled government. The Bills that have been proposed and are pending in this Assembly and have been pending in the this Assembly for a year would do just that. Limit the growth of state and local government to at or below the rate of growth in our people's income; mandate that the state maintain reserves adequate for emergencies; permit voters to reject state tax increases that fail to muster 3/5 Majorities in the General Assembly and permit local taxpayers to roll backward or forward existing local taxes; provide for major reforms in the archaic, complex ways local governments assess and collect their revenues; and, mandate a "truth-in-taxing" policy to give local taxpayers fair warning and a fair hearing whenever any increase in property taxation is in the works. Your



action to write these principles into our laws and Constitution would at once demonstrate your commitment to the ideal of balanced, controlled government and protect our people from any future elected leaders who might not share such a commitment. On the other hand, given the strong state fiscal condition that we have worked so hard over the past three years to achieve, given the approval of a budget for fiscal '81 that protects that condition and insures sufficient cash reserves to cope with emergencies. Given the enactment of ceilings on taxes and spending at the state and local levels to protect our people from government out of balance with their means. Given all of that, I believe that we can take another major step toward true and lasting tax relief and tax reform for the people of Illinois this year and we should. We must work together over the course of this Session to make that step a responsible one. One that will make our tax system more equitable. One that will not gut our capacity to meet our people's needs. One that will not simply shift the burden of taxation from one level of government to another. The state cannot simply drop the revenue ball and hope that local property taxpayers will catch it. And we must not play games. Let's not pretend we can spend more and tax less. Let's not try to spend the same dollars two or three times for two or three different purposes. Let's take a hard look at our budget priorities in the state of our economy before we set the amount of tax relief we hope to offer the people we serve. And let's worry less about whose name is on which Bill. Let's worry only about what we're doing to the people's tax Bills. I will listen to any, any responsible tax relief proposal. And I urge that every Member of this Assembly be equally open to any such proposal. We cannot allow this issue to divide us, and therefore, fail our people



this year. My budget proposal will also include several long-overdue, long-needed initiatives to make the state of our State even better and stronger for us and for generations to come. It is time to do more to preserve what is good in our environment and to better protect ourselves from what is bad in the byproducts of our industrial society. We need to encourage more rational planning and more enlightened decisions affecting our farmlands and we need to do more to encourage the preservation of this precious heritage. We also need to do more, as the Task Force on the future of Illinois and a Chicago Tribune study have so clearly pointed out, to slow the erosion of our farmland, erosions that threatens to choke off their productive capacity and to choke up our waterways. It is time to do more to purchase now and set aside some of our lands still in their natural state for the future use and enjoyment of our people. We have long deferred landbanking against the day when our fiscal condition would be strong enough to be begin to invest in this natural heritage. This year, we can make a start. It is time we did more to insure that we are protecting ourselves and future generations from hazardous chemical wastes^S and the byproducts of nuclear industries. I will propose creation of a hazardous waste authority to help make sure toxic wastes are safely and permanently put away. And I will propose that we do more to assure ourselves that the operation of nuclear industries and the disposal of their wastes poses no danger to our people. We cannot and we will not pull the plug on nuclear power in Illinois. Nor can our economy prosper and grow without industries that inevitably produce toxic wastes. But we can play a stronger role in the safety of both. It is time for us to do more to help ourselves and our nation get out of bondage to the OPEC cartel. It is the policy of this administration to do all it can to



reduce its own appetite for energy and to encourage industry and individuals to do the same. We are moving rapidly to convert the state's vehicle fleet to gasohol taking major step into a new area of drawing more on our own renewable energy resources so that we will have to depend less on foreign fuels to drive our economic engine. I am announcing today that this administration intends to convert as quickly as possible every state government and every state university facility it can from oil and gas to Illinois coal. My budget message in March will propose the means for us to get these conversions underway through up-front capital investment that will quickly be repaid by future savings in energy costs, and in the encouragement of others to look first to Illinois coal. It is time to do more to insulate ourselves against the winds of recession and the fierce competition from other states and the world marketplace that threaten the jobs on which the quality of our people's lives depends. My budget will propose more aggressive initiatives in economic and community development to help bring new jobs to Illinois and to help keep more of the jobs we already have from slipping away to other states and other nations. And on this point, if we must move to smaller, more fuel efficient autos and we must, and if we continue to purchase sizable quantities of foreign automobiles, and we probably will, we should insist, as a national policy, that a substantial number of those foreign automobiles are produced here by American labor with American materials, and I intend to return to Japan and to go to Germany as quickly as possible to see to it that Illinois stays in the race for those jobs for our people. I will further propose that we work together to develop long-needed reforms and improvements in our unemployment insurance and Workman's Compensation programs lest their growing costs force jobs out or keep them out of Illinois.



This Assembly and I have been patient with the reinstated agreed Bill process. But if quick progress is not made here, those decisions will have to be carried immediately to the legislative and political arenas, thought out and decided. Failure to do so for much longer will mean betrayal of the right of our people to obtain and hold jobs by which they can support themselves and their families in comfort and dignity. We need to make more sense out of the dollars we now spend on essential services. My budget proposal will reflect ideas for economies given us by the Governor's Cost Control Task Force. But many of those will require your explicit approval, as will the score of Cost Control Bills introduced last year and still awaiting your attention. My budget will also provide the framework for more reorganization and strengthening of agencies and programs focused on infant mortality, children and families, troubled youths, and the regulation of professions and businesses as well as the day to day conduct of state government. As we approach budget time in this new year, some may be tempted to hear the wrong message or as the poet Robert Browning said, 'Ah, but a man's reach should exceed his grasp or what's a heaven for?' This isn't heaven. It's Illinois. It's 1980 and the chill winds of recession and the threats to our livelihood and the need to keep our state strong to protect the resources of our people and to keep the cost of government in balance with that which remains in our people's pockets after the cruelties of inflation have taken much away. The Browning who might have written this year's programs and budgets was right when he said, 'The common problem, yours, mine, everyone's, is not to fancy what were fair in life provided it could be, but; finding first what may be, then find how to make it fair up to our means'. The people we are privileged to serve, the 11 million people of Illinois,



are looking to us for the same aggressive and enlightened leadership that we displayed together last year. To the extent that we succeed, we will be responding to the realities of our times and the priorities of our people. To the extent that we fail, we will be turning our backs on both. I count myself privileged to be your partner. Thank you very much."

Speaker Madigan: "Will the committee of escort please escort the Governor to the rear of the chamber. The President of the Senate, the Honorable Phillip Rock, is recognized for a motion."

Rock: "Mr. Speaker, I move that the Joint Session do now arise."

Speaker Madigan: "The President has moved that the Joint Session do now arise. All those in favor signify by saying 'aye', all those oppose by saying 'no'. In the opinion of the Chair, the ayes have it. The Resolution is adopted and the Joint Session will arise. It is the intent of the Chair to adjourn immediately for the purpose of party conferences, and in that regard, the Chair recognizes Mr. Greiman."

Greiman: "Mr. Speaker, a party, a Democratic party conference immediately upon adjournment in Room 114."

Speaker Madigan: "Mr. Ryan. Is Mr. Ryan in the chambers? Mr. Mahar."

Mahar: "Thank you Mr. Speaker. There will be a Republican conference in Room 118 immediately at 1:30."

Republican conference in Room 118 at 1:30."

Speaker Madigan: "Mr. Ryan, do you wish to make an announcement?"

Ryan: "Mr. Speaker, I think that Representative Mahar announced the Republican caucus at 1:30 in what room I don't remember."

Speaker Madigan: "Which room? 118."

Ryan; "118."

Speaker Madigan: "Room 118 for a Republican conference. Did



you wish to make an announcement about tomorrow?"

Ryan: "Well, we're going to have another conference tomorrow but we'll discuss that in today's conference."

Speaker Madigan: "Fine. The Speaker distributed a letter which indicated that the House would convene tomorrow at 9 a.m. and that there would be party conferences immediately thereafter. That schedule has been changed. It is now the intent of the Chair to convene the House tomorrow at 4 p.m. in the afternoon so that we will leave now, go to party conference at this time and then return to Session tomorrow at 4 p.m.. The Chair recognizes Mr. Pierce."

Pierce: "The House Revenue Committee will meet at 2 p.m. today or as soon as the caucuses are over and Senator Maragos has asked me to announce that the Economic and Fiscal Commission will reconvene this morning's meeting at 4 p.m. today and the first order of business will be to elect a Chairman and organize for the coming year. 4 p.m. in Room 212 for Economic and Fiscal Commission."

Speaker Madigan: "Are there any further announcements? Is there any further business to come before the House? The Chair recognizes Mr. Lechowicz."

Lechowicz: "Thank you Mr. Speaker and Ladies and Gentlemen of the House. I move that the House stand adjourned till 4:00, January the tenth giving the Clerk five minutes for Perfunctory Session."

Speaker Madigan: "The Gentleman moves that the House do adjourn to 4 p.m. tomorrow afternoon. All those in favor signify by saying 'aye', all those oppose by saying 'no'. In the opinion of the Chair, the ayes have it. The House is adjourned till 4 p.m. tomorrow afternoon, allowing for a five minute Perfunctory Session."

Clerk O'Brien: "Introduction and First Reading of Bills. House Bill 2841, Harris-Richmons. A Bill for an Act in relation to local weather modification programs. First Reading of the Bill. House Bill 2842, Harris-



Richmond. A Bill for an Act to amend Sections of the Regulatory Agency Sunset Act. First Reading of the Bill. Tony, you want to read these?"

Leone: "House Bill 2843. A Bill for an Act to provide for loans to persons owning property in blighted or slumed areas. First Reading of the Bill. House Bill 2844, Henry. A Bill for an Act to provide loans to private property owners in certain urban areas. First Reading of the Bill. House Bill 2845, Henry. A Bill for an Act in relation to employment development corporations. First Reading of the Bill. House Bill 2846, Henry. A Bill for an Act to amend Sections of the Illinois Income Tax Act. First Reading of the Bill. House Bill 2847, Kosinski. A Bill for an Act to amend Sections of the Illinois Income Tax Act. First Reading of the Bill. House Bill 2848, Leverenz-Friedrich. A Bill for an Act making appropriation to the Office of Auditor General. First Reading of the Bill. House Bill 2849, Catania. A Bill for an Act to add Articles to the School Code. First Reading of the Bill. House Bill 2850, Catania. A Bill for an Act to amend Sections of the School Code. First Reading of the Bill. House Bill 2851, Polk-Bell-Darrow. A Bill for an Act to amend Sections of the Capital Development Bond Act. First Reading of the Bill. House Bill 2852, Pierce-Ewing. A Bill for an Act to amend Sections of the Revenue Act 1939. First Reading of the Bill. House Bill 2853, Pechous. A Bill for an Act to create an energy assistance for the elderly and handicapped program. First Reading of the Bill. House Bill 2854, Brummer. A Bill for an Act to amend Sections of the Illinois Marriage and Dissolution of Marriage Act. First Reading of the Bill. Being no further business, the House now stands adjourned till 4:00 tomorrow."



STATE OF THE STATE MESSAGE
TO THE
HONORABLE MEMBERS OF THE 81ST GENERAL ASSEMBLY
BY
GOVERNOR JAMES R. THOMPSON

JANUARY 9, 1980

Mr. Speaker, Mr. President, my fellow Constitutional officers, distinguished Members of the 81st General Assembly, honored guests . . . and the eleven million people who are the State of Illinois.

I am proud to report to you that the state of our State in this new year and this new decade is very much alive . . . very well . . . and very strong.

We have reason to be confident.

Our financial condition is sound. Indeed, in the teeth of the Chicago schools crisis we have retained our AAA bond rating and on the heels of the agreement of last weekend we easily sold \$150 million dollars worth of general obligation bonds at an excellent rate.

And, we have strengthened our capacity to cope with the needs of our people.

We have achieved for Illinois State government a proper balance of purpose, policies . . . and performance.

But we also have reason to be cautious . . . for that balance could be all too easily upset by the chill winds of recession . . . the waves of inflation or national and global economic forces beyond our control . . . the whims of petty politics . . . or the weakening of our will to stand firm on the solid ground we have won.

Tests of our strengths will surely come. From as close to home as the crisis in Chicago's schools or from as far as half a world away as the crisis in Afghanistan which has triggered a possible \$750 million threat to the agricultural economy of our State.

We can cope with the crisis in Chicago's schools.

We can hope that Washington will act to insulate our farmers from bearing alone the economic consequences of the cold war we are waging with our arsenal of grain.

And we can expect many more such threats to our strength . . . and tests of our will . . . in this new time of our State's life.

Most of you have served with me over the past three years . . . in a time when the single most urgent business before us has been to repair the damage of excesses and oversights of the past.

We have hit snags. We have made mistakes. But we have also made great progress . . . particularly in the year just past . . . toward the balanced government that the people we serve demand of their elected leaders.

In my view, the 81st General Assembly has been the hardest working, most productive Assembly in the history of this State.

And when I point with pride to what Illinois State government has done, it is to make the point to the people of Illinois that you have served them well.

And look at what has been done . . .

We have fought our way back from the brink of bankruptcy to a solid footing of financial stability and strength.

We must make sure we don't stumble again . . .

--We have protected our hard-won credit by showing cause for full faith in our ability to manage the business of the people well . . . at a time when other governments have not kept that faith with their people.

We must not lose ours . . .

--We have made government better, not bigger.

State government today is a smaller part of our people's lives . . . because, in the three years of this administration, you and I have kept new spending below new revenues, below inflation, and below the growth in our people's income.

We must continue to keep government in its place . . .

--We have focused our priorities and most new spending on our most pressing needs. On education . . . transportation . . . help for abused and neglected children . . . services for families and the elderly and the handicapped . . . on controlling crime and rebuilding our prison system . . . on benefits and services for people in dependency.

We must never forget . . . that's why we are here . . .

--We have consolidated . . . reorganized . . . and reoriented dozens of agencies to strengthen programs that touch people's lives . . . to make programs work . . . to make the bureaucracy more responsive to the people's priorities.

Because we listened to most of the ideas of the Governor's Cost Control Task Force, we are making a major difference in the bottom line cost of State government . . . and we have stopped the growth of the State workforce.

But our hard-won Cost Control savings are not there to be spent anew. They're already making the difference in our ability to carry out major new responsibilities thrust upon us in services vital to the health, welfare and economic well-being of our people.

We've been able to do more with less . . . because we've done more to make more sense out of the dollars we have to spend.

--We have done more than any Illinois State government in memory to bring new private sector jobs to Illinois . . . and to keep jobs we already have. And we have done more to move people out of dependency and into self-sufficiency.

There are more men and women working today in Illinois than ever before. And there are fewer people on the unemployment and welfare rolls than when we began this great effort.

--We have made government work where others have failed . . . or not even tried.

Where our predecessors stood still, we have moved to resolve divisive issues . . . as we did in breaking through the nine-year impasse over replacing the Corporate Personal Property Tax.

Where some of our predecessors turned their backs, we stepped forward to make tough decisions to meet crises . . . as we did in rescuing our transportation system . . . the backbone of our economy . . . from certain decay and ultimate ruin.

Where some of our predecessors might have yielded to extreme political pressures, we have had the courage to stand firm . . . as we did when we made the hard decision to go step-by-step on tax relief, to make sure that we would not undercut vital services or undermine our strong fiscal condition.

Those are only a few highlights of a proud record. It is the record of elected leaders who have listened to the people's demand for government in balance with reality . . . government in balance with their means . . . and, most importantly, government in balance with their expectations.

Two crucial tests of the strength of our will to follow the course we have charted are before us today.

First, we must act . . . and act now . . . to make it possible for the schools of Chicago to survive the effects of a decade of gross mismanagement.

Our failure to act would make half a million children, their families and their teachers innocent pawns in a fiscal catastrophe that could undermine the stability of a great city . . . and, ultimately, of the State of Illinois.

The hard-won agreement you are asked to ratify this week will not put Chicago's schools into receivership. It will put them on the road to solvency.

It is not a bail-out. Chicago schools will not get a penny more in State funds than they are already entitled to.

It is not a sell-out of the 1,000 other Illinois school districts that have done their job . . . and done it well. This plan does nothing we would not want to do for any other district that needed help to fight its way up and out of bankruptcy of the same magnitude.

And it is not a cop-out on the State's taxpayers or on our hard-won, strong fiscal condition.

Under no circumstances would I ever agree . . . nor should Members of this Assembly ever agree . . . to any plan that does not compel a local school system to help itself as it asks for our help. Of the \$875 million in credit extended, the state has agreed to accept responsibility only for 6 per cent, a short term secured loan at a high rate of interest, while 94 per cent of the financing must come from Chicago together with the imposition of a strong fiscal control board as overseer.

Those are far more stringent conditions that have ever been placed on any other school districts in this State when they have asked for our help. Since Chicago is helping itself, therefore, since that city is shouldering the burdens of financing and since we have been more generous in years past to districts in trouble downstate I trust that no representative of downstate Illinois will let regional bias cloud an interim resolution.

This plan is nothing more than a means to the ends of keeping a half-million children in their classrooms . . . and keeping the management of their schools out of incompetent hands.

This plan is nothing less than what we must do lest the collapse of Chicago's schools generates a tidal wave of economic chaos that could sweep over every citizen of the State of Illinois.

Second, we must act . . . right now . . . to stop the robbery of Illinois property taxpayers that I've been warning about since last August.

Property tax bills will be in the mail this spring and summer demanding an average of 13 per cent more from all of our taxpayers' pockets . . . and more than 20 per cent more from nearly a third of the people you and I represent.

We cannot let this happen.

Local governments are taking advantage of extraordinary inflation . . . confusion over the impact of the Corporate Personal Property Tax replacement . . . and, in too many cases, their own uncontrolled appetites for cash and inability to keep government within bounds.

Last August, I urged local governments and school districts not to jump the gun on the court test of the Corporate Tax replacement.

When the tax was upheld, I urged those local governments which had increased their taxes, or which planned to, out of fear or confusion . . . or design . . . to roll them back.

This has not happened for too few local governments have rolled back their taxes and are going to roll over the beleaguered local taxpayer unless you and I act and act now--this week. For when you return in March it will be too late.

Your fast action, on an acceptable version of Senate Bill 1292, could make at least a \$225 million difference in local tax bills this year . . . nearly a quarter of a billion dollars in here and now tax relief for the people we serve.

Your failure to act . . . now . . . will let local governments dig that much deeper into the people's pockets, and will raise the question in your districts of how and why that happened.

There's no excuse for local governments to be digging that much more deeply.

They can't point to problems with the Corporate Personal Property Tax replacement. It's producing more revenues than they received under the old tax . . . and we're moving those revenues out to local governments faster than they had anticipated . . . because the State is doing its job.

They can't say spending can't be controlled. We've kept new State spending within the rate of growth of our people's income three years running . . . which is what SB 1292 would force local governments to do.

The real wealth of our people . . . the wealth that makes the difference in the quality of their lives . . . is in the value of their hard work, not in what inflation, in some cases irrationally, does to the value of their homes and businesses and farms.

We cannot stand by while that wealth is stolen away by local units of government that refuse to keep their spending in balance with their people's ability to pay.

We need to take this first of many giant steps toward controlling taxes and spending at the state and local level now . . . because for property taxpayers, the need is right now.

We also need action . . . this year . . . on the principles embodied in the other 18 tax and spending limit bills that have been proposed to carry out the mandate of the Thompson Proposition.

The people we serve have demanded that our laws and our Constitution reflect their commitment to the ideal of balanced, controlled government.

The bills that have been proposed to do just that would:

--Limit the growth of state and local government to at or below the rate of growth in our people's income;

--Mandate that the State maintain reserves adequate for emergencies;

--Permit voters to reject State tax increases that fail to muster three-fifths majorities in the General Assembly . . . and permit local taxpayers to roll backward and forward existing local taxes;

--Provide for major reforms in the archaic, complex ways local governments assess and collect their revenues; and,

--Mandate a "truth-in-taxing" policy to give local taxpayers fair warning and fair hearing whenever any increase in property taxation is in the works.

Your action to write these principles into our laws and Constitution would at once demonstrate your commitment to the ideal of balanced, controlled government . . . and protect our people from any future elected leaders who might not share such a commitment.

The budget for Fiscal Year 1981 I will propose in March will reflect that ideal.

Its bottom line will be in careful balance with our needs and our people's ability to pay.

It will propose no new programs or spending plans that do not meet needs we cannot ignore, or that do not promise to stimulate new private sector jobs, or that do not carry out the intent of existing law.

That will be the bottom line of every page of the budget proposal. And those will be the standards by which I will sign or veto any bill that emerges from the legislative process.

Given the strong fiscal condition that we have worked so hard over the past three years to achieve . . .

Given the approval of a budget that protects that condition and ensures sufficient cash reserves to cope with emergencies . . .

Given the enactment of ceilings on taxes and spending at the state and local levels to protect our people from government out of balance with their means . . .

Given all of that, I believe we can take another major step toward true and lasting tax relief and tax reform for the people of Illinois this year.

Let us work together over the course of this session to make that step a responsible one . . . one that will make our tax system more equitable . . . one that will not gut our capacity to meet people's needs . . . one that will not simply shift the burden of taxation from one level of government to another.

The State cannot simply drop the revenue ball and hope that local property taxpayers will catch it.

And let's not play games.

Let's not pretend we can spend more . . . but tax less.

Let's not try to spend the same dollars two or three times for two or three purposes.

Let's take a hard look at our budget priorities and the state of our economy before we set the amount of tax relief we hope to offer the people we serve.

And let's worry less about whose name is on which bill.

Let's worry only about what we're doing to the people's tax bills.

I will listen to any responsible tax relief proposal.

I urge that every Member of this Assembly be equally open to any such proposal.

We cannot allow this issue to divide us. We cannot risk taking action in the name of tax relief that could dismantle the sound structure of balanced government that we have all worked so hard to build.

My budget proposal will also include several long-overdue, long-needed initiatives to make the state of our State even better . . . and stronger . . . for us and for generations to come.

--It is time to do more to preserve what is good in our environment . . . and to better protect ourselves from what is bad in the byproducts of our industrial society.

We need to encourage more rational planning and more enlightened decisions affecting our farmlands . . . and we need to do more to encourage the preservation of this precious heritage.

We also need to do more, as the Task Force on the Future of Illinois and a Chicago Tribune study have so clearly pointed out, to slow the erosion of our farmlands that threatens to choke off their productive capacity and to choke up our waterways.

It is time to do more to purchase and set aside some of our lands still in their natural state for the future use and enjoyment of our people.

We have long deferred landbanking against the day when our fiscal condition would be strong enough to begin to invest in this natural heritage.

This year, we can make a start.

It is time we did more to ensure that we are protecting ourselves and future generations from hazardous chemical wastes and the byproducts of nuclear industries.

I will propose creation of a Hazardous Waste Authority to help make sure toxic wastes are safely . . . and permanently . . . put away. And I will propose that we do more to assure ourselves that the operation of nuclear industries and the disposal of their wastes poses no danger to our people.

We cannot . . . we will not . . . pull the plug on nuclear power. Nor can our economy prosper and grow without industries that inevitably produce toxic wastes.

But we can play a stronger role in the safety of both.

--It is time for us to do more to help ourselves and our Nation get out of bondage to the OPEC cartel.

It is the policy of this Administration to do all it can to reduce its own appetite for energy and to encourage industry and individuals to do the same.

We are moving rapidly to convert the State's vehicle fleet to gasohol . . . taking a major step into a new era of drawing more on our own renewable energy resources . . . so that we will have to depend less on foreign fuels to drive our economic engine.

I am announcing today that this Administration intends to convert every State government and State university facility we can from oil and gas to Illinois coal.

My budget in March will propose means for us to get these conversions underway through up-front capital investment that will ultimately be repaid by future savings on energy costs . . . and in the encouragement of others to look first to Illinois coal.

We can also do more, in concert with other states, to press the National Administration and our Congress to get moving on a national energy policy that makes sense . . . that gets our coal out of the ground and into our economy . . . that fosters gasohol and other renewable resources.

--It is time to do more to help insulate ourselves against the winds of recession and the fierce competition from other states and the world marketplace that threaten the jobs on which the quality of our people's lives depend.

My budget will propose more aggressive initiatives in economic and community development . . . to help bring new jobs to Illinois and to help keep more of the jobs we already have from slipping away to other states and other Nations.

I will further propose that we work together to develop long-needed reforms and improvements in our Unemployment Insurance and Workers' Compensation programs . . . lest their growing costs work to force jobs out . . . or keep them out . . . of Illinois.

This Assembly and I have been patient with the reinstated agreed bill process. But if quick progress is not made here, those decisions will have to be carried immediately to the legislative and political arenas.

Failure to do so for much longer will mean betrayal of the right of our people to jobs by which they can support themselves and their families in comfort and dignity.

--We need to do more to make more sense out of the dollars we spend on essential services.

My budget proposal will reflect scores of tough decisions I believe we must make on ideas for economies given us by the Governor's Cost Control Task Force. Many of those will require your explicit approval, as will the score of Cost Control bills introduced last year and still awaiting your action.

My budget will also provide the framework for more reorganization and strengthening of agencies and programs focused on infant mortality, children and families, troubled youths, the regulation of professions and businesses, and the day to day conduct of state government.

This is not the time for government . . . any government . . . to go marching off in new directions.

And at budget time, especially, it's no time to hear only part of the message left us by Robert Browning:

Ah, but a man's reach should exceed his grasp

Or what's a heaven for?

Rather, this is the time for government to turn instead to making sure that it is marching in the same tempo . . . and in the same direction . . . as the people it is privileged to serve.

And, at budget time, let us heed the second part of Browning's message:

The common problem, yours, mine, everyone's,

Is -- not to fancy what were fair in life

Provided it could be, -- but, finding first

What may be, then find how to make it fair

Up to our means.

The people we are privileged to serve . . . the 11 million people of Illinois . . . are looking to us for nothing more than the kind of balanced agenda I have outlined today.

To the extent that we succeed, we will be responding to the realities of our times and the priorities of our people.

To the extent that we fail, we will be turning our backs on both.

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