

81ST GENERAL ASSEMBLY

REGULAR SESSION

JANUARY 11, 1980

1. PRESIDENT:

2. Ladies and Gentlemen, I've been informed that the Republican
3. Leadership is having a meeting. We'll decide...we'll convene
4. this morning at ten-thirty instead of ten o'clock, in deference
5. to their meeting.

6. The Senate will please come to order. The hour of ten
7. having come and gone, again the Chair apologizes to the membership.
8. There were a number of meetings taking place. Will the members
9. please be in their seats. Will those not entitled to the Floor,
10. please vacate. Mr. Doorkeeper, please close the door. Will
11. our guests in the Gallery please rise. Prayer this morning by
12. Senator Davidson. Senator Davidson.

13. SENATOR DAVIDSON:

14. (Prayer given by Senator Davidson)

15. PRESIDENT:

16. Reading of the Journal. Senator Johns.

17. SENATOR JOHNS:

18. Thank you, Mr. President. I move that reading and approval
19. of the Journals of Wednesday, January the 9th and Thursday, January
20. the 10th, in the year 1980 be postponed pending arrival of the
21. printed Journal.

22. PRESIDENT:

23. You've heard the motion. All in favor signify by saying
24. Aye. All opposed. The Ayes have it. So ordered. With leave
25. of the Body, we'll go to the Order of Resolutions. We have a
26. number of congratulatories. Resolutions.

27. SECRETARY:

28. Senate Resolution 337 offered by Senator Walsh and it's
29. congratulatory.

30. Senate Resolution 338 offered by Senator Sangmeister, it's
31. congratulatory.

32. Senate Resolution 339 offered by Senators Mitchler and Bloom,
33. it's congratulatory.

1. Senate Resolution 340 offered by Senators Mitchler and Weaver,
2. it's congratulatory.

3. Senate Resolution 341 offered by Senator Mitchler and Vadalabene,
4. it's congratulatory.

5. Senate Resolution 342 offered by Senator Mitchler and Vadalabene
6. and all Senators, it's congratulatory.

7. Senate Resolution 343 offered by Senator Rock, Shapiro and
8. all Senators and it's congratulatory.

9. Senate Resolution 344 offered by Senator Mitchler and Nimrod
10. and all Senators and it's congratulatory.

11. Senate Resolution 345 offered by Senator Gitz, it's congrat-
12. ulatory.

13. Senate Resolution 346 offered by Senators Carroll and Berman,
14. and it's a Death Resolution.

15. Senate Resolution 347 offered by Senators Grotberg and Mitchler
16. and it's a Death Resolution.

17. Senate Resolution 348 offered by Senator Davidson and all
18. Senators and it's congratulatory.

19. PRESIDENT:
20. Consent Calendar. Introduction of bills.

21. SECRETARY:
22. Senate Bill 1480 offered by Senator DeAngelis.
23. (Secretary reads title of bill)
24. 1st reading of the bill.

25. Senate...Bill 1481 offered...introduced by Senator Lemke.
26. (Secretary reads title of bill)
27. 1st reading of the bill.

28. Senate Bill 1482 offered by Senators Geo-Karis and Jeremiah
29. Joyce and Moore.
30. (Secretary reads title of bill)
31. 1st reading of the bill.

32. Senate Bill 1483 offered by...introduced by Senators Mitchler,
33. Berning...Bowers and others.

1. (Secretary reads title of bill)
2. 1st reading of the bill.
3. Senate Bill 1484 introduced by Senator Regner.
4. (Secretary reads title of bill)
5. 1st reading of the bill.
6. Senate Bill 1485 introduced by Senator Mitchler.
7. (Secretary reads title of bill)
8. 1st reading of the bill.
9. Senate Bill 1486 introduced by Senators Daley...and Jeremiah
10. Joyce.
11. (Secretary reads title of bill)
12. 1st reading of the bill.
13. Senate Bill 1487 introduced by Senators...Savickas, Maragos,
14. Jeremiah Joyce and others.
15. (Secretary reads title of bill)
16. Senate Bill 1488 introduced by Senator Lemke.
17. (Secretary reads title of bill)
18. 1st reading of the bill.
19. PRESIDENT:
20. Rules Committee. Introduction of bills.
21. SECRETARY:
22. Senate Bill...1489 introduced by Senator Bruce.
23. (Secretary reads title of bill)
24. 1st reading of the bill.
25. PRESIDENT:
26. Rules Committee. Resolutions.
27. SECRETARY:
28. Senate Joint Resolution 77 offered by Senators Shapiro and
29. Rock.
30. PRESIDENT:
31. Senator Shapiro.
32. SENATOR SHAPIRO:
33. Well, Mr. President and Ladies and Gentlemen of the Senate.

1. I would move to suspend Rule 6 for the immediate consideration and
2. adoption of Senate...Joint Resolution 77.

3. PRESIDENT:

4. All right. He...he will explain it, don't...get excited yet.
5. Senator Shapiro, prior to your motion to suspend, might you explain
6. what the substance of the resolution is.

7. SENATOR SHAPIRO:

8. Yes. Mr. President and Ladies and Gentlemen of the Senate.
9. This resolution will call for a Joint Senate and House Chicago
10. Board of Education and Investigation Committee which will be
11. composed of three members from each side of the aisle in the
12. Senate, three members from each side of the aisle in the House
13. and...which these members will be appointed naturally by the
14. Speaker and Minority Leader and the President and Minority
15. Leader of the Senate. And then the committee shall select two
16. members, not of the same political party and not from the same
17. House of the General Assembly, to serve as co-chairman. The
18. committee will draw from the existing staff of the Senate and House,
19. from the office of Auditor General and the Economic and Fiscal
20. Commission as determined by the Joint Committee for Staff. In
21. addition the...resolution provides that the Auditor General of
22. Illinois is directed to conduct an investigation of the finances
23. of the Chicago Board of Education to determine whether there
24. has been any malfeasance or nonfeasance in the obligation,
25. expenditure or use of public funds or violations of any Statute,
26. regulation or ordinance pertaining to the use, custody or
27. administration of funds under the control of the Chicago Board
28. of Education. And to make such recommendations for improvement
29. in the foregoing areas as...as he may deem appropriate. The
30. Auditor General shall submit his report on the investigation
31. directed by this committee to the committee and shall make
32. interim reports on the investigation as can be reasonably...
33. reasonably be completed prior to the final report. And the

1. Auditor General also will provide assistance to the Joint Committee
2. as requested by it. That in essence, are the main points of the
3. resolution.

4. PRESIDENT:

5. All right. Senator Shapiro has moved to suspend the rules
6. for the immediate consideration of Senate Joint Resolution 77.
7. All in favor signify by saying Aye. All opposed. The Ayes have
8. it, the rules are suspended. The question before us now is the
9. adoption of Senate Joint Resolution 77, Senator Shapiro.

10. SENATOR SHAPIRO:

11. Well, Mr. President, I've really outlined the import of the
12. bill. It is...was the opinion of the leadership that the General
13. Assembly should conduct some type of investigation into the
14. financial situation of the Chicago School District, how it came
15. about and what recommendations can be made to see that it does
16. not occur again in Chicago or any other school district through-
17. out the State, for that matter. If there are not any questions,
18. I would urge adoption of the resolution.

19. PRESIDENT:

20. Senator Shapiro, as the cosponsor, I am sure that we would
21. grant leave to any member who wishes to cosponsor. A
22. number have requested, they are certainly most welcome to be
23. joined as cosponsors. Senator Netsch.

24. SENATOR NETSCH:

25. Thank you. This is largely a question, maybe a comment
26. also. I think the objective of finding out why all of this
27. happened and what might be done to prevent it in the future
28. is one that is unarguable by...from any source. The concern I
29. have had is that a legislative committee might get so embroiled
30. in the recriminations, the politics of the matter, that it
31. would not fully come to grips with the first thing that we
32. have to find out and that is the financial facts of the Chicago
33. School District, where it started, how it happened, how it was

1. possible to happen and where it is right now. All of which is
2. absolutely critical, not only to what is going to be done today
3. without that information, but to what we will be asked to do
4. in the future and we surely will be asked to do more for the
5. Chicago School District. Now, having made that comment, let
6. me ask one question of clarification. I'm not sure I heard all
7. of your explanation. Is it clear that the Joint Committee is
8. to turn to the Auditor General to do all of the fiscal analysis
9. so that at least that part of it will be removed from the...the
10. political motivations of the members of the committee?

11. PRESIDENT:

12. I would remind the gentlemen in the Gallery who are focusing
13. cameras that leave has not been granted for any picture taking.
14. And perhaps it will not be. Senator Shapiro. Take...take
15. your last picture of Senator Netsch and then it's over. Senator
16. Shapiro.

17. SENATOR SHAPIRO:

18. Senator Netsch, the...committee will...just a second, now
19. let me find the spot here...it will be within the purview of
20. the committee to investigate the financial crisis and to recommend
21. measures which will insure that such problems do not occur, develop,
22. in any other school district in the State of Illinois. Now, if...if
23. it requires legislation or anything of that nature, the General
24. Assembly is going to have to do it. The Auditor General is in
25. a separate paragraph...is empowered to conduct the investigation
26. of the finances of the Chicago Board of Education to determine
27. whether there has been any malfeasance or nonfeasance in the
28. obligation, expenditure or use of public funds or violation of
29. any Statute, so on and so forth. Now, he will report directly
30. to the committee on...on a...interim basis and then his final
31. report. In other words, as I see...the draft, as I see the draft
32. of the resolution, the Auditor General will be strictly on his
33. own and will be making recommendations to the investigating

1. committee. That does not preclude the committee from conducting
2. hearings, but it will be up to the committee to recommend to the
3. General Assembly whether there are any Statutory...changes needed
4. to be made in either the downstate or the Chicago School Code.
5. I don't know whether that answers your question or not, but that's
6. as I see it.

7. PRESIDENT:

8. Senator Netsch.

9. SENATOR NETSCH:

10. Well, I think that does present some problems in terms of
11. the appropriate role of the Auditor General. Again, as I was
12. able to hear what you were saying, you were saying that in this
13. resolution, which unfortunately we do not have a copy of, the
14. Auditor General is being asked to make such investigation into
15. possible malfeasance, nonfeasance and so forth and it seems to
16. me that that is not really the most appropriate role for the
17. Auditor General. What he ought to do is to be directed by us,
18. the General Assembly, to...to do what amounts to an audit. Now
19. I know there's some Statutory language in the Statute which has to be
20. taken into account, but...a thorough investigation by the
21. Auditor General could have the same result so that we find out
22. what are the financial facts of the matter. I'm not sure that
23. we really want to start asking the Auditor General to tell us
24. whether there has been some criminal activity in the handling
25. of funds. That gets a little bit delicate in terms of his
26. basic responsibility to us. On the other hand, I think that
27. it is the Auditor General and not the committee that ought to
28. be doing the investigation...what amounts, in effect, to an
29. audit of the finances of the Chicago School District. And my
30. ...my difficulty is, as I have heard you describe what's in
31. this resolution, it seems to me that that is not the pattern
32. it takes. And I'm...I'm a little concerned about that.

33. PRESIDENT:

1. Further discussion? Senator Collins.

2. SENATOR COLLINS:

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

4. PRESIDENT:

5. Sponsor indicates he will...I will again remind the gentleman
6. in the Gallery that leave has not been granted to take any photo-
7. graphs. Senator Collins.

8. SENATOR COLLINS:

9. Senator Shapiro, I...I'm very much concerned about that...
10. the establishment of that new committee. Could you tell me what
11. would be different in terms of the function of that...that committee
12. than already has been given to the Legislative Investigating
13. Committee, the School Problems Commission. What...what is
14. the necessity for the...constituting a new Legislative Committee?
15. I don't understand that. Now, I am in total support of the Auditor
16. General doing the investigation, because I have filed a
17. resolution doing just that. But what I'm concerned about is...
18. is...is the recreation of this new committee. I don't see a
19. real function there.

20. PRESIDENT:

21. Senator Shapiro.

22. SENATOR SHAPIRO:

23. Senator Collins, I think...it was the collective wisdom of
24. those of us who were involved in the drafting of this resolution
25. that the Legislative Investigating Commission and the School
26. Problems Commission because they were not in...have not been
27. involved, so to speak, in the legislation that is before us
28. today. Since our staffs and many Senators have been involved,
29. that it would be best if the investigating committee, a new
30. one would be formed out of the membership of the General Assembly
31. at large rather than to restrict it to an existing commission
32. or investigating commission. It was our concern that the, and
33. I'll be absolutely frank with you, that the School Problems

1. Commission, which does an excellent job when it comes to school
2. matters and that sort of thing, may have too many education
3. oriented people on it. And it is not within the purview of
4. this commission or committee to get into the educational matters.
5. We are merely interested in the financial arrangements, whether
6. there was any wrongdoing, whether funds were misused, that
7. sort of thing and that's why the...the committee was formed
8. in this manner.

9. PRESIDENT:

10. Senator Collins.

11. SENATOR COLLINS:

12. Senator Shapiro, wouldn't it be better left up to the
13. Auditor General. I still don't see the necessity for the committee.

14. PRESIDENT:

15. Senator Shapiro.

16. SENATOR SHAPIRO:

17. Well, I...I can't see where that's a stumbling block to the
18. formation of the committee, the fact that the Legislature is
19. involved in the committee along with the Auditor General. To
20. me it makes a lot of sense. The Auditor General is an arm of
21. the General Assembly and to have a committee of members of the
22. General Assembly to report to, just makes...a...a lot of good
23. legislative sense to me.

24. PRESIDENT:

25. Further discussion? All right, if not, Senator Shapiro
26. has moved the adoption of Senate Joint Resolution 77. All
27. members are invited to be cosponsors of this resolution. It
28. appears it will involve an expenditure of funds and therefore a
29. roll call will be required. Those in favor of the adoption
30. of Senate Joint Resolution 77 will vote Aye. Those opposed
31. will vote Nay. The voting is open. Have all voted who wish?
32. Have all voted who wish? Have all voted who wish? Take the
33. record. On that question the Ayes are 55, the Nays are none,
34. none Voting Present. Senate Joint Resolution 77 is adopted.

1. Further resolutions? All right, our...our million dollar machine
2. has again malfunctioned. Those in favor of the adoption of Senate
3. Joint Resolution 77 will vote Aye. Those opposed will vote Nay.
4. The voting is again open. Have all voted who wish? Have all
5. voted who wish? Have all voted who wish? Take the record. On
6. that question the Ayes are again 55, the Nays are none, none
7. Voting Present. Senate Joint Resolution 77 is adopted. Further
8. resolutions?

9. SECRETARY:

10. Senate Resolution 349 offered by Senators...Collins, Netsch,
11. Washington and others. Senate...

12. PRESIDENT:

13. Executive.

14. SECRETARY:

15. Senate Resolution 350...

16. PRESIDENT:

17. Senator Collins, do you wish to...Senator Collins? Put it on
18. the board, Mr. Secretary, please. Senator Collins.

19. SENATOR COLLINS:

20. Mr. President, I move to suspend Rule 6 for the immediate
21. consideration of Senate Joint...I mean Senate Resolution 349.

22. PRESIDENT:

23. I assume the same rules are applicable as were applicable
24. to Senator Shapiro. Would you mind explaining the resolution.

25. SENATOR COLLINS:

26. This resolution is basically the same with the exception
27. of creating a Legislative Committee. It simply calls for the
28. ...authorizes the Auditor General to conduct an investigation
29. into the causes and problems of the Chicago school crisis.
30. And...to report back to the General Assembly by May 1st.

31. PRESIDENT:

32. Senator Collins has moved to suspend the rules for the
33. immediate consideration of Senate...Resolution 349. Any discussion?

1. Senator Bowers.

2. SENATOR BOWERS:

3. A question of the Chair. I guess parliamentary inquiry.

4. Can one Body direct the Auditor General or does that take a

5. joint resolution?

6. PRESIDENT:

7. Frankly, I thought it took a joint resolution, but I'm

8. not sure.

9. SENATOR BOWERS:

10. Could...could...

11. PRESIDENT:

12. Yes, Senator Bowers.

13. SENATOR BOWERS:

14. ...could we withhold action on the resolution until we can

15. determine that issue? It seems to me to be a little goofy to

16. pass a resolution, if, in fact, under the existing Statute, we

17. don't have the power to do it.

18. PRESIDENT:

19. All right. Can we get back to this order of business, please.

20. All right, take it out of the record, Mr. Secretary. Leave of

21. the Body, we'll move to the Order of Page 2 on the Calendar,

22. House Bills 3rd reading. On the Order of House Bills 3rd

23. reading is House Bill 303, Senator Gitz. You wish to call that

24. back?

25. SENATOR GITZ:

26. Yes.

27. PRESIDENT:

28. Senator Gitz asks leave of the Body to return House Bill 303

29. to the Order of 2nd reading for purposes of an amendment. Is

30. leave granted? Leave is granted. On the Order of House Bills

31. 2nd reading is House Bill 303. Mr. Secretary.

32. SECRETARY:

33. Amendment No. 1 offered by Senator Gitz.

1. PRESIDENT:

2. Senator Gitz.

3. SENATOR GITZ:

4. Mr. President and members of the Body. I believe the amend-
5. ment to House Bill 303 has been distributed. The amendment seeks
6. to put language to reinstate it that was originally added in
7. the General Assembly in 1972. At that time, a working cash
8. fund that was part of a Federal Guarantee Program was abolished.
9. In lieu of it was the full faith and credit pledge of the State.
10. The Auditor General will shortly release the report which
11. indicates that that amendment was invalid because it did not
12. pass by a full three-fifths vote as required by the 1970 Constitu-
13. tion. The second problem that the Auditor General pointed out
14. which is important, is the fact that there is no ceiling for
15. the program presently put into the Statute. This amendment
16. also puts a ceiling of one billion dollars into the Statute.
17. At the present time there are approximately seven hundred million
18. dollars in outstanding loans which are pledged. Without this
19. legislation, the entire loan program, which this year totaled
20. some two hundred and forty-one million dollars is in serious
21. jeopardy. In all likelihood, within days of the release of that
22. report, the Federal Office of Education will bring into question
23. Illinois' guarantee and we will have many nervous lenders in
24. a cloud over the entire program. I ask for the amendment's
25. adoption.

26. PRESIDENT:

27. Is there any discussion? If not, Senator Gitz has moved
28. the adoption of Amendment No. 1...I beg your pardon...your light,
29. okay, Senator Keats. Senator Keats, do you wish to...is there
30. any discussion? If not, Senator Gitz has moved the adoption
31. of Amendment No. 1 to House Bill 303. Senator Geo-Karis.

32. SENATOR GEO-KARIS:

33. Will the sponsor yield to a...question?

1. PRESIDENT:

2. Indicates he will yield. Senator Geo-Karis.

3. SENATOR GEO-KARIS:

4. Under your amendment, Senator, the full faith and credit
5. of the...the State of Illinois is pledged for the punctual
6. payment of such guarantee in accordance with the section
7. therein, regardless of when such loans are made. And you
8. say that the total aggregate amount of such guarantee shall
9. not exceed one billion dollars. Now, I'm a little bit hazy
10. about this, could you explain this a little more. I
11. heard your explanation, but I don't think you covered this
12. directly.

13. PRESIDENT:

14. Senator Gitz.

15. SENATOR GITZ:

16. Senator Geo-Karis, the Federal Government will reimburse
17. the State for any defaults. It is in effect, a roll over fund,
18. if we have this language in a Statute. Without it the Federal
19. Government will not provide that reimbursement. Likewise, without
20. this language in the Statute, not only does it jeopardize the
21. program at the Federal level, but all lenders who presently
22. hold such loans in the State of Illinois will be reluctant to
23. further provide any additional loans and bring into question
24. any existing loans which they have provided to students. So
25. it's a very substantial problem.

26. PRESIDENT:

27. Any further discussion? Senator...oh, I beg your pardon.
28. Any further discussion? If not, Senator Gitz has moved the
29. adoption of Amendment No. 1 to House Bill 303. All those in favor
30. signify by saying Aye. All opposed. The Ayes have it, the amend-
31. ment is adopted. Any further amendments?

32. SECRETARY:

33. No further amendments.

1. PRESIDENT:

2. 3rd reading. On the Order of House Bills 3rd reading is
3. House Bill 1264, Senator Berman. Senator Berman.

4. SENATOR BERMAN:

5. Thank you, Mr. President. In the Reference Bureau is a
6. ...is a technical amendment to clean up some of the language as
7. well as some amendments that have...that address some of the
8. substantive elements that were discussed yesterday during the
9. hearing. They won't be...they're not ready yet, they should be
10. ready in awhile, but I can't guarantee exactly...I think it'll
11. be more than just a few minutes. But probably in about an
12. hour we'd be ready to...to move.

13. PRESIDENT:

14. Senator Berman has graced us with the opportunity for lunch.
15. Senator Shapiro, how does that sound? All right, if there is
16. no objection and I'm sure there will not be, the Senate will
17. stand, pardon me...Senator Berman will provide lunch for anybody
18. who asks, I'm sure. The Senate...the Senate will stand in recess
19. until the hour of one-thirty.

20. RECESS

21. AFTER RECESS

22. PRESIDING OFFICER: (SENATOR SAVICKAS)

23. We have all the copies of the amendments that are being
24. prepared for the bill. There is one last amendment that's in...
25. on the typewriter now, it's being prepared. Should take us about
26. twenty, twenty-five minutes, so we'll meet back at three o'clock.
27. No, Senator Merlo, I'm sure that once all the amendments are
28. prepared, discussion will be short. I'm sure everybody will
29. realize the time schedule and act accordingly.

30. SENATOR GEO-KARIS:

31. Mr. President, I realize we have a number of amendments,
32. I guess, in the Senate. There's another bill in the House that
33. we passed and that was Senate Bill 1262. Are we going to be

Hi-1264
Savickas
1/11/80

1. able to cope with all of them so we don't have to come back
2. before March? Why can't we then stay and get everything done
3. instead of going piecemeal? Are we anticipated to come back
4. next week? Because if we do pass the amendments on the bill
5. in question for the school district, they still have...they
6. still have to go over for concurrence to the House. And if
7. they don't concur, you know what happened in November. I
8. went home on a Thursday night and had to come back Friday
9. morning, because they didn't concur in the amendment on the
10. bill.

11. PRESIDING OFFICER: (SENATOR SAVICKAS)

12. That's why I'm asking you to stand at ease.

13. SENATOR GEO-KARIS:

14. Well, I'll stand at ease and I'll stand and I'll sit, I'll
15. do any you tell me, short of doing something else.

16. PRESIDING OFFICER: (SENATOR SAVICKAS)

17. As far as the other bills...

18. SENATOR GEO-KARIS:

19. But...

20. PRESIDING OFFICER: (SENATOR SAVICKAS)

21. The announcements will be made at...at the time when we
22. reconvene.

23. SENATOR GEO-KARIS:

24. I...I just...I just hope that you will tell your leadership,
25. the rest of your leadership, that perhaps we just should stay and
26. get it over with. I, for one, am tired of going back and forth like
27. a yo-yo.

28. PRESIDING OFFICER: (SENATOR SAVICKAS)

29. That's a good point, Senator.

30. RECESS

31. AFTER RECESS

32. PRESIDENT:

33. The Senate will come to Order. I have a note from Mr. Hill
34. of Channel 7 of 2, 5, 7 and 9 of the various downstate stations

AB 1264
1/11/80
Recalled

1. would request permission to film and record and otherwise be
2. present. Is leave granted? Leave is granted. On the Order
3. of House Bills 3rd reading, House Bill 1264, Senator Berman.
4. Senator Berman, you wish to...

5. SENATOR BERMAN:

6. I ask for leave to...return House Bill 1264 to the Order
7. of 2nd reading for purposes of amendment.

8. PRESIDENT:

9. Senator Berman has requested leave of this Body to return
10. House Bill 1264 to the Order of 2nd reading for purposes of
11. amendments. Is leave granted? Leave is granted. On the Order
12. of House Bills 2nd reading, House Bill 1264, Mr. Clerk.

13. SECRETARY:

14. Amendment No. 1 offered by Senator Berman.

15. PRESIDENT:

16. Senator Berman.

17. SENATOR BERMAN:

18. Amendment No. 1, Mr. President, is the copy of the amendment
19. to House Bill 1264 that was on everyone's desk yesterday that
20. was the basis upon which the...Committee of the Whole was conducted.
21. What we intend to do today and we've been working consistently
22. since yesterday, I will ask to adopt Amendment No. 1 and then
23. there will be a number of other amendments that have been offered
24. by myself and other members of this Body to Amendment No. 1. So
25. that...and I will explain each amendment as it arises. Amendment
26. No. 1, however, is...is the bill that we had before us yesterday.
27. I move to adopt committee...I move to adopt Amendment No. 1.

28. PRESIDENT:

29. Senator Berman has moved the adoption of Amendment No. 1 to
30. House Bill 1264. Any discussion? Senator DeAngelis.

31. SENATOR DeANGELIS:

32. Mr. President...could...could we get some identification...
33. I don't think they're numbered, these amendments, so could he

1. give us something else besides what he calls Amendment No. 1?
2. Maybe the reference number or something.

3. PRESIDENT:

4. Senator Berman.

5. SENATOR BERMAN:

6. I'll be glad to. Amendment No. 1 is a fifty page amendment.
7. The LRB number is 8105796SJMAAM02. It's a fifty page amendment,
8. I think it's the only amendment of that length. That's the one that
9. was distributed yesterday, not today.

10. PRESIDENT:

11. This is...this is the one that was in front of us yesterday,
12. all day. Senator Berman has moved the adoption of Amendment
13. No. 1 to House Bill 1264. Is there any discussion? If not,
14. all in favor signify by saying Aye. All opposed. The Ayes have
15. it, the amendment is adopted. Further amendments?

16. SECRETARY:

17. Amendment No. 2 offered by Senator Berman.

18. PRESIDENT:

19. Senator Berman, and if you will, identify the amendment, please.

20. SENATOR BERMAN:

21. Amendment No. 2 is a...is a three page amendment. The LRB
22. number ends with an S and the rest of the number is LRB8105796MRJWAMS.
23. This amendment, Mr. President, Ladies and Gentlemen of the Senate,
24. is a...substantive change in Amendment No. 1. The following
25. changes are incorporated in this amendment. Going down on the
26. first page, the language on lines 5 through 12 is language that
27. limits the availability of a tax levy regarding the working cash
28. fund of the Chicago Board. Lines 15 through 18 is an amendment
29. that addresses the complaints that we heard in the testimony
30. yesterday regarding the public information aspect of the Authority.
31. And this...this language requires that the authority shall be...
32. shall be subject to the requirements of the Local Records Act
33. which makes their proceedings and records available for public .

1. evaluation and public knowledge. Lines 19 through...through
2. the bottom of the page and the top of page two is a provision
3. that...that addresses itself as to how the second phase, the
4. interim notes, what some people had called the bridge notes,
5. will be repaid. On page 2, lines 3 through 25, is a provision
6. again which was addressed by some of the testimony yesterday.
7. It is what we call a Sunset and Sunrise Provision. Essentially,
8. many people concerned with schools, both in Chicago and downstate,
9. are apprehensive regarding the plugging in of a...Authority in
10. relation to the operations of their school boards. In Amendment
11. No. 1 the Authority would have stayed in existence with full
12. power of control over the schoolboard's activities for the
13. entire length of the bonds that were issued plus one year, which
14. could have been a thirty-one year life of this Authority. The
15. language on page 2 provides that if there have been three
16. successive Fiscal Years of a balanced budget, that the control
17. aspects of the Authority over the functions of the school
18. board will go...will be eliminated, but that if there is a
19. budget adopted that is not a balanced budget, the control aspects
20. of the Authority will be plugged back in. That's why I call
21. it a Sunset-Sunrise Provision. It's...a type of approach that
22. says you haven't done a good job, you need the Authority. If
23. you put your act together and are back on schedule and acting
24. in a fiscally responsible way, we'll let you get back to conducting
25. the...the total affairs of the Board of Education. On lines 27
26. through the bottom of page 2 and through...line 11 on page 3,
27. is language that addresses itself to the cap of five hundred
28. million dollars on the long term bonds. On page 3, lines 12
29. through 17, addresses itself to a technical correction on
30. the indemnification provisions that were in Amendment No. 1 and
31. it...it's a...it's language that's added that in case none of
32. the members of the Authority...are able to determine indemnifi-
33. cation that the State's Attorney of the applicable county would

1. be the person to determine the status of indemnification. The
2. lines 18 through 21 on page 3, provides that the...audited financial
3. statement for the preceding Fiscal Year shall be submitted for
4. review to the General Assembly. Those are the substantive
5. changes. There is one other substantive change that will be
6. in Amendment No. 3, but...these...I believe it's fair to say,
7. have been discussed and covered and are agreed to by the people
8. that have been working in behalf of the...passage of this Finance
9. Authority legislation.

10. PRESIDENT:

11. Senator Berman has moved the adoption of Amendment No. 2
12. to House Bill 1264. Any discussion? Senator Geo-Karis.

13. SENATOR GEO-KARIS:

14. ...clarification. I believe the...the amendment you're
15. discussing, I was reading Amendment 2 because seems to me
16. I thought it was stated as 3, this is 2 is it not?

17. PRESIDENT:

18. It is...Senator Berman.

19. SENATOR BERMAN:

20. This is number 2.

21. PRESIDENT:

22. Senator Berman has moved the adoption of Amendment No. 2 to
23. House Bill 1264. Discussion, Senator Wooten.

24. SENATOR WOOTEN:

25. Just a question. My...I must confess, my attention strayed
26. at this one point and I'd like to have you say again, why are
27. we substituting the Cook County State's Attorney for the Attorney
28. General? Why is that done?

29. PRESIDENT:

30. Senator Berman.

31. SENATOR BERMAN:

32. I think...I think that it was a question as to closer control
33. of the particular Authority. The Attorney General has a hundred

1. and two counties to worry about, this will be the State's Attorney
2. in the county in which this school board is involved or the Authority
3. is involved. I think it was just a policy change to get it closer
4. to home.

5. PRESIDENT:

6. Further discussion? Senator Netsch.

7. SENATOR NETSCH:

8. Again a question, Senator Berman. If you gave an explanation
9. of the part on page 3 that begins with line 4 going through line 11,
10. I simply did not hear it. What is the impact of that section?

11. PRESIDENT:

12. Senator Berman.

13. SENATOR BERMAN:

14. That section is tied in with everything on page 3 from
15. lines 1 through 11 and on the previous page from lines 27 through
16. 32. Those are...that entire language deals with a clarification
17. and...

18. PRESIDENT:

19. Senator Bruce. Pardon me, Senator Berman.

20. SENATOR BERMAN:

21. ...and a restatement that the total amount of bonds that
22. can be issued in Phase III is, in fact, five hundred million
23. dollars.

24. PRESIDENT:

25. Senator Netsch. I beg your pardon, Senator Netsch.

26. SENATOR NETSCH:

27. All right, that...that is part of it then, those last lines
28. are...all right. I'll have to take your word for it, I...there's
29. no way I can figure out what they mean in context, but...but
30. what you're saying is they are part of assuring that the five
31. hundred million is in toto. Thank you.

32. PRESIDENT:

33. Senator Berman.

1. SENATOR BERMAN:
2. I move the adoption of...

3. PRESIDENT:
4. I...I beg your pardon. All right, Senator Berman has
5. moved the adoption of Amendment No. 2 to House Bill 1264. Any
6. further discussion? If not, all in favor signify by saying Aye.
7. All opposed. The Ayes have it. The amendment is adopted. Further
8. amendments?

9. SECRETARY:
10. Amendment No. 3 offered by Senator Berman.

11. PRESIDENT:
12. Senator Berman.

13. SENATOR BERMAN:
14. Amendment No. 3 is technical in nature except for one
15. provision. Now when I say technical in nature, I'm sorry...this
16. is a 6 page amendment. The LRB number is LRB8104595GNDVAMT.

17. PRESIDING OFFICER: (SENATOR BRUCE)
18. Senator Berman to explain the amendment.

19. SENATOR BERMAN:
20. This amendment has been represented to me and by the drafters
21. as being technical in nature on...to clean up language that was
22. in Amendment No. 1 except, and I call the Body's attention particularly,
23. to...I'm sorry. Mr. President...let me correct that. I've given
24. the wrong...

25. PRESIDING OFFICER: (SENATOR BRUCE)
26. Senator Berman, I believe you...

27. SENATOR BERMAN:
28. Yes, I gave the wrong description.

29. PRESIDING OFFICER: (SENATOR BRUCE)
30. Right. If...if the membership would give attention to
31. Senator Berman, he will now give you the correct number...

32. SENATOR BERMAN:
33. Yes, I picked up the wrong sheet. I apologize. ...This Amend-

1. ment No. 3 is a 13 page amendment. The LRB number is LRB8105796MRDVAMT.
2. This is a technical amendment to House Bill 1264, when in effect...
3. what, in effect, the technical changes do, is it enables the
4. Chicago Board to consolidate its debt service funds, but requires
5. a strict accounting of the various funds in...in its own books.
6. There are over ten funds presently in existence. By consolidation
7. it was the recommendation of Bond Council and others that this
8. will allow a greater return on investment with the consolidation
9. of these Debt Service Funds. It also requires that the Chicago
10. Board provide to the Authority the records of the last five
11. Fiscal Years of the Chicago Board so that the Authority has a
12. better basis upon which to evaluate the actions of the Chicago
13. Board. I...there is one other substantive change in this bill
14. and I want to call that to your particular attention. On page 3,
15. lines 15 and 16...it states that, it deletes on page 30 of Amend-
16. ment 1 everything below line 18 on page 31, lines 1 and 2. If
17. you recall yesterday, again in the testimony, a question arose
18. as to the language of the conflict of interest provisions in
19. Amendment No. 1. That's Section 303 of the...of Amendment No. 1.
20. Some of the witnesses raised the issue as to whether that language
21. was too loose to guard against possible conflicts of interest.
22. What we have done by deleting that paragraph, is to make the State
23. conflict of interest Statute applicable to the operations of the
24. Authority which is tighter language than existed in Amendment No. 1.
25. I move the adoption of Amendment No. 3, Mr. President.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Is there debate? Senator Bloom.

28. SENATOR BLOOM:

29. Not debate so much, thank you, Mr. President. Just a question
30. as to why you're only going back five Fiscal Years and the other
31. question...well, let's answer that and then I'll ask my other
32. question.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Senator Berman.

2. SENATOR BERMAN:

3. The Authority, I think, can ask for anything that they want,
4. but I think what we've done here is to respond to a specific
5. suggestion and when they see all the books and records that are
6. brought in on five years, I'm not sure they're going to ask for
7. anything back farther than that, but we...we've merely specifically
8. stated that the board must produce the five...last five Fiscal
9. Years.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Senator Bloom.

12. SENATOR BLOOM:

13. Okay. On page 35...the amendment says on page 35, instead
14. of the...the bill reading any deficit for a Fiscal Year ending
15. after 1980 shall be included as a current expense item for the
16. succeeding Fiscal Year. You change it by this amendment to say
17. 1981, instead of 1980. Is there a reason?

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Senator Berman.

20. SENATOR BERMAN:

21. Yes, it...1980 was a mistake. It was the understanding and
22. agreement of everyone that was involved that they couldn't
23. realistically expect a balanced budget for '80, but that '81
24. they intended to.

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Senator Bloom.

27. SENATOR BLOOM:

28. Elsewhere in the bill though, isn't it mandated that the
29. ...budget does not need to be in balance until the end of Fiscal
30. 1982?

31. PRESIDING OFFICER: (SENATOR BRUCE)

32. Senator Berman.

33. SENATOR BLOOM:

34. Am I...or am I mistaken?

1. SENATOR BERMAN:

2. At the end of Fiscal '81 they have to be in balance.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Senator Bloom.

5. SENATOR BLOOM:

6. I don't want to protract Fiscal '81, I just heard a voice
7. behind me say Fiscal '82...somewhat confused. Okay, it's been
8. explained to me, Senator Berman. Thank you.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Further discussion? Senator Wooten.

11. SENATOR WOOTEN:

12. A question of the sponsor of the amendment. I raise that
13. point on the conflict of interest in hearings and I'm glad
14. that that section is out, but now my memory is not that good.
15. I don't recall now precisely what the provisions are now that
16. would apply to this. Are they...may they have, may the members
17. of this Authority have a direct or indirect interest in the
18. bonds? If and...must they declare that interest and then abstain
19. from voting? Is there a certain percentage before that triggers?
20. Can you recall how that would apply?

21.

22.

23.

24.

25.

End of Reel #1

26.

27.

28.

29.

30.

31.

32.

33.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Senator Berman.

3. SENATOR BERMAN:

4. A very quick reading of Chapter 102, Section 3, I believe
5. says that the...if there is a conflict, you must declare it
6. and you cannot vote, but it's a...full page of the Revised
7. Statutes and I...I've got it open, if you want to take a look
8. at the specifics, I'll be glad to give it to you.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Senator Wooten.

11. SENATOR WOOTEN:

12. Yes, I...I do want to take a look at that because I
13. recall, as I say, when we passed that, we are talking about
14. hardware store owners down in Southern Illinois, not Chicago
15. Bond Council and bankers. So, I would like to see that.

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Further discussion or debate? Senator Egan.

18. SENATOR EGAN:

19. Yes, just a question or two, please, Mr. President.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Go ahead, Senator Egan.

22. SENATOR EGAN:

23. Thank you very kindly. Senator Berman, I'm curious just
24. to know how the amendment affects the term of the Financing
25. Authority. It...the basic term is not a fixed term, but it is
26. contingent on events, is it not?

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Senator Berman.

29. SENATOR BERMAN:

30. You talking about the life of the Authority? Yes, that
31. was included in Amendment No. 2 that we just...that we adopted
32. a moment ago, but what that amendment did, Senator Egan, was
33. to say that the control aspects of the Authority over the

1. operations of the School Board would be phased-out if...after
2. three years of a fiscally balanced budget and would be plugged
3. back in. The actual existence of the Authority will remain
4. technically in existence because of the issuance of bonds, but
5. it's control authority over the board will...would phase-out
6. or phase-in, depending upon the fiscal operations of the School
7. Board.

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. ...Egan.

10. SENATOR EGAN:

11. Yes, I'm sorry, but I just found my Amendment No. 2. I've
12. got a pile of these and I'm...they were kind of in disorder. I
13. just found the amendment and if you will bear with me, I'd
14. just like to try to figure out what this amendment...3, what
15. the Amendment 3 does, if anything, to the existence of the
16. board...

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Senator Berman.

19. SENATOR BERMAN:

20. Amendment No. 3 does not affect the life or powers of
21. the Authority.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Egan, do you have further questions on this
24. amendment?

25. SENATOR EGAN:

26. No, what I should do is study Amendment No. 2 which I
27. just found and then perhaps I can answer my own question.
28. Thank you.

29. PRESIDING OFFICER: (SENATOR BRUCE)

30. Is there further discussion? Senator Grotberg.

31. SENATOR GROTBURG:

32. I have a question of the sponsor.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Indicates he will yield. Senator Grotberg.

2. SENATOR GROTBORG:

3. Senator Berman, I may be touching upon what you just
4. explained to Senator Bloom, but I missed it, but on page 2
5. of your amendment, line 21, which reflects back to page 21
6. deleting, etc., and changing the rate back to two dollars
7. and eleven cents, is that what you were explaining to Senator
8. Bloom?

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Senator Berman.

11. SENATOR BERMAN:

12. The taxes for '80 have already been extended. They
13. do not...this does not affect taxes to be levied or extended
14. in the future.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Senator Grotberg.

17. SENATOR GROTBORG:

18. Then is there a similar...there's got to be a companion
19. piece to that that goes back and says something about the
20. fifty cents that we talked about here for eight hours yes-
21. terday.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Berman.

24. SENATOR BERMAN:

25. The fifty cents is in Amendment No. 1 and what that says
26. is that the...the levy for '81 will be a dollar sixty-one
27. and the Authority has the power to levy an amount sufficient
28. to pay off the bonds.

29. PRESIDING OFFICER:

30. Senator Grotberg.

31. SENATOR GROTBORG:

32. I think I understand. It's just to make legal the levy
33. that's already been extended. My concern was does it...does
it make a lot of our conversation yesterday...are they...still

1. they're going to come down here for the fifty cents because
2. it may not be in the package that they need as we pass it.
3. Thank you.

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. Are there further discussions? Senator Johns.

6. SENATOR JOHNS:

7. Well, Senator Berman, did I understand you right now...
8. your...just your last statment. On Amendment No. 1 which is
9. already attached to the bill, you said that the '81...up to
10. '81, the levy is a dollar sixty-one.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Senator Berman.

13. SENATOR BERMAN:

14. No, the...the levies up to '81 is at the existing rate.
15. They have already been extended. That's at the two eleven.
16. After...after '81, the provisions of Amendment No. 1 are
17. plugged in which will reduce the levy to a dollar sixty-one,
18. the other fifty cents going over to the Authority.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Johns.

21. SENATOR JOHNS:

22. Thank you, Mr. President. Then did...did I hear you say
23. the Authority has the power to levy the amount needed after that?
24. Is that right?

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Senator Berman.

27. SENATOR BERMAN:

28. The Authority has the power in Amendment No. 1 to levy
29. any amount necessary to pay off the bonds, principal, interest,
30. etc.

31. PRESIDING OFFICER: (SENATOR BRUCE)

32. Further questions? Senator Johns. All right. Senator...
33. let's see, Senator Wooten, you have asked one question. Why

1. don't we...

2. SENATOR WOOTEN:

3. Yes, that's right.

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. ...take those...Senator Netsch, do you have a question?

6. No, Senator Wooten has already asked one question. Well, is

7. there leave? Leave. Senator Wooten.

8. SENATOR WOOTEN:

9. Thank you. I just was reading the book which Senator

10. Berman and the Republican side so thoughtfully provided and

11. I'm not sure that this is much better than the language that

12. was in there. I must confess, Ladies and Gentlemen, I don't

13. know how you go about securing bonds. It talks about sealed

14. bids in here. Do bonds come...you make sealed bids on bonds?

15. Can someone answer that?

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Senator Berman.

18. SENATOR BERMAN:

19. If...if the question is will the bond bids for this

20. Authority be bid or negotiated, it is not specified that they

21. must be bid. It can be negotiated.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Wooten.

24. SENATOR WOOTEN:

25. Well, the reason I say that is because according to the

26. exception that we put into the law for small towns, you can

27. own up to seven and a half percent of the corporation, you

28. may still be counted as a quorum, you must declare your interest,

29. you may not vote and the only other prohibition that I think

30. might keep you out of it is this provision on sealed bids, but

31. seems to me that something of this size, we ought to have an

32. absolute prohibition against conflict of interest and I'm not

33. sure that moving from the original language of Amendment No. 1

1. to what is in the Statutes now is much of an an improvement.
2. There still needs to be some realistic insulation against
3. conflict of interest and unless there is some artifice around
4. the sealed bid qualification in here, it seems to me the door
5. is wide open.

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. Senator Berman.

8. SENATOR BERMAN:

9. The provisions of conflict of interest after the...if we
10. adopt Amendment No. 3, will be the same restrictions and limit-
11. ations on the control authority as exists for every entity of
12. government throughout the State of Illinois. This Authority
13. will not, although it is dealing in five hundred million dollars
14. of...of bonds and has some control over...authority over a
15. billion dollar budget, I would point out this is not the
16. largest or even close to the largest governmental entity. We
17. have cities and counties that exceed it and we are stating that
18. the same restrictions and limitations that apply to every
19. governmental body in the State of Illinois will apply to this
20. one. If any Senator feels that those are too loose, I think
21. the way to address it is not necessarily through...through a
22. defeat of this amendment, but rather addressing the Conflict
23. of Interest Statute as a whole and that can be done at some
24. later stage of the legislative process.

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Is there...let's see. Are there further questions? Senator
27. Walsh.

28. SENATOR WALSH:

29. Senator Berman, it's my understanding now this amendment
30. has two substantive aspects, one the conflict of interest to
31. which Senator Wooten referred and the other is supplying the
32. Authority with...with budget reports for five preceeding fiscal
33. years and that everything else therein is technical and has

1. been approved by the people interested in seeing this legis-
2. lation passed. Is that...

3. PRESIDING OFFICER: (SENATOR BRUCE)
4. Oh...Senator Berman.

5. SENATOR BERMAN:
6. That's correct.

7. PRESIDING OFFICER: (SENATOR BRUCE)
8. ...Netsch.

9. SENATOR NETSCH:
10. If I might return then, just briefly, to the question
11. that Senator Egan was raising that I think was not directly
12. answered, Senator Berman, the...Sunset/Sunrise, as you have
13. described it, provisions are in the other amendment and they
14. ...Amendment 2, right, I'm sorry, and they provide three
15. years balanced budget...I'm not clear by whom, but nevertheless,
16. three years balanced budget. The control provisions only
17. evaporate one year unbalanced budget, the control provisions
18. revive. Now, is there any...is that correct?

19. PRESIDING OFFICER: (SENATOR BRUCE)
20. Senator Berman.

21. SENATOR BERMAN:
22. Yes.

23. SENATOR NETSCH:
24. All right. Now...

25. PRESIDING OFFICER: (SENATOR BRUCE)
26. Senator Netsch.

27. SENATOR NETSCH:
28. Is there anything in Amendment 3 which does anything at
29. all to that language, that is, that section, the so-called
30. Sunset/Sunrise Section, technical or not, is it affected in
31. any way, shape or form by Amendment No. 3?

32. PRESIDING OFFICER: (SENATOR BRUCE)
33. Senator Berman.

1. SENATOR BERMAN:

2. No.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Senator Netsch.

5. SENATOR NETSCH:

6. ...I think that answers Senator Egan's problem then. Let
7. me ask another one which may sound naive under the circumstances,
8. but because I am not a speed reader, I cannot put all of these
9. pieces together. I...I see in this amendment, Amendment No. 3,
10. a reference to the two eleven tax rate. Could I find out, is
11. there anything that has now been done as a result of either
12. Amendment 2 or this amendment which affects the capacity and
13. power of the Chicago Board of Education, with respect to its
14. educational or debt service tax rates?

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Senator Berman.

17. SENATOR BERMAN:

18. The outline that was presented to you yesterday in
19. Amendment No. 1 by Quern, D'Esposito, the other witnesses that
20. testified as to what the plan was, is the same and is not
21. changed by this, namely, a dollar sixty-one from two eleven,
22. fifty cents for the Authority to pay off bonds and the rest
23. of the plan as outlined yesterday.

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Further discussion or debate on Amendment No. 3? Senator
26. Buzbee...or Senator Netsch, you have further questions?
27. Senator Netsch.

28. SENATOR NETSCH:

29. Well, just to make sure that I understand that. The...the
30. board is confined by law to a dollar sixty-one for educational
31. purposes and if that is to be increased, it is going to have
32. to be done by something that has not yet been done by the
33. General Assembly, subject to one, perhaps, qualification that Senator

1. Bowers might allude to at some point and that is whether it
2. could be done pursuant to a strange ad mixture of Home Rule
3. powers, but putting that aside, the dollar sixty-one is the
4. Statutory cap on the educational tax rate. Fifty cents has
5. been subtracted from that and transferred to the oversight
6. or the control board and in no other way have we either auth-
7. orized or deauthorized the Chicago Board of Education to impose
8. additional Property Taxes for its purposes. Is that an
9. accurate statement?

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Senator Berman.

12. SENATOR BERMAN:

13. Yes.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Further questions, Senator Netsch, of Senator Berman?

16. Senator Netsch? No. All right. Senator Buzbee, do you have
17. any questions? Senator Buzbee.

18. SENATOR BUZBEE:

19. Yes, a question of the sponsor, Mr. President.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Senator Buzbee.

22. SENATOR BUZBEE:

23. Senator Berman, on the...on the amendment portion that
24. deals with the conflict of interest, to what extent have we
25. limited the conflict now of people that may serve on the board?

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Senator Berman.

28. SENATOR BERMAN:

29. Without...without referring to the existing Conflict of
30. Interest Statute, I just couldn't give you an answer. The...
31. the reason for the deletion of the conflict of interest clause
32. that was in Amendment No. 1 was because of concern voiced yester-
33. day that that was looser language than...than exists in the

1. General Illinois Conflict of Interest Statute. The General
2. Illinois Conflict of Interest Statute has tighter language,
3. greater restrictions than what existed in Amendment 1. Ac-
4. cordingly, we have, by Amendment 3, deleted the Amendment 1
5. provisions of the conflict of interest. I...I'm not sure
6. that I can really get into all of the details as to who can
7. or cannot operate and what's a conflict, etc.

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. Senator Buzbee.

10. SENATOR BUZBEE:

11. So, am I to assume then, that your amendment today,
12. Amendment 3, then will...will make it to the point where
13. that board would operate under the same conflict of interest
14. law that this General Assembly operates under and that all
15. other public entities operate under, is that correct?

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Senator Berman.

18. SENATOR BERMAN:

19. The same law that all other public entities operate
20. under. I'm not sure that the Conflict of Interest Statute
21. applies to the General Assembly. It's in the Local Government
22. Section of the Statute and that's why I qualify my answer.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Senator Buzbee.

25. SENATOR BUZBEE:

26. Well, my concern is from the...from the public interest
27. point of view, obviously, we don't want people there on those
28. boards making decisions that can, in effect, have the...that
29. have the effect of lining their own pockets, but at the same
30. time, the expertise that is available needs to be used and if...
31. if we were to make it too restrictive and if we were to draw
32. the analogy between that board and this General Assembly, if
33. we made it too restrictive, there would never be a piece of

1. banking legislation that could ever pass the Illinois General
2. Assembly because then everybody that had bank stock would have
3. to abstain from voting and, therefore, there would never be a
4. majority...a majority available for voting. So, you are telling
5. me that it generally though is what affects other local
6. government officials and other local governmental entities.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Senator Berman.

9. SENATOR BERMAN:

10. That's correct.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. All right. Senator Berning.

13. SENATOR BERNING:

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

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Indicates he will yield. Senator Berning.

17. SENATOR BERNING:

18. Regarding Amendment No. 3, on page 9, Senator Berman.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Berman.

21. SENATOR BERNING:

22. Line...starting with line 15, which refers to page 42,
23. line 31 of the bill as it now exists under Amendment No. 1,
24. wherein in Amendment No. 3 it says, "On page 42, line 31,
25. by deleting taxes and inserting in lieu thereof direct annual
26. taxes upon all the taxable property located within the school
27. district," and then referring back to the original bill which
28. would continue thusly, "which are hereby authorized to be
29. levied annually for such purpose in the manner provided in
30. Section 34A-503." This is under the Bond Anticipation Notes
31. Section which is 34A-506 and it proceeds on with lines 18
32. through 22 and then 23 through 25, all on page 9 and it has
33. to do with the issuing and reissuing of anticipation or bond

1. anticipation notes and the renewal of those notes and I read
2. again then from page 42, "In the event it cannot issue bonds
3. on terms, the Authority, "cannot issue bonds" is stricken and it
4. is inserted, "is unable to issue bonds to pay outstanding bond
5. anticipation notes." In other words, while there seems to be
6. here not only the provision for circumventing the issuing of
7. bonds in the event there is for some unknown reason a dirth
8. of a bond market, bond anticipation notes can be issued. If
9. the bonds then can't be issued, notes can be reissued and it
10. would appear that there is here quite an escape hatch for the
11. interminable issuing and reissuing of so-called bond anticipation
12. notes and levying the tax necessary, referring again to the
13. amendment...

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Excuse me, Senator Berning. I wonder, Gentlemen, we are
16. certainly happy to have all of our House members here from the
17. other side of the Rotunda. If they would take their conferences,
18. however, to the back of the Chamber and off the principal
19. Floor, we could be able to conduct our business and send our
20. work product to you earlier. Senator Berning.

21. SENATOR BERNING:

22. Thank you, Mr. President. The question apparently just
23. gets down to, are we not by Amendment No. 1, as well as
24. Amendment No. 3, providing an avenue here for issuing bond
25. anticipation notes irrespective of the salability of bonds,
26. then providing for the reissuing of those in the event that
27. the bonds can't be sold and the notes retired and all with the
28. blessing of taxes necessary to pay for them and the interest
29. thereon. Of course, that's part and parcel of the total tax
30. increase provisions that are contained elsewhere in this bill,
31. but my concern right now, Senator Berman, is, is this not an
32. unusual arrangement and why do we have bond anticipation notes
33. with no termination except as written and then with the un-

1. limited rerenewal provisions, all with benefit of taxes to be
2. levied and assessed on all property in order to pay for them.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Senator Berman.

5. SENATOR BERMAN:

6. I think, succinctly, the answer is no. This amendment,
7. when viewed with Senate...with House Bill 1910, as will be pre-
8. sented in a few minutes, requires a limitation as to your bond
9. anticipation notes. There is always the opportunity to roll
10. over those notes, but not to exceed the amount of notes that
11. can be issued and that the...the...the amount of those antic-
12. ipation notes are limited by the provisions of this bill and
13. 1910. They are tied in together.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Senator Berman.

16. SENATOR BERNING:

17. Berning.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Sorry, Senator Berning.

20. SENATOR BERNING:

21. Senator Berman, what is the limitation? Is it spelled
22. out someplace that I haven't found? What percentage of the
23. proposed bond issue is restricted then to bond notes?

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Berman.

26. SENATOR BERMAN:

27. Senator Nedza indicates that he has an amendment to
28. House Bill 1910 that puts a two hundred and twenty-five million
29. dollar limit on those anticipation notes. That's why I said
30. it was keyed in between the two bills.

31. PRESIDING OFFICER: (SENATOR BRUCE)

32. Senator Berning.

33. SENATOR BERNING:

1. In other words then, we are really authorizing the issuing
2. of notes irrespective of bonds and I don't know whether one is
3. more salable than another, but I am troubled by that very
4. provision. If we can't sell bonds, what good are the bond
5. notes and if the bonds are salable, why do we need this other
6. which looks to me like some escape hatch type of provision to
7. generate additional operating bond money.

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. Senator Berman.

10. SENATOR BERMAN:

11. I would call the Senator's attention to lines 17 through
12. 20 of page 42 of Amendment No. 1 and it indicates that these
13. bond anticipation notes may only be issued in anticipation of
14. the issuance of the long-term bonds. It is not an alternative.
15. It's merely a short-term funding process. It's what we've been...
16. seen described in the media as Phase II notes in anticipation
17. of the issuance of the five hundred million dollars long-term
18. bonds which is Phase III.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Further questions, Senator Berning. Further discussion or
21. debate on the adoption of Amendment No. 3? Senator Berman has
22. moved the adoption of Amendment No. 3. All in favor say Aye.
23. Opposed Nay. The Ayes have it and the Amendment No. 3 is
24. adopted. Are there further amendments, Mr. Secretary?

25. SECRETARY:

26. Amendment No. 4 offered by Senator Collins.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Senator Collins on Amendment No. 4.

29. SENATOR COLLINS:

30. Thank you, Mr. President. Amendment No. 4 provides for an
31. alternative structure to the current proposed structure of the
32. Authority and the purpose for this amendment is to give some
33. input and some control to the General Assembly for the responsibilities

1. and the authorities that has...that will be granted under this amend-
2. ment to that all-powerful board. I'm very much concerned that if we
3. are...the State of Illinois, as stated in the Constitution,
4. primarily responsible for the education of our children and if
5. we are going to be involved in this bailout, as the General
6. Assembly, then we should have some say about the make-up of that
7. particular control authority and for that reason...it's Amendment
8. No. 4.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Senator Collins, if you might read the LRB identifying
11. number.

12. SENATOR COLLINS:

13. Okay, it's...it's LRB 81057960BSMAM01. Is it 02? This one
14. is 01. Oh, he...he renumbered them so...it is 02? Okay.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Although it...if each member would look upon their desk,
17. there should be four amendments with Senator Collins' name
18. written on the upper right hand corner. They have all been
19. distributed. All right.

20. SENATOR COLLINS:

21. I'm going to Table one of those and I...I'll get to that
22. one. I'll withdraw that one.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Mr. Secretary, if you would repeat the number of the
25. amendment under consideration.

26. SECRETARY:

27. Amendment No. 4 carries LRB Number 81057960BSMAM01.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. All right. Senator Collins to explain the Amendment No. 4.

30. SENATOR COLLINS:

31. Okay. Amendment No.4 amends...and Section 34A-301 by deleting
32. Paragraphs A, B, C and D and inserting in lieu thereof, "Two
33. directors appointed by the Governor with the advice and consent

1. of the Senate. Two directors appointed by the Mayor, with the
2. advice and consent of the Council. One director appointed
3. jointly by the Governor and the Mayor, with the advice and
4. consent of the Senate and the City Council, who shall serve
5. as Chairman of the Authority." Mr. Chairman, I move for a
6. favorable adoption of Amendment No. 4.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Is there discussion? Senator Berman.

9. SENATOR BERMAN:

10. Thank you, Mr. President. I rise in opposition to
11. Amendment No. 4. This is a...this Authority is not a State
12. agency. It is a local agency. We are charged with the
13. advise and consent to State officeholders' appointments.
14. I don't think it would be proper for us to inject ourselves
15. into the confirmation of a...of an authority that is not a
16. State body.

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Senator...Senator Collins. Okay. Senator...further questions?
19. Senator Netsch.

20. SENATOR NETSCH:

21. Well, I would just like to disagree with Senator Berman's
22. characterization of the agency. It is, I would say, *suigeneris*.
23. It certainly is a State created agency that is really
24. carrying out a State purpose and objective which we, the State
25. Legislature, are giving to that agency and I don't see how it
26. can, in any real sense, be characterized as "a local agency" and
27. even if it were, there is nothing at all to prevent us from
28. providing for Senate consent to the appointments to such an
29. agency. That is entirely within our prerogative and in view
30. of the fact that this agency is not only created by us and
31. given our mandate, but is probably going to be back to haunt us
32. in many forms in the future, it seems to me that Senate con-
33. firmation of a part of the membership is entirely in order.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Further discussion? Senator Washington.

3. SENATOR WASHINGTON:

4. Just briefly, Mr. President. From the way this matter
5. has moved, this will be the only input this Body will have
6. into this whole procedure. If we can't at least pass upon
7. the Governor's appointees, we will have no role whatsoever to
8. play. Just ratify it, as the Governor said, and go home and
9. forget it. I support this amendment.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Further discussion? Senator Geo-Karis.

12. SENATOR GEO-KARIS:

13. Mr. President and Ladies and Gentlemen of the Senate,
14. I oppose this amendment. The Chicago School District has been
15. in a financial mess second to none. We finally have got some
16. decent people appointed by the Governor who know finance
17. probably better than anyone here, including the Auditor
18. General. I think we should give it a chance because let's
19. not kid ourselves. If they weren't in such a mess, we wouldn't
20. be here today and I...I certainly oppose this amendment and
21. concur with Senator Berman.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Shapiro.

24. SENATOR SHAPIRO:

25. Mr. President and Ladies and Gentlemen of the Senate, I
26. rise in opposition to the amendment. I noticed one of the
27. provisions calls for two of the directors to be appointed by
28. the Mayor with the advice and consent of the City Council. I
29. believe this is the procedure used to pick the Chicago School
30. Board members and I don't think we want to go through that
31. exercise any more than we have to.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Further discussion? Senator Johns.

1. SENATOR JOHNS:

2. Well, as a member of the Executive Committee, we do this
3. all the time for all kinds of agencies that are not State
4. agencies. These are boomerang bills. We might as well get on
5. with it and try to give the Senate some input.

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. Further discussion? Senator Collins may close.

8. SENATOR COLLINS:

9. Thank you. I move for a favorable roll call.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. The question is on the adoption of Amendment No. 4.
12. Those in favor say Aye. Those opposed. There has been a
13. request for a roll call. Those in favor will vote Aye. Those
14. opposed will vote Nay. The voting is open. Have all voted
15. who wish? Have all voted who wish? Take the record. On
16. that question the Ayes are 17. The Nays are 32. The amendment
17. is lost. Further amendments, Mr. Secretary?

18. SECRETARY:

19. Now, Senator Collins, did you want to withdraw that next
20. amendment which is the one that I just showed you? Okay.
21. Amendment No. 5 is offered by Senator Collins. It carries
22. LRB Number LRB 81057960BJWAM. No numbers on this one.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Senator Collins to explain Amendment No. 5.

25. SENATOR COLLINS:

26. Thank you, Mr. President. The purpose of Amendment No. 5
27. is to prioritize with some assurance the cuts that is necessary
28. to be made for the Chicago School budget. I am not convinced,
29. nor are my constituency, of the capabilities of that board to
30. make the cuts necessary without further eroding the quality of
31. education in the Chicago School System. I'm very much disturbed
32. and concerned about that and based on that board's past per-
33. formance, I do not feel that I can stand here and allow them to

1. make those cuts at this particular time. This amendment
2. simply gives the Authority...directs the Authority not to,
3. in fact, accept any plan from the board of cuts until such
4. time all of the unnecessary cuts...such cuts in...in the
5. area of those services directly to classroom instructions
6. be the last to be cut. That's what this amendment simply
7. does. It says that the Authority shall not approve any fis-
8. cal plan for reduction from actual prior year's expenditures
9. of allocations to any attendance centers for the cost of
10. certificated personnel or the cost of facilities, equipments
11. or materials which are employed or used directly for class-
12. rooms instructions unless such reductions is warranted by
13. declining enrollment or necessary for compliance with State
14. or Federal laws or all other possible reductions have been
15. made in line items unrelated to direct pupil instructions.
16. I move for a favorable adoption of Amendment No. 5.

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Is there discussion? Senator Berman.

19. SENATOR BERMAN:

20. Mr. President, I rise in opposition to Amendment No. 5.
21. I think that we heard testimony yesterday by the President
22. of the Chicago School Board, Mrs. Rohter, as to her commit-
23. ment to try to make cuts in order to comply with a fiscally
24. sound budget and yet maintain the most important element of
25. education which is the classroom approach to the needs of the
26. children. I don't think that setting forth a Statutory
27. standard is going to give the School Board the kind of flex-
28. ibility that it really needs in order to determine how to
29. provide education and still meet a fiscal standard, fiscally
30. balanced budget standard. I think they have to be given as
31. much leeway as possible. The investigating committee that
32. was adopted by resolution earlier today is going to be
33. receiving reports and I believe also the General Assembly may

1. be receiving reports as to how those cuts are going to be
2. implemented. I think that we will have an opportunity for
3. some input. I don't think it should be a Statutory standard.
4. It's just too strict and I don't think this is even properly
5. drawn in order to give them the kind of flexibility that they
6. would want to have even if they wanted a Statutory standard,
7. so I oppose Amendment No. 5.

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. Further discussion? Senator Geo-Karis.

10. SENATOR GEO-KARIS:

11. Mr. President, Ladies and Gentlemen of the Senate, I
12. agree with Senator Berman because we forget that there are
13. many certificated personnel who don't even teach anymore.
14. Superintendent Hannon was one of them. In addition, we know
15. that they have to cut sixty million dollars off the budget
16. in order for the plan of operation provided by these bills
17. to make an effective and solvent school system because they
18. will have two years in which to prove their merit because they
19. cannot get good bond ratings. Right now, their bond rating
20. is way down and I don't think we should jeopardize that at
21. all and I...concur with Senator Berman and oppose the
22. amendment.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Further discussion? Senator Collins may close. Senator
25. Washington.

26. SENATOR WASHINGTON:

27. Mr. President, evidently quite a few people can see that
28. there may be, to put it mildly, some fat in the Chicago Board
29. of Education's school budget. I don't know that for a fact,
30. but I'm inclined to go along with that conclusion that I
31. hear from so many people. The real problem, however, is where
32. will the cuts be made. Now, we are all familiar with the
33. Board of Education of the City of Chicago and Mrs. Rohter has

1. made it very clear that they are just not in the business of
2. educating children. I understand she said in House that they
3. were in the vendor business and they were in the real estate
4. business and they were in the appeasement of the craft union
5. business and some other things. The question is at what point
6. and where will these cuts be made. Mrs. Rohter may have
7. generated some confidence in her from some members of this
8. House, but she certainly didn't do anything from the people
9. in my community. Being very blunt about it, they don't have
10. much confidence in Mrs. Rohter and certainly they don't have
11. confidence in her to make judicious cuts, if necessary, which
12. would not jeopardize curricula and direct services to students.
13. It seems to me that that should be our primary concern here and
14. I assume it is even though people are talking right over here
15. and I can't be heard, Mr. President. Mr. President. Mr.
16. President, may I have some order?

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Yes, excuse me, Senator Washington. Gentlemen, if we
19. could take our conferences in front of Senator Vadalabene...
20. he would like to hear and if we can...if we can just take
21. some of these conferences off the Floor.

22. SENATOR WASHINGTON:

23. I just want to reiterate briefly, that our primary
24. concern should be that the services to students in the City of
25. Chicago should not dwindle, but, more or less, should be im-
26. proved. We have concentrated on fiscal mismanagement and
27. tried to resolve that by bringing about a structure which will
28. bring fiscal responsibility, but nothing is being said about
29. services to students and this seems to me to be a very reason-
30. able, mild amendment which will give some kind of guarantees
31. to the parents in the City of Chicago that their students and
32. their children will not suffer from the cuts. I think it's
33. reasonable and it should be supported.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Further discussion? Senator Collins may close.

3. SENATOR COLLINS:

4. Thank you, Mr. President. I don't think no one in this
5. room from the City of Chicago can argue the fact that the
6. children in the City of Chicago, even at this point, have not,
7. for several years, been receiving a quality education, even
8. though we recognize that there is a financial crisis in the
9. City of...Chicago, but what good is it if we are going to
10. strip away and further erode the quality...the substandard
11. of education that already exists and I'm afraid that in order
12. to balance that budget, unless we have some kind of control
13. and direct authority, that is exactly what's going to happen.
14. The most vital, essential educational services will be
15. further cut and at that point, we had might as well close up
16. the Chicago School System. I'm appealing to you to please
17. vote in favor of this amendment.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. The motion is to adopt. All in favor...request for a
20. roll call. Those in favor of the adoption of Amendment No.
21. 5 will vote Aye. Those opposed will vote Nay. The voting is
22. open. Have all voted who wish? Have all voted who wish?
23. Take the record. On that question, the Ayes are 19. The Nays
24. are 34. The Amendment No. 5 is lost. Further amendments,
25. Mr. Secretary?

26. SECRETARY:

27. Amendment No. 6 offered by Senator Berman. It's LRB
28. Number 105796GNSHAM01. That could be SNAM01.

29. PRESIDING OFFICER: (SENATOR BRUCE)

30. Just...Senator Berman.

31. SENATOR BERMAN:

32. Don't bother looking for it. I move to Table this. This
33. is a Sunset/Sunrise...

1. PRESIDING OFFICER: (SENATOR BRUCE)
2. All right. Senator Berman moves to withdraw his amend-
3. ment.
4. SENATOR BERMAN:
5. Withdraw it. That's...it was incorporated in Amendment
6. No. 2. It's the Sunrise/Sunset or Sunset/Sunrise Provision.
7. PRESIDING OFFICER: (SENATOR BRUCE)
8. ...just a report from the Chair, several Gentlemen and
9. Ladies have wondered about how many amendments there are. The
10. Secretary informs me that as of this moment, we have thirty-
11. two amendments. For what...what purpose does Senator Merlo
12. rise?
13. SENATOR MERLO:
14. Well, Mr. President, I'd suggest that when he reads the
15. number, that he repeat it. When he first reads it, we are
16. looking for the amendment and, of course, we don't have time
17. to refer, okay?
18. PRESIDING OFFICER: (SENATOR BRUCE)
19. All right. All right. We'll read it and then repeat it.
20. Senator Buzbee.
21. SENATOR BUZBEE:
22. Well, I know this is a terribly bad time to question the
23. process, but for crying out loud, isn't there some way that we
24. can number these things or identify them other than a thirty-
25. seven digit LRB number because I don't have any idea what the
26. hell we are talking about right now. You know...can't we give
27. a...a number on here that is identifiable?
28. PRESIDING OFFICER: (SENATOR BRUCE)
29. Senator Buzbee, under the rule adopted, I think, by
30. Senator Philip, each member during this Session was to have
31. placed their name on the amendment so unless a Gentleman or
32. Lady is...
33. SENATOR BUZBEE:

1. Well, there are some...there are some members who have
2. offered several amendments and they have the same name on them.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. And...and just...just as a suggestion from the Chair,
5. those of you who plan to offer multiple amendments, it might
6. be advisable to put Berman A, Berman B, Berman C and that...
7. we can...we can identify those, unless you have more than twenty-
8. seven and we'll figure out something...yeah, double A, but
9. if you have more than one amendment, why don't you put your
10. name plus A, B, C, D until we run out of the alphabet. Now,
11. Amendment No. 6. The Secretary will read the number...we
12. haven't gotten to it yet and then repeat it.

13. SECRETARY:

14. Amendment No. 6 is offered by Senator Berman and it
15. doesn't have an LRB number. You want me to read the
16. amendment?

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Senator Berman, on Amendment No. 6.

19. SENATOR BERMAN:

20. Move to withdraw.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. Amendment No. 6, Mr. Secretary.

23. SECRETARY:

24. Amendment No. 6 offered by Senator Collins, a very short
25. amendment, amend House Bill 1264 as amended by
26. deleting all of Section 34A-303 which I think has been taken
27. care of.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. Senator Collins.

30. SENATOR COLLINS:

31. I think this amendment has been taken care of. This simply
32. deleted that provision in the bill that dealt with the conflict
33. of interest status. That has been deleted?

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Yeah. Senator, do you wish to...yes.

3. SENATOR COLLINS:

4. So I will...I move to withdraw this amendment.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. All right. The amendment will be withdrawn. Amendment

7. No. 6, Mr. Secretary.

8. SECRETARY:

9. Amendment No. 6 offered by Senators Knuppel and Davidson
10. and there is only one of these on the Floor.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Yes, Senator Knuppel and Davidson have only offered one
13. amendment at this time and so if you can...if you can find
14. the amendment Knuppel-Davidson, it should be the one under
15. consideration. Senator Knuppel, was this amendment distributed?

16. SENATOR KNUPPEL:

17. Well, it appears it was not. I...I had somebody put it
18. in...Jeff Forrester, on the basis that it would come after the
19. other amendments and maybe we can do it without this. All this
20. does is correct a technical error with respect to the working
21. cash funds that we created last year by House Bill...2730.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator...Senator Knuppel, if it hasn't been distributed,
24. perhaps we ought to just hold it in abeyance...

25. SENATOR KNUPPEL:

26. Well, I...

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. We have several amendments. We can certainly...we'll
29. get to it. Well, the Chair hears no objection, we will proceed.
30. Senator...Senator Knuppel on Amendment No. 6.

31. SENATOR KNUPPEL:

32. It's a very simple thing. All it does is in...in the Act
33. itself, strike three words in two places. It strikes the word

1. "working cash fund" and it was created...it created a technical
2. problem with respect to the issuance of working cash bonds
3. under House Bill 2730. It's a technical matter that I under-
4. stand has been taken up with Leadership on both sides.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Is there discussion? Senator Davidson.

7. SENATOR DAVIDSON:

8. Mr. President and members of the Senate, what we really
9. need...this is eight hundred and five of the thousand downstate
10. districts are involved with this, as you know, in House Bill
11. 2730, we made available an opportunity for those districts to
12. cover themselves for operating funds by borrowing until the
13. capital Personal Property Tax was forthcoming and one school
14. district went to sell the bonds the way we put these words in
15. that should not have been in there, they were only able to do
16. seventy-five percent of the value rather than a hundred per-
17. cent which is what we had done when we passed the bill and
18. they...we're taking out working cash fund two places and I
19. would appreciate a favorable vote.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Discussion? Senator Berman.

22. SENATOR BERMAN:

23. I have no...I have no objection to Amendment No. 6.

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Further discussion? Senator Rock.

26. SENATOR ROCK:

27. Thank you, Mr. President. Ladies and Gentlemen of the
28. Senate, this is an amendment that was brought to our attention
29. by the school district in Quincy. I think it benefits eight
30. hundred and five school districts downstate. It has been
31. suggested by the Office of Education and by the Representatives
32. of that district. I have no objection and I would urge an Aye
33. vote.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Further discussion of Amendment No. 6? All in favor
3. say Aye. Opposed Nay. The Ayes have it and Amendment No.
4. 6 is adopted. Are there further amendments, Mr. Secretary?

5. SECRETARY:

6. Amendment No. 7 offered by Senator Grotberg and that's the
7. only amendment I have for Senator Grotberg.

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. Senator Grotberg on Amendment No. 7.

10. SENATOR GROTBORG:

11. Thank you, Mr. President. I'm a little chagrined that
12. that's the only amendment you have of mine because I think I
13. just brought you another. Thank you, Mr. Secretary. If the
14. membership will be patient with me, it is Grotberg, Regner,
15. DeAngelis up at the top and Senator DeAngelis preferred to
16. withdraw from this so you can ignore him, but if you would
17. pay attention to Grotberg...thank you. This is not frivolous.
18. I had a mouthful of candy and I needed to do something before
19. I could talk and I just did it. Thank you very much. Amendment
20. No. 7 reflects my continued concern, Ladies and Gentlemen
21. of the Senate, Mr. President, with a traditional pattern of
22. school financing that is unique only to the Chicago system
23. and I don't represent Chicago and one can think it rather
24. timorous of a downstate legislator to fiddle around with the
25. financing of Chicago schools, but what does happen in the rest
26. of the State and everything that I represent is that when the
27. schools go broke, they go ask the people if the schools are
28. worth keeping open and then the people come to the polls and
29. they say yes or no. Sometimes they say no, so you cut out a
30. few things and you go back and you go back and you grind them
31. down and you finally get the schools going again, but you know
32. who did it? A combined effort of the people and responsible
33. management. It's happening all over Illinois every day. There

1. is nothing new about Chicago except that they have no device
2. by which to go tell the people regularly what they are doing.
3. Every decade or so they go broke. The last time we remember
4. this fiasco, we went through a series of bankers before only
5. that time they were on the other side of the issue. A distin-
6. guished banker from Chicago came down with the distinguished
7. and wonderful Mayor of Chicago and said give us the seventy-
8. five million dollars in the year 1975. Remember that Session
9. in the House of Representatives? All they wanted was the
10. money, not necessarily a chance to raise their taxes. I see
11. a possibility in this marvelous solution to Chicago that they
12. could come back because I don't see...I now know what Illinois
13. math really meant. When you cut up two dollars and eleven
14. cents, take away fifty and pay off five hundred million dollars
15. of bonds and keep the schools open. Only in Illinois could
16. you do that and only with Illinois math that changed the way
17. of living in Illinois. So, I'm suggesting to you that let's
18. let the Chicago system take this problem to the people when
19. they come back for more money. This doesn't amend the struc-
20. ture of the solution that we are dealing with. This only
21. opens the door to the people of Chicago to support the next
22. kinds of monies that they need publicly rather than the
23. Legislature of the State of Illinois. I think that the Governor
24. and the Mayor and the banks have a wonderful solution to the
25. "Big Mac" solution. This is over and above that. It simply
26. says when you want more money after...probably after the March
27. primary, folks, go to the people of Chicago...

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. May we have some order, please, for Senator Grotberg?

30. SENATOR GROTBORG:

31. ...and that's simply all it does. It lets them vote on
32. a four dollar rate just like we do all over the State of Illinois
33. in every other school district and I would urge the adoption

1. of Amendment No. 7 and, of course, would be glad to field
2. any questions.

3. PRESIDING OFFICER: (SENATOR BRUCE)
4. Senator Johns.

5. SENATOR JOHNS:
6. Will the sponsor yield?

7. PRESIDING OFFICER: (SENATOR BRUCE)
8. Indicates he will yield. Senator Johns.

9. SENATOR JOHNS:
10. When is the last time there was a referendum in Chicago?

11. PRESIDING OFFICER: (SENATOR BRUCE)
12. Senator Grotberg.

13. SENATOR GROTEBERG:
14. My history book shows in 1971 there was a vestigial one...
15. vestigial and as I presume it failed. Now, that's not funny,
16. Ladies and Gentlemen. I don't mean it to be. We have lost
17. referendum after referendum all over the State of Illinois
18. in every Legislator's district that sits here, so there's
19. nothing new about losing it. It's what do we have to do to
20. win them and tell the people about it.

21. PRESIDING OFFICER: (SENATOR BRUCE)
22. Further discussion? Senator Berman.

23. SENATOR BERMAN:
24. Thank you, Mr. President. I rise in opposition to this
25. amendment for several reasons. In...only as a point of
26. historical fact, Senator Grotberg, the...last referendum that
27. was held, I am advised, was passed and they went...that's what
28. got them up to the two eleven, but part of the problems of this
29. amendment, I see as follows. Number one, I don't think it
30. belongs in this bill. There are...there have been a number of
31. suggestions that came forth regarding the internal structure,
32. funding and operations of the Chicago School Board. One dealt
33. with an elected School Board. Another one dealt with the question

1. of expanding the School Board. Another one dealt with the
2. questions of their operations internally. They may be fine
3. subjects for legislative attention, but I don't think that
4. this is the vehicle to address that. Secondly, I think that
5. we are fooling ourselves and playing a very dirty trick on
6. the school children of Chicago by trying to adopt this at this
7. time. The reason we are here on these days and debating this
8. bill is because of the grave financial dilemma of the Chicago
9. School Board. The Chicago School Board couldn't pass a
10. referendum for God and Motherhood because of the position
11. that they are presently in and to impose this requirement
12. upon them at this time is just a plain bad joke. I think per-
13. haps in a short period of time, hopefully, that with the
14. Authority that we are imposing upon them, the requirements for
15. balanced fiscal budgets, the requirement living within their
16. means, that at that time a referendum might make sense, but
17. until then, it doesn't make any sense whatsoever because they
18. couldn't go to the people and ask for one penny, let alone
19. what this amendment calls for and I would point out that this
20. would authorize an increase in the tax rate to four dollars.
21. By the bill, we are cutting the rate from two eleven to a
22. dollar sixty-one. This, I would submit to you that are concern-
23. ed about tax rates and for Real Estate Taxes, by referendum,
24. you could be imposing a rate up to four dollars, two and a
25. half times what the rate would be authorized by this. I
26. don't think it's timely. I don't think it's responsible and
27. I urge its rejection.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. Okay. Now, I have Senators Regner, Berning, Bowers,
30. Schaffer, DeAngelis and Wooten have sought recognition, just
31. going from left to right. Senator Regner. Regner. I think
32. your microphone, Senator, may be...

33. SENATOR REGNER:

1. Well, he has to turn it on first. Mr. President and
2. members, Senator Berman, would you answer a question?

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. The amendment is being offered by Senator Grotberg.

5. SENATOR REGNER:

6. Well, Senator Berman made some statements and I wanted
7. to ask him a question on the statements he made. Since he
8. refuses to answer a question, I'll just pose it to the rest
9. of the membership and if this amendment fails, I may offer
10. it in a different form later on. I'd be willing to give it
11. to you without a referendum, Senator Berman, and let the
12. City of Chicago School Board have the guts to raise the taxes,
13. if they think it's justified. We, in the suburbs and the rest
14. of the State of Illinois, pay tax rates up to five dollars,
15. a hundred and six and seven and eight dollars in some cases,
16. because that what our people want to support our school boards.
17. The City of Chicago has a total levy of three dollars and sixty-
18. six cents and I see nothing that's going to come out of this
19. bill that's going to solve the entire problem because it is
20. put together with phantom money and you don't pay off a half
21. a billion dollars or more of bonds issued with phantom money
22. and unless there is some way to raise new monies by the Chicago
23. School Board, there is no way that this thing is going to fly
24. in ensuing years unless there is some secret deal made that many
25. of us don't know about or there's a promise made for extra
26. school aid just for Chicago while we shortchange the rest of
27. the children in the State of Illinois which has been going on
28. for all the years I have been down here. I urge the adoption
29. of this amendment.

30. (End of Reel #2)
31.
32.
33.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Senator De Angelis.

3. SENATOR DE ANGELIS:

4. Thank you, Mr. President. I participated in the drafting
5. of this amendment prior to hearing the...discussions yesterday,
6. and as I heard the discussions it became increasingly obvious
7. to me that what we're down here for basically is to create a
8. financial plan to keep the schools going, and keep them going for
9. a period of time, and although I...I stand behind this as a good
10. concept I do not feel that it would be fair at this particular
11. time to interject anything as an amendment that went beyond con-
12. structing the financial plan and getting the financial...plan
13. passed. So, I've changed my mind, I would now stand in opposition
14. to something that I thought was a good idea yesterday.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Senator Berning.

17. SENATOR BERNING:

18. Thank you, Mr. President. I...I'm delighted to rise in
19. support of this amendment, it seems to me that this is one of
20. the more simple solutions to the whole problem in Chicago, and
21. I take issue with the great Senator from Chicago, Senator Berman,
22. when he says this is not the time for something like this. I
23. ask you Ladies and Gentlemen of the Senate, what is a better time
24. to offer a salutary solution then at the time when there is a
25. real, real problem, and we've been lead to believe there's a real
26. real problem with the school system in Chicago. Now, there isn't
27. anything wrong under our so-called Democratic system, in allowing
28. the people themselves to determine what they want to pay in the
29. way of taxes. I submit to you that under 1264 as amended, you and
30. I, if this passes, and it may pass with just you, not I, we'll
31. be authorizing increased taxes, and I don't know how you can defend
32. that if you aren't willing to let the people have a voice in saying
33. yes or no whether they want to raise their own taxes to save their

1. own schools. Mr. President, I urge a Yes vote on Amendment No. 7.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Senator Bowers.

4. SENATOR BOWERS:

5. Would the sponsor yield to a question?

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. Indicates he will yield. Senator Bowers.

8. SENATOR BOWERS:

9. Senator Grotberg, there's been a couple of comments made, and
10. I think Senator Berning made one that said we are forcing on
11. the school district a referendum. Now, I may...be misreading this
12. amendment, and I would like to have the record clear on the
13. point. Is there anything in here that requires...

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Excuse me, Senator Bowers, we're getting...Ladies and Gentlemen,
16. we have a caucus going on in this corner, we have Gentlemen who
17. are floating around. If we can just keep it quiet, we'll get the
18. work done quicker. Senator Bowers.

19. SENATOR BOWERS:

20. Well, the question really I have is, is there anything in
21. here that requires the school board to hold a referendum, and...
22. and parenthetically to that, it seems to me that all we're
23. saying is, that in addition to all other methods they have of
24. taxing, if they want to they can go to referendum. Isn't that
25. all we're doing?

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Senator Grotberg.

28. SENATOR GROTBORG:

29. Yes, on the face of the amendment, it says on line 7, the
30. Chicago Board of Education may, by proper resolution, cause a
31. proposition to be offered, et cetera, and only on the education rate,
32. not on the building fund, not on all these imaginary packages
33. that the opposition on the other side of the aisle just mentioned.

1. The facts are we're talking about the same four dollar education
2. rate that's good for a hundred two other counties or all the
3. counties and all the other school districts in the State. The
4. four dollar basic unit district education rate, and you give them
5. the freedom to vote to go from two eleven to two fifteen to
6. two seventy up to four dollar, whatever it is, by referendum, if
7. they need it. God, I hope they don't, I hope the Authority, and
8. I'm taking your time though, Senator...I'd better shut up. Thank
9. you.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Senator Bowers.

12. SENATOR BOWERS:

13. Yes, I was really trying to help. It just seems to me, Ladies
14. and Gentlemen, all we're really saying here is, in addition to
15. all the other powers you have today, we're not in anyway limiting
16. those powers, whatever powers you have to levy taxes you continue
17. to have them, but in addition to that, if you want the voice of the
18. people, insofar, as these taxes are concerned then you may go to refer-
19. endum. Now, I happen to be one who feels that there is no present
20. limit on the tax rate in the City of Chicago. It seems to me
21. very clear if you read the Supreme Court decision in the Rockford
22. case, in the Rockford Library Board District case, it's upon all
23. fours with the question that we have before...before the Chicago
24. School District at this point and that is to say there is no present
25. limit because of the home rule powers of the City of Chicago, there
26. is no present limit on the tax rate in the City of Chicago. I am
27. convinced there is not, and all this bill...or all this amendment
28. does is says...says to the Board, to the governing authority, if
29. you want a referendum you have the power to hold it, and I don't
30. see a thing wrong with that unless somebody can tell me we are
31. somehow technically goofing up this bill, I can't imagine why we
32. ought to oppose this amendment and I would support it.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Senator Schaffer.

2. SENATOR SCHAFFER:

3. Well, I also rise in support of this amendment, and I think
4. most of us in both Houses have concluded that the package before
5. us today, is really only the first shoe, and the second shoe is
6. timed obviously to fall after the Primary Election when my friends
7. from Chicago will be down here looking for additional revenue for
8. the school district, and I, unlike Senator Regner am not quite pre-
9. pared to give them a tax increase without a referendum till I'm
10. convinced it's absolutely necessary, and I think before the City
11. of Chicago or the School District in Cary or in Sandwich or any-
12. where else comes back and down to this Body looking for help they
13. should have tried on the local level to solve their problems. To
14. reject this amendment, is to say that you're not willing to try
15. at the local level to get the support of the community to solve
16. the problem, and if you're unwilling to even ask the community to
17. support...solve your problems, I don't see how anyone has the
18. gall to come down here and ask us.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Further discussion? Senator Wooten.

21. SENATOR WOOTEN:

22. Thank you, Mr. President. I think I've been telling everybody
23. who would listen that I'm reluctant to give this kind of bonding
24. authority to this special Authority until we have some evidence
25. from the Chicago School Board of exactly what their cuts are, or
26. to what extent they're going to raise taxes. Now, we've been told
27. that Attorney General Scott is circulating an opinion saying that
28. the Chicago School District is a home rule district, and thus can
29. raise its taxes without referendum if it so chooses. This amend-
30. ment is not at all unreasonable, it says simply if you want to you
31. can hold a referendum, and you can go up to the four percent rate.
32. It seems to me then, that if this passes, and apparently the votes
33. are here for it to pass, then Chicago will be armed with everything

1. it needs. The Authority, the bonding power, they act as a home
2. rule unit to raise taxes without referendum, or with this, they
3. can hold a referendum, and raise taxes. It seems to me that
4. you've got to raise taxes. Maybe you can wait until after the
5. Primary, but that has to happen, otherwise all you're doing is
6. tripling or quadrupling the present debt, 'cause that is just
7. what happens by the time you sell bonds and try to pay them
8. back over a long period of time. You cut your tax operating
9. rate. This is not unreasonable and I think a lot of people
10. feel a lot better with something like this in the bill.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Further discussion? Senator Rock.

13. SENATOR ROCK:

14. Thank you, Mr. President, and Ladies and Gentlemen of the
15. Senate. It's interesting to note that most who have spoken in
16. favor of this amendment have privately or publicly committed them-
17. selves in opposition to this legislation. I would assume...if
18. this amendment prevails that they will all vote accordingly. Senator
19. Wooten is, at least, in terms of the Attorney General's opinion
20. that I have received, it's the City of Chicago, not the Chicago
21. Board of Education, it's a home rule unit, but let me suggest to
22. you that as laudable as an idea a referendum is, this is a very
23. precarious set of amendments that we are dealing with, and I
24. suggest to you that to tinker with it at this point, and to
25. foist either a immediate tax increase which neither the Governor
26. nor any of those who attended the meeting never intended or to
27. suggest that somehow since 1971 when this power was effectively
28. removed from the Chicago Board of Education, should somehow now
29. be put back in place. I'm not suggesting it's a wrong idea,
30. and it may well be right. This is not the time nor is House Bill
31. 1264 the place to do it. You and I will spend, I'm sure, long
32. hours commencing about April 7th, arguing about this and other
33. matters, and I suggest that is the right time to do it. This is
not. I would urge all rational, reasonable people to reject

1. Amendment No. 7 at this time.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Further discussion? Senator Gitz.

4. SENATOR GITZ:

5. Mr. President, and members of the Senate. It seems to me
6. the central issue in this amendment is the permissive power. It
7. is the Mayor of Chicago who has indicated that this plan is
8. hinged upon no tax increase. Now, there are basically three ways
9. that a revenue is going to accrue. It is either going to come
10. through very substantial cuts, indeed, unprecedented cuts, cuts
11. of more than a hundred million dollars, or it is going to come
12. in the form of further changes in the School Aid Formula, something
13. that I think every Legislator here is acutely aware of and keenly
14. opposed to. Or lastly it has to come from the resources in the
15. community itself. Now, I am not counted among those people who
16. just simply blindly looks down the alley and says I don't give
17. a damn what happens to four hundred thousand school children, but
18. I am deeply concerned what happens after four hundred thousand
19. dollars in the temporary bond money is no longer there, and next
20. September we will face very critical decisions. It seems to me
21. that the same rules that apply to school districts throughout the
22. State should be the same kind of rules that are going to apply to
23. the City of Chicago. I concur very strongly with the kind of
24. leadership that Senator Rock has exhibited in this crisis, and yet
25. I note when I ask these same questions of Miss Givens, of a constitu-
26. tional officer who shall remain unnamed, but who is a participant
27. in this crisis, he said he felt personally there was no way to
28. avert a tax increase. Now, this is one Legislator who's quite
29. willing to understand the problems of the City of Chicago, and to
30. help them, but I am not willing to do this at the expense of
31. other school districts, and I am not willing to have Mayor Byrne
32. tell us that there is going to be no tax increase, but then allow
33. us after the primary to take the heat and provide a tax increase

1. with no referendum. I think that would be unfair, and I think
2. it would be hypocritical.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Further discussion? Senator Rhoads.

5. SENATOR RHOADS:

6. Thank you, Mr. President, and members of the Senate. To
7. address myself briefly to two remarks made by Senator Rock. First
8. of all Senator, I think the case that Senator Bowers was alluding
9. to dealt with a unit of Local Government which had coterminous
10. boundries with the City of Rockford. Is that correct, Senator?
11. That is not correct, all right. Senator Bowers can answer that
12. later. I was under the impression that the Chicago Board of
13. Education did have coterminous boundries with the City of Chicago,
14. if I'm mistaken on that, please correct me, but the second comment
15. that you made, Senator Rock, was that those of us who supported
16. the concept of this amendment had our...minds made up on the bill.
17. I haven't had my mind made up, I talked to the Treasurer earlier this
18. morning, and felt that if there was sufficient protection for the
19. ...for the State of Illinois and its fifty million dollars, that
20. I could go along with something like this, but I really don't see
21. that this is an unreasonable amendment. Yes, if this amendment
22. goes on I will vote for the bill, so that's just one vote you
23. can put down on your ledger.

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Martin. For what purpose does Senator Rock arise?

26. SENATOR ROCK:

27. Well, just to respond to the Gentleman. This legislation,
28. and this amendment have nothing whatever to do with the fifty
29. million dollars that the State has purchased State Aid certificates
30. payable in June at 10.6 percent interest. This legislation has
31. nothing whatever to do with State participation.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Senator Martin.

1. SENATOR MARTIN:

2. Yes, responsible, rational, Legislators, and I think all
3. of us try to be that, try to look at an entire problem, and this
4. amendment then becomes very germane to the solutions that we all
5. seek for Chicago, which indeed in its school system does have
6. its special problems. Even though I may represent the second
7. largest city in the State, the size and the magnitude of Chicago's
8. problems are not just in proportion to the increased number of people.
9. I think they are greater than that, and so may well require
10. special solutions, but it strikes me that the same people we think
11. so wisely are intelligent enough to vote for the people who sit
12. in this Chamber, suddenly we are, in effect, saying are not wise
13. enough and not intelligent enough to make decisions about some-
14. thing even closer to them, and that is the school and the future
15. of the children of the City of Chicago. It seems to me, also
16. unusual, although perhaps expected that those who represent the
17. City of Chicago would not resent the fact that their people that
18. they represent do not have the same rights as the citizens of
19. Rockford, or Galesburg, or every other school district in the State.
20. So, I would say that for small "d" democracy that we are always
21. making pious statements about, if you really do have a belief
22. in the voice of the people, and if you know that occasionally
23. they may not always vote the way you want to, still that opportunity
24. must be given to them, and it must be given to the citizens of
25. the City of Chicago. To deny them that right, it seems to me
26. is an appalling judgment on our parts, and I would strongly suggest
27. we all support this amendment.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. Senator Geo-Karis.

30. SENATOR GEO-KARIS:

31. Mr. President, and Ladies and Gentlemen of the Senate.
32. If all the other school districts have the right of going to the
33. people in order to increase their tax rates, I cannot see why
we should deny it to the City of Chicago. I think the people have

1. the right to know what they're going to pay for taxes, and
2. this is the way to do it, and I think it is very germane as
3. Senator Martin says to this bill, I don't see that it should
4. be taken separately, and I think the responsible, rational
5. approach would be to give Chicago the same rights that my
6. school districts have.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Further discussion? Senator Regner.

9. SENATOR REGNER:

10. Yes, Mr. President, and members. I apologize for rising
11. a second time, but Senator Rock made an assumption in his comments
12. and I would like to clarify them now. If this amendment goes on,
13. Senator Rock, I intend to support it because it will show good
14. faith on the part of the City of Chicago School System.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Further discussion on Amendment No. 7. Senator Grotberg may
17. close.

18. SENATOR GROTEBERG:

19. Well, thank you, Mr. President, and thank you fellow Senators,
20. both pro and con for airing this issue, because it's probably the
21. most it's been talked about since the year 1971 on the proposition
22. offered to the people of Chicago when that opportunity was taken
23. away. Senator Berman, I agree with you on one thing, and that is
24. this, the School Board of Chicago would be a damn fool if they
25. used this within the next few weeks, because their credibility
26. is down. That's why we need this package with the Authority, which
27. I plan to support if this goes on, but you and I both know that
28. there will be a day when we must have more than two dollars and
29. eleven cents, 'cause real estate is not going to go up that much anywhere
30. to cover those needs. When that day comes, then we will not have
31. the annual trip to the Legislature to raise that rate, but the City
32. of Chicago School Board may offer such a proposition. Among the many
33. other things they can do, which they can also come back down here.
So, if I were a bondholder or a banker, and I never will be I guess

1. at this rate, I can't think of anything I'd rather have than
2. one more source of money behind my bonds, and that's all this
3. does. It says they may go out and stick it to the people just
4. a little bit more, if the merchandise is worth the trip, and
5. I hope by the time they do, the merchandise is salable. In
6. the mean time, Big Mac, wherever you are I hope that you...that
7. all of this goes through with this on it, because you're going
8. to lose a few if this doesn't go on, probably me. Thank you
9. very much, I urge an Aye vote on Amendment No. 7.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. The question is on the adoption of Amendment No. 7. Those
12. in favor vote Aye. Those opposed vote Nay. The voting is open.
13. Have all voted who wish? Have all voted who wish? Take the
14. record. On that question, the Ayes are 39, the Nays are 12.
15. None Voting Present. Amendment No. 7 is adopted. Further
16. amendments, Mr. Secretary?

17. SECRETARY:

18. Amendment No. 8, offered by Senator Berning. Amend Senate
19. Amendment No. 1 with reference to page and line numbers of that
20. amendment on page 32, line 12. By deleting budget or contract
21. and inserting in lieu thereof, or budget.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Berman. Senator Berning, I'm sorry I didn't hear
24. the Secretary. Senator Berning.

25. SENATOR BERNING:

26. Thank you, Mr. President. Senate Amendment No. 8, to 1264,
27. is a very simple amendment. On page 32, Section 34A-401, says
28. in part, in carrying out the purposes of this Article and pursuant
29. to Sections 34A-402 through 411, the Authority shall have the
30. power to approve or reject the financial plans budgets and contracts
31. of the Board, and so on until we get down to line 10 where it says
32. except as provided in Sections 34A-403, with regard to revenue
33. estimates, the Authority shall have no power to amend or reject

1. in part any financial plan, budget, or contract. In order to
2. bring this section in conformity with the upper part of that
3. section, I propose to strike the words "or contract" so that it
4. will read "the Authority will have no power to amend or reject
5. in part any financial plan or budget presented to the Authority
6. for its approval." It's a simple amendment and would, in my opinion,
7. make the product more justified and give the Authority to the
8. Board that it requires to function properly.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Is there discussion? Senator Berman.

11. SENATOR BERMAN:

12. Thank you, Mr. President. I rise in opposition to Amendment
13. No. 8. If you recall the testimony yesterday from, I think, Mr.
14. D'Esposito, and Mr. VanGorkom, the one thing that the...that this
15. Authority does not want to do, is to get into the posture of
16. negotiating all of the thousands and thousands of contracts that
17. are required to...for the operation of the Chicago School Board.
18. They want only, and we've given them only bottom line authority,
19. and that is what the Amendment No. 1 does. They can...they can
20. reject in toto any budget or contract, but they don't have
21. negotiation ability, they don't want it. This change would put
22. the Authority in the day to day business of running the Chicago
23. School Board. They don't want it, I don't want to give them that
24. authority, and that was not the basis upon which this bill has
25. been drafted. I urge a No vote on Amendment No. 8.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Further discussion? Senator Shapiro.

28. SENATOR SHAPIRO:

29. Well, Mr. President, and Ladies and Gentlemen of the Senate.
30. I understand what Senator Berning is attempting to do and I do
31. support the concept that certain parts of certain contracts, primarily
32. labor contracts, are responsible for the costs of operating units
33. of Local Government in a school district...can rise astronomically,

1. and I understand that his desire to want to be able to have the
2. Authority go in and be able to reject a part of a contract, but
3. I really don't think the...this Financial Authority should be
4. involved in labor negotiations as a partner or as an antagonist
5. to a local school district. I think the Authority has all the
6. power it needs to reject the entire contract if they think that there's
7. a part of it that would raise the cost or throw the budget out of
8. balance, and I think that's all they really need. That power is
9. explicit in this bill, that the Authority can reject any contract
10. in total, but not just part of a contract, and therefore I would
11. urge that this amendment be rejected on the basis that the Financial
12. Authority should not be a part of...of any type of negotiation
13. in reaching the...an agreement on a contract.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Further discussion? Senator Berning may close.

16. SENATOR BERNING:

17. Well, thank you, Mr. President, and members of the Senate.
18. My...original statement still stands, this brings the bottom half
19. of this section into conformity with the top half. If there is
20. any justification for the Authority having any prerogatives in
21. contracts it ought to have it completely. You and I know that
22. much of the difficulty that the school district now finds itself
23. in stems from contracts which were negotiated over the years
24. with little regard as to how the provisions are going to be met.
25. Well, if that is true, and I challenge anyone to prove that it's
26. not true, then if this Board is going to have any possibility, what-
27. soever, of exercising control it has to be able to exercise control
28. through a rejection of any or all of part of a contract. It's as
29. simple as that. I don't care whether it's a labor contract or
30. any other, this Authority that we are about to create cannot
31. function with one arm tied behind its back. If it's going to
32. be able to approve budgets and contracts, in whole or part it
33. better be able to reject them in piecemeal, as is exempted now

1. under lines 10 through 13, and my amendment simply drops the word "or
2. contract," and I submit to you it makes the bill a better bill,
3. provides the authority this Authority needs to function, and
4. I urge an Aye vote.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. The question is on the adoption of Amendment No. 5. Those
7. in favor say Aye. Amendment No. 8. Those in favor say Aye.
8. Opposed Nay. The opinion of the Chair...there's been a request
9. for a roll call. Those in favor will vote Aye. Those opposed
10. will vote Nay. The voting is open. Have all voted who wish?
11. Have all voted who wish? Take the record. On that question,
12. the Ayes are 6, the Nays are 41. Amendment No. 8 is lost.
13. Amendment No. 9, Mr. Secretary.

14. SECRETARY:

15. Amendment No. 9 offered by Senators Walsh, Bowers, McMillan,
16. and Bloom. Amend Senate Bill 1264, with reference to page
17. and line numbers the amendment on page 38, line 29, by inserting
18. after the period the following.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Walsh to explain Amendment No. 9.

21. SENATOR WALSH:

22. Mr. President, and members of the Senate. This amendment...
23. the amendatory language begins on line 5 with the word provided,
24. and ends on line 13 with the word notes. It is not an LRB amendment
25. so I can't give you any of the...the digits. It has always been
26. the understanding, Mr. President, and members of the Senate that
27. the total amount of money that would be needed by this package
28. of legislation that we're acting on today was five hundred million
29. dollars. The bill, in its present form, along with House Bill 1910,
30. would permit the issuance of two hundred and twenty-five million
31. of the so-called bridge notes, and five hundred million of the
32. long term bonds. They could be outstanding at the same time.
33. This amendment provides that after two hundred million of the
long term bonds have been issued that any long term bonds issued

1. thereafter go to retire the so-called bridge notes. The purpose
2. of the amendment is to insist that the long term bonds go to
3. retire the bridge notes after two hundred million of the long term
4. bonds have been issued. That was the...the understanding that
5. I had, and I think everybody had when the proposal was submitted
6. that the long term bonds retire the bridge notes, and in this
7. way the bail out if you want to call it that, can never be in
8. excess of five hundred million, which has always been the
9. proposal. So, I don't think there should be any objection to this,
10. and I would urge its adoption.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Is there discussion? Senator Berman.

13. SENATOR BERMAN:

14. Thank you, Mr. President. There is objection, and as a
15. matter of fact the objection comes from some of the parties that
16. apparently Senator Walsh is trying to protect. A part of the
17. purpose of this entire package including the five hundred million
18. is to provide the Authority with the resources and flexibility
19. to not only repay short term debts through a long term bond issuance
20. but also to give the Chicago Board sufficient funds to get itself
21. on a sound fiscal basis. This amendment would restrict that
22. decisively, and the people that are concerned about their
23. security do not feel that this is the route to go, they have
24. done this without restricting the flexibility which this amendment
25. seeks to do, but rather by preserving and encouraging the fiscal
26. integrity of the Board, and the resources by which these bonds and
27. the short term notes would be repaid. This is doing the wrong thing
28. for the wrong reason. I urge that it be defeated.

29. PRESIDING OFFICER: (SENATOR BRUCE)

30. Further discussion? Senator Rock. Okay. Further discussion?
31. Senator Walsh may close.

32. SENATOR WALSH:

33. Mr. President, and members of the Senate. If this amendment is
defeated everyone should understand that the...we would be permitting

1. the issuance of seven hundred and twenty-five million dollars in
2. ...in debt issues. Two hundred and twenty-five million in bridge
3. notes, and five hundred million in long term bonds. I stated that
4. I did not believe that was the intention of the framers of this
5. legislation. I stated I did not think there should be opposition.
6. I, of course, knew there would be, but I think if we are
7. going to...to put this legislation in the form in which it was
8. presented to us originally that we should adopt this amendment, and
9. in that way provide that the long term bonds after two hundred
10. million have been issued will go to retire the short term bridge
11. notes that are going to be issued pursuant to House Bill 1910. I
12. believe this is a good amendment, Mr. President. I urge its adoption,
13. and request a roll call.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. A request for a roll call on Amendment No. 9. Those in favor
16. will vote Aye. Those opposed will vote Nay. The voting is open.
17. Have all voted who wish? Have all voted who wish? Have all voted
18. who wish? Take the record. On that question, the Ayes are 23,
19. the Nays are 27. 9 Voting Present. Amendment No. 9 is lost. For
20. what purpose does Senator Walsh arise?

21. SENATOR WALSH:

22. Request a verification of the negative vote.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. There's been a request for a verification of those who voted
25. in the negative. Will the members please be in their seats, and
26. please respond when the Secretary calls your name. Mr. Secretary,
27. will you call those who voted in the negative.

28. SECRETARY:

29. The following voted in the negative: Berman, Bruce, Buzbee,
30. Carroll, Chew, D'Arco, Daley, Demuzio, Donnewald, Egan, Gitz, Hall,
31. Johns, Jerome Joyce, Knuppel, Lemke, Maragos, McLendon, Merlo, Nash,
32. Nedza, Nega, Netsch, Sangmeister, Savickas, Vadalabene, Mr. President.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Senator Walsh, do you question the presence of any member?
2. SENATOR WALSH:
3. Senator Daley...
4. PRESIDING OFFICER: (SENATOR BRUCE)
5. Is Senator Daley on the Floor? He just...he just...yes, he
6. just walked in the back door.
7. SENATOR WALSH:
8. Senator Knuppel.
9. PRESIDING OFFICER: (SENATOR BRUCE)
10. Is Senator Knuppel on the Floor? Is Senator Knuppel on the
11. Floor? Strike his name.
12. SENATOR WALSH:
13. Is Senator Jeremiah Joyce?
14. PRESIDING OFFICER: (SENATOR BRUCE)
15. Senator Joyce was not recorded in the negative.
16. Senator Jerry Joyce is on the...all right...Jerome. On a verified
17. roll call, 23 Ayes, 26 Nays and the Amendment No. 9 is lost.
18. Further amendments, Mr. Secretary.
19. SECRETARY:
20. Amendment No. 10 offered by Senators Walsh, Bowers, and Bloom,
21. and it amends on page 1, line 8, by deleting 34-24.2 and inserting
22. in lieu thereof 24-29.2, 34-21.5, and by adding after line 25, on
23. page 17, the following new section.
24. PRESIDING OFFICER: (SENATOR BRUCE)
25. Senator Walsh.
26. SENATOR WALSH:
27. Mr. President, and members of the Senate. This amendment, the
28. amendatory language begins with the Board on line 7, and ends with
29. the word units on line 18. It is not an LRB drafted amendment either,
30. so, I cannot refer to the digits. The membership will recall when Mrs.
31. Rohter testified yesterday that she indicated she would have no objec-
32. tion and, as a matter of fact, indicated support for a proposal which
33. would continue to keep the Legislature advised as to

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1. progress of the Board in effecting the economies which, as she
2. said, will be put into place as soon as she was to return to
3. Chicago. I asked about periodic reports and she said there was
4. no objection to that. So, this amendment merely provides that
5. the Board shall submit such written reports to the four leaders
6. of the General Assembly on February 15th, April 15th, May 15th,
7. and June 15th. So, that the Legislature will be advised as to
8. what the situation is in the Chicago School Board, and we'll
9. be prepared when we return in the Spring to take what, if any,
10. action may be requested by the Board or required as a result
11. of the situation that currently exists there. I believe this is
12. a...is a good amendment. I urge its support.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. Is there discussion? Senator Berman.

15. SENATOR BERMAN:

16. I believe, Mr. President, that Mrs. Rohter indicated that
17. she had no objection to this yesterday. We have no objection to
18. this today.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Further discussion on that...on the Amendment No. 10. All in
21. favor say Aye. Opposed Nay. The Ayes have it. Amendment No.
22. 10 is adopted. Further amendments, Mr. Secretary?

23. SECRETARY:

24. Amendment No. 11 offered by Senators Walsh, Bowers, and Bloom,
25. a very short amendment. Amendment...to House Bill...on page 19, by
26. deleting Section 34-38. Senator Walsh.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Senator Walsh, on Amendment No. 11.

29. SENATOR WALSH:

30. Mr. President, and members of the Senate. The legislation in
31. its present form provides for the abolition of the working cash
32. fund in the Chicago School Board, by resolution of the Board, and
33. the recreation of the working cash fund by resolution thereafter,
and would permit the Board to issue thirty-one million dollars in

1. additional working cash fund bonds, which are authorized now but
2. have not been issued. This amendment would keep in place the
3. authority to abolish the Board which apparently they want to
4. do, because of whatever accounting procedures they have adopted
5. there, but it would not permit them to recreate it. The recreation
6. of a working cash fund after its abolition is something that
7. we have steadfastly tried to avoid in the Legislature, if they
8. want to keep it in place fine, but if they're going to abolish
9. it, there should be specific legislation at a later date to permit
10. them to do so. So, this would just keep in place the authority to
11. abolish if they want to do it, but take away any authority they
12. might have to recreate, and since they can't issue the thirty-one
13. million dollars in bonds anyway, because of their bad credit
14. rating, I don't see why we should restore that authority by the
15. bill in its present form, so I urge adoption of Amendment No. 11.

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Is there discussion? Senator Rock.

18. SENATOR ROCK:

19. Well, a question of the sponsor. I just wonder, we have just
20. been harangued at some length about the right of the people to do
21. what they wish. Why are we now requiring that the Chicago School
22. Board come back to us in the event that they do abolish, which we
23. ...and wish to recreate, why do they have to come back here?

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Walsh.

26. SENATOR WALSH:

27. Well, if they want to keep the working cash fund in place
28. then we don't have to give them the right to abolish, but if they
29. abolish, and then recreatethey're...they're...we're just giving them
30. the authority to issue that thirty-one million dollars that they
31. don't have the authority to issue...that they cannot issue now.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Senator Rock.

1. SENATOR ROCK:

2. Well, the fact is, they do have the authority, the fact is
3. it has been granted and I suggest that this amendment should be
4. defeated.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Senator Shapiro.

7. SENATOR SHAPIRO:

8. Will the sponsor of the amendment yield to a...to a question?

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Indicates he will yield. Senator Shapiro.

11. SENATOR SHAPIRO:

12. Senator Walsh, I'm...I'm a little bit confused Amendment...
13. I thought Amendment No. 2 took care of the problem in that it
14. ...on line...Amendment No. 2, on line 7 to 12, states however, that
15. should the working cash fund be so recreated the Board shall not
16. thereby be authorized to issue working cash fund bonds in an amount
17. greater than the amount authorized at that time of the abolition
18. of such fund, and no tax shall be levied for the recreated working
19. cash fund pursuant to Section 34-57 of this Article. Now, it's
20. my understanding that they have thirty-one million in bonds out-
21. standing, and that any working cash bond fund could only be used
22. to retire that, and after that it's...it's gone, am I wrong?

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Senator Walsh.

25. SENATOR WALSH:

26. Well, there's some confusion on this, Mr. President, so I
27. wonder if I can withdraw this amendment at this time?

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. Is there leave to withdraw the amendment? Leave is granted.
30. The amendment will be withdrawn for...for the time. Further
31. amendments, Mr. Secretary?

32. SECRETARY:

33. Amendment No. 11 offered by Senators Walsh, Bowers, and Bloom,

1. in reference to pages and lines of the amendments on page 32, line
2. 15 by deleting 1982, and inserting in lieu thereof 1981.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Senator Walsh.

5. SENATOR WALSH:

6. Mr. President, and members of the Senate. This again is an
7. amendment that was not drafted by the Reference Bureau, and it
8. only does one thing, it provides that the Board have a balanced
9. budget for Fiscal Year 1981, while the bill in its present form
10. specifically provides that they need not balance it until Fiscal
11. Year 1982. So, I...I think it's a good idea to...to require that
12. they balance their budget now, rather than give them a year's grace
13. in which to do that. So, that it just specifically provides that
14. the budget be balanced Fiscal Year '81 rather than Fiscal Year '82.
15. I urge the adoption of this amendment.

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Is there discussion? Senator Geo-Karis.

18. SENATOR GEO-KARIS:

19. A parliamentary inquiry. Amendment 11 was withdrawn did you
20. renumber this new one as 11, is that correct, Mr. Secretary?

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. This...this is the No. 11, there...whatever we started to
23. discuss was withdrawn so it was never anything except we are now
24. discussing No. 11.

25. SENATOR GEO-KARIS:

26. A new No. 11.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Right. Senator Berman.

29. SENATOR BERMAN:

30. Thank you, Mr. President. I rise in opposition to Amendment
31. No. 11. Amendment No. 10 that we agreed to requires the Board to submit
32. plans as to how it's putting its financial house together. There
33. is a program requiring the Chicago Board to get into balance as

1. far as its budget is concerned. Everyone who wants them to
2. have a balanced budget recognized that in fact, it would be
3. almost impossible to do it any earlier than Fiscal '82, which
4. is just the budget for the year after next. I think this...this
5. amendment is putting an impossible restriction upon a...on the
6. Board. We have given them very stringent requirements. They've...
7. they've got an overseeing Authority that we've created here, I
8. think that we have to be realistic and everyone has agreed
9. to 1982. I urge that we not move it back to 1981, it would be
10. almost...meaningless.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Further discussion? Senator Nimrod.

13. SENATOR NIMROD:

14. Yes, a question of the sponsor. Senator Walsh, it seems to
15. me that yesterday when we heard the testimony it was indicated to
16. us by the President of the Board that, in fact, they were in the
17. process of making sixty million dollars in cuts and I guess also
18. Jerry VanGorkom also confirmed this, and that in the second year
19. they were being asked to make cuts of a hundred and nine million
20. dollars, which, in fact, is supposed to bring that into a balanced
21. budget. So, all we're really doing is...is it your intention then to
22. bring them to fact that balanced budget and conform with what they
23. told us they were going to do?

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Walsh.

26. SENATOR WALSH:

27. Basically yes, and I think to do otherwise is to admit
28. that we're not doing the job here today. If we...if we enact this
29. legislation with the language in that they don't have to balance
30. their budget until 1982, we're going to have to...we're going to
31. have to come back and do something else, and to me it's ludicrous
32. to pass legislation which implies if not provides that the School
33. Board can continue business as usual even though they say they don't

1. want to, but continue business as usual until 1982.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Senator Nimrod.

4. SENATOR NIMROD:

5. It...it seems to me then both with your conversation...your
6. request and those that were presented to us that we should expect
7. that after eighteen months, and in that second year of operation
8. from the time now, that the school board must be in the position
9. to be operating within the balanced budget, and I think I want to
10. substantiate what all the intents are and what all the wordings...
11. been involved in this whole area, it seems to me we ought to support
12. this amendment.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. Further discussion? Senator Rock.

15. SENATOR ROCK:

16. Thank you, Mr. President, and Ladies and Gentlemen of the
17. Senate. I rise in opposition to Amendment No. 11. Now, I
18. am not opposed to any respect to a balanced budget in 1978,
19. '76, '77, '75, '79, '80, '81, '82, any year. What I'm suggesting is
20. again, that this is a very precarious package, and FY'81, in fact,
21. begins in September of '80, and to expect that this Board, which
22. is newly created and will be tested in the court, and which will
23. be reporting on an almost daily basis pursuant to an earlier
24. amendment can, in fact, get the job done by September of '81,
25. simply is unrealistic. I just think, you know, it's a laudable
26. idea, and I hope to goodness they can do it, but to mandate it
27. in this Statute at this time just seems to me to be a little pre-
28. mature. I think '82 is a realistic outlook, it's something that
29. the Board ... both the Fiscal Control Board, and the Chicago School
30. Board will have an opportunity to present and effect the cuts that
31. they plan and they testified to, but let's give them a chance to
32. operate, otherwise we might as well make it 1980. This is...I
33. just think we're not giving them the opportunity that this legislation
otherwise affords. I would urge opposition of Amendment No. 11.

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1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Further discussion? Senator Walsh may close.

3. SENATOR WALSH:

4. Mr. President, and members of the Senate. Just to reiterate,
5. if we don't do this, we're in a sense giving them the green light
6. to carry on as they have been and to enact legislation which does
7. not provide for a balanced budget I think is ridiculous, and I urge
8. the adoption of the amendment.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. The motion is to adopt. Those in favor will vote Aye. Those
11. opposed will vote Nay. The voting is open. Have all voted who
12. wish? Have all voted who wish? Have all voted who wish? Take
13. the record. On that question, the Ayes are 26...23, the Nays
14. are 26...on that question the Ayes are 23, the Nays are 26,
15. and Amendment No. 11 is lost. Further amendments, Mr. Secretary?

16. SECRETARY:

17. Amendment No. 12, offered by Senator Bloom. It...on page 39
18. by deleting line 17 and inserting in lieu thereof the following:
19. denominations of one thousand dollars and so forth.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Senator Bloom.

22. SENATOR BLOOM:

23. Thank you, Mr. President. This addresses the sale of the bonds.
24. The other part, it says it should be...the certificates should be
25. issued in denominations of a thousand or integral multiples thereof and
26. then it adds standard language providing that the bonds instead
27. of being at private sale it be by public sale, selling to the
28. highest and best bidders. I think that...I think that this is the
29. same language that is in other bonding acts and if it's, you know,
30. good for the goose, it's good for the gander too, and I think that
31. the bidding process is the best way.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Is there discussion? Senator Berman.

1. SENATOR BERMAN:

2. I have no objection to the thousand dollar multiples. I think
3. that the objection or the problem will come, and I'm...this is
4. what I am advised, that these bonds may not be able to be sold
5. at public sale. I would prefer that they would be, but I'm told
6. by people who have been involved with the bankers and the bondbuyers,
7. and all of those people that don't talk to our side of the aisle,
8. that it requires a negotiated sale. So, I defer to you and say
9. that I am told by people that deal in these things that they have
10. to be negotiated. If your side of the aisle that I think has more
11. expertise, thinks that they can go at public sale I'll defer to your
12. judgment, but I'm just telling you what I am told.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. Further discussion? Senator Bowers.

15. SENATOR BOWERS:

16. Well, Mr. President, thank you. I don't want to belabor
17. the issue, but it just seems to me that they are salable at public
18. sale if they are salable at private sale. Now, it's a little
19. difficult, I, frankly, have been involved in bond sales a number of
20. times, and...and in both ways, negotiated and...and public, and
21. obviously if you have a problem getting bids you may have to
22. solicit bids and you may have to negotiate in getting the bids,
23. but you can still bid them, and I would reiterate some of the
24. things Senator Wooten said earlier today. You had some problems
25. in the conflict situation, the best way to solve them it seems
26. to me, is to make sure everybody has an equal shot at this sort of
27. thing, and I would think that public reaction would be much better
28. and certainly my reaction would be much better if they're at least
29. put out for public sale, and I would hope we would put this amendment
30. on.

31. PRESIDING OFFICER: (SENATOR BRUCE)

32. Further discussion? Senator Berman, for what purpose do you
33. arise?

1. SENATOR BERMAN:

2. I wanted to add one footnote to my comments, that under the
3. bill without this amendment the Authority has the option of going
4. to public sale or to...to negotiated bid. It's also pointed
5. out to me by the Bond Council that the description given by
6. Senator Bowers of negotiated bid may not fall within the term
7. public sale that's in this amendment. I understand what he's
8. saying, but I think this language may not allow the Board to do
9. that, and I think therefore that we may be putting a restriction
10. here that sounds good in principle but will prevent the sale of
11. all the bonds that we're talking about.

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. Further discussion? Senator Wooten.

14. SENATOR WOOTEN:

15. Thank you, Mr. President. Senator Walsh, this presents me
16. with a difficulty because I would think public sale is the way
17. to go, but you absolutely then do trigger in the exemptions. If
18. you have sealed bids then a member of the Authority can have
19. a conflict of interest up to seven and a half percent ownership
20. in any of the financial institutions, of course, if you own more
21. than that you don't need to sell anything or buy anything, but
22. that...that puts the door wide open for a conflict of interest.
23. I'm afraid that there's going to be...that the possibility of
24. conflicting exists anyway, but it...it certainly does present a
25. quandary because the language of the...language of the Statute
26. that we've passed is pretty clear in that regard, that if you
27. have sealed bids, why then the exemptions apply, and I...I don't
28. know, I think maybe we ought to go back and redo something on
29. conflict of interest in here just to be sure.

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Further discussion? Senator Bowers.

32. SENATOR BOWERS:

33. Well, I presume his comment was directed at me, I've been
called Senator Walsh all week, and that's fine, but the...the issue

1. I think, Senator Wooten, resolves itself in the sub-section which
2. says any contract over twenty-five thousand is prohibited, and I
3. think...I don't know of any bonds in my judgment are a contract,
4. and I...if you had bonds under twenty-five thousand dollars worth
5. I assume you could, but there is a provision in the Statute that
6. says that any board member cannot be involved in a contract under
7. any circumstances, the total of which exceeds twenty-five
8. thousand in a given year. It seems to me that that limits the
9. board member in...in frankly dealing in this area, and I...and I
10. would...and that's why I relaxed when they reduced the...or took
11. the amendment out and left the State Statute in there, I don't
12. think we're...you know, I don't think we have anything to worry
13. about, and I would not like for you to cast your vote based on that.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Further discussion? Senator Wooten.

16. SENATOR WOOTEN:

17. Yes, Senator Bowers, thank you. I'm afraid in my hasty reading
18. I thought that was one of two options, that in sealed bids the
19. triggering mechanism was that if it was over a certain amount, but
20. if there's an absolute prohibition why then, of course, we are
21. well below the range of finance involved in this situation.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Further discussion? Senator Rock.

24. SENATOR ROCK:

25. Thank you, Mr. President, and Ladies and Gentlemen of the
26. Senate. I too, rise in opposition to Amendment No. 12, only
27. because again, the precarious balance that all these sections and
28. sub-sections and provisions have with one another. This amendment
29. says that the bonds shall, shall, shall, not may, shall, be sold
30. by the Authority at public sale. Now, let's assume just for the
31. sake of argument, as we heard at some length yesterday, that
32. a public sale as devoutly to be wished as it is, just simply is
33. impossible. What is the alternative? Under this amendment I suggest

1. to you there is no alternative, they simply will not be
2. sold, and we shall be back here again. Now, what I'm suggesting
3. is, that this financial package ought to have the opportunity
4. if we're to pass it at all, to get off the ground, and it just
5. seems to me to foreclose the opportunity for a negotiated sale
6. is simply not in anybody's best interest. I would urge opposition
7. to Amendment No. 12.

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(END OF REEL)

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1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Is there further debate? Senator Bloom may close.

3. SENATOR BLOOM:

4. Thank you, Mr. President. Well, in response to the last
5. point made, I'd say if there's no opportunity for a public
6. sale, there would be no opportunity for a private sale. I
7. think this is pretty clear cut and I think it's a good policy
8. judgment for this Body to make and I'd urge a favorable roll
9. call. Thank you.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. The question is on the adoption of Amendment No. 12.
12. Those in favor will vote Aye. Those opposed will vote Nay.
13. The voting is open. Have all voted who wish? Have all voted
14. who wish? Take the record. On that question the Ayes are 23.
15. The Nays are 22 and Amendment No. 12, having received a
16. majority vote is declared adopted. Senator Rock, for what
17. purpose do you arise?

18. SENATOR ROCK:

19. Thank you, Mr. President. I wish a verification of the
20. affirmative votes.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. There has been a request for a verification of those
23. who voted in the affirmative. Will the members please be in
24. their seats. Would you please respond when the Secretary calls
25. your name.

26. SECRETARY:

27. The following voted in the affirmative: Becker, Berning,
28. Bloom, Bowers, Bruce, Coffey, Davidson, Geo-Karis, Graham...I'm
29. sorry, Friedland, Grotberg, Keats, Maitland, Martin, McMillan,
30. Mitchler, Philip, Regner, Rhoads, Rupp, Schaffer, Shapiro,
31. Walsh, Weaver.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Roll call has been verified on that...on that question,
there were 23 Ayes, 22 Nays. Amendment No. 12 is adopted.

1. Further amendments, Mr. Secretary?

2. SECRETARY:

3. Amendment No. 13 offered by Senator Bloom. Amend...that's
4. the wrong amendment...Amendment No. 13 offered by Senators
5. Grotberg and Regner and it is quite a lengthy amendment. Amends
6. on page 1, line 6 by inserting Sections 27-3 through 27-25.1
7. and after 18-18, then on page 17 by inserting after line 13,
8. the following.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Senator Grotberg.

11. SENATOR GROTBORG:

12. I did not circulate copies of that, if you are looking
13. for it on your desk, you won't find it because it's really a
14. very simple amendment. It just unmandates all of the legislative
15. mandated programs, if that's any help to the City of Chicago
16. and the rest of the schools of Illinois. I did really not
17. mean to get into the educational process, but I know they'll
18. be looking for ways to cut the budget and this may be helpful.
19. I would like a roll call on it, just the legislatively mandated
20. programs.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. Is there further discussion? Senator Shapiro.

23. SENATOR SHAPIRO:

24. Mr. President, will the sponsor yield for a question?

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Indicates he will yield.

27. SENATOR SHAPIRO:

28. Senator Grotberg, does this unmandate transportation in our
29. downstate rural districts?

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Senator Grotberg.

32. SENATOR GROTBORG:

33. No, only...no, but this...this has to do with the special

1. programs such as the...I'm looking for it. Actually it doesn't
2. do that either. It takes care of...it does take care of PE,
3. a few of those problem courses. Where's my...where's my bill?

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. Senator Shapiro. For what purpose does Senator Buzbee
6. rise?

7. SENATOR BUZBEE:

8. To object to the procedure, Mr. President. I don't have
9. a copy of the amendment. I think it's out of order to consider
10. it at this point.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. For what purpose does Senator Rock rise?

13. SENATOR ROCK:

14. I...I don't know that a copy is necessary. I think the
15. Senator, in speaking to the amendment, has defeated it on its
16. face. It...yeah, it ought to be withdrawn. It really ought
17. to be withdrawn.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. The amendment is withdrawn. Further amendments?

20. SECRETARY:

21. Amendment No. 13 offered by Senator Philip. It's on
22. page 49, line 11, by inserting after the period the following:
23. Copy of the audit report shall be submitted and so forth.

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Philip to explain Amendment No. 13.

26. SENATOR PHILIP:

27. Thank you, Mr. President and Ladies and Gentlemen of the
28. Senate. This is a very simple amendment. What it says is that
29. the control authority shall submit a copy of the audit report
30. to the Auditor General, the Governor, the Speaker of the House,
31. the Minority Leader and the President of the Senate and the
32. Minority Leader in the Senate. The explanation and rationale
33. behind that is that of the eleven hundred school districts in

1. the State of Illinois, all eleven hundred of them have to file
2. their audit report with the Office of Education. The only
3. exception is the City of Chicago School Board which files their
4. budget and audit report with the Cook County Superintendent of
5. Schools. It, to my knowledge, the last three Arthur Anderson
6. audit reports have never been signed by the President of the
7. School Board and consequently, all the problems that have
8. developed over the past three or four or five years have gone
9. unnoticed. In my judgment, they should have filed that report
10. with a higher authority. I think this is in order. Hopefully,
11. it would prevent in the future what has happened in the past.

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. Is there further discussion? Senator...is there discussion?
14. Senator Rock.

15. SENATOR ROCK:

16. Thank you, Mr. President. Ladies and Gentlemen of the
17. Senate, the Chicago School Board is, in fact, required to submit
18. a copy of its annual statement to the the City Council, which
19. in turn, forwards that to the Illinois Office of Education. I
20. don't have any objection to this amendment. It just seems to
21. me to be a little bit redundant. We are calling for the...a report
22. to the Governor, the Mayor, the General Assembly and the City
23. Council and now this one says a copy shall be submitted to the
24. Auditor General, the Governor, the Speaker and the Minority
25. Leader. I don't see anything wrong with it. Let's keep going.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Is there further discussion? Senator Philip moves the
28. adoption of Amendment No. 13. Is there further discussion? All
29. in favor say Aye. Opposed Nay. The Ayes have it. Amendment
30. No. 13 is adopted. Further amendments, Mr. Secretary.

31. SECRETARY:

32. Amendment No. 14 offered by Senator Chew. It's on page 29,
33. line 19, by deleting five directors and inserting in lieu thereof
the following and so forth.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Senator Chew to explain Amendment No. 14.

3. SENATOR CHEW:

4. Mr. President, Amendment No. 14, as it is now, is to
5. constitute a board of seven directors. Four shall reside in the
6. City of Chicago...and the staggering terms. The purpose of this
7. amendment is to be sure that the majority of directors or
8. committee members or what have you, will, in fact, reside in
9. the City of Chicago. Now, this isn't to say that better brains
10. aren't found in Lake Forest or Deerfield or Robin, Illinois,
11. but it does say that we are starting out on the right journey
12. by attempting to have those persons that will have the
13. majority of the vote, to be residents of Chicago. Now, the
14. Mayor of the City of Chicago has gone on record and she has
15. also discharged some people that worked for the City simply
16. because they did not maintain a valid legal address within
17. the city limits of Chicago. I can't see how Her Honor could
18. settle on anybody that does not reside in the City of Chicago
19. and then fire other folks that do not live in the City of
20. Chicago and, as you so well know, on yesterday, the so-called
21. designated chairman of the board gladly boasted the fact that
22. he did not reside in Chicago and on further questioning him,
23. he stated that he knew that Her Honor and His Excellency had
24. already decided who the chairman was going to be and that
25. chairman was he. I want to be able to see that those persons
26. that are making decisions would be just as solidly in Chicago
27. as Mr. Perkins' bank, the Continental Bank and it is certainly
28. located in Chicago and that way we will not have the decisions
29. being made by some of our dear friends who might reside in
30. Flushing, New York, or Hong Kong, China. It's not asking too
31. much. It's simply that it ought to be confined, the majority
32. of those members within the intercity of Chicago. We have had
33. too much authority given to persons that did not pay their dues

1. within the city. Maybe that's one of the reasons as to why
2. we are in this financial straightjacket and I would ask for
3. a favorable vote on Amendment No. 14. Thank you.

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. Further discussion? Further discussion or debate on
6. Amendment No. 14? Senator Chew has moved the adoption of...
7. Mr. President. Senator Rock.

8. SENATOR ROCK:

9. Thank you, Mr. President. I rise in opposition to this.
10. I think the subject of the makeup of the board, I assume if
11. we are going to restrict residency of any sort, we ought to
12. do the same thing for those who teach in the schools and I
13. just don't think that question or this question belongs in this
14. bill at this time. I would urge opposition to Amendment No. 14.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Further discussion? Senator Chew may close.

17. SENATOR CHEW:

18. Mr. President, I have no problem...

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Chew, you have an ally, and Senator Newhouse has
21. sought recognition, if you wish, you may let him speak. Senator
22. Newhouse on Amendment No. 14.

23. SENATOR NEWHOUSE:

24. Thank you, Mr. President. I rise in support of this amend-
25. ment. The whole issue here is local control of the schools and
26. what is being done by the principal amendment is to move that
27. control further and further from any local participation and it
28. would occur to me that one way to go back in the direction which
29. we ought to be headed is to make certain that there are some
30. people on that board who are from the City of Chicago. Now, I
31. certainly would have no objection to a residence requirement for
32. teachers. As a matter of fact, I think that's a very good idea.
33. I don't propose to do that at this time because I don't think

1. that that is germane, but this measure is germane. If there
2. is going to be a board and our first appointee, obviously, is
3. not going to be a Chicagoan, we certainly don't need a six
4. member board, all of whom come from outside the city to oversee
5. the...the city's affairs. Now, when we quizzed the witnesses
6. here yesterday, you all will recall that Mr. Perkins, from
7. Continental Bank, said that these bonds would be sold on a
8. national scale. It means that the bond houses outside of this
9. State and outside of this city and possibly outside this State
10. might be the ones who pick up the bonds which would mean, in
11. effect, we would have a board of suburbanites or those further
12. removed responsible, perhaps, to some bondholders from New
13. York. It seems to me we are simply going in the wrong
14. direction. I just hope that we don't get surprised and the
15. bonds are picked up by Iran and we might find that we are respon-
16. sible to the Ayatollah Khomeini and that gives me the notion
17. that nobody is listening. Let me...I would raise the question,
18. if I could, of the sponsor, if we had notified the Prime Minis-
19. ter of Iran that these bonds are for sale, we have been told
20. that they are good investments and I'm just wondering if we'd
21. want the controls of our schools to go that far. I see neither
22. he is listening nor is he available for comment on that, but
23. I would propose to you that...since we are taking a direction
24. that seems to be a motion in an outerly direction and the waves
25. are going further and further away, that if that's what we want
26. to do then we ought to adopt this...we ought to defeat this
27. amendment. I think we ought to do the opposite. We have always
28. talked about local control. I would ask a favorable roll call
29. on this amendment. Thank you.

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Further discussion? Senator Chew may close.

32. SENATOR CHEW:

33. Mr. President, by law, those of us that serve in the General

1. Assembly must have our principal addresses in our political
2. subdivision. That's one of the laws and many people have been
3. thrown out of office after getting it and many have been barred
4. from seeking office because of that residential requirement.
5. It is not asking too much and if every teacher who aspires to
6. work for the Board of Education of the City of Chicago, if that
7. teacher wants to make a choice of not living within the inner-
8. city and teaching within the inner-city and that teacher does
9. not want to live in the inner-city then I would support an
10. amendment that would require teachers to live within the city
11. limits of Chicago. That's not asking too much. Policemen have
12. been fired for not living in Chicago and certainly they are
13. not going to administer a budget or it's not that important.
14. Just last week a fire lieutenant in Chicago was let go from
15. his long services because he did not establish residence within
16. the city limits. It's a good amendment and it will guarantee
17. control of the board of directors or committee within the
18. city limits of Chicago and maybe, by that restriction, we will
19. be able to select some of the talents that's in Chicago and
20. put them to work where they rightfully should be instead of
21. having to go to Dearborn, Michigan, or Oshkosh, Wisconsin.
22. Why, you could look over to the University of Chicago and find
23. enough people to run the world and we don't need to go out of
24. Chicago to find someone to be the chairman or a member of the
25. board of directors and I would ask for a favorable vote on
26. this amendment.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. The motion is to adopt Amendment No. 14 to House Bill
29. 1264. Those in favor vote Aye. Those opposed vote Nay. The
30. voting is open. Have all voted who wish? Have all voted who
31. wish? Take the record. On that question the Ayes are 12.
32. The Nays are 37. Amendment No. 14 is lost. Further amendments,
33. Mr. Secretary?

1. SECRETARY:

2. Amendment No. 15 offered by Senator Newhouse and there
3. is a series and he has on mine...this was number A, Senator
4. Newhouse.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Senator Newhouse.

7. SENATOR NEWHOUSE:

8. Thank you, Mr. President, Senators. Mr. President, one
9. of the strong objections that many of us have to this bill
10. was voiced during the debate on the last amendment and that
11. is some semblance of local control. The issue here is at what
12. point do we bring the control back to a school board that is
13. responsible...that are responsible and responsive to the
14. people who have children in the public schools in the City
15. of Chicago. Amendment No. 14 is a Sunset Provision. It is
16. a Sunset Provision that permits the life of this commission
17. to be extended for two years only. Now, the objection may be
18. raised that the committee should...should...the life of the
19. committee should be at least the life of the term of the bonds.
20. The fact is though that these bonds are backed by the full
21. faith and credit of the City of Chicago and that's where the...
22. that's where the buck stops. So, I'm suggesting to you that
23. one way we can get this...get a measure of local control and
24. still accomplish what needs to be accomplished. We are...the
25. objective here is to get some fiscal sanity into the school
26. board system and I agree with that purpose. It seems to me
27. that a two year period is sufficient over which...for which
28. this board must oversee those funds and I...I would ask...a
29. favorable roll call on this Sunset Provision which gives the
30. commission two years life to do the job that has to be done.

31. PRESIDING OFFICER: (SENATOR BRUCE)

32. Is there discussion? Senator Berman.

33. SENATOR BERMAN:

1. Thank you, Mr. President. I rise in opposition to this
2. amendment. If this amendment were adopted, all that you would
3. probably be able to sell are two year bonds. Technically,
4. you have to have the authority in existence and we ran into
5. that problem, I think, with the Public Building Commission in
6. the State of Illinois, the same kind of problem, but
7. going beyond that, I...I wish that Senator Newhouse's intention
8. could, in fact, come true. I am hopeful that that could come
9. about. I'm not sure it can. Namely, that within two years
10. all the fiscal problems of the board are going to be solved,
11. but I'm not sure of that. Because I'm not sure of that, I've
12. got to oppose the amendment and we do have a Sunset Provision
13. that I think is reasonable and fiscally responsible that we
14. previously adopted, so I urge a No vote.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Further discussion? Further discussion? Senator Rhoads.

17. SENATOR RHOADS:

18. Just for clarification, Senator Newhouse, is this Newhouse
19. A, B or C?

20. SENATOR NEWHOUSE:

21. A.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Further discussion? Senator Newhouse may close.

24. SENATOR NEWHOUSE:

25. For those of you in this Assembly who agree that the
26. best government is the most local government, for those of
27. you who agree that decisions ought to be made locally, for
28. those of you who agree that school boards ought to run school
29. districts, I would ask a favorable roll call.

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. The question is on the adoption of Amendment No. 15 to
32. House Bill 1264. Those in favor vote Aye. Those opposed
33. vote Nay. The voting is open. Have all voted who wish? Have

1. all voted who wish? Take the record. On that question the
2. Ayes are 8. The Nays are 43. Amendment No. 15 is lost.
3. Further amendments, Mr. Secretary?

4. SECRETARY:

5. Amendment No. 16 offered by Senator Newhouse, his Amendment
6. No. B, or lettered B.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Senator Newhouse on Amendment No. 16.

9. SENATOR NEWHOUSE:

10. Thank you, Mr. President and Senators. In the questioning
11. yesterday, I think most of you will recall that when we asked
12. President Rohter the source of the problems of the School
13. Board and asked her specifically if those staff people who
14. served the Board of Education has misled or rather had lied
15. to the president of the board and the board members, you will
16. recall, her response was yes. One of the problems that...
17. wonder if we could get a little attention and a little order.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Ladies...may we have order, please? Senator Newhouse.

20. SENATOR NEWHOUSE:

21. One of the serious problems precipitating this crisis
22. was that the board members, themselves, found it impossible to
23. get information and even though all the information that is...
24. that is under the control of the board, presumably, is public
25. information, those purportedly closest to it were not
26. privy to that information. This amendment requires that the
27. publication of audit results...and I would hope that those
28. audit results would be written in such a fashion that lay
29. people could understand what they said. Part of what has
30. happened in the past, I think, that...is that the auditor
31. reports have been written in auditorsese and you had to have
32. an auditing specialist to come...thank you. Now, we had on
33. that board a high official from one of the banks in the City

1. of Chicago, who sat on that board, read those audit reports
2. and, himself, did not understand them and who later said to us,"
3. I'm not a banker, I'm an economist." Well, I should think if
4. an economist who is a high official of a bank couldn't under-
5. stand the audit report, you certainly couldn't expect lay people
6. on that board, who did other kinds of work for a living, to
7. do the same thing. This board would...this...this bill...
8. this amendment would require clear, honest and open reports and
9. I move its adoption.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Further discussion? Senator Philip, on Amendment No. 16.

12. SENATOR PHILIP:

13. Thank you, Mr. President and Ladies and Gentlemen of the
14. Senate. As you know, we adopted Amendment No. 13, which was
15. my amendment which provided that the audit be filed with the
16. Auditor General, Governor, Speaker, Minority Leader, President
17. of the Senate, Minority Leader in the Senate, so we are already
18. doing that, in my judgment. President Rock will give you that
19. audit as soon as he has it. So, I think we have already done
20. that, Senator Newhouse.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. ...Further discussion? Senator Newhouse may close.

23. SENATOR NEWHOUSE:

24. Thank you, Mr. President. Mr. President, I appreciate what
25. the Senator just said, but the fact is I think the board has
26. the requirement of public disclosure and to give it to a small
27. group of officials and call that a public disclosure seems to
28. me not to quite fill the bill. I appreciate what Senator
29. Philip has done. I think it's a good idea and I approve of it.
30. I would like to carry it a step further and for that purpose
31. I have introduced this amendment and I move its adoption.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. The question is on the adoption of Amendment No. 16 to

1. House Bill 1264. Those in favor vote Aye. Those opposed vote
2. Nay. The voting is open. Have all voted who wish? Have all
3. voted who wish? Take the record. On that question the Ayes
4. are 21. The Nays are 27. Amendment No. 16 is lost. For
5. what purpose Senator Rock rise?

6. SENATOR ROCK:

7. ...I...I beg your pardon.

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. Further amendments, Mr. Secretary?

10. SECRETARY:

11. Amendment No. 17 offered by Senator Newhouse and it's
12. lettered C.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. Senator Newhouse on Amendment No. 17. May we have some
15. order, please? Senator Newhouse.

16. SENATOR NEWHOUSE:

17. Thank you, Mr. President and Senators. I'd like to say
18. to members of this Body that it occurs to me that with a
19. committee of the type that we are asking to handle the fiscal
20. affairs of the city...of the School Board of the City of
21. Chicago, we would be remiss if we didn't use that same expertise
22. to ask them to help raise revenues. The facts of life are
23. these. What we are going to do now is take a system of ed-
24. ucation that's already in serious trouble in terms of the
25. quality of education being delivered. What we are doing here
26. today is not going to solve that problem at all. What we are
27. doing with this principal amendment is rather to aggravate
28. that problem. We are taking a system that's sick and saying
29. we've gotta cut the services to the bone. The two simply don't
30. square. What it seems to me we are going to have to deal with
31. at some point...when I say we, I'm talking now about the
32. residents of the City of Chicago, is raising a sufficient amount
33. of money to provide a quality education for our citizens. Now,

1. I am one of a number of people who philosophically believe
2. that public schools must be supported and would like my
3. children to be in public schools. All my children, at one
4. point, went to public schools. At some point, though, it occurred
5. that the quality of education was such that I simply could not
6. let them pay that price, so now I stand a double trauma and
7. I think I represent many, many parents in the city, the trauma
8. of a parent who believes in public schools, who would like
9. his children to attend public schools, who has had to with-
10. draw those children. Secondly, the costs of tuition, a double
11. cost, which I cannot afford, which many of my constituents cannot
12. afford and I would suggest to you that when we cut back on
13. services, we are going to find more and more parents leaving
14. that public school system. Some of you in this room today,
15. very possibly, left the school...left the City of Chicago for
16. the reason that the educational system was failing children.
17. Over and over again I go to Winnetka, I go to Evanston, I
18. go to the suburbs and see my neighbors who moved out of my
19. neighborhood for one reason and that was that so their child-
20. ren could get the education that they thought they deserved.
21. That's a crime. It ought to be resolved. One way to resolve
22. it is to find some money. I think we ought to charge this
23. Body with the responsibility to begin to look for funding
24. sources and look for funding sources outside State revenues.
25. I would move the adoption of this amendment for that purpose.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Is there discussion? Senator Geo-Karis.

28. SENATOR GEO-KARIS:

29. I just want a point of parliamentary inquiry. Is this
30. the amendment which provides for the imposition of a City
31. Income Tax?

32. SENATOR NEWHOUSE:

33. It's a study...it is...recommends a study and I suggested

1. that as one of the areas that should be studied.

2. SENATOR GEO-KARIS:

3. Well, Mr. President and Ladies and Gentlemen of the Senate,
4. the...it's my understanding that since Chicago is a Home Rule
5. municipality, it would have the right to impose such a tax, if
6. they so decided and so studied and I don't think it fits,
7. particularly, in this main bill, 1264, under the circumstances.
8. Therefore, I rise to oppose this bill.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Further discussion? Senator Philip.

11. SENATOR PHILIP:

12. Thank you, Mr. President and Ladies and Gentlemen in
13. the Senate. I think the suburbanites ought to have a very good
14. look at this amendment and what this amendment tries to do is
15. that if...and most of my constituents live in the suburbs and
16. probably seventy percent of them work in the City of Chicago
17. so they commute every day. What this would provide is if you
18. lived in Elmhurst, but worked in the City of Chicago, you
19. would pay an additional City Income Tax to support their schools
20. and, Senator Newhouse, I'm certainly sympathetic for your
21. schools and your problems and we're trying to help you, but,
22. you know, we bailed out the Cook County Hospital, we bailed
23. out the CTA, we bailed out the RTA...I mean, we haven't got
24. much blood left and yet, my tax rate, in my district, is four
25. dollars and sixty-nine cents. Yours is two eleven. Mine is
26. already double yours. On the State Aid Formula, you have a
27. better shake than we have. You know, enough is enough.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. Senator Rock. Senator Savickas.

30. SENATOR SAVICKAS:

31. Yes, Mr. President and members of the Senate, I think to
32. study this alternative is a very forward-thinking idea, but
33. at this point, we are considering just the immediate options. I

1. think this should be brought up, but in May, when we are
2. considering long-term options, long-term funding for the schools,
3. long-term propositions to keep the schools open and I would
4. suggest at this time that this amendment be defeated.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Senator Shapiro.

7. SENATOR SHAPIRO:

8. Will the sponsor of the amendment yield for a question?

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Indicates...Senator Newhouse? Indicates he will yield.
11. Senator Shapiro.

12. SENATOR SHAPIRO:

13. Yes, Senator Newhouse, I understand that this is just...
14. calls for a study of alternative methods of funding, but I'm
15. interested in knowing why...the rationale behind the thinking
16. of imposing a City Income Tax on non-residents of the city,
17. rather than just the residents.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Senator Newhouse.

20. SENATOR NEWHOUSE:

21. Thank you, Mr. President and thank you for raising the
22. question, Senator Shapiro. As a matter of fact, in my closing
23. remarks, I had intended to address that and I think that Senator
24. Philip put it right in...right on the line for me and the reason
25. for that is this. The president of the board is going to be
26. from the suburbs, possibly most of the members are going to
27. be from the suburbs or outside of the City of Chicago and I
28. think that if we...if we surface this as one of the methods of
29. fund raising, that my suburban friends will put a lot of pres-
30. sure upon them to come up with some other ideas. So, I think
31. this is a stimulating device and I'd hope you would help us
32. with it.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Further discussion? Senator Newhouse has moved the adoption
2. of Amendment No. 17 to House Bill 1264. Those in favor vote Aye.
3. Those opposed vote Nay. The voting is open. Have all voted who
4. wish? Have all voted who wish? Take the record. On that
5. question the Ayes are 9. The Nays are 42. Amendment No. 17 is
6. lost. Further amendments, Mr. Secretary?

7. SECRETARY:

8. Amendment No. 18 offered by Senator Newhouse. It is lettered
9. D.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Senator Newhouse on Amendment No. 18.

12. SENATOR NEWHOUSE:

13. A very simple amendment, Mr. President. This amendment
14. again goes to the reporting requirements and again, it's attempting
15. to bring to public scrutiny the...the activities of the board.
16. That is...that is basically what the prime...prime amendment
17. is intended to do and this, I think, is a...gives it a greater
18. impetus and gives it the...the kinds of periods that...that we do
19. require. I'm not sure that Senator Walsh's Amendment No. 10
20. might not have come pretty close to this. If it did, I will
21. table this amendment. I wonder if Senator Walsh would like
22. to reply to that.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Senator Walsh.

25. SENATOR WALSH:

26. Senator Newhouse, your amendment provides for quarterly
27. reports to the General Assembly or to whom?

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. Senator Newhouse.

30. SENATOR NEWHOUSE:

31. Those quarterly reports would be open and public and not
solely to the General Assembly.

32. SENATOR WALSH:

33.

1. It's not in conflict with my amendment and I don't have
2. any objection to it.

3. SENATOR NEWHOUSE:

4. Then, I take it that Senator Walsh's amendment was for
5. reports to the General Assembly. This goes further, so, I
6. would move its adoption.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Is there discussion? Senator Berman.

9. SENATOR BERMAN:

10. You know, we adopted earlier the amendment that requires
11. this to be subject to...the whole Authority to be subject to
12. the Public Records Act, which means anybody that wants to see
13. anything, can walk in and see everything. Now, we have got
14. reports that have been mandated by two other amendments that
15. I think that we adopted earlier. I would just point out to
16. the sponsor of this amendment that the costs of this Authority
17. are going to be borne by the Chicago School System. You're
18. going...you're escalating the costs of the accountants, the
19. auditors and the printers. I think you are working against
20. the best interests of the kids and for the best interests of
21. the auditors, the printers and the accountants. I don't think
22. it makes any sense. I vote...I'm going to vote No.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Is there further discussion? Senator Newhouse may close.

25. SENATOR NEWHOUSE:

26. Thank you, Mr. President. As far as I can see, all that
27. this requires is a little extra mimeograph paper and we do it
28. every day, if you look on your desk, you get some notion of
29. how much paper work is turned over. Seems to me it's time to
30. put some of that paper work at the...at the disposal of the
31. general public. I move its adoption.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. The motion is to adopt Amendment No. 18 to House Bill 1264.

1. Those in favor vote Aye. Those opposed vote Nay. The voting
2. is open. Have all voted who wish? Have all voted who wish?
3. Take the record. On that question the Ayes are 23. The Nays
4. are 28. Amendment No. 18 is lost. Further amendments, Mr.
5. Secretary?

6. SECRETARY:

7. Amendment No. 19 offered by Senator Newhouse. It's
8. lettered E.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Senator Newhouse with Amendment No. 19.

11. SENATOR NEWHOUSE:

12. Thank you, Mr. President. Mr. President, this changes
13. the number of...of directors needed for a quorum from the
14. number three to three-fifths and I guess with the five member
15. board, it doesn't make any difference so that I will...I will
16. Table Amendment E. I...I withdraw Amendment E.

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Amendment is withdrawn. Further amendments?

19. SECRETARY:

20. Amendment No. 19 offered by Senator Newhouse. It's
21. lettered F.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Newhouse with Amendment No. 19.

24. SENATOR NEWHOUSE:

25. Amendment No. 19, Mr. President and Senators, calls for
26. a public disclosure of the results of the audits which is what
27. we have been at and it's a simple amendment. I move its
28. adoption. Just a minute, Mr. President. Mr. President, I'm
29. sorry. I don't have F on my desk yet and I took a guess at
30. what I had left here. No, okay, all right, no, no, no, no, no.
31. This is a very important amendment, it's a very important
32. amendment. Now, Mr. President, we are being required or rather
33. the committee is required to substantially reduce the amount...

1. the number of dollars that will be available for the...for the
2. operation of the schools in the City of Chicago. What most
3. of us...what is the greatest fear on my part is that programs
4. will suffer as a consequence. Now, there has been testimony
5. to the effect that there is a great deal of fat in the budget
6. of the Chicago School System. I don't know what the answer to
7. that is. What I do know is this, that given the quality of
8. education at this present moment, if we begin to take away the
9. classroom teachers, if we begin to take away direct service to
10. pupils, then we will have taken this school system along the
11. road to destruction. It seems to me that our first obligation
12. is...and the obligation of that board is to attempt to find
13. those frills, first of all, those wasted monies, first of all
14. and then to look in its table of organization for those jobs
15. and services which least affect the learning for the children
16. in that school system. That is the purpose of this amendment
17. and that is it's effect and I would move its adoption.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Is there discussion? Senator Berman.

20. SENATOR BERMAN:

21. Again, I think his comments are laudatory, but I'm
22. concerned about the technical impact of this kind of language.
23. There is going to have to be made cuts. The School Board
24. acknowledged that yesterday. I don't know what it means when
25. we talk about without any reduction in direct services to the
26. pupils. I just don't know what that means and I'm concerned
27. that some type of litigation could result that cuts..that will
28. be necessary in order to bring them into financial balance may
29. result in some reduction. I don't...I hope they won't, but I'm
30. concerned that this language is just too restrictive, as was
31. the language of Senator Collins' amendment that we defeated
32. earlier. I urge the defeat of this amendment.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Further discussion? Senator Berning.

2. SENATOR BERNING:

3. Thank you, Mr. President. Just a suggestion to the sponsor,
4. Senator Newhouse, that I think also his objectives are salutary,
5. but the wording is too broad, direct services. Anything that
6. the schools do or have tried to do over the years, would be
7. services. Now, if this amendment were to say direct educational
8. effort in reading writing and arithmetic, for instance, then
9. I could support it, but when you say direct services, that
10. can be wiping their nose or anything else and I don't think
11. we can go that far, Mr. President.

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. Is there further discussion? Senator Newhouse may close.

14. SENATOR NEWHOUSE:

15. Senator, I suggest that nose-wiping is legitimate only
16. in the educational process and that's the only objection. I
17. would ask your support on this measure and I would move its
18. adoption.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. The motion is to adopt on Amendment No. 19 to House Bill
21. 1264. Those in favor vote Aye. Those opposed vote Nay. The
22. voting is open. Have all voted who wish? Have all voted who
23. wish? Take the record. On that question the Ayes are 12. The
24. Nays are 38. Amendment No. 19 is lost. Further amendments,
25. Mr. Secretary.

26. SECRETARY:

27. Amendment No. 20 offered by Senator Newhouse and it is
28. lettered G.

29. PRESIDING OFFICER: (SENATOR BRUCE)

30. Senator Newhouse with Amendment No. 20.

31. SENATOR NEWHOUSE:

32. Thank you, Mr. President. I...there are...apparently these
33. amendments are still being distributed. Let me read the language,

1. for those of you who do not have it. The language says that
2. in no event shall the State Aid payment to a school district
3. in any fiscal year, be less than ninety percent of the State
4. Aid payment to that school district in the next preceding
5. fiscal year. The purpose, of course, is to eliminate the
6. percentage of the cuts to be obtained in any fiscal year so
7. that the cuts will not be so disastrous, so drastic, that
8. the school district will be unable to survive. The cuts
9. indicated here would be approximately ten percent of the budget
10. and it seems to me that's a healthy cutback in any fiscal year. I
11. would ask its adoption.

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. Is there discussion? Senator Savickas.

14. SENATOR SAVICKAS:

15. Mr. President, I could understand Senator Newhouse's
16. concern, but as we all know, the purpose of this board is to
17. make cuts and in some areas there will be some drastic cuts
18. and to limit it to only ten percent, I think we are defeating
19. our purpose and working contrary to what the whole purpose
20. of this legislation is called for. That's my view. If I am
21. wrong, I'd like to be enlightened.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Further discussion? Senator Berman.

24. SENATOR BERMAN:

25. Thank you, Mr. President. I rise in opposition. This
26. may be an excellent amendment, but it's an amendment to the
27. School Aid Formula and I think, like every other amendment to
28. the School Aid Formula that deals with school districts outside
29. of Chicago and Chicago, the proper evaluation and discussion
30. ought to be had. I just think that this is not the time or
31. the place to adopt this kind of amendment. It may be great
32. for Chicago. I'm not sure what it does to the rest of the
33. State and I just don't think it's the right time or place for

1. this amendment.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Further discussion? Senator Newhouse may close.

4. SENATOR NEWHOUSE:

5. Move its adoption.

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. The motion is to adopt. All in favor will vote Aye.

8. Those opposed will vote Nay. The voting is open. Have all

9. voted who wish? Have all voted who wish? Take the record.

10. On that question the Ayes are 10. The Nays are 41. Amendment

11. No. 20 is lost. Are there further amendments, Mr. Secretary?

12. SECRETARY:

13. Amendment No. 21 offered by Senators Washington, Collins,
14. Newhouse, Hall and Chew and it is lettered A.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Senator Washington on Amendment No. 21.

17. SENATOR WASHINGTON:

18. Mr. President, I'm not certain that this amendment has
19. been distributed. There was a series of four here. The last
20. I saw of them, they were piled on the Sergeant-at-Arms' desk.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. If there are any Pages within the sound of my voice, would
23. you please return to the Senate Floor? Mr. Mack has some
24. amendments to distribute. Senator Washington's amendments were
25. printed, but not distributed and they will now be distributed
26. by the Secretary...by the Sergeant-at-Arms...Washington
27. on Amendment No. 21. I believe the Pages have distributed and
28. that is lettered A. Senator Washington, if you might explain
29. the amendment, briefly. Senator Washington.

30. SENATOR WASHINGTON:

31. Yes, I'll be more than happy to. I think it was worth
32. the delay and I think the Senate will agree when they hear this
33. amendment. It does three things. One, it provides that as of
April 30th, the terms of all members serving on the Board of

1. Education of the City of Chicago shall expire. It provides
2. two, that a new board shall be constituted appointed by the
3. Mayor of Chicago with the advice and consent of the Council
4. from fifteen districts designated by the Council. It further
5. provides that the new board shall be reimbursed for any actual
6. expenses incurred in the performance of their duties. Even
7. though there is a lot of controversy about various aspects of
8. 1264, I think there is no doubt whatsoever that part of the
9. problem or one of the reasons why we are grappling with this
10. problem today is because this present board and some in the
11. past have simply failed to perform their duties. Nonfeasance
12. is certainly evident. Malfeasance might well prove to be the
13. prevailing pattern of this board after adequate investigation
14. by proper authorities are made. It seems to me ludicrous to
15. superimpose an oversight committee over this board which at
16. best is financially irresponsible. Everything that we have
17. done up to this point seems to concern itself about the
18. viability of the bond market, but what disturbs me is that
19. those bond merchants have not evidenced any concern about
20. the quality of the board...Mr. President, may we have a little
21. order? Mr. President, may we have a little order?

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. May we have order, please?

24. SENATOR WASHINGTON:

25. But what disturbs me is that the bond merchants have,
26. evidently, not manifested any concern about the makeup of the
27. board which ultimately will determine not just in cuts, but
28. in its everyday administration, the quality of education which
29. the students shall get no matter what the bottom line dollar
30. figure is. We have got to grapple with this thing now. I
31. have been told and I do not accept it at all...I have been
32. told that if we dismantle the board now that it might disturb
33. the bond merchants. I have heard no such discussion. Insofar

1. as I am concerned, it isn't relevant to this whole system what
2. kind of a board we have. No matter what the board consists of,
3. how many or from what geographical location, the bond merchants
4. have dictated what their terms are. Quite clearly, a majority
5. of the Senate and House are prepared to accept it. So, it
6. seems to me to be only fair and prudent, at this time, to
7. demand before we give this authority to anyone...

8. PRESIDING OFFICER: (SENATOR BRUCE)

9. May we have some order? May we have some order, please?

10. SENATOR WASHINGTON:

11. Thank you, Mr. President...that the present board be
12. reconstructed. Phase out this one by April 30th. I think the
13. new geographical structure will appease many elements within
14. the City of Chicago. Clearly, certain geographical areas of
15. Chicago have been woefully lacking in representation on the
16. School Board and they have a right to complain. I certainly
17. would complain if no one from my area was on that board, but
18. there are several areas, some of them with philosophies conflict-
19. ing with my own, that are not represented on that board. I
20. think this resolves that problem. I do not think we should
21. defer action on that until sometime in May. I have a feeling
22. that if the oversight committee does its job adequately, people
23. might well forget that the basic cause for the reason we have
24. been down here for the last few days is that the board has
25. been recalcitrant at best and has resorted to malfeasance at
26. worst in terms of its responsibilities. I ask your support.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Is there discussion? Senator Collins.

29. SENATOR COLLINS:

30. Thank you, Mr. President. I rise in support of this
31. amendment because I think it just makes common sense. We cannot...
32. it's inconceivable to even think that we can solve this problem
33. by the oversight committee or by any other method and as long as

1. as we leave the same people on the board who is really part of
2. the problem so I suggest that the only hope for dealing with the
3. quality of education, finance is only one part of it, that we
4. must be concerned about the quality of that board and the
5. makeup of that board and the most important thing and I think
6. the people in the City of Chicago, the parents and deservingly
7. so, who makes up the greatest percentage of the student enroll-
8. ment, the minorities, is demanding that they have adequate
9. representation on that board. That is not the case. It is
10. inconceivable to think that those people that now sit on that
11. board, based on their past performance, is capable of making
12. the kind of decisions, particularly in view of the serious
13. crisis that we have now, that would lend itself toward quality
14. education. So, I suggest that we have really no alternative,
15. if we want to sell this package and talking about a solution
16. to the Chicago school crisis, unless we do something about
17. improving the quality of that board which is responsible for
18. the administration of the program services. I move the adoption
19. of Amendment No. 21.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. May I have the attention of the members and with leave of
22. Senator Washington, I'd like to interrupt the proceedings just
23. for a moment. It will help some of the members who are, I'm
24. sure attentive to this, but maybe drifting away. The Secretary
25. will eventually read in officially a Message from the Governor,
26. that he has called a Special Session for ten o'clock tomorrow
27. morning and so, I just wanted to break in with that little
28. announcement. January 12th, 1980, ten o'clock, for the purpose
29. of considering Senate Bill 1292. We will read that in officially
30. in a moment, but that is information for the membership that
31. we will be in Special Session tomorrow morning at ten o'clock,
32. I assume, given the fact we've received the Message. Anyway,
33. that will help you make your travel plans. I apologize to

1. Senator Washington for breaking in with...with that announcement.
2. Further discussion on Amendment No. 21 to House Bill 1264.
3. Senator Berman.

4. SENATOR BERMAN:

5. Thank you, Mr. President. I rise in opposition to this
6. amendment. The entire purpose of this bill that has been
7. discussed with the Chief Executive of the City of Chicago and
8. the Chief Executive of the...of the State of Illinois has been
9. directed to the financial requirements of the Chicago Board
10. of Education. I think that the purpose of this amendment is
11. far beyond that purpose. It may have merit, but I don't think
12. that this is the vehicle or the time for us to be able to give
13. it the consideration that it may merit. There have been bills
14. introduced in many Sessions of this Legislature for a number
15. of years dealing with the restructuring of the Chicago Board
16. of Education. I think this bill, if it wants to be introduced
17. for the Spring Session consideration, the sponsor certainly has
18. that prerogative. I don't think it should be considered at
19. this time or adopted and I urge its defeat.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Further discussion? Senator Newhouse.

22. SENATOR NEWHOUSE:

23. Mr. President, Senators, this is really the guts of...

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. May we...may we have some order? Senator Newhouse.

26. SENATOR NEWHOUSE:

27. This measure is really the guts of any improvement that's
28. going to be made in the Chicago School System. It's simple as
29. that. Until...unless and until, we get a board that's respon-
30. sive to the people, everything else we do is going to be mean-
31. ingless, everything else is short-term. I recognize the need
32. for short-term...for a short-term solution, but the fact is that
33. once we get a short-term solution, a long-term solution is going

1. to recede into the background. This whole effort to...rather
2. this whole thrust toward taking the school system away from
3. the citizens...citizens of Chicago is destructive. I'm
4. repeating what I have said before. For that reason, it ought...this
5. amendment ought to be adopted. We ought to do right now every-
6. thing that needs to be done. I would support this amendment.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Further discussion? Senator Wooten.

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(END OF REEL #4)

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1. SENATOR WOOTEN:

2. Mr. President, this...may be a matter of almost no moment,
3. but this amendment I think you just about get my vote on the
4. bill. As I've said from the beginning, there are two things
5. that are absolutely essential before we grant this kind of
6. bonding authority and that is that we have some evidence that
7. the citizens of Chicago will pay increased taxes and that the
8. board, I thought the board ought to be elected, it's been
9. pointed out to me that maybe that's not the best approach.
10. But if it's restructured so that it truly reflects the makeup
11. of the city that definitely is a step in the right direction.
12. Add to that the public sale of bonds and you pretty much have
13. a...a very good package. I think this is a very good amendment
14. and would just about achieve perhaps all that ought to be achieved
15. in a total approach to the problem.

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Further discussion of Amendment No. 21? Senator Washington
18. may close.

19. SENATOR WASHINGTON:

20. Clearly, Mr. President, this is the answer to a lot of
21. people's problems. It's all right to talk about how you're
22. going to have fiscal soundness in the...in the Chicago Board
23. of Education. But I think unless you address yourself to the
24. basic cause of this, presumably the basic cause, which is to
25. assure, for once, during my lifetime at least, a board which
26. might respond to the basic needs of the parents of the City
27. of Chicago. Unless we do that, I simply don't think we're
28. doing our job. It is ludicrous to talk about coming here in
29. May to deal with this problem. We may as well come back in
30. May and deal with the fiscal problem. We have two problems
31. today. One is to try to bring fiscal soundness to that board
32. and the other is to have a board we have confidence in. I
33. am reasonably certain that when a thorough investigation is had,

1. there are going to be a lot of charges against this board. Even
2. the most trustworthy of people in the City of Chicago have tremendous
3. suspicions about it. The Mayor does very few things I agree with,
4. but she did call for the resignation of this board as early as
5. six months ago. I wish I had joined her at that time. It might
6. have made a difference, I don't know, but she was right. This
7. is simply the natural and logical continuum to a total reorganization
8. of the fiscal situation of the Board of Education of Chicago. I
9. sincerely think that we will be recalcitrant in our responsibilities
10. if we do not address that question now, with a positive vote on
11. Amendment No. 21.

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. The question is on the adoption of Amendment No. 21. Those
14. in favor vote Aye. Those opposed vote Nay. The voting is open.
15. Have all voted who wish? Have all voted who wish? Take the
16. record. On that question the Ayes are 21, the Nays are 25, Amend-
17. ment No. 21 is lost. For what purpose does Senator Washington
18. rise.

19. SENATOR WASHINGTON:

20. ...finish.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. All right. It...Senator Washington, for the...the record,
23. will you make your...Senator Washington is recognized.

24. SENATOR WASHINGTON:

25. Move for verification, Mr...

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. There's been a request for a verification of those who voted
28. in the negative. The members please be in their seats. Would
29. the member please respond when the Secretary calls your name.
30. Secretary will...will call those who voted in the negative.

31. SECRETARY:

32. The following voted in the negative: Becker, Berman, Carroll,
33. D'Arco, Davidson, Donnewald, Egan, Geo-Karis, Friedland, Keats,

1. Lemke, Maitland, Maragos, McMillan, Mitchler, Nash, Nedza, Nega,
2. Nimrod, Savickas, Schaffer, Shapiro, Vadalabene, Weaver, Mr. President.
3. PRESIDING OFFICER: (SENATOR BRUCE)
4. Senator Washington, you question the presence of any member
5. who voted in the negative?
6. SENATOR WASHINGTON:
7. Senator Carroll.
8. PRESIDING OFFICER: (SENATOR BRUCE)
9. Senator Carroll is on the podium.
10. SENATOR WASHINGTON:
11. Senator Keats.
12. PRESIDING OFFICER: (SENATOR BRUCE)
13. Senator Keats is at the back of the Chamber.
14. SENATOR WASHINGTON:
15. Senator Lemke.
16. PRESIDING OFFICER: (SENATOR BRUCE)
17. Senator Lemke on the Floor? Is Senator Lemke on the Floor?
18. Strike his name.
19. SENATOR WASHINGTON:
20. Senator Rock.
21. PRESIDING OFFICER: (SENATOR BRUCE)
22. Senator Rock on the Floor? For what purpose does Senator...
23. well.
24. SENATOR DONNEWALD:
25. Well, I want a point here. He is...he is in conference on
26. ...on business of the Senate. All right.
27. PRESIDING OFFICER: (SENATOR BRUCE)
28. Is Senator Rock on the Floor? Strike his name.
29. SENATOR WASHINGTON:
30. Senator Nimrod.
31. PRESIDING OFFICER: (SENATOR BRUCE)
32. Senator Nimrod is in his seat.
33. SENATOR WASHINGTON:

1. Senator Mitchler.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Senator Mitchler is in his seat.

4. SENATOR WASHINGTON:

5. Senator Maitland.

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. Senator Maitland is in his seat. Senator Maragos is by the...

8. SENATOR WASHINGTON:

9. Senator X.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. All right. How many do we...Senator Rock has returned to

12. the Floor. Replace his name back on the roll call. On that

13. question...on that question the Ayes are 21, the Nays are 24,

14. Amendment No. 21 is lost. I'm told by the Secretary that we

15. have five additional amendments. Amendment No. 22, Mr. Secretary.

16. From whom is it offered?

17. SECRETARY:

18. Amendment No. 22 is offered by Senators Washington, Collins,

19. Newhouse, Chew and Hall and it is lettered Number B.

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Senator Washington, has the amendment been...has the amend-

22. ment been printed and distributed?

23. SENATOR WASHINGTON:

24. ...All my amendments are printed, they just have not been

25. distributed. They've been on the...the Sergeant-at-Arms desk

26. for an hour.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. All right. Several members indicate that they have them.

29. They evidently were distributed, if you will check your desks

30. ...there's a...

31. SENATOR WASHINGTON:

32. I've got mine here.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Senator Berman evidently has a copy. Senator Berman, for
2. what purpose do you arise?
3. SENATOR BERMAN:
4. Part of these letters are obliterated, could you read the
5. LRB number, please.
6. SECRETARY:
7. LRB Number 8105796MRJOAM28.
8. PRESIDING OFFICER: (SENATOR BRUCE)
9. I'm told that this is Washington B. Senator Washington, to
10. explain Amendment No. 22.
11. SENATOR WASHINGTON:
12. I'm sorry, Mr. President, I understand a similar...amendment
13. was offered and defeated and I withdraw No. 22.
14. PRESIDING OFFICER: (SENATOR BRUCE)
15. All right. Amendment...Amendment No. 22 is withdrawn.
16. SECRETARY:
17. Amendment No. 22 then is by the same sponsors and it is
18. lettered C.
19. PRESIDING OFFICER: (SENATOR BRUCE)
20. Senate...
21. SECRETARY:
22. Senator Washington's amendment.
23. PRESIDING OFFICER: (SENATOR BRUCE)
24. Senator Washington on Amendment No. 22.
25. SENATOR WASHINGTON:
26. Amendment No. 22 to House Bill 1264, Mr. President, requires
27. an extraordinary affirmative vote of four-fifths of the members
28. of the Oversight Review Board on the issues of all bonds and
29. bond anticipation notes. I think this is self-evident. If we
30. are going to give this kind of a power to a board, we should
31. make certain it has extraordinary authority. I understand that's
32. the current practice in all Statutory Law dealing with bonds.
33. I hope I'm correct. I see no reason why that practice should

1. not prevail in this particular situation.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Is there discussion on Amendment No. 22? Senator Berman.

4. SENATOR BERMAN:

5. Yes, Mr. President, I oppose this amendment. This bill as
6. structured now, requires the affirmative vote of three of the
7. five members, that's not an ordinary majority. In other words,
8. if you had a quorum of three, it doesn't require only two, it
9. requires an affirmative vote of three. I think that, in itself,
10. is an extraordinary majority. It's sixty percent of the member-
11. ship of this Body. To require four, I think would be an undue
12. restriction. I really don't understand the purpose of this
13. except to perhaps hogtie the operations of this Authority. I
14. urge its defeat.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Further discussion? Senator Washington may close. Senator
17. Berning, did you seek recognition?

18. SENATOR BERNING:

19. Yes, thank you, Mr. President. It appears to me that this
20. may be a suggestion that is entirely laudable. When any group
21. is dealing with substantial amounts of the citizens' tax dollars,
22. we ought to be assured that it is not just by vote of one
23. individual that the outcome is determined. When we have a three
24. out of five, that means one person, really, is making the final
25. determination. Since two are opposed and three are for, it
26. means that one person is the deciding vote. With this amend-
27. ment we would be sure that there would have to be a substantial
28. majority willing to impose the controls that are being set up
29. in this Senate Bill 1264. I think it's a good amendment.

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Further discussion? Senator Bowers.

32. SENATOR BOWERS:

33. Well, I'd just like to point out to the Body that this...this

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1-11-80

1. is not, we're not talking about day to day operations, we're
2. talking about something that's only going to happen maybe four
3. or five times in the whole existence of this board. And I don't
4. know of any reason why, if it's such a good idea, they can't
5. get four votes and...and seems to me this is a board of experts
6. and four is not an unreasonable majority and I agree with Senator
7. Berning, I think it is a good idea and I think we ought to support
8. it.

9. PRESIDING OFFICER: (SENATOR BRUCE)

10. Further discussion? Senator Washington may close.

11. SENATOR WASHINGTON:

12. I think Senator Berning and Senator Bowers have given an
13. excellent definition of prudence. I ask for your support.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. The question is on the adoption of Amendment No. 22 to
16. House Bill 1264. Those in favor vote Aye. Those opposed vote
17. Nay. The voting is open. Have all voted who wish? Have all
18. voted who wish? Take the record. On that question the Ayes are
19. 23, the Nays are 29, Amendment No. 22 is lost. Further amendments,
20. Mr. Secretary.

21. SECRETARY:

22. Amendment No. 23 offered by Senators Washington, Collins,
23. Newhouse, Chew and Hall and it is lettered D. D as in David.

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Washington to explain Amendment No. 23.

26. SENATOR WASHINGTON:

27. There are still many of us who feel we need a new School
28. Board in the City of Chicago. This one is much milder and perhaps
29. we can digest it. It simply says that on April 30th, 1980, the
30. terms of all members of the present board shall expire and the
31. Mayor with the advice and consent of the council, shall appoint
32. eleven new members. That's all it does. The same rationale
33. I gave for the Amendment No. 21 prevails in this. We need in

1. the City of Chicago a board that we can have confidence in, we
2. don't have one now. I ask your support.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Is...is there discussion? Senator Berning.

5. SENATOR BERNING:

6. Thank you, Mr. President. I posed that very same question
7. to the President of the Chicago Board when she was here. In
8. other words, do you not feel that perhaps the members, the
9. current members of the board, ought to step down? I don't
10. think I got a definitive answer. But in my opinion, if you're
11. not a part of the solution, you're a part of the problem and
12. obviously the current board has been no part of the solution.
13. So it would appear to me that it would be entirely justified
14. to replace them.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Further discussion? Senator Bloom.

17. SENATOR BLOOM:

18. Yes, thank you, Mr. President. I...I hate to impose on
19. the Body. The document I have is one sheet and it kind of peters
20. out at the end. It says in the approval of the city council
21. shall appoint eleven other...oh, all right, thank you. Sorry
22. to bother you.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. ...further...Senator Knuppel.

25. SENATOR KNUPPEL:

26. Mr. President and members of the Body. I haven't spoken
27. on any of these amendments because I thought it was Chicago's
28. problem. But there's an old saying that a new broom sweeps
29. clean. I think this one is a good amendment. I can't see
30. what continuity there is from what I've heard about what the
31. board knows about what the hell is going on anyway. Let's
32. start over, sometimes that's the best thing we can do. I
33. think it's time for a change, let's support this one.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Further discussion? Senator Berman.

3. SENATOR BERMAN:

4. I think there's two problems, at least, with this amendment.

5. First of all I'd point out that the technical problem with this
6. amendment is that the deletion of everything on...that's indicated
7. on page 2 could result in no board existing between the time of
8. the elimination of the existing board and the appointment and
9. confirmation of a new board. Secondly, this...this amendment
10. is probably less desirable from a point of view of a broad
11. base board than Amendment No. 20...21, that was also defeated.
12. I think that the question of the...I believe that the question
13. of the structure of the board...

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. May we have order, please. As...as little order as possible.
16. Senator Berman.

17. SENATOR BERMAN:

18. The question of the structure of the board is a proper item
19. of deliberation in the Regular Session, not at this time and
20. not in this bill. I urge its defeat.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. Further...Senator Nimrod.

23. SENATOR NIMROD:

24. Yes, thank you, Mr. President. Seems to me that we are
25. introducing some problems into this bill, even though your
26. motives are good, Senator, I think we are going to have some
27. problems. We're asking the present board, who has all this
28. information and background to make sixty million dollars in
29. cuts and we're also asking them...by...between now and September
30. of next year to cut a hundred and nine million dollars. Now, what
31. we want to do in the middle of the stream, we want to take and
32. throw them out and bring in some new people and say you're
33. supposed to come out with a hundred and nine million dollar

1. cut through what...something they don't know anything about. So
2. it...it seems to me that we do ourselves a disservice by disposing
3. of those people who, in fact, do have all the knowledge and informa-
4. tion of where the cuts have to come from. And I think that
5. we would be handicapping and...and not be in the best interest
6. of what we're trying to do.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Senator Mitchler.

9. SENATOR MITCHLER:

10. Mr. President, members of the Senate. The...the problem
11. with this amendment, Senator Washington, is that on line 22
12. you say that they will...their terms will expire on April 30,
13. 1980. Now that should read, January 11, 1980 and take them
14. off right now. Really, I'm serious. Now you should amend
15. that and take them off right now and start with a clean board.
16. Because in that testimony I heard, when they had a Finance
17. Committee, they never met for four years and the...and the
18. present president of the school board that had been on there
19. for nine years, didn't know anything about Midway Airport, the
20. income or anything about it, those people on that school board
21. don't deserve to...to remain on there. Now, amend your amend-
22. ment and have them off today. And do it, serious. They don't
23. deserve to be on there and have anything to do with cuts and...
24. and any changes up there. The mess they got you into in your
25. school district up there, why I...I don't know how they got
26. the guts to stay on. They should resign and take off like
27. Hannon did and Carey. Put their tail between their legs
28. and run.

29. PRESIDING OFFICER: (SENATOR BRUCE)

30. Is there further discussion? Senator Gitz.

31. SENATOR GITZ:

32. Very briefly, I don't think anything is going to be solved
33. if we were to take Senator Mitchler's advice and everybody was

1. to turn tail and run. The only way you solve problems is to
2. met them head-on. I think one of the problems of this amend-
3. ment is the fact that you have some people like Mrs. Rohter,
4. who in fairness, I think, are really trying to do their level
5. best. She is one of the people that apparently had information
6. that was taken from her. If a good start is made on these cuts
7. and then these people who are trying to do something about
8. the problem are the very victims of it, we haven't done any-
9. thing except actually accelerate the problems and in that
10. respect, I don't think it's a good amendment.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. ...Martin.

13. SENATOR MARTIN:

14. Yes, I would rise in opposition to the amendment. Not because
15. that school board should remain, I think I made that clear. But
16. you are now beginning to infringe on the rights of the Chief
17. Executive of that city and that's a much deeper question. The appoint-
18. ments the Mayor of the city makes, whomever that Mayor is,
19. may be good or bad, but that is part of the job. And if, in an
20. attempt to clear up the problem with this school board, you begin
21. infringing on that, I think we are well into other areas that
22. we don't want to be. It would be my hope the Mayor would have
23. the opportunity to appoint new people. But to take away that
24. from any Chief Executive Officer, even one that we Republicans
25. are enjoying enormously, just is not right. And I would oppose
26. the amendment on those grounds.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Senator Collins.

29. SENATOR COLLINS:

30. Thank you, Mr. President. The fact that this...this amend-
31. ment does not take away the right of the Mayor of the City of
32. Chicago to appoint the board members to this board, that is
33. not true. The other question that this board should be around

1. because of this new Authority and they need to come up with
2. all kinds of information and they...they have all of this
3. knowledge so that they can get at the heart of what is
4. wrong with the school system, that is not true. That should
5. be the case, but I think for those of us who have been down
6. to the Board of Education who have tried to get information and
7. just to listen to Mrs. Rohter, I know she made a great impression
8. on most of you down here about how competent she is and how much
9. she knows...and how sincere and how innocent and all that
10. other stuff that she is, but the fact remained that Mrs. Rohter
11. was a part of that board for ten years and Mrs. Rohter really
12. couldn't even tell me what is the duties and function or even
13. the statutory function of that particular board. I have been
14. down there on several other occasions trying to get simple
15. answers about just what is happening to any particular school or
16. with any fund, like Title 1. They don't know anything about
17. anything. And I can assure you that a new board, someone coming
18. in with...with a basic concern and a commitment to the quality
19. of education to the children of the City of Chicago, would
20. probably be able to come up with more valid answers and
21. more constructive answers than the members of that board right
22. now. And I think this is a very good amendment and it's...
23. most certainly is the last opportunity that we have to act
24. responsible as a Body inasmuch as we're talking about providing
25. a solution to the Chicago school crisis.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Senator Berning.

28. SENATOR BERNING:

29. Thank you, Mr. President. I just had a call from her
30. Honor, the Mayor of Chicago and she reminded me that she did
31. not appoint these people and she has previously asked for
32. their resignations. I think this is a good amendment. This
33. would fall right in line with the Mayor's...program.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. Further discussion? Senator Carroll.

3. SENATOR CARROLL:

4. I, of course, am surprised and pleased to learn that

5. Senator Berning is now the spokesperson for Mayor Byrne.

6. And I will listen with greater umbrage to Senator Berning's

7. comments on future legislation at future times. Someone

8. over here just suggested you may be the only spokesperson

9. that the Mayor of Chicago has left. I...I doubt that to

10. be true. But you were in error earlier and maybe you're in

11. error again, maybe by mistake once again. As I recall

12. President Rohter's comments, she specifically answered that

13. one, she was not willing to resign, but that, two, she could

14. not speak for the other members of the board and any of those

15. who are here or any others would be free to speak for themselves

16. and I'm sure will do so. There are several positions, as I

17. understand it, that are coming up, some as recent as April

18. and of course, the Mayor of Chicago will then be making the

19. appointment. But I think what we saw with Kay Rohter, specifically,

20. whose been on the board for some time and those of you who profess

21. to have watched the board, must have been watching and not

22. listening. Because those of you who have listened to Mrs. Rohter,

23. as I have, she happens to be a constituent of my district and

24. I've always taken interest in that which she has done at the

25. board, have found her to be as honest and forthright there

26. as she has been here and I think those of you who were impressed

27. with that talent of hers to give you an honest answer and to

28. really try to solve the problem, you would be ill serving the

29. people of Chicago and especially the children in the school

30. system, to deny her and them that opportunity to let her and

31. this board attempt to solve the problem. Instead of running

32. away, they have actually stood there and said, we have been

33. identifying things for years, now we can do something about it.

1. I think logic dictates we have to give them the opportunity to
2. do it. If they then fail, then is the time, but not now, before
3. they're given that chance.

4. PRESIDING OFFICER: (SENATOR BRUCE)
5. Senator Grotberg.

6. SENATOR GROTBORG:
7. A question of the sponsor.

8. PRESIDING OFFICER: (SENATOR BRUCE)
9. Indicates he will yield. Senator Grotberg.

10. SENATOR GROTBORG:
11. Senator Washington, this is the amendment I wanted to help on and
12. I wonder if you would follow with me on line 23, the last letter
13. and the last word on the last line of this amendment, where it
14. says appoint eleven other. And you're a lawyer and I'm a
15. layman, but I think other means...that that means there is a
16. whole new board and there's no option to reappoint anybody
17. on that board. Is that...would you agree or disagree with
18. my assumption?

19. PRESIDING OFFICER: (SENATOR BRUCE)
20. Senator Washington.

21. SENATOR WASHINGTON:
22. Well, being a lawyer, I could argue on either side, but
23. I won't. I'm prepared...I'm prepared to strike the word, other,
24. if that will make you happy. And if I would be permitted to do
25. so on its face...

26. PRESIDING OFFICER: (SENATOR BRUCE)
27. Senator Washington has asked leave to strike on...on the
28. face of the amendment, the word, other, which is found on page 1,
29. line 23. Is there leave? Leave is granted. Further discussion of the
30. amendment? Senator Rock, the amendment...Senator Washington has
31. sought leave to strike the word, other, on line 23 of page 1 of
32. the amendment. Further discussion of the amendment? Senator
33. Washington may close. I'm sorry, Senator Geo-Karis.

1. SENATOR GEO-KARIS:
2. Mr. President, Ladies and Gentlemen of the Senate. We're
3. here to try to give some financial help to the school district
4. of Chicago, not pick on personalities. There's no doubt in
5. my mind that this amendment is just intended to get Kay Rohter
6. out of there and I think that woman inherited a can of worms
7. three weeks ago when she became the president and for nine
8. years they wouldn't let her have information she should have had.
9. So, let's remember that.

10. PRESIDING OFFICER: (SENATOR BRUCE)
11. Further discussion? Senator Grotberg.

12. SENATOR GROTEBERG:
13. Oh, she's a good woman, that's...I'm trying to save her.

14. PRESIDING OFFICER: (SENATOR BRUCE)
15. All right. ...Senator Washington may close.

16. SENATOR WASHINGTON:
17. Well, I'll answer the next to last speaker first. The intent
18. of this bill was not to get rid of any particular member, the
19. intent was to restore confidence in the board...to restore
20. confidence in the board by putting together a...a different
21. board. I, with alacrity, move to strike the word "other" because
22. I would leave it to the Mayor to make that determination. Senator
23. Martin stated that the Mayor would have no power under this amend-
24. ment. That's not true. In the first place, the Mayor has only
25. appointed two of the present members of this board. She issued
26. a statement publicly and it was debated hotly in Chicago to the
27. effect, about three months ago, that the entire board should
28. resign. She's on record as of then. I assume she's still
29. on record that way, who would know. But whether...whether she
30. is in agreement with the present board or not, I think is
31. irrelevant to our determination. Whatever power she has to appoint
32. a board and whatever power her predecessors had came from this Body,
33. the General Assembly. And we have the responsibility of changing

1. it or leaving it as we see fit. But she would have the power,
2. as she has now, with the consent of the council to appoint
3. or reappoint all eleven members. No one would be precluded,
4. no one would be excluded and I would assume that the Mayor in
5. her wisdom, would retain some of the present members. Senator
6. Mitchler says we should strike the whole thing and rather fire
7. the whole board now. I...I sympathize with your position, but
8. I do think, Senator, that that might be somewhat...irresponsible,
9. if I may say so.

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The following typed previously

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1. PRESIDING OFFICER: (SENATOR BRUCE)

2. The motion is to adopt Amendment No. 23 to House Bill 1264.
3. Those in favor vote Aye. Those opposed vote Nay. The voting is
4. open. Have all voted who wish? Have all voted who wish? Take
5. the record. On that question the Ayes are 29, the Nays are 25.
6. Amendment No. 23 is adopted. Further amendments, Mr. Secretary?

7. SECRETARY:

8. Amendment No. 24 offered by Senator Berman. It's a short
9. amendment...any other monies which may be available to the
10. Authority for the purpose of the fund.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Senator Berman with Amendment No. 24.

13. SENATOR BERMAN:

14. Thank you, Mr. President. This amendment was...should have
15. been included in the technical amendment. It was not. What it
16. does is...specifically sets forth language so that there is no
17. question that the maximum limit of the long term bonds will, in
18. fact, be five hundred...will, in fact, be five hundred million
19. dollars, nothing more. There was a question as to whether the
20. existing language could be interrupted to allow the Debt Reserve
21. Fund to be in addition to the five hundred million. This is
22. technical...clarifying language still in keeping with the
23. commitment or authorization to issue only five hundred million.

24. PRESIDING OFFICER: (SENATOR BRUCE)

25. Senator Berman, does this amendment end with AMO02?

26. SENATOR BERMAN:

27. Yes.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. All right. Is there discussion of the amendment? Senator
30. Walsh.

31. SENATOR WALSH:

32. I don't have the amendment, Mr. President, and I don't know that
33. anybody over there does.

1. PRESIDING OFFICER: (SENATOR BRUCE)
2. Senator Berman, has the amendment been distributed?
3. SENATOR BERMAN:
4. I...I thought it was. The LRB number is, LRB105796SJDVAMO2.
5. PRESIDING OFFICER: (SENATOR BRUCE)
6. Senator Walsh, have you had a chance to review the amendment?
7. SENATOR WALSH:
8. No.
9. PRESIDING OFFICER: (SENATOR BRUCE)
10. Senator Walsh.
11. SENATOR WALSH:
12. Can you just hold it, Mr. President? I don't
13. know that anybody over here has seen it.
14. PRESIDING OFFICER: (SENATOR BRUCE)
15. For what purpose does Senator Rhoads arise?
16. SENATOR RHOADS:
17. Mr. President, it might help if Senator Berman were to
18. read the...the two or three sentences as it now is and as it
19. would appear with his amendment in it. That...that might shed
20. some light on...what he is trying to change in that Section, in
21. Section II.
22. PRESIDING OFFICER: (SENATOR BRUCE)
23. Senator Berman.
24. SENATOR BERMAN:
25. All right, I'll be glad to and at the meantime I'm having
26. the Page make copies for distribution, but let me...read, it's
27. a short amendment. Amend House Bill 1264, as amended, in Subsection
28. (a) of Section 34A505. By deleting paragraph (II) and inserting
29. in lieu thereof the following: " (II) any other monies
30. which may be available to the authority for the purpose of the
31. Fund." Now, if you look at Amendment No. 1 on page 41...down
32. on line 28...there is an authorization for a levy for fifteen
33. percent of the principal or interest on the bonds. What we're

1. doing by...now that fifteen percent was for...was to allow a
2. reserve fund to be established. The discussions in the drafting
3. of the bill centered on whether the bond amount that could be
4. issued for long term would be five hundred million or whether
5. it could be five hundred and seventy-five million, meaning fifteen
6. percent of the bond issuance as a reserve account. The consensus
7. of opinion was that the five hundred million is the maximum that
8. should be allowed. That if there was a reserve of fund, it must
9. come out...out of the five hundred, it should not be in addition
10. to. And therefore, the levy for the fifteen percent is deleted and
11. this language restricts it only to the five hundred million.
12. In a minute or two you should have the copies on your desk, but
13. that is the explanation. Senator Walsh, do you follow me? Thank
14. you.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Is there discussion of Amendment No. 24? The motion is to
17. adopt Amendment No. 24. All in favor say Aye. Opposed Nay.
18. The Ayes have it, Amendment No. 24 is adopted. Are there further
19. amendments, Mr. Secretary? Is there leave to go to the Order of
20. Motions? Leave is granted. Motions.

21. SECRETARY:

22. Having voted on the prevailing side, I move to reconsider the
23. vote by which Senate Amendment No. 12 to House Bill 1264 was
24. adopted. Dated, January 11, 1980 and signed by Senator Davidson.

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Senator Davidson is recognized on a...on a motion. Senator
27. Davidson.

28. SENATOR DAVIDSON:

29. Yes, Mr. President and members of the Senate. I voted for this
30. bill...this amendment, because of the thousand dollar donations and
31. I still support that, but the additional part of it ... the public
32. offering of this bill or those bonds does jeopardize the negotiation
33. because the board can either negotiate and or go to a public sale

1. and I would appreciate a favorable vote on reconsidering the
2. vote so...I do have another amendment and that's why we had
3. to go to the Order of Motions, that will put the thousand
4. dollar...denominations of the bonds back in the bill which
5. everybody seems to want. All we're doing is if we, and I
6. hope you do vote Yes to reconsider the vote as to defeat
7. that...amendment which jeopardizes the bill on that public
8. offering part of it and then we'll go back and adopt the
9. thousand or...multiple.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Is there discussion? Senator Bloom.

12. SENATOR BLOOM:

13. Thank you, Mr. President. I rise in opposition to this
14. motion, quite naturally. Point out that there will be ample
15. opportunity to thoroughly discuss all aspects of the risk
16. factors in the authorities to issue these instruments under
17. House Bill 1264. I'd also point out that...did not add this
18. feature to House Bill 1910, the bridge notes, the immediate,
19. the immediate...monies because...of the time factor and
20. because of the fact that they probably would have to be negotiated.
21. I think it's interesting to note that the bankers in the Gallery
22. blew out of here like they were shot from guns when the amend-
23. ment went on because an element of control, they have to go
24. out and bid. I do not think that this jeopardizes the bill or
25. the notes. And I would urge opposition on both sides of the
26. aisle to taking this feature back out of this particular piece
27. of legislation. Thank you.

28. PRESIDING OFFICER: (SENATOR SAVICKAS)

29. Is there further discussion? Senator Bruce.

30. SENATOR BRUCE:

31. Thank you, Mr. President, and members of the Senate. I
32. rise in opposition to this particular motion. I supported the
33. public sale for one reason. There's a lot of language in this

1. bill on page 39 about all these bonds are going to be subject
2. to Section 2 of an Article regulating the sale of bonds in the
3. State of Illinois and maximum annual rates provided in that
4. Statute. The problem is, it doesn't apply to these bond
5. issues. It doesn't apply at all because it doesn't go into
6. effect until December 31st, 1980. So it's nice to have all
7. that language in there and...and I frankly, I read through
8. it, thought gee, why worry about it, seventy percent of prime
9. anyway. So when they sell it, what the heck. They can't go
10. more than seventy percent of the prime, no one's going to get
11. stuck very bad and then I started reading it again. And if
12. you'll start on lines 25 of page 39, it says,"bonds or notes
13. issued prior to December 31st, 1980 shall bear interest at
14. such rate or rates and at such price or prices as the Authority
15. may approve." That's it. Okay, you can't have it both ways.
16. If you want to go out on these...on the bond market...when
17. a guy says how do we know we're going to sell them. What the
18. hell, you're going to sell them because if you say you'll pay
19. five hundred percent, you'll find a buyer at a public sale.
20. The Authority sets the price. They're going to have bond council,
21. they got guys sitting around all day long. The bond market will
22. bear fourteen percent, they'll go at fourteen. If it doesn't,
23. they go out and issue them next week at a public sale. But
24. you can't have it both ways. You can't say, we don't want to
25. have a public sale and not be restricted by the Statute. And
26. as long as this is in there guys, you're going to have to go
27. to the public, because there's no restriction on what you're
28. going to sell these for at all, to anybody. And that ought not
29. to be when you're talking about five hundred million dollars worth
30. of bonds all sold before December 31st, 1980, without restriction,
31. without limitation, a private sale without any limitation at all
32. is...is frankly absurd. It's...it's enough to say the public
33. ought to take a look-see at this and know you paid twenty-five

1. percent on these bonds, they ought to know that and it ought
2. to be public sale and everybody ought to be able to get a chance
3. to take a look at it and bid on it. If someone wants to bid at
4. twenty-four and a half, fine, let them do that. I rise in
5. opposition to the motion of Senator Davidson.

6. PRESIDING OFFICER: (SENATOR SAVICKAS)

7. Is there further discussion? Senator Walsh.

8. SENATOR WALSH:

9. Mr. President and members of the Senate. I too rise in
10. opposition to the motion to reconsider. It's important to
11. point out that this legislation is going to have to be reviewed
12. in the Supreme Court. It's not a question of an emergency
13. situation going out tomorrow or the next day to issue this
14. five hundred million in long term debt. As Senator Bloom pointed
15. out, there's no requirement for advertising for bids for the
16. two hundred and twenty-five million, the so-called Bridge Notes.
17. But that requirement should remain in the bill for the long
18. term debt that is going to be saddled on the people of Chicago
19. for a twenty-five or thirty years. I believe that the more
20. people that know about this the better. This should not be
21. ...be packaged and gift wrapped...in the halls of Springfield
22. or Chicago, let's try to get some interest in San Francisco
23. and New York. If, for some reason it doesn't work, and I
24. don't know why it wouldn't, we'll be in Session when the
25. Supreme Court rules on this legislation and we could take some
26. action at that time, but let's...let's go cautious on this
27. one and retain the...retain the public advertising. I urge a
28. No vote.

29. PRESIDING OFFICER: (SENATOR SAVICKAS)

30. Senator Johns.

31. SENATOR JOHNS:

32. Senator Davidson, after...after you've heard both of the
33. last speakers, can you give me your rationale now for putting

1. forth this motion?

2. PRESIDING OFFICER: (SENATOR SAVICKAS)

3. Senator Davidson.

4. SENATOR DAVIDSON:

5. Certainly. You all agreed this is a package that it has...
6. most important input on four hundred and some odd thousand
7. plus school kids. Mr. VanGorkom, who, if we pass this legislation and it
8. becomes law, said either yesterday down here or in public debate,
9. or in his comment with the public...that he would do everything
10. humanly possible to sell these bonds publicly. But if he can't,
11. then he can go to a negotiated sale. With this amendment that
12. we adopted, he has no choice but to go to public sale. And I'm
13. offering you an opportunity to reconsider and will then Table
14. that amendment and we'll adopt the amendment which many of you
15. wanted was for the bonds and...thousand dollar denominations.
16. And that's the amendment that I have next to come up, but we
17. had to take action on what we did on Amendment No. 12 before
18. Amendment No. 25 or whatever the correct number is would be
19. germane. And I'd appreciate a favorable vote to reconsider
20. the vote.

21. PRESIDING OFFICER: (SENATOR SAVICKAS)

22. Senator Berman.

23. SENATOR BERMAN:

24. I think in the speech that Senator Rock made on the original
25. amendment, I think he made the point that if we don't give the
26. Authority as much flexibility as possible to do the job, that
27. they're going to be back here and we're going to be debating
28. all this all over again. The bill, without this amendment, gives
29. the option of either public sale or nonpublic sale. I am told,
30. and I'm not a bond authority, that the bonding authorities in
31. the City...in the State of Illinois do not have this requirement
32. that's suggested in this amendment. And yet we are being asked
33. to impose upon a crisis situation of a City of Chicago facility

1. that we have seen has no access to the bond market. Now, what
2. that requires, in effect, is some leverage, some pressure, some
3. negotiations in order for the problems of the Chicago School Board
4. to be alleviated. VanGorkom, who I think is a highly respected
5. business man has indicated, and I am sure that he wishes that
6. if the bond market is such, he will go to public sale and that
7. option is available in the existing bill. But if he can't,
8. I think that I have enough confidence in his integrity that
9. he'll go to a negotiated sale that will result in money to the
10. schools at the lowest possible rate, but the money will be there.
11. I've got to take a little faith in a man who runs a business,
12. I think he says that they've got about nine hundred million
13. dollars in sales, sixty million dollars in profits, fourteen
14. thousand employees and he's putting his personal reputation on
15. ...on the line. I've got to put my faith in that, that he's
16. going to try to do the right thing. And I think that if we
17. don't give them the options to do the right thing with all
18. factors considered, that we are being short-sighted, that we
19. are, in fact, trying to torpedo this...this project and we're
20. trying to put the Chicago schools out of business. I urge the
21. support of Senator Davidson's amendment...motion.

22. PRESIDING OFFICER: (SENATOR SAVICKAS)

23. Senator Bowers.

24. SENATOR BOWERS:

25. Thank you, Mr. President. I rise, of course, in opposition
26. to the...to the motion. It just...and I...I'm not criticizing
27. anyone's integrity in this thing, but it just seems to me that
28. ...that these bonds can be sold...public bidding. Now, it's true
29. that there are a number of Revenue Bonds that need to be negotiated,
30. but I warn you, Ladies and Gentlemen of the Senate, these are not
31. Revenue Bonds. These are General Obligation Bonds with no limit
32. on the interest rate. And to say they can't be sold at public
33. bidding, it seems to me is simply not true. Now, Senator Walsh

1. pointed out that we're going to be in Session when they're trying
2. to sell these bonds. If, in fact, they go to public bidding and
3. they don't get any bids, okay, then I'll concede that I'm wrong.
4. And I've been wrong many times and that isn't going to be a
5. problem, but on...it just seems to me they are, and I think we're
6. opening a door here that we should not open. I think it was a
7. good amendment when we voted on it and I think it ought to stay on the
8. bill and I would hope we would defeat the motion.

9. PRESIDING OFFICER: (SENATOR SAVICKAS)

10. Senator Knuppel.

11. SENATOR KNUPPEL:

12. Well, I just want to say one thing in answer to Senator
13. Berman and that's this, Orville Hodge was an honest man too
14. and you say so many nice things about that man, I just want
15. to know what date you're going to set his crucifixion for.

16. PRESIDING OFFICER: (SENATOR SAVICKAS)

17. Senator Washington.

18. SENATOR WASHINGTON:

19. Yes, just briefly, also in response to Senator Berman. I
20. think it gets a little disturbing that everytime someone offers
21. an amendment of whatever sort, we hear responses like torpedo,
22. skuttle, destroy the pact, I think we ought to stop that business,
23. we're brought down here to do our best and I assume that any
24. amendment offered is offered in good faith and I resent very
25. much everytime an amendment is offered, someone implies that
26. someone has ulterior motives. I supported the original Bloom
27. amendment, I support it again and I vote against this one.

28. PRESIDING OFFICER: (SENATOR SAVICKAS)

29. Senator Berning.

30. SENATOR BERNING:

31. Thank you, Mr. President. I too want to point out that I
32. definitely, in supporting the original amendment and now in
33. resisting reconsideration, am not taking issue with or quarrelling
34. with Mr. VanGorkom. No one wants to impune his integrity, his

1. ability, his capabilities of...in any sense. But he's not going
2. to be there forever. After he gets into this problem, and attempt-
3. ing to resolve it, with or without our help with the amendments,
4. he may turn to the Mayor and say, your Honor I have had enough.
5. So it is our obligation, as I see it, to be sure that whomever
6. is in that position will be exercising judgment for the best
7. interests of not only the citizens of Chicago, but for all citizens
8. and certainly as representing this Body.

9. PRESIDING OFFICER: (SENATOR SAVICKAS)

10. Is there further discussion? Senator Davidson may close
11. debate.

12. SENATOR DAVIDSON:

13. Just ask for a favorable vote.

14. PRESIDING OFFICER: (SENATOR SAVICKAS)

15. On the motion to reconsider, Senator Davidson has asked for
16. a vote. Those in favor will vote Aye. Those opposed will vote
17. Nay. The voting is open. ...all voted who wish? All voted
18. who wish? Take the record. On that question the Ayes are 19,
19. the Nays are 35, 1 Voting Present. The motion fails. Senator
20. Davidson.

21. SENATOR DAVIDSON:

22. With the failing of the...reconsider, I'll withdraw Amendment
23. No. 25.

24. PRESIDING OFFICER: (SENATOR SAVICKAS)

25. Are there further amendments?

26. SECRETARY:

27. No further amendments.

28. PRESIDING OFFICER: (SENATOR SAVICKAS)

29. 3rd reading.

30. PRESIDENT:

31. All right, on the Order of House Bills 3rd reading, is
32. House Bill 303. Read the bill, Mr. Secretary.

33. SECRETARY:

1. House Bill 303.
2. (Secretary reads title of bill)
3. 3rd reading of the bill.
4. PRESIDENT:
5. Senator Gitz.
6. SENATOR GITZ:
7. Mr. President and members of the Senate, I'm going to ask
8. that this bill be held. I'm not going to call it for a vote.
9. There is a very definite problem in relation to language that
10. is needed, because of the Auditor's general report which will
11. be released shortly. However there is equally an impact apparently
12. in the language that was suggested in terms of the bond issues
13. that the State of Illinois will have in the near future. All
14. parties met this afternoon. There was not a clear agreement,
15. there is a risk either way. There are ramifications that are
16. important to the future of the lending institutions that carry
17. student loans either way, but cooler heads prevailed and it
18. was decided that we should wait until March 5th.
19. PRESIDENT:
20. Good move. The bill will be held. On the Order of House
21. Bills 3rd reading, House Bill 1910. Senator Nedza.
22. SENATOR NEDZA:
23. Yes, Mr. President. I'd like to ask leave of the Body in
24. order to bring...the bill back to 2nd reading for purpose of
25. an amendment.
26. PRESIDENT:
27. Senator Nedza seeks leave of the Body to bring House Bill
28. 1910 to the Order of 2nd reading for purposes of an amendment.
29. Is leave granted? Leave is granted. On the Order of House
30. Bills 2nd reading is House Bill 1910, Mr. Secretary.
31. SECRETARY:
32. Amendment No. 1 offered by Senator Nedza.
33. PRESIDENT:

1. Senator Nedza.

2. SENATOR NEDZA:

3. Thank you, Mr. President. Amendment No. 1...is the...excuse

4. me, the creation of the Bridge Note Statute for the school boards

5. in the City of Chicago. The bill establishes the procedures under

6. which the board may issue Board Notes and the city may also issue

7. General Obligation Notes or other notes as provided for the financing

8. for the Board of Education. It's a document which is ten pages

9. long, everybody is acquainted with it. I won't go through all

10. of the..I think everybody is well aware of its contents. So if

11. there are any other questions, I'd move for its adoption.

12. PRESIDENT:

13. Senator Nedza has moved the adoption of Amendment No. 1 to

14. House Bill 1910. Is there any discussion? If not, all in favor

15. signify by saying Aye. All opposed. The Ayes have it. The amend-

16. ment is adopted. Further amendments?

17. SECRETARY:

18. Amendment No. 2 offered by Senator Nedza.

19. PRESIDENT:

20. Senator Nedza.

21. SENATOR NEDZA:

22. Thank you, Mr. President. Amendment No. 2 clarifies some

23. of the language in order to insure that there is only a limitation

24. of the short-term Phase II issue of two hundred and twenty-five

25. million.

26. PRESIDENT:

27. Senator Nedza has moved the adoption of Amendment No. 2 to

28. House Bill 1910. Is there any discussion? Senator Netsch.

29. SENATOR NETSCH:

30. Would you just identify it, please, Senator Nedza.

31. PRESIDENT:

32. Senator Nedza.

33. SENATOR NEDZA:

1. Senator Netsch, there...probably there...you may have, which
2. was distributed earlier in error, there was a LBR Amendment, which
3. was not the amendment because that was in error. It's another one
4. that's...deleting lines 12 through 18 as opposed to the one which
5. originally was distributed amending lines 10 through 12. It
6. doesn't have an LRB number on it. Have it?

7. PRESIDENT:

8. All right. Senator Nedza has moved the adoption of Amendment
9. No. 2 to House Bill 1910. Any discussion? If not, all in favor
10. signify by saying Aye. All opposed. The Ayes have it, the amend-
11. ment is adopted. Further amendments?

12. SECRETARY:

13. Amendment No. 3 offered by...Senator Nedza.

14. PRESIDENT:

15. Senator Nedza.

16. SENATOR NEDZA:

17. Thank you, Mr. President. This also, because of the fact
18. that the haste in which some of the bills were drawn up, that
19. the attorneys and some of the people involved, in order to put
20. it in precise language, it's a listing of just cleaning up the
21. language throughout the entire bill. I believe you have that
22. in your possession. It's a six page document and it's just
23. ...changing purpose of providing, et cetera and et cetera. It's
24. strictly a clean up.

25. PRESIDENT:

26. Senator Nedza has moved the adoption of Amendment No. 3
27. to House Bill 1910. Is there any discussion? If not, all in
28. favor signify by saying Aye. All opposed. The Ayes have it.
29. The amendment is adopted. Further amendments?

30. SECRETARY:

31. Amendment No. 4 offered by Senator Bloom.

32. PRESIDENT:

33. Senator Bloom.

1. SENATOR BLOOM:
2. Yes, this changes the denominations from five thousand to
3. one thousand consistent with Senate Bill 1264. I believe there's
4. no opposition.
5. PRESIDENT:
6. Senator Nedza.
7. SENATOR NEDZA:
8. ...Thank you, Mr. President. This actually has been carried
9. out in Amendment No. 12 to House Bill 1264 so there is no opposition
10. to it, Senator Bloom.
11. PRESIDENT:
12. All right. Senator Bloom has moved the adoption of Amend-
13. ment No. 4 to House Bill 1910. Any further discussion? If not,
14. all in favor signify by saying Aye. All opposed. The Ayes have
15. it, the Amendment is adopted. Further amendments?
16. SECRETARY:
17. Amendment No. 5 offered by Senator Nedza.
18. PRESIDENT:
19. Senator Nedza.
20. SENATOR NEDZA:
21. Yes, Mr. President, thank you very much. This is...just a
22. little language that's put in to insure that the State of Illinois
23. bears no debt on the issuance of the Phase II short term financing.
24. PRESIDENT:
25. Senator Nedza has moved the adoption of Amendment No. 5 to
26. House Bill 1910. Any discussion? If not, all in favor signify
27. by saying Aye. All opposed. The Ayes have it, the amendment
28. is adopted. Further amendments?
29. SECRETARY:
30. No further amendments.
31.
32. End of Reel #5
33.

HB 1264
3rd Reading
1/11/88

REEL #6

PRESIDENT:

- 1. 3rd reading. On the Order of House Bills 3rd reading, is House
- 2. Bill 1264. Read the bill, Mr. Secretary.

3. SECRETARY:

- 4. House Bill 1264.
- 5. (Secretary reads title of bill)

6. 3rd reading of the bill.

7. PRESIDENT:

8. Senator Berman.

9. SENATOR BERMAN:

10. I have enough confidence in the members of this Body that
11. I don't have to go through this bill page by page, between yesterday
12. and today I'm sure we can recall just about everything that's
13. in it. It's the Authority that is imposed upon the Chicago's
14. Board of Education to bring about fiscal responsibility, balance
15. budgets and through the issuance of short term and long term
16. notes. I'd be glad to respond to any questions, and ask for your
17. favorable vote.

18. PRESIDENT:

19. Any discussion? Senator Berning.

20. SENATOR BERNING:

21. Thank you, Mr. President. Senator Berman, with all the debate
22. and all of the amendments there is still one very serious concern
23. of mine, and I'd appreciate your candid opinion as to the potential
24. impact of the proposed 1264, if passed, and its tax rate as modified
25. by the setting aside of the fifty cents for debt retirement. On
26. the degree of participation by the Chicago School Board in the
27. School Aid Formula, and let me just briefly remind you of what
28. I understand are the provisions of that enigma, the school
29. formula. State support is predicated upon the degree of local
30. support. We have in our area, in Lake County, a high rate of
31. local support. Our State support consequently is lower than many
32. other areas, including Chicago. Now, by revising downward as
33. I interpret this, the Chicago School Board's rate, excuse me, to

1. a dollar and sixty-one cents, will that or will that not affect
2. the level of participation in the School Aid Formula and if it
3. does then will it not adversely impact not only on my school
4. districts but all other school districts in the State?

5. PRESIDENT:

6. Senator Berman.

7. SENATOR BERMAN:

8. That question was raised several days ago, Senator Berning,
9. in our own caucus. We have gone to the State Board of Education
10. for their expertise, we have checked with our own staff, the answer
11. that is given to me by all sources is that under the existing School
12. Code this fifty cent reduction in Chicago's operating fund will
13. have no impact on the other school districts or the School Aid
14. Formula.

15. PRESIDENT:

16. Further discussion? Senator Gitz.

17. SENATOR GITZ:

18. Mr. President, and members of the Body. I apologize somewhat
19. if I've been heard from too much today. Since, it is my intention
20. to vote Aye on this bill, I'd like to clarify my reasons for the
21. record. One of the things that has disturbed me in the last two
22. days, is that so much of the discussion, particularly my down-
23. state Democratic colleagues, has focused upon what the newspapers
24. charitably call the bail out. I think it's unfortunate if we would
25. give into media hysteria and what is really not a bail out, but
26. a proposal which is vitally needed to put Chicago School System
27. in a posture to help itself. The real onus of these proposals is
28. not felt today, but in the future. Many of us have severe reservations
29. whether it will be possible to make the magnitude of cuts which
30. would be essential to live within that proposal. It seems to me
31. that anyone who is truly concerned about the impact of this in
32. other areas of the State should ask themselves some basic questions.
33. Like, how does this affect the School Aid Formula, how is this going
to affect the Property Tax base in the future? The Mayor of Chicago

1. made the statement that there was going to be no tax increase.
2. It seems to me that the...line should be drawn on the
3. fact that we are not going to bail out that school system using
4. State dollars in the future. The Governor has wisely chosen
5. to do this, not today, I don't think he'll do it tomorrow. The
6. other issue at stake, is what happens if after floating those
7. four hundred million dollars in bonds, the school system is in
8. trouble next Fall. It seems to me that the real issue before
9. this Body, is to make it very, very clear that any Property Tax
10. increase that comes in the future will be a matter of accountability
11. to the citizens of Chicago itself. In other words, what I'm saying
12. is, I am not going to be party after voting for this bill to some-
13. one to come back to me, and without referendum raise the Property
14. Taxes for people in Chicago, that, it seems to me are some of the
15. central issues. I've heard some of my colleagues because of that
16. hysteria say that they are not going to vote for it because it just
17. has a bad ring to it. It seems to me with more than four hundred
18. thousand childrens future in the balance, it seems to me with
19. the school system, even if you believe that Mr. VanGorkom is not
20. seriously concerned about the school children I think he is
21. practical to the extent that he recognizes that school system
22. has ramifications in the whole area throughout Chicago. That
23. school system is central to the fate of this entire State. I
24. think there are indeed times when we have a bill before us, that
25. ...no money out of the State Treasury to take a look at what
26. we can do to bring this proposal to a successful conclusion. I
27. note too, I note too, that the last time we came here during
28. the Veto Session, there was fifteen million dollars that moved out
29. of here for Cook County Hospital, I voted No, because I felt that
30. it was a bail out that was not going to solve the problem. This
31. bill doesn't take any State appropriations, what this bill does
32. wisely do, is set in place a super agency which is essential to
33. guarantee the integrity of those bonds. I think it is important for

1. us to set aside the newspaper clippings and to look at the
2. central issue, and decide that we are indeed going to give
3. them the opportunity to put their house in order. For any
4. Legislator to simply look at this issue and vote No, is
5. tantamount to saying I don't care whether the schools close
6. or not. Even if you just simply look at it on political
7. grounds, it is unwise for us to be the ones that shut the door.
8. They have made the proposal, they have taken the gamit, they're
9. the ones that are saying they're going to make the cuts. They're
10. the ones that are going to finance the bond proposal. They're
11. the ones that are telling us this will not impact the future
12. School Aid Formula, we have put into this bill a referendum
13. provision. We have done many of the things that are essential
14. to avert this crisis. The real reason the Chicago School
15. System is in this situation, is that they have never had
16. an elected School Board. They have not gone to referendum, in
17. any school district in the State where there are elections you
18. would not be able to have a Finance Committee that never even
19. met for four years. This is not the central issue today
20. in these two bills. The real issue is Property Tax increases
21. in the future, and School Aid Propositions in the future, and
22. for that reason I think it is a very prudent proposal, and we
23. should move forward with it.

24. PRESIDENT:

25. Further discussion? Senator Wooten.

26. SENATOR WOOTEN:

27. Thank you, Mr. President. I rise in opposition to this bill.
28. Departing pretty much from where Senator Gitz, I've obviously
29. come to a different conclusion. It really has nothing to do with
30. the media perception of the bill, it is true that downstate
31. this is called a bail out, just as true in Chicago and the suburbs
32. it is viewed as whatever the Governor and the Mayor say it is, and
33. the truth, of course, is not in either view. Our problem is, that
what we're called on to do, if I may indulge in the kind of instance

1. that, Senator Knuppel uses from time to time, is we're rather
2. like giving a drunk the price of a good meal and expecting him
3. to buy one. We are asked to bail out, to use the perhaps the
4. incorrect term, we're asked to help out in a financial crunch
5. that probably never should have happened, but is here and must
6. be dealt with. We're doing it in such a way that I'm not sure
7. we're going to affect any realistic cure. I have said from
8. the beginning there are really three things that are necessary
9. for a true change, and that is we must see the cuts, we must
10. know what they are, not that they're going occur, but what are
11. they? Second, the people of Chicago must indicate that they're
12. willing to raise their taxes, because you cannot live on borrowed
13. money, it just can't be done, and if we're going to take fifty
14. cents out of the Educational Tax rate, we're giving them a very
15. serious problem to deal with. We, in effect, are tripling or
16. quadrupling their present debts, stretching it out over twenty-
17. five years, and pretending that that's going to do something. Now,
18. I understand the problem that the primary isn't over with yet, but
19. we could do something after the primary. The third thing is,
20. and this I suppose is an unwarranted interference in Chicago's
21. operations it doesn't seem to me after all the years of listening
22. to the hassles we've had that you're ever going to solve the
23. problem of the school board until it ceases to be a political
24. arm of the Chicago Organization, and becomes an elected school
25. board or one that was suggested in Amendment 21, one that has
26. people appointed from different parts of the City so that the
27. people, at least, feel that they are represented and involved. The
28. danger was that if we had adopted Amendment 21, I think I'd have
29. had to vote for the bill, and I said so at the time, because I
30. think we would have, at least, made gestures in those two directions.
31. We did not, we adopted a watered down version of 21, but the
32. thing that stays me still, is the conviction that this is going
33. to go on a Conference Committee, and will probably come back
with what we always do, that we have to hew to the original deal

1. that was put together by participants that did not involve most
2. of us. I think that we've made some progress with the bill, but
3. we still need a little more hard evidence, hard fact of some
4. movement in Chicago, and until we see that I don't think it
5. is that imperative that we rush through with this bill, particularly
6. not the half billion dollars in bonding.

7. PRESIDENT:

8. Further discussion? Senator Collins.

9. SENATOR COLLINS:

10. Thank you, Mr. President. Even at this moment I have some
11. very mixed and troubled feelings about this bill, and I don't
12. know just how I'm going to cast my vote. Mostly because I am
13. unable to respond to the many questions and concerns raised by
14. my constituency of whom I am here to represent in this Body, and
15. the reason for that, part of the reasons for that, is because I
16. have been left out as many others of the process and the debates,
17. and the discussions, and the rationale behind where this package
18. was evolved. I'm very disturbed about some of the provisions
19. of this bill, and this Big Brother structure of which I do not
20. know the future consequences or the impact on the quality of
21. education in the Chicago School System. Although we all recognize
22. that there is a serious financial crisis in the City of Chicago,
23. and we have been debating and discussing for the past three
24. weeks about how we're going to deal with the financial ills of
25. that system, but I have heard no debate about the quality of
26. education or even the concern for improving or even maintaining
27. the level of education that currently exists, which is...which
28. each of us know from the City of Chicago, is far below the
29. standards. I'm also disturbed and concerned because I do not
30. know the structure of that Board or the makeup of that Board.
31. I was told that Mr. VanGorkom here already determined and said
32. that he's the Chairman and was picked to be the Chairman even
33. prior before this package was put together. There was even no
consideration of no one else, or even the...the idea that someone

1. else could have been equally qualified as Chairmanship. I'm
2. concerned about the secrecy of which this proposal was developed,
3. and I'm also concerned, as Senator Wooten, raised, that even
4. though we put down that watered down amendment about the
5. abolition or the removal of that particular board, I'm sure that
6. when this bill goes to Conference Committee, that little amend-
7. ment will be taken off. I feel that the only real thing in this...
8. this whole package that I see that I can understand, or maybe there
9. is some real faith or belief that I have in it, is the statement
10. half way quoted from the Constitution, when it says that the State
11. of Illinois has primary responsibility for the education of
12. our children. That is the only real statement that I can see
13. any faith and real trust in, in the absence of a clear knowledge
14. of what is entailed in this package, and I daresay that anyone
15. in this Body, although many of you probably have many expertise,
16. and you're lawyers, really know and can tell what is really the
17. consequences or impact of this particular piece of legislation. I
18. resent the fact that yesterday we were handed this fifty page
19. amendment, with no prior knowledge or even from our leadership
20. as to what was...was to be really expected in this amendment. It
21. is almost impossible for me to stand here and to say that I can
22. make a valid judgment or a decision on how I'm going to vote
23. in the absence of the knowledge and the secrecy by which this
24. package was put together. I'm further disturbed and concerned
25. that the parent, even now, the City of Chicago, have been disturbed
26. and worried about some input and participation into that school
27. system, and there is no question in my mind that this Big
28. Brother board will further remove access into the decision-making
29. process of that system from those who are consumers of that system.
30. That is unfortunate, and many people in my district are very
31. concerned about the possibility of the legality of such a move,
32. because I think the Federal Government programs demand that there
33. be some parent involvement and some parent input. That is not really
the case in the City of Chicago, and I think that if we are realistic

1. and we are sincere, and we are concerned that we talk about a
2. solution to the problem, we cannot overlook the quality of
3. education or the right of those citizens who are the majority
4. consumers of that system to have some input in a decision making
5. process.

6. PRESIDENT:

7. Further discussion? Senator Geo-Karis.

8. SENATOR GEO-KARIS:

9. Mr. President, and Ladies and Gentlemen of the Senate.
10. Senate Bill 1264 is not a bail out of the Chicago schools, it
11. really doesn't give one new penny to the Chicago schools, but
12. it does provide loans and the control conditions insisted upon...
13. upon...by the Governor and the by-partisan Legislative leadership
14. that has been working on it. Participation by the City of Chicago,
15. the city's banks, the Treasurer, the Governor, the Comptroller,
16. the General Assembly, and Chicago unions demonstrations that
17. Chicago is willing to help itself and preserve the fiscal integrity
18. of the State. At the same time we have a half a million students
19. they can be without a school, we already have approximately ten
20. thousand young people who roam the streets daily as it is. We
21. don't want them out, we want them in the schools. I don't question
22. the fact that we should have more quality in education, maybe this is
23. the bill that will start that direction going the way it should
24. for better education, however, the fact remains that this overview
25. board is made up...will be made up of people who know business who
26. know how to finance business, and know finance. We have had a lack
27. of good leadership in the Board as far as Finance Committee goes and
28. what have you, and it seems to me that we cannot ignore the fact that
29. although this bill is about fifty pages and giving...and given
30. to us yesterday...I might remind a Senator on the other side,
31. five years ago...five and a half years ago the RTA bill was fifty-
32. seven pages, it was thrust on us one night and we voted on it
33. the next, and I had to read it all night, and I can't see why
nobody else couldn't. So, I do feel that this is a bill in the

1. right direction, and I'm for it.

2. PRESIDENT:

3. Further discussion? Senator De Angelis.

4. SENATOR DE ANGELIS:

5. Thank you, Mr. President. I stand in support of this bill,
6. almost in the same manner that a patient supports elective
7. surgery. Not knowing whether it's going to do the job or not,
8. however, we were sent down here to perform one task and that
9. task was to, in fact, create a financial plan that would bridge
10. these crisis. I have support all those amendments that dealt
11. with those, and even opposed my own amendment that did not
12. deal with that, because I think the problems as they're being
13. disclosed are so immense that they should be dealt with at some
14. other time. I did support one amendment, however, that did not
15. deal with that, and that was the amendment that provided statutory
16. authority which currently doesn't exist, to terminate the existing
17. Board or any future Board members that might be unsuitable, and
18. I'm going to tell you why I did it, there are two facts that have
19. not been disclosed today, and Senator Berman, as much as I consider
20. the Board of Education of Chicago as being a necessary Body, I
21. have to tell you, you will not get my support again if, if, they
22. do not fulfill what they're supposed to do. Let me give you
23. an example, the Chicago Board of Education currently is entitled
24. to levy two dollars and eleven cents, they have not even done
25. that, and I would suggest that when those new people go on there,
26. or the people that remain, they please look at whatever authority
27. they have already, and exercise it. Now, for those of you who've
28. been critical of the plan, let me remind you of one thing, what
29. you're talking about here is a plan, and again like elective
30. surgery, maybe you don't like it, you've talked about the high
31. interest costs, you talk about the cost of this plan and the
32. burden you're putting on it. Let me give you one other fact that
33. has not been mentioned prior in this discussion. If the schools
of the City of Chicago are closed, it will cost that Board of

1. Education seven million dollars a week in reimbursable unemployment
2. costs while those schools are closed for the period of time that
3. that compensation is allowable. Now, if you're really bothered
4. by paying interest and kids going to school, then I think you
5. ought to be a heck of a lot more bothered about paying seven
6. million dollars a week and not having your kids in school. Thank
7. you.

8. PRESIDENT:

9. Further discussion? Senator Knuppel.

10. SENATOR KNUPPEL:

11. Mr. President, and members of the Body. There's no question
12. in my mind that the votes are here to pass this. I just want
13. to make a few remarks because I don't think I'll be here when
14. some of these Freshmen Senators that have been saying that they're
15. going to vote for it will be back here next year. This sure as
16. hell isn't a bail out, it's a bail in, this is a Band-Aid only,
17. because of the manner in which the school board is selected there
18. is no way that this system can continue or work its way out of
19. this malaise. I learned a long time ago on my first business
20. venture when I went in with a group of fellows and we made an
21. investment and hired somebody to run it, that you can't start
22. a business, and have it succeed if the guy that's running it doesn't
23. have something at stake, and that's what's wrong here, you've got
24. a school board who don't have their children in the school who
25. are appointed, whose interests are political, union, or they're...
26. they're banking, one way or the other. Now, it just...it's just
27. that simple, and what we're doing here won't solve the problems.
28. What you've got is a frog that's down in a well, and he's trying
29. to get out by jumping up one foot and sliding back three. You're
30. bonding for current expenses, instead of for long term capitol
31. investment, and as a result of that you're just working your way
32. further and further in, it'll take three dollars to pay off
33. everyone you borrow before you're done people, and you...you're
just not going to get it done. Now, you're going to be back here

1. someday, everybody tells you they aren't going to give you the
2. money, but you've got four hundred thousand school children, but
3. this isn't a bail out, it's a bail in, and that's the reason
4. I cannot support this legislation. You don't go to the heart
5. of the problem, and the heart of the problem is, having somebody
6. on that school board that has an interest. When I moved to
7. Havana when I came out of law school, they had seven men on
8. the school board and not a damn one of them had a kid in school
9. anymore, they had all...they were all older, and the school
10. system was a mess. Eventually it took about ten years to wake
11. the people up before they...formed a unit district, which was
12. then the way to go, and this is what you're doing. I know
13. you're going to do it, you've got the votes to do it, but remember
14. this when these problems are back before you next year, and the
15. year after that, and the year after that. That when you start
16. electing your school board, and it...represents the people who are
17. interested and not the bankers, not the union, not the politicians,
18. then's when you'll be able to solve your problems, and if you think
19. the economic situation's going to get better, let me tell you I'll
20. remind you, you know, and this is one of the reasons I'm not
21. a Carter supporter, I haven't jumped off the log like all the
22. rest of these fellows and ran for Carter just because he did
23. nothing in the Iranian situation, which he does perfectly, because
24. he hasn't done anything since he's been in the Presidency. It
25. just happened to be the right thing once, but he's still done
26. nothing, he's provided no leadership. I see a leader as somebody
27. who's out ahead, and what you people are doing, is you're just
28. putting another board on top of the school board. You did this
29. with the Cook County Hospital ten years ago, and you were back
30. here this Spring putting it back to the politicians and that won't
31. work either. Now, I mean, I'm telling it like it is, you've got
32. a deal, I told you that, they consummated that marriage, and
33. I told you my mother told me when you consummate a marriage you
get a package, this is one of the packages. You may get a couple more.

1. PRESIDING OFFICER: (SENATOR SAVICKAS)

2. Senator Bruce. Senator Newhouse.

3. SENATOR NEWHOUSE:

4. Thank you, Mr. President, Senators. I think that some
5. of the remarks that are made do bear repetition, because they
6. go to the fundamental intent of what most of us believe in
7. as good government, and that is Local Government, and the closer
8. to the people the better. This legislation again, is going to
9. remove that Local Government element, it's going to take a board,
10. which is already removed from the community too far, remove it
11. even further. Now, what you need to know is that the kind of
12. fears that have been expressed here on this Floor, are not restricted
13. to the Legislators here on the Floor, we have held hearings
14. throughout the community to get the same kind of response, and
15. such organizations as you normally look to for guidance on
16. education such as the League of Women Voters, the Citizen's
17. School Committee, have recognized the same problems that we
18. do recognize. The sooner we can get a responsive school board
19. and get the affairs of the school system back in their hands,
20. the sooner Chicago will be able to recover, the sooner it will
21. be able to deliver an education to the children of the City of
22. Chicago, that will make them good citizens of this State and
23. productive citizens. The facts of life are, Gentlemen, we are
24. paying through the nose...can I get a little...

25. PRESIDING OFFICER: (SENATOR SAVICKAS)

26. Can we get a little order? Senator Newhouse.

27. SENATOR NEWHOUSE:

28. The fact of the matter, Gentlemen, is we're not simply talking
29. about...we're not simply talking about a taxing problem for the
30. City of Chicago. We're talking about what is happening to the
31. products of our public schools, who are unable to produce in this
32. economy, and you'll see a lot of them at Stateville, you'll see
33. a lot of them at our mental institutions. One of my good friends
who is a psychiatrist, said to me, that one of the best things that...

1. that could occur to him in his hospital setting, would be to
2. have an employment agency there in the hospital, and with an
3. employment agency many of the mental problems that some of
4. our constituents have could be cured. I don't think that's
5. an overstatement. We are paying through the nose for the
6. failure of that system to do its job, and if that system
7. continues to deteriorate you won't simply be talking about the
8. unemployment compensation claims that you will pay to those
9. several thousand people who will be laid off, you'll be talking
10. about unemployment compensation claims trebled by that number
11. you'll be talking about welfare payments that will really sky-
12. rocket, you'll be talking about corrections costs that will
13. simply go off the map, you'll be talking about aggravated public
14. health costs. Those are some of the costs that we are anticipating
15. or that you ought to anticipate if we put this measure in, cut back
16. the funding of that school system, and make it impossible for
17. children to get an education. Accelerate the flight to the suburbs,
18. of people who see that system as being unable to produce. Watch
19. the flight of black, white, orange, green people from that school
20. system who are determined that their children will have to have
21. an opportunity to learn somewhere but who cannot get that education
22. in the public school system. What's at stake is a great deal more,
23. a great deal more than this five hundred million we're talking about,
24. which is a temporary, which is a temporary measure, and which at
25. the end of this school semester would have disappeared and won't
26. mean a thing. We're going to be coming back here asking for
27. tax increases, we're going to be coming back here asking for the
28. State to put some money in that system, and I'll tell you something,
29. when we come back and ask you to do it, the cheapest thing the
30. State can do is to go ahead. The alternative is to watch the
31. spiral in Corrections, watch the spiral in Public Aid, watch the
32. spiral in Unemployment Compensation, watch the spiral in crime,
33. and that's what's going to happen. Now, it has to be spelled out
very graphically, that what we're talking is extremely serious. We're

1. cutting the school system to pieces with this piece of legislation.
2. We might just as well understand that it's a false economy, an
3. absolute false economy. What we talked about in terms of un-
4. employment costs is the first visible sign, and we're going to
5. see the fallout from this in years to come. I oppose it.

6. PRESIDENT:

7. Further discussion? Senator Nimrod.

8. SENATOR NIMROD:

9. Thank you, Mr. President, and Ladies and Gentlemen of the
10. Senate. I think that we should recall and remember from a few
11. days ago that our real problem here, is that there is a crisis
12. in the city, on the schools of Chicago, and what's happened
13. here is that we are not here to cure the ills, it's sick system.
14. We are not making it well, all we're doing is making sure that
15. a sick system can run so it can become well, and no one denies
16. or no one takes away the thought that there's going to be a tax
17. increase, going to take new money to do the job. I think we've
18. given them the alternatives and I also believe that we allow the
19. schools to operate, if, in fact, we can pass this bill with some
20. assurance that we are not going to go down deeper in the hole in
21. that system, and that they're going to have a chance to come about
22. through a good school system. I would hope that in the future we can
23. help remedy the problem further, but right now all our concern is
24. that a system can operate and that we've given it a . means to do
25. so with...with the full knowledge that we have provided, at least,
26. whatever oversight is necessary to assure us that we will not be
27. wasting more money as we have in the past.

28. PRESIDENT:

29. Further discussion? Senator Washington.

30. SENATOR WASHINGTON:

31. Well, Mr. President. Senators Knuppel and Collins, and Wooten,
32. and Newhouse among others have pretty well articulated my position
33. so I'll be very brief. I cannot go with this bill today, and maybe

1. not tomorrow either for several reasons. One, I totally resented
2. the speed in which this thing was rammed on our throats. I made
3. appeals all along the line that there was no need for hurry. The
4. most dire prediction said that we had until February 18th, I think
5. we should advantage of all that time, we have not done so. I'm
6. not satisfied that the Committee of the Whole in both houses was
7. an adequate input from the community at large they had no opportunity
8. to be apprised of what was going on, and to get down here and
9. respond, and furthermore the disappearing four, Carey and Hannon
10. and two finance men. Clearly the President didn't have an opportunity
11. to follow up on his invitation to them to come down here. So,
12. we don't even have the whole picture before us. Secondly, I think
13. Senator Wooten put his finger on it, it's not only the structure
14. that's bad it's the system that's bad. The present system we
15. have of appointing board members in Chicago at large by the Mayor
16. simply is not going to work. I offered a reasonable solution on
17. behalf of myself and Senator Collins and others. It was rejected,
18. we did get at least on paper some semblance of that by your
19. agreement that the present board should go out of existence. It's
20. not enough. Mrs. Rohter stood before us and she couldn't delineate
21. where the cuts were going to come from, which further propounds
22. the ignorance and the incompetency of that board. This matter
23. has been going on for several weeks, why should they have to
24. wait until some time in April or May to come up with the cuts. I
25. think they were deliberately withheld from us, because I think they
26. would create a furor that would never be quelled and might have
27. jeopardized the passage of this bill, which would have been good.
28. In short, I don't think she was candid with us, and we won't know
29. where those cuts are going to come until they're imposed upon
30. us, and I'm afraid that those cuts will come from the area
31. of pupil services, no matter how you define it, and if that's true,
32. as Senator Newhouse has pointed out, then we're going to have a
33. worse system. Lastly, but not completely, an effort was made to

1. involve the Senate and the Council in the selection of these
2. oversights, Gentlemen, it was rejected summarily. That makes
3. no sense to me at all, that the Senate of Illinois would
4. give this kind of power to any group of five and not at least
5. insist upon screening them before their selection. I simply
6. don't understand that at all. For those reasons, and many
7. others, I cannot vote for this bill today.

8. PRESIDENT:

9. Further discussion? Senator Bruce.

10. SENATOR BRUCE:

11. Thank you, Mr. President, and members of the Senate. My...
12. my questions are in the nature of a parliamentary inquiry as to
13. the number of votes that are going to be required to pass this
14. legislation, and my question does not go to the question and the
15. power of the State of Illinois to issue bonds, but rather, Mr.
16. President, it goes to the question of limitations upon the
17. powers of home rule units to levy taxes. I would call your attention
18. first to Section 6 of the Constitution which it grants to the
19. home rule units in the State of Illinois the power to levy
20. tax and in Section G...G of Section 6, it states that the
21. General Assembly by law approve by a vote of three-fifths
22. of the members may deny or limit the power to tax in any other
23. function. It is my contention, Mr. President, that on page
24. 21 of the legislation before us, it states on lines 5 through 8,
25. the Board of Education and the Authorities of such district or
26. city as the case may be may levy annually upon such taxable
27. property of the district a tax. Clearly that Statutory Authority
28. gives both the City Council and the Board the power to levy a
29. tax, and the first impression might be that since school boards
30. are not units...are not home rule units, then the Legislature is
31. not involved in restricting a home rule unit when on lines 14
32. through 16 we say for educational purposes a tax for the Fiscal
33. Year 1971, and each Fiscal Year thereafter, at a rate not to
exceed striking 2.11 and inserting there 1.61, would not be

1. a limitation on a home rule unit since a school board has not
2. yet been defined as a home rule unit, but in 1972, the General
3. Assembly of the State of Illinois in Section 34-55, in a section
4. denominated tax levied by the City Council, clearly a home rule unit
5. in the State of Illinois, states in the last sentence of that
6. Article, this Article does not authorize the Board, this is
7. in Chapter 122 of the School Code, that relates to the Chicago
8. School Board, this Article does not authorize the Board to levy
9. or collect any tax, but the city council shall, upon the demand
10. and under the direction of the Board annually levy all school
11. taxes. Now, this General Assembly on August 18th, 1972, removed
12. from the Board all power to levy any tax, and all taxes levied
13. on behalf of educational purposes in the City of Chicago are done
14. by the City Council a home rule unit, and now, Mr. President, with
15. that background, can you indicate since we are, in fact, restricting
16. the power of that home rule unit to levy a tax, reducing that from
17. two dollars and eleven cents to one dollar and sixty-one cents,
18. which under the Article 6-G states that only by a three-fifths
19. vote may...of each house may the Legislature deny or limit the
20. power to tax, how many votes will be required to pass House
21. Bill 1264?

22. PRESIDENT:

23. The Chair is prepared to rule that the vote necessary for
24. passage of House Bill 1264 as amended is 30 votes, a constitutional
25. majority of the Senators elected.

26. SENATOR BRUCE:

27. On...on what...

28. PRESIDENT:

29. The bill does not, in the opinion of the Chair, create a
30. debt or liability of the State, it does not create a State debt
31. or require the extraordinary majority specified in Article IX...Section
32. 9 of the Constitution, nor does the bill in the opinion of the
33. Chair, specifically deny or limit any power or function of a home
rule unit as described in Article 7, as provided in Section 8 of

1. Article IV, 30 votes are necessary for the passage of House
2. Bill 1264 as amended. Senator Bruce.

3. SENATOR BRUCE:

4. Well, your...your reading though, Mr. President did not
5. go to Section 6. Section 7 of the Constitution deals with other
6. than home rule units, counties and municipalities other than
7. home rule units. Section 6, in fact, is the restriction upon
8. the Legislature and our three-fifths vote requirement by
9. Constitution to restrict the power of any home rule unit to
10. levy a tax. I don't know whether you misread it, or perhaps I...

11. PRESIDENT:

12. I did not misread it, the Chair has ruled. Senator Netsch.

13. SENATOR NETSCH:

14. To support further the position, if you would look on page
15. 21, of the bill you will see that, in fact, as the Chicago
16. School Board, and the City of Chicago intermingle their functions,
17. that there is a restriction, a limitation imposed on the maximum
18. tax rate that can be extended by, in fact, the City of Chicago,
19. which does extend taxes for the Board of Education in Chicago.

20. PRESIDENT:

21. Is there any further discussion? Senator Berman may close.

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25. (Following typed previously)

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*Dr. Berman's
closing remarks
on HB 1264
1-11-80*

1. SENATOR BERMAN:

2. Thank you, Mr. President and Ladies and Gentlemen of the
3. Senate. I do ask your leave for a moment to which...to respond
4. to some of the comments that have been made. Not in debate on
5. the provisions of the bill, but what I perceive to be an erroneous
6. direction of concern as an elected legislator. I think it's interesting
7. and a little ironic that some of the loudest voices against this
8. proposal come from the people that have been shouting that their
9. constituents have a majority of the population of the school children
10. of the City of Chicago. I would suggest to those legislators that
11. you can't have it both ways. There isn't one person in this Body
12. that has condoned the fiscal irresponsibility of the City of Chicago
13. Board of Education. And it may be easy to say that you don't like
14. this or you don't like that and you want this and you want that, but
15. the plain fact is that in my opinion, as a parent of children in the
16. Chicago schools, what I sensed last Sunday when a solution was
17. announced from the second floor was a collective sigh of relief by
18. three million people of the City of Chicago. They wanted their schools
19. to remain open and I commend the Governor and the mayor of the city
20. for putting together a plan that...that will keep those schools open.
21. Your parents, your voters don't want those schools closed. They
22. want them improved. They want changes and so do I, but I don't want
23. those schools closed and your voters don't want them closed. Some of the
24. demagogues and people that want political power want them closed because
25. they're willing to sacrifice the children for their own best interests.
26. I am not willing to do that. I don't have all of the answers and I
27. will share with you the concerns if any of the educational programs
28. necessary for our children are cut, but you cannot cure X number of
29. years of overexpenditure without making some drastic changes. This bill
30. is not a bailout and I appreciate the comments of those legislators
31. who have said, it is not a bailout. I would rather characterize it
32. as operation bootstrap. This is helping Chicago solve its own problems.
33. The Governor in his State of the State Message acknowledged that the

1. State's involvement is less than six percent of the total dollars
2. involved in the fiscal help, short term and long term, of Chicago...
3. six percent. Ninety-four percent is going to be coming from Chicago.
4. Now, that's no bailout in anybody's definition. There were complaints
5. voiced today regarding the fiscal irresponsibility. We have created
6. by a resolution that I am sure will pass the House, an Investigative
7. Committee. I don't think that it would make any sense that because
8. some of the alledged culprits in the fiscal mismanagement...because
9. they weren't here yesterday that we should compound the problem and
10. not pass the bill. That doesn't make any sense at all. We have to
11. look forward, not backward. You heard a woman late yesterday stand
12. up here for hours and respond to some real, pretty tough questions.
13. I was impressed and I think every person in this Body was impressed
14. with her dedication. That's what we can ask for. We have to have
15. dedication, but we have to give that board, A, the tools and B, impose
16. the restraints that will allow them to operate. They were out of money.
17. They didn't have any money to pay the...to the teachers or the vendors.
18. They couldn't keep those schools open and that's why we're here and
19. that's what this bill is about. We debate probably the most talked
20. about issue every Session, the School Aid, but what the heck do we
21. talk about if not to keep the schools open and yet we see some people
22. whose constituents have children in these schools are going to vote No.
23. They're going to vote No because there's going to be enough people on
24. this Body...on this Floor that are going to vote Yes and they're going
25. to save them from the ultimate impact of their own irresponsibility...
26. irresponsible. I invite you rather to do a service for your children
27. and for your constituents' children and vote Aye and work with us to cure
28. the ills along with the money that's being infused through the self-help
29. process that's included in this bill. I ask for your favorable vote on
30. House Bill 1264.

31.
32.
33.

1. PRESIDENT:

2. The question is, shall House Bill 1264 pass. Those in favor
3. will vote Aye. Those opposed will vote Nay. The voting is open.
4. Have all voted who wish? Have all voted who wish? Have all voted
5. who wish? Take the record. On that question, the Ayes are 40,
6. the Nays are 11. 5 Voting Present. House Bill 1264, having received
7. the constitutional majority is declared passed. On the Order
8. of House Bills 3rd reading, is House Bill 1910. Read the bill,
9. Mr. Secretary.

10. SECRETARY:

11. House Bill 1910.

12. (Secretary reads title of bill)

13. 3rd reading of the bill.

14. PRESIDENT:

15. Senator Nedza, wait until I get a little order, okay? Senator
16. Nedza.

17. SENATOR NEDZA:

18. Thank you, Mr. President. Ladies and Gentlemen of the Senate,
19. there's no need for a great deal of rhetoric on my part, because
20. there has been barrage of witnesses and people who are far more
21. capable and have presented a far more excellent presentation for
22. the need for this bill, than I. I will not impose on your time
23. by being redundant and repeating some of the points that have
24. been brought forth. There are those who have found fault, there
25. are those who are in accord I have no argument with either. The
26. reason we're here, is because of the fact that we are dealing
27. in House Bill 1910 for the short term excessibility to a market
28. which will give the Chicago Board of Education the funds necessary
29. to get a system back on its feet, meet its payrolls, pay its vendors,
30. and all other needs in its operation of daily school curriculum.
31. We have tried by amendment to safeguard the bill, and also put it
32. in its proper content. We could stand and speak for many hours,
33. or many days if need be on the validity and the need for this
34. type of legislation. I would withdraw any comment on the bill with

1. ...with the exception of saying our moral obligation is to the
2. half a million children who are waiting to go back to school. If
3. there are no other discussions, I move for a favorable roll call.

4. PRESIDENT:

5. Is there any...pardon me. Is there any discussion? Senator
6. Netsch.

7. SENATOR NETSCH:

8. Two points, the dye has been cast, and we have done what the
9. Governor said that we were going to do, we have ratified a deal
10. that was made by others as we are getting in the habit of doing in
11. this legislative Session, which is unfortunate, but just the way
12. it is. There probably is an alternative, by the way, that in
13. the long run would cost us a great deal less than this package
14. is going to cost us. I think it would be cheaper if we would just
15. simply appropriate about four hundred or four...to four hundred
16. and fifty million dollars to the Chicago School System, wipe
17. the slate clean, and then put very strict oversight on them in
18. the future. That, at least, would save two things, one, the
19. enormous interest costs that this package is going to require
20. of us, and secondly, the precedent that it sets, because it is,
21. in fact, the first time that the Legislature has consciously
22. authorized the issuance of long term debt to cover operating
23. deficits. That is a very dangerous road, but it is one now where
24. we have no alternative. I would also, if I might, Mr. Chairman...
25. Mr. President, even though we...you clearly have more than 36
26. votes, I would request what vote does 1910 require?

27. PRESIDENT:

28. In the opinion of the Chair, House Bill 1910, neither creates a
29. State debt as defined by Article IX Section 9 of the Constitution,
30. nor does it specifically deny or limit any power or function of
31. a home rule unit as described in Article VII of the constitution.
32. The Chair also notes that House Bill 1910 as amended contains
33. language stating that in...its provisions do not limit the power
34. of any home rule unit. Further Article VII of an Act to revise

1. the law in relation to the construction of Statutes provides
2. that unless there is specific language limiting the power of
3. a home rule unit, no law enacted after January 12, 1977 shall be
4. preemptive of home rule units under Article VII of the Constitution.
5. The Chair therefore rules pursuant to your request that 30 votes,
6. a constitutional majority of those Senators elected are necessary
7. for the passage of House Bill 1910. Senator Netsch.

8. SENATOR NETSCH:

9. For the record, your ruling does not come as a great surprise
10. to me, but for the record I would like to point out, because
11. this is going to be important in years to come, that if you
12. look at the language, particularly on page 7 of Amendment No. 1,
13. there is no question that there is a State guarantee of local
14. government debt, indirect, if not direct. The opportunity to
15. present the notes to the Comptroller for direct payment out of
16. future State aid claims, in fact, is a guarantee, at least, indirect,
17. if not direct of Local Government debt. There is no question in
18. my mind that this bill does require a vote of three-fifths.

19. PRESIDENT:

20. Is there any further discussion? Senator Nedza do you wish
21. to close?

22. SENATOR NEDZA:

23. Thank you, Mr. President...

24. PRESIDENT:

25. I beg your pardon. Senator Berning.

26. SENATOR BERNING:

27. Thank you, Mr. President. I would just like to make a passing
28. observation. This moment is reminiscent of another which was
29. alluded to by some other speaker, when we had...before us a very
30. similar kind of problem, and was resolved,"by a bit of legislation
31. which established the RTA", the next day, the next day every
32. employee of the CTA was granted a raise. Now, I don't profess to
33. be at profit, but I will just suspect that within the next thirty
days, Ladies and Gentlemen of the Senate, every employee of the

1. school board having determined now that money is so readily
2. available, there will be a request for and undoubtedly a grant
3. of additional compensations, which will impact directly on us
4. when it comes time to underwrite such expenses as the Pension
5. Systems.

6. PRESIDENT:

7. Any further discussion? Senator Nedza may close.

8. SENATOR NEDZA:

9. Thank you, Mr. President. To Senator Netsch and to Senator
10. Berning, may I say that there was an amendment which was placed
11. on the bill, it was Amendment No. 5, which stated that neither
12. the notes nor the board notes will constitute a debt to the
13. State of Illinois. I move for a favorable roll call.

14. PRESIDENT:

15. The question is, shall House Bill 1910 pass. Those in favor
16. will vote Aye. Those opposed will vote Nay. The voting is open.
17. Have all voted who wish? Have all voted who wish? Take the
18. record. On that question, the Ayes are 44, the Nays are 9. 3
19. Voting Present. House Bill 1910, having received a constitutional
20. majority is declared passed. With leave of the Body we'll move
21. to the Order of Resolutions. Messages from the House.

22. SECRETARY:

23. A Message from the House, from Mr. O'Brien, Clerk.

24. Mr. President - I am directed to inform the Senate the
25. House of Representatives has adopted the following Joint Resolution
26. in the adoption of which I am instructed to ask the concurrence of
27. the Senate, to-wit:

28. House Joint Resolution 73, which is going to be sponsored in
29. the Senate by Senators Shapiro and Rock.

30. PRESIDENT:

31. Senator Shapiro.

32. SENATOR SHAPIRO:

33. Mr. President, and Ladies and Gentlemen of the Senate. House
Joint Resolution 73, is practically identical to Senate Joint

1. Resolution 77, that we passed out of here this morning. The
2. problem when it got over to the House, it was noted that there
3. was a technical error in Senate...Joint Resolution 77, in that
4. it referred to the Auditor General's Act, in order for him to
5. conduct the investigation of the Chicago School Board. The
6. House Joint Resolution made...corrected theirs and placed this lan-
7. guage in it, resolved that pursuant to Article VIII, Section 3-B of
8. the Illinois Constitution, the Auditor General of Illinois is
9. directed to conduct an investigation. Under Constitutional
10. authority, the General Assembly can ask him to conduct in-
11. vestigations, in the Statute that power is not there. So, I
12. would ask for adoption of this...or the suspension of the rules
13. for the immediate consideration and adoption of House Joint
14. Resolution 73.

15. PRESIDENT:

16. Senator Shapiro has moved the suspension of the rules for
17. the immediate consideration of...and...of House Joint Resolution
18. 73. All in favor signify by saying Aye. All opposed. The Ayes
19. have it. The rules are suspended. Senator Shapiro, now moves
20. the adoption of House Joint Resolution 73, it does involve the
21. expenditure of State funds, a roll call will be required, this
22. is identical, I'm told, or virtually identical to the one we
23. passed 55 to Nothing. Those in favor will vote Aye. Those
24. opposed will vote Nay. The voting is open. Have all voted who
25. wish? Have all voted who wish? Take the record. On that question,
26. the Ayes are 55, the Nays are none. None Voting Present. House
27. Joint Resolution 73, is adopted.

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(END OF REEL)

1. PRESIDENT:

2. Messages from the House.

3. SECRETARY:

4. A Message from the House by Mr. O'Brien, Clerk.

5. Mr. President - I am directed to inform the Senate the
6. House of Representatives has adopted the following Joint Resolu-
7. tions, in the adoption of which I am instructed to ask the con-
8. currence of the Senate, to-wit:

9. House Joint Resolution 71, 72 and 32.

10. PRESIDENT:

11. Executive Committee. All right. Motions in Writing.

12. SECRETARY:

13. Motion in Writing. I move to amend Temporary Rule 5 by
14. deleting the following; in the even numbered years all bills
15. shall be referred to the Rules Committee except those that
16. implement the State budget or introduced by Standing Committees.
17. And inserting in lieu thereof the following; in even numbered
18. years all bills introduced in the Senate during this Regular
19. Session shall be read a first time and shall be referred to
20. the Rules Committee. All bills received by the Senate after
21. passage by the House in their Regular Session and all bills
22. pending in the Senate which are requested to be considered
23. shall be...shall be referred to the Rules Committee. The Rules
24. Committee shall refer the...to the Committee on Assignment of
25. Bills only Appropriation Bills implementing the budget, Adminis-
26. tration Bills and bills deemed by the Committee to be of
27. emergency nature or to be a substance...importance to the
28. operation of government. The following schedule and timetable
29. shall be applicable to all bills in 1980. March 28th, final
30. day for introduction of bills, May the 2nd, final day for
31. Standing Committees of the Senate to report Senate Bills except
32. Appropriation Bills. May the 9th, final day for Standing Committees
33. of the Senate to report Appropriation Bills. May the 23rd, final

1. day for 3rd reading and passage of Senate Bills. June the 13th,
2. final day for Standing Committees of the Senate to report House
3. Bills except Appropriation Bills. June the 20th, final day for
4. Standing Committees of the Senate to report House Appropriation
5. Bills. June the 25th, final day for 3rd reading and passage of
6. House Bills. Senator Savickas.

7. PRESIDENT:

8. Senator Savickas.

9. SENATOR SAVICKAS:

10. Yes, Mr. President and members of the Senate. I move the
11. adoption of this motion. It's sets criteria up for our coming
12. Session to be used in determining...the hearing of bills. As
13. the present Rule states, all bills do go through Rules Committee
14. at this point. This adds certain criteria that must be met so
15. that they may be heard on the Floor. I would move its adoption
16. at this time.

17. PRESIDENT:

18. Is there any discussion? Further discussion? Any discussion?
19. Senator Regner. Oh, your light was on, I beg your pardon. All
20. right, Senator Savickas has moved...Senator Savickas has moved
21. to amend Rule 5. Those in favor will vote Aye. Those opposed
22. will vote Nay. The voting is open. Have all voted who wish?
23. Have all voted who wish? Have all voted who wish? Take the
24. record. On that question the Ayes are 50, the Nays are 2,
25. none Voting Present. The motion prevails. Resolutions.

26. SECRETARY:

27. Senate Resolution 349 offered by Senator Davidson and all
28. Senators, it's congratulatory.

29. Senate Resolution 350 offered by Senator Vadalabene and
30. all Senators and it's congratulatory.

31. And Senate Resolution 351 offered by Senator Newhouse and
32. it's a Death Resolution.

33. PRESIDENT:

1. Consent Calendar. Senator Schaffer... on the Conference
2. Committee. All right, with leave of the Body we'll go to
3. the Order of Conference Committee Reports. Secretary has
4. informed me that the membership has been afforded, each a
5. copy of the Conference Committee Report on Senate Bill 769.
6. Senator Schaffer.

7. SENATOR SCHAFFER:

8. Mr. President, this Conference Committee revives a
9. ...I guess pretty much defunct bill and puts in it several
10. items of interest. I don't think there's any controversy.
11. It provides for the FY Supplemental for the Department of
12. Commerce and Community Affairs for...full year funding and
13. that's for twenty-four million, seven hundred and forty-eight
14. thousand, one hundred and seventy-nine dollars. As you will
15. recall, we funded that agency only for three quarters of a
16. year. It provides for an additional three hundred thousand,
17. little over three hundred thousand to...for the Department
18. of Revenue for the cost of the Property Tax Division which
19. was shifted there. It provides a hundred and twenty-six
20. thousand, three hundred and thirty dollars for the Auditor
21. General to audit RTA carriers. It provides a supplemental
22. for the Commission on Delinquency Prevention for two hundred
23. and thirty-four thousand, five hundred dollars in addition
24. to their...all...appropriation already. And provides...FY
25. funding to rebuild a school in Flora, for CDB for four million
26. dollars. I might add the school in Flora was burned and I
27. believe all these items are agreed upon. I don't believe
28. there is any controversy.

29. PRESIDENT:

30. Any discussion? Senator Carroll.

31. SENATOR CARROLL:

32. I just move to also adopt Conference Committee Report No. 1
33. as Senator Schaffer explained. It takes care of several departments

1. and agencies who are either in need of...full funding for the
2. rest of the year or taking care of supplementals. Would be
3. willing to answer any questions. Would urge a favorable roll
4. call.

5. PRESIDENT:

6. All right. Senator Schaffer has moved to adopt the Con-
7. ference Committee Report on Senate Bill 769. Is there any
8. discussion? If not, the question is shall the Senate adopt
9. the Conference Committee Report on Senate Bill 769. Those in
10. favor will vote Aye. Those opposed will vote Nay. The voting
11. is open. Have all voted who wish? Have all voted who wish?
12. Have all voted who wish? Take the record. On that question
13. the Ayes are 53, the Nays are None, 1 Voting Present. The
14. Senate does adopt the Conference Committee Report on Senate
15. Bill 769 and the bill having received the required constitutional
16. majority is declared passed. Right. Message from the Secretary
17. of State.

18. SECRETARY:

19. The Honorable Philip J. Rock, President of the Senate, State-
20. house, Springfield, Illinois. Dear Sir, I am enclosing herewith
21. a copy of a proclamation issued by Governor James R. Thompson
22. calling and convening the General Assembly into a Special Session
23. on January the 12th, 1980 at 10:00 a. m. in order to...consider
24. Senate Bill 1292. This proclamation was filed in my office on
25. the eleventh day of January, 1980. Yours truly, Allen J. Dixon,
26. Secretary of State.

27. PRESIDENT:

28. Motions in Writing.

29. SECRETARY:

30. I move to waive Rule 5 and to discharge the Revenue Committee
31. from further consideration of House Bill 2563 and that the bill
32. be placed on the Order of 3rd reading. Signed, Senator Egan.

33. PRESIDENT:

34. Senator Egan.

1. SENATOR EGAN:

2. Yes, thank you, Mr. President, members of the Senate. If
3. you'll recall House Bill 2563, it appears that because we have
4. finally reached that stage when we don't have to work any longer
5. on the bill, we can pass it and I'd like to do just that. We
6. could solve all your problems, you fellows that want to go
7. home. If you'll remember Senate...House Bill 2563 limits
8. property taxes to be extended in nineteen hundred and eighty
9. and subsequent years to the amount of the immediately preceding
10. year with an average of five years passed of the increase in
11. the personal income of the citizenry of the State. It has
12. certain exceptions. If you'll remember back, we've amended
13. the bill twice to satisfy the most serious of those objections.
14. If we do pass the bill tonight, it'll be placed into a Conference
15. Committee. If there are further objections that are of serious
16. consequences, they can be taken care of. I move for the suspension
17. of the rules and the...to remove the bill from the Committee on
18. Revenue and be placed on the Order of 3rd reading.

19. PRESIDENT:

20. Senator Egan has moved to discharge the Committee on Revenue
21. from further consideration of House Bill 2563 and have the bill
22. returned to the Order of 3rd reading. Any discussion? Senator
23. Shapiro.

24. SENATOR SHAPIRO:

25. Mr. President and Ladies and Gentlemen of the Senate. I
26. understand that on this particular matter involving this bill
27. and the bill in the House, that negotiations are going on. In
28. my opinion this bill is a much weaker version than Senate Bill
29. 1292. Now, unless some drastic changes are made in 2563, I
30. would urge that this or at least a promise that changes will
31. be made in the bill that really bring it into good shape, I
32. would urge this side to oppose a Motion to Discharge until we
33. find out what those negotiations in the House are all about.

1. At this particular point in time, I'm not aware of anything.

2. PRESIDENT:

3. Further discussion? Senator McMillan.

4. SENATOR McMILLAN:

5. Mr. President, members of the Senate. I would rise echoing
6. Senator Shapiro's sentiments. We did pass a bill out of this
7. Body by a healthy margin which did provide for effective limits.
8. When this particular bill, 2563, came before this Body, it was
9. recognized widely. The...the exceptions that were placed in
10. here really provided substantial loopholes which really made
11. it such that it didn't provide for a reasonable limit. If there
12. are amendments ready to be offered that would strengthen it, I don't
13. particularly care whether it's this bill or another that...that
14. passes, but I really haven't seen any of those amendments or
15. have not had any discussion about them and I think it would be
16. very unwise for this Body, having already passed an effective
17. measure to try to bring this one up for discussion without any
18. knowledge of whatever it is we might be talking about. And I
19. would...would oppose this motion at this time.

20. PRESIDENT:

21. Further discussion? Senator Regner.

22. SENATOR REGNER:

23. Yes, Mr. President and members. Actually this bill and
24. the other one are both baloney. There's a much better proposition
25. that resides in the Senate Executive Committee right now, which
26. I filed the motion about two months ago...to discharge and that
27. was Constitutional Amendment House Joint Resolution 13, which
28. is a true tax limitation Constitutional Amendment. I think if
29. we're going to consider anything, we certainly should consider
30. that motion I did file with the Secretary of the Senate some
31. two months ago because it is a much, much, better idea than
32. either this bill or the Governor's bill.

33. PRESIDING OFFICER: (SENATOR DONNEWALD)

1. Senator Rock.

2. SENATOR ROCK:

3. Thank you, Mr. President, Ladies and Gentlemen of the Senate.
4. Having just read the message from the Secretary of State, I...I
5. left the Chief Executive some couple of hours ago and ran back
6. on the Floor to be verified. But the Governor, it seems to me,
7. has taken a rather petulant attitude. He has decided, kind of
8. unilaterally, that 1292 is the only bill worth anything. We
9. have suggested rather strongly during the course of today that
10. 2563, having been worked on at some great length by the members
11. of the House and the members of the Senate, is...is really a
12. much better piece of legislation. It has undergone a couple
13. of serious Senate amendments. It will have to go back to the
14. House for concurrence, but I suggest to you, Ladies and Gentlemen,
15. that if, in fact, we're serious about winding up this week's
16. business, this is the proper way to do it. We can send this
17. momentarily to the House for its concurrence and I would suggest
18. to you that the Special Session will come to naught tomorrow, as
19. it should, and as I suggested some time ago to the Governor.
20. I rise in support of Senator Egan's motion.

21. PRESIDING OFFICER: (SENATOR DONNEWALD)

22. Is there further discussion? Senator Egan may close.

23. SENATOR EGAN:

24. Thank you, Mr. President. I...I just want to remind you that the...

25. PRESIDING OFFICER: (SENATOR DONNEWALD)

26. Just...just a moment, Senator. Senator DeAngelis, I didn't
27. see his light.

28. SENATOR DeANGELIS:

29. I have a question of the sponsor.

30. PRESIDING OFFICER: (SENATOR DONNEWALD)

31. He indicates he will respond.

32. SENATOR DeANGELIS:

33. Senator Egan, I do not have a copy of this bill, but if I

1. recall I sent your memo on this back in the spring when I had
2. asked you to hold this bill. Are the provisions in there that
3. still limit the amount of bonding authority by any unit in
4. relation to the total assessed valuation of that particular
5. unit?

6. PRESIDING OFFICER: (SENATOR DONNEWALD)
7. Senator Egan. Well, Senator McMillan, for what purpose
8. do you arise?

9. SENATOR McMILLAN:
10. Is it possible to speak again on...on the bill?

11. PRESIDING OFFICER: (SENATOR DONNEWALD)
12. Well, we're not...

13. SENATOR McMILLAN:
14. Oh, I thought...I'm sorry. I thought Senator Egan was
15. closing.

16. PRESIDING OFFICER: (SENATOR DONNEWALD)
17. Oh, no...no, he's answering Senator DeAngelis' question.

18. SENATOR McMILLAN:
19. I apologize.

20. PRESIDING OFFICER: (SENATOR DONNEWALD)
21. Senator Egan.

22. SENATOR EGAN:
23. Yes, Senator DeAngelis, that objection has been taken care
24. of by a provision in Amendment No. 2. That was the substantial
25. amendment. There was one further amendment that we adopted that
26. took care of some other serious objections. But this was the
27. main...amendment and it was adopted. So that should satisfy
28. your objection.

29. PRESIDING OFFICER: (SENATOR DONNEWALD)
30. Is there further...Senator DeAngelis.

31. SENATOR DeANGELIS:
32. Senator Egan, with due respect, you don't know what my
33. objection is.

34. PRESIDING OFFICER: (SENATOR DONNEWALD)

1. Senator Egan.

2. SENATOR EGAN:

3. To the best of my knowledge...I'm answering your question
4. and I do know what your objection is and if you'll look at
5. page 6 of Amendment No. 2, I think that you will agree with
6. me.

7. PRESIDING OFFICER: (SENATOR DONNEWALD)

8. The bill is in your bill books.

9. SENATOR EGAN:

10. Well...I...no...I have it here, Senator, come on over or
11. I'll bring it over and show it to you. I'm...to the best of
12. my recollection, I do remember your objection and it was taken care
13. of in this amendment.

14. PRESIDING OFFICER: (SENATOR DONNEWALD)

15. Senator Collins.

16. SENATOR COLLINS:

17. Thank you, Mr. President. I rise in opposition to this
18. motion. I don't see any reasons why the Democrats this
19. time can't trust the Governor. I understand he got a bill
20. over there...they're doing some negotiations with it. You've
21. been doing negotiations with them all this year and last year
22. on major issues. Why not trust the Governor now? Why should
23. you...we discharge your bill from committee because you're
24. a Democrat. I haven't seen any difference. The Governor
25. of this State...the Mayor of the City of Chicago has been
26. running this Body and I suggest let's let them do it now,
27. let's go home.

28. PRESIDING OFFICER: (SENATOR DONNEWALD)

29. Senator...Senator Geo-Karis.

30. SENATOR GEO-KARIS:

31. Well, I really don't know what we're voting on because there's
32. nothing...I just got a summary, but I never saw the entire amend-
33. ment too and I think we're entitled to know exactly what we're

1. voting on. I don't think it's fair to go ahead with this thing
2. now.

3. PRESIDING OFFICER: (SENATOR DONNEWALD)

4. Senator McMillan.

5. SENATOR McMILLAN:

6. Mr. President and members of the Senate. After...after the
7. discussion that the real purpose of getting this...bill from
8. the Revenue Committee was to take it and immediately pass it
9. and send it over to the House for concurrence. I...I now state
10. even more strongly that in my earlier arguments, that is not
11. a wise move, this is not the best bill, it would need substantial
12. change before it could be acceptable and I would...would now
13. very strongly urge a No vote.

14. PRESIDING OFFICER: (SENATOR DONNEWALD)

15. Is there further discussion? Senator Egan may now close.

16. SENATOR EGAN:

17. Yes, just to remind the membership that the bill has had
18. ...a great many hours of deliberation, both in the Committee
19. on Revenue, where it passed out unanimously and on the Floor
20. of the Senate, where it was amended twice and where it remained
21. for some time, until the end of the Session. At which time
22. the thinking was that it should go back to the Committee on
23. Revenue only to rest until the right time for passage. And
24. I suggest to you that that time has come. And I ask for your
25. favorable consideration.

26. PRESIDING OFFICER: (SENATOR DONNEWALD)

27. All right, the question is to waive Rule 5 and discharge
28. the Committee...the Revenue Committee from further consideration
29. of House Bill 2563 and that the bill be placed on the Order of
30. 3rd reading. Those in favor vote Aye. Those opposed Nay.
31. The voting is open. Have all those voted who wish? Have all
32. those voted who wish? Take the record. On that question the
33. Ayes are 31, the Nays are 20. House Bill...2563 has been discharged

from committee. Senator McMillan, for what purpose do you arise?

1. SENATOR McMILLAN:

2. A verification of the affirmative.

3. PRESIDING OFFICER: (SENATOR DONNEWALD)

4. There is a request for a verification. Will the members
5. please be in their seats and I...I presume of the positive
6. vote. Will the members be...will the members please be in
7. their seats. Secretary will call the affirmative vote.

8. SECRETARY:

9. The following voted in the affirmative: Berman, Bruce,
10. Buzbee, Carroll, Chew, Collins, D'Arco, Daley, Demuzio, Donnewald,
11. Egan, Gitz, Hall, Johns, Jerome Joyce, Knuppel, Lemke, Maragos,
12. McLendon, Merlo, Nash, Nedza, Nega, Netsch, Newhouse, Sangmeister,
13. Savickas, Vadalabene, Washington, Wooten, Mr. President.

14. PRESIDING OFFICER: (SENATOR DONNEWALD)

15. Senator McMillan.

16. SENATOR McMILLAN:

17. ...Senator Collins.

18. PRESIDING OFFICER: (SENATOR DONNEWALD)

19. Senator Collins is in her...chair.

20. SENATOR McMILLAN:

21. After her speech, I...I wasn't sure that she was recorded
22. correctly.

23. PRESIDING OFFICER: (SENATOR DONNEWALD)

24. The roll has been verified. Senator Egan.

25. SENATOR EGAN:

26. Has the...roll been verified?

27. PRESIDING OFFICER: (SENATOR DONNEWALD)

28. The roll has been verified.

29. SENATOR EGAN:

30. All right, now...

31. PRESIDING OFFICER: (SENATOR DONNEWALD)

32. The bill is now on the Order of 3rd reading.

33. SENATOR EGAN:

1. ...now I would like leave of the...leave of the Body to go to
2. the Order of House Bills on 3rd reading and ask that Senator
3. Bruce be named as a hyphenated cosponsor of House Bill 2563
4. and that anyone else who wishes to be named a cosponsor at
5. this time and...and then, Mr. President, on the Order of
6. House Bills on 3rd reading, I would like to call it for passage.

7. PRESIDING OFFICER: (SENATOR DONNEWALD)

8. Does there...let the Chair will ask that those requesting
9. to be a cosponsor of the bill, please let the Secretary know.
10. Is there leave?

11. SENATOR EGAN:

12. All...

13. PRESIDING OFFICER: (SENATOR DONNEWALD)

14. Senator Bruce, for what purpose do you arise?

15. SENATOR BRUCE:

16. There's some...seems to be some concern about my being
17. joined as a joint cosponsor. I would like to edify the member-
18. ship as to how that comes about. About four weeks ago, no
19. Senator Chew, Representative Schraeder sent me a letter asking
20. that I be shown as the principal sponsor of this bill, and
21. rather...Senator Egan had picked it up and for some reason
22. as...Representative Schraeder felt a little more comfortable
23. or some reason with me as sponsor. Senator Egan is obviously
24. the Chairman of...of the Revenue Committee. I think that he
25. ...it is good hands. The letter of Representative Schraeder
26. was not filed with the Secretary or was and we have not acted
27. on it in this Body. Senator Egan, I...I met yesterday with
28. Representative Bradley and several members concerning Senator
29. McMillan's bill and today talked to Senator Egan and I asked
30. him if he would mind, rather than being bumped off as sponsor,
31. if I could join him as a joint cosponsor, to which he very
32. happily agreed and we are now the two warriors for tax relief.
33. And that is why, Senator Weaver, that is why Senator Egan

1. asked leave to do that. The letter is here, I don't...wish
2. to bump him off, I'd like to join him if there's...if there
3. is leave, as a joint hyphenated cosponsor and thank you.

4. PRESIDING OFFICER: (SENATOR DONNEWALD)

5. Senator Weaver, for what purpose do you arise?

6. SENATOR WEAVER:

7. Thank you, Mr. President. I'd like leave to request a
8. recess for the purpose of a Republican caucus.

9. PRESIDING OFFICER: (SENATOR DONNEWALD)

10. Is there leave? Senator Rock.

11. SENATOR ROCK:

12. Yes, that...that request is...is always honored. I would
13. ask however, that the honoree be as honorable as he always is
14. and that the recess be short and that we can reconvene in
15. a couple of minutes.

16. PRESIDING OFFICER: (SENATOR DONNEWALD)

17. The Senate stands in recess for a couple of minutes.

18. PRESIDENT:

19. If I can have the attention of the membership just to bring
20. you up to date with as much as I am aware of at this point. The
21. House has just, after respective party caucuses, just reconvened.
22. I understand they will be addressing the House bills that we
23. had earlier sent to them. Additionally, there is currently
24. going on negotiations with respect to the proposed Property
25. Tax Relief measure. I am reliably informed that within the
26. hour, some agreement may or may not be reached and we will
27. know within the hour or with the representatives of the
28. Governor's Office and the Speaker's Office and the Minority
29. Leader's Office, both the House and the Senate. If that
30. agreement is reached, we can, in fact, conclude our business
31. tonight or early...early this morning and there will not be
32. any need for a Special Session or any further need for our
33. presence in Springfield, hopefully, until the 5th of March.

1. My suggestion is, and it's been a long day for everybody, that
2. we kind of stand at ease and await House action on both the
3. ...School Bills and the proposed Property Tax...Amendments.
4. When they come about, we have a bill here on 3rd reading which
5. we can quickly call back and amend and send to the House for
6. their concurrence. But it will require, obviously, thirty-six
7. votes and it will require our presence here for a few more hours.
8. If you can endure and indulge us, I think we can wrap the whole
9. thing up tonight. If we try to adjourn and come back tomorrow
10. or Sunday or Monday, I suggest that we're going to have more
11. trouble than we bargained for. So I would suggest that we kind
12. of stand at ease and we will report back to you in about one
13. hour.

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End of Reel #7