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Speaker Lyons: "Good afternoon, Illinois. The House of Representatives will come to order. Members are asked to please be at your desk. We're led in prayer today by Sister Cathy Ryan, who is the Executive Director of Maryville Academy in Des Plaines. Sister Catherine is the guest of myself, Representative Joe Lyons. Members and guests are asked to please refrain from starting their laptops, turn off their cell phones and pagers, and guests in the gallery are asked to please rise for the invocation and the Pledge of Allegiance. Sister Cathy Ryan."

Sister Ryan: "Oh Gracious God, we thank You for this, another day of life. We thank You for the gifts of Your creation, of our family and friends, and of living in this country, founded on the respect for the dignity of each person. God, we know that some of Your people are suffering. implore You to help us work for peace in our communities and in our world. We beseech You to teach us how to serve our sisters and brothers better in need and in a special way to serve our children, who are our future. And finally and importantly, Oh God, we pray for Your blessings today on these women and men, our Representatives, who are here today on behalf of the people of Illinois. For them, and for each of us they represent, we join in the prayer of the Prophet Micah, asking that You can teach us all to act justly, to love tenderly, and to walk humbly with You, our God, Amen."

Speaker Lyons: "Representative Mike Connelly, will you lead us in the Pledge?"

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- Connelly et al: "I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all."
- Speaker Lyons: "Roll Call for Attendance. Roll Call for Attendance. Leader Barbara Flynn Currie, Democrats."
- Currie: "Thank you, Speaker. Please let the record show that Representatives Arroyo and Jakobsson are excused today."
- Speaker Lyons: "Thank you, Representative. Michael Bost. JoAnn, Representative JoAnn Osmond on the GOP."
- Osmond: "Excused absences are Representative Bassi, Black, Coladipietro, Cole, Mathias."
- Speaker Lyons: "Thank you, Representative. Mr. Clerk. Mr. Clerk, take the record. There's 111 Members answering the call. We have a quorum prepared to do the House work. And for the record, the First Special Session shall come to order. A quorum is here. 111 Members answering the response. We do have a quorum. Mr. Clerk."
- Clerk Mahoney: "Committee Reports. Representative Barbara Flynn Currie, Chairperson of the Committee on Rules, to which the following legislative measures and/or Joint Action Motions were referred, action taken on June 24, 2009, reported the same back with the following recommendations: 'approved for floor consideration' 'referred to the Order of Second Reading' is Senate Bill 2168. Representative Burke, Chairperson from the Committee on Executive, to which the following measures were referred, action taken on June 24, 2009, reported the same

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- back with the following recommendations: 'recommends be adopted' is Floor Amendment #2 to Senate Bill 265, Floor Amendment #2 to Senate Bill 1959, and Floor Amendment #2 to Senate Bill 2052. For the Rules Report reported on June 24, 2009, 'approved for floor consideration' Amendment #3 to Senate Bill 415."
- Speaker Lyons: "Ladies and Gentlemen, on page 2 of the Calendar, under Senate Bills—Third Reading, Representative Pat Verschoore, you have Senate Bill 1959. The Gentleman from Rock Island, Representative Pat Verschoore."
- Verschoore: "Thank you, Mr. Speaker, Ladies and Gentlemen.

  House Amendment #2 is a trailer Bill to House Bill 24..."
- Speaker Lyons: "Representative, Representative Verschoore, I do believe we want to move that Bill back to the Order of Second Reading for the purposes of your Amendment."
- Verschoore: "Yes."
- Speaker Lyons: "Okay. Mr. Clerk, move that Bill back to the Order of Second Reading. What's the status of the Bill?"
- Clerk Mahoney: "Floor Amendment #2, offered by Representative Verschoore, has been approved for consideration."
- Speaker Lyons: "Representative Verschoore on Amendment #2 to Senate Bill 1959."
- Verschoore: "I just ask for adoption of the Amendment and move it to Third..."
- Speaker Lyons: "The Gentleman asks for the adoption of Amendment #2. We can debate it on Third Reading. Is there any questions? Seeing none, all those in favor of the adoption of Amendment #2 signify by saying 'yes'; those

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opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And the Amendment is adopted. Anything further, Mr. Clerk?"

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

Speaker Lyons: "Third Reading, and read the Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 1959, a Bill for an Act concerning regulation. Third Reading."

Speaker Lyons: "The Gentleman from Verschoore... Representative Pat Verschoore from Rock Island."

Verschoore: "Thank you, Mr. Speaker, Ladies and Gentlemen. What Amendment #2 to this Bill, it's a trailer Bill to House Bill... the 'bimp'... capital budget and implementation Bill, and it does two things. The Amendment expands the program to allow forest preserve district that owns and operates a zoo to apply for and receive grants for capital construction costs, but only for projects at the zoo grounds. The second part of the Amendment repeals for a portion of the capital that the Governor had asked for, and now that he's asking that it be removed. I'd be happy to answer any questions."

Speaker Lyons: "Is there any discussion? The Chair recognizes the Gentleman from Crawford, Representative Roger Eddy."

Eddy: "Thank you, Speaker. Would the Sponsor yield?"

Speaker Lyons: "The Sponsor yields. Ladies and Gentlemen, before we get questions, it's again awfully loud in the chamber. If we could ask people to please bring their conversations down so Mr. Verschoore can hear Mr. Eddy's questions. Thank you."

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Eddy: "Thank you, Speaker. Representative, you mentioned that the Bill would allow for... or the Amendment would allow for... as amended the Bill would allow for a... a certain entity to be able to be eligible for applying or application for capital construction. What... what entity is that, again?"

Verschoore: "What was that, Representative, what is what?"

Eddy: "What entity?"

Verschoore: "It's the Rock Island County Forest Preserve.

There's the Niabi Zoo in there, and it would allow the Niabi Zoo or the Forest Preserve to apply for these grants for the zoo."

Eddy: "Okay. And I think the key is that it allows them eligibility to apply..."

Verschoore: "Right."

Eddy: "...and this does not specifically make a capital grant to that zoo. It just clarifies that they are eligible to apply?"

Verschoore: "Exactly."

Eddy: "And I think the other part of the Bill that's of significance has to do with telecommunications and as it relates to fiber lines."

Verschoore: "Yeah. Broadband, mmm mmm."

Eddy: "And those lines are owned by private entities, at this point..."

Verschoore: "Right."

Eddy: "...and there was some language in the original Bill that was objected to by some of the owners of the fiber line."

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Verschoore: "By the owners, yes. And that was a safety issue with the IBEW. If they put the fiber optics on the poles, that's just more, I guess for lack of a better word, junk that the workers would have to climb around, and they thought it was... they're not opposed to doing that, but there's... already there's a provision that local entities can allow that if they want to, if they... if the company and the contractor agree to it."

Eddy: "And the private owners, the utilities, are fine with this language, there's no objection."

Verschoore: "No, no objection."

Eddy: "The labor unions are fine. And these are probably two...

two items that can be referred to accurately as clean up on
the capital 'bimp' Bill, and that is the extent of what
you're doing?"

Verschoore: "Exactly."

Eddy: "Okay. Thank you, Representative."

Verschoore: "Thank you."

Speaker Lyons: "Is there any further discussion? Seeing none, Representative Verschoore to close."

Verschoore: "I would just ask for an 'aye' vote, and thank you for the questions."

Speaker Lyons: "The question is, 'Shall Senate Bill 1959 pass?'
All those in favor signify by voting 'yes'; those opposed vote 'no'. The voting is open. Have all voted who wish?
Have all voted who wish? Have all voted who wish? Mr. Clerk, take the record. On this Bill, there are 108
Members voting 'yes', 3 Members voting 'no', 0 voting

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- 'present'. This Bill, having received the Constitutional Majority, is hereby declared passed. Mr. Clerk, Committee Reports."
- Clerk Mahoney: "Representative Colvin, Chairperson from the Committee on Personnel & Pensions, to which the following measures were referred, action taken on June 24, 2009, reported the same back with the following recommendations: 'recommends be adopted as amended' is Floor Amendment #2 to Senate Bill 415."
- Speaker Lyons: "Ladies and Gentlemen, on page 2 of the Calendar, under Senate Bills—Second Reading, Representative Frank Mautino has Senate Bill 2052. Representative Mautino. Mr. Clerk, what's the status of the Bill?"
- Clerk Mahoney: "Senate Bill 2052 has been read a second time, previously. Amendment #1 was adopted to the Bill. Floor Amendment #2, offered by Representative Mautino, has been approved for consideration."
- Speaker Lyons: "Representative Frank Mautino on Amendment #2."
- Mautino: "Thank you, Speaker, Ladies and Gentlemen of the House. And Amendment #2 has to do with the state's comprehensive health insurance program. And what this Bill will do, it changes one word. It changes 'yearly' to 'periodically'. It's a request from the board, and the way it will work is the board will be able to manage their budget even at a lower level, and this will allow them to renew people who come up for renewal instead of yearly, on a month-to-month basis. And by doing this, it's the belief of the members of the CHIP board that they can go ahead and

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make it for a year on a lesser level of appropriation. This will help them manage the budget in case it is implemented at a lower level. Be happy to answer any questions."

Speaker Lyons: "You've heard the Gentleman's explanation on Amendment #2. Are there any questions? Seeing none, the question is, 'Should Floor Amendment #2 be adopted?' All those in favor signify by saying 'yes'; those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And the Amendment is adopted. Anything further, Mr. Clerk?"

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

Speaker Lyons "Third Reading. And read the Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 2052, a Bill for an Act concerning State Government. Third reading of this Senate Bill."

Speaker Lyons: "The Gentleman from Bureau, Representative Frank Mautino."

Mautino: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. The Amendment became the Bill, and I have explained that. Be happy to answer any questions. It simply allows the CHIP board to manage its appropriation and to preserve the health care for those who are most in need on a tremendous program."

Speaker Lyons: "Is there any discussion? The Chair recognizes the Lady from Lake, Representative JoAnn Osmond."

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

Speaker Lyons: "JoAnn, the Sponsor will yield, but wait a minute. Let me try to get order on the House Floor.

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Ladies and Gentlemen, there's some questions to be asked about a very important piece of legislation. Can we bring the noise level down on the floor, please? Shhh. Thank you very much. Representative Osmond."

Osmond: "Representative, what you were stating just earlier before was basically just a little technical change, but what the nature of the Bill does is allow the CHIP program to extend coverage for shorter periods of time when in need, in their determination, correct?"

Mautino: "That is correct. The CHIP statute says that they may not increase levels of benefits or increase enrollment beyond the appropriation given to them by the General Assembly. Their normal appropriation is \$29 million. The appropriation under 1197 is \$14.5 million. So, it was the view of the CHIP board that if we close enrollment and then allow them this ability to issue policies on either a month-to-month or a quarterly basis, they will not have to kick anyone off of the program, and they'll be able to make it through in a very difficult year at that level of appropriation."

Osmond: "Thank you. To the Bill. I feel that we should all support this effort. It is greatly needed within the area that the CHIP insurance applies, and I stand in support of this. Thank you."

Speaker Lyons "Seeing no other discussion, Representative Mautino to close."

Mautino: "I'd appreciate an 'aye' vote."

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- Speaker Lyons: "The Gentleman moves for the passage of Senate Bill 2052. This Bill requires 71 votes for passage. All those in favor signify by voting 'yes'; those opposed vote 'no'. The voting is open. Have all voted who wish? Have all voted who wish? Mr. Clerk, take the record. On this Bill, is 111 Members voting 'yes', 0 voting 'no', 0 voting 'present'. This Bill, having received the Constitutional Majority, is hereby declared passed. On page 2 of the Calendar, under Senate Bills—Second Reading, Representative Miller, you have Senate Bill 265. Mr. Clerk, what's the status of Senate Bill 265?"
- Clerk Mahoney: "Senate Bill 265 has been read a second time, previously. Amendment #1 was adopted in committee. Floor Amendment #2, offered by Representative Mautino, has been approved for consideration."
- Speaker Lyons: "Representative Miller, I believe you want Representative Mautino to run the Amendment. The Chair recognizes the Gentleman from Bureau on the Amendment, Representative Frank Mautino. Amendment #2 to Senate Bill 265."
- Mautino: "Thank you, Speaker, Ladies and Gentlemen of the House. Amendment #2 is a change to the fund sweeps Bill. This is a technical change, and the reason it is brought up is originally when we did the fund sweeps Bill, the Governor's Office Bureau of Management and Budget had given us a list of items that would be sweepable, and that was placed in a Bill. Shortly after passage of the Bill, we

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were let know by Members of this Body and of the Governor's Office and of our own staff that it could have an impact on the federal stimulus dollars if we swept some of those funds. So the language in here says that if the sweep would put in jeopardy a loss of federal dollars or if the case has been litigated and the litigation was successful, those funds would not be sweepable. Impacts about \$26 million, so our original fund sweep Bill was \$356 and this would be \$25 or \$26 million that would be taken off of that list by virtue of impacting federal dollars. I move the adoption of the Amendment. I would answer any questions."

- Speaker Lyons: "Are there any questions on the Amendment? Representative Moffitt on the Amendment."
- Moffitt: "Not on this one, but on Amendment... So, if you only want on Amendment 2, I'll wait, but while you're still on Second..."
- Speaker Lyons: "Want to hold your question until we put it on Third Reading?"
- Moffitt: "Well, you amend them on Second. So, before you move it to Third, I would like to ask a question."
- Speaker Lyons: "If you have a question, proceed.

  Representative Moffitt, for a question."
- Moffitt: "Okay. But it's not on Amendment #2. It's on another Amendment.
- Speaker Lyons: "Let's adopt Amendment #2..."
- Moffitt: "Okay."
- Speaker Lyons: "...and if we need to, Representative Moffitt, we'll come back to you on... on the second Amendment..."

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Moffitt: "Thank you. Thank you, Mr. Speaker."

Speaker Lyons: "...if there is one. Representative Eddy on Amendment #2."

Eddy: "Thank you, Speaker. A couple questions for the Sponsor, if he'll yield."

Mautino: "Sure."

Speaker Lyons: "The Sponsor yields."

Eddy: "Thank you. Representative Mautino, this legislation does not, in any way, reauthorize fund sweeps?"

Mautino: "That is correct."

Eddy: "So..."

Mautino: "This fixes problems within the original Bill that many Members and agencies had brought up. So, it adds to the protections in the original Bill that were contained on page 11. If the money's not there in the funds, we can't sweep it. If their appropriation is more than has been taken, it must be given back. And now if it impacts... after this Bill, if it impacts federal funds or a case that's been litigated, it may not be swept. So, this limits..."

Eddy: "So, the..."

Mautino: "...and reduces it."

Eddy: "...the fund sweeps that passed are already... already implemented? This... this doesn't add a sweep of any kind?

This does not change anything? And it does not reauthorize..."

Mautino: "It reduces it."

Eddy: "...those original cuts at all?"

Mautino: "Correct."

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- Eddy: "Okay. I think... and... and I want to make sure what you're saying is what I'm hearing. I'm hearing that there are issues related to federal stimulus money that could be affected if certain sweeps occur, and this language allows a flexibility in the authorized version of this Bill to take into consideration those issues related to the federal stimulus. That's all this does."
- Mautino: "It is just one more protection put into that Bill.

  And you're exactly right. If it jeopardizes federal dollars, you cannot sweep it. If it's been litigated, and it's been successful in the litigation, you cannot sweep it. It reduces the amount of money available from swept funds. And that's exactly what it does."
- Eddy: "And what's the reduction in the amount of money from swept funds?"
- Mautino: "It could be more, depending on the federal dollars. But right now, I'm looking at about \$26 million that were in the previous fund Sweep Bill that I carried. And that... that would be reduced by... It's ab... between \$25 and \$26 million. But if we find more federal funds that would be jeopar... jeopardized, this automatically takes it out without having to come back to us."
- Eddy: "So, you're limiting... you're not limiting it to the 26, but that's what you're right now..."

Mautino: "Yeah."

Eddy: "...anticipating could've been affected that... that would've actually harmed us with federal stimulus money..."

Mautino: "That's what I know."

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Eddy: "...and you're also allowing flexibility in the language, that if something else occurs that would jeopardize those funds that you wouldn't have to come back every single time, that this language would take care of that?"

Mautino: "That is correct. And that's also a plus for us, because we may find one item on its own out there, and it may not be enough to bring back the entire General Assembly in a timely fashion to do it. This just says to the Comptroller, you know what... and that's who handles the fund sweeps, if it's impacting federal dollars, you can't do it."

Eddy: "Okay. Final question, then. There is no way that this language allows for any additional dollar fund sweeps than were in the original fund sweep authorization, not one dollar more?"

Mautino: "That is correct."

Eddy: "Thank you."

Speaker Lyons: "Seeing no further questions on Amendment #2, all those in favor signify by saying 'yes'; those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it.

And Amendment #2 is adopted. Anything further, Mr. Clerk?"

Clerk Mahoney: "No further Amendments have been approved for consideration. No Motions filed."

Speaker Lyons: "Third Reading. And read the Bill, Mr. Clerk."

Clerk Mahoney: "Senate Bill 265, a Bill for an Act concerning finance. Third Reading."

Speaker Lyons: "Representative Mautino on Senate Bill 265."

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Mautino: "The Sponsor is Representative Miller. However, the Amendment became the Bill, so I'm... I'm sure Mr. Miller would move passage of the Amendment."

Speaker Lyons: "We have one individual seeking a question.

We'll see which one of you he chooses to answer.

Representative Mautino."

Mautino: "Yes?"

Speaker Lyons: "Representative Don Moffitt."

Moffitt: "Thank you, Mr. Speaker. Since this is... I raised the question when we were still on Second Reading. I'd like to ask if there's another Amendment that's been filed?"

Speaker Lyons: "Mr. Clerk."

Clerk Mahoney: "Floor Amendment #3 was filed today, but not approved for consideration."

Moffitt: "What... what Floor Amendment #3... or the... the Amendment that I filed... would exempt the Fire Prevention Fund? I talked about this when this fund sweep Bill came up. For the first time, I believe, in history, at least in my tenure down here, we're sweeping the Fire Prevention Fund. This impacts every one of your districts. If your fire department asks you, did you stand up for them, this is when you have the opportunity. The Fire Prevention Fund is there for the fire truck loan, ambulances, for training for your firefighters, for the University of Illinois Fire Service, for the new program for fire stations. You've all voted for this. This fund is being swept now. It's not a surplus, this 10 million... I think it's 10.4, 10.2 or 10.4 that's being taken out. It's not a surplus. It's only put

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in basically one time a year. I filed the Amendment... Representative, would you consider that Amendment, so that the Fire Prevention Fund is not swept?"

Mautino: "Mr. Moffitt, I'd be happy to work with you on other Bills. This is a... We're not addressing the funds in this Bill. We're addressing how to protect from the loss of federal dollars. So, to that Bill... And I understand your discussion as far as that fund and many other funds, but that's not the subject of this Bill. So, I'd love to work with you on another Bill. My... What I'm doing here today is trying to correct a problem with the previous Bill and a potential loss of federal dollars to the state."

Moffitt: "Let me say, I agree with the correction you're doing in terms of going after federal funds, but we have an opportunity today, the Amendment's filed to correct what, I believe, all of you would rather not do, and that's sweep the Fire Prevention Fund. Never been swept before. It's not a surplus. There's applicants for more money than what they have. And this is the sweeps Bill. If you have a Bill in mind, and we're running out of time... If you have a Bill in mind that we could put the Amendment on to prevent taking the Fire Prevention Fund, I would be delighted to work with you. If you could give me a specific Bill and, you know, in case we're back in... in a few days, there might be that opportunity. And so, if... if you could be real specific, I'd appreciate it."

Mautino: "Well, we won't... We may be in some additional days, we may not. But also, the protections on page 11 of the

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original Bill, which say if the funds are not there to be swept or if they are... if the appropriation is the amount... appropriation is not there to meet the amount of the sweep, the sweep can't be made. That's a protection that exists, not only to your fund, but all of them. And there's... if it's swept, and they cannot supply the money for all that they have guaranteed and appropriated within this year, then that money has to be put back. And that's a protection everyone has."

Moffitt: "Representative, I appreciate your indulgence. Ι agree with what you're doing with your Amendment, but this was the Bill that we could've protected the Fire Prevention Fund. And that impacts every one of your districts. The 10.4 million that's being swept is not surplus. It's not money that hasn't been requested. It happened to be in It was a victim of the timing that it got put in the Fire Prevention Fund. It's a huge mistake for the Legislature to take that money when we could be using it to protect citizens around the State of Illinois. I'll take you at your word. I know you're an honorable man. Let's see if we can find a Bill to put that on. We need to. The Fire Prevention Fund should not have been swept. with what you're doing in terms of going for federal funds, but let's really work hard and see if we can find a Bill to correct the other. I'd appreciate it."

Mautino: "I will. And as we... as we go forward and look at doing many things, the pension notes and other items of

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revenue that will help make those easier, you know, I look forward to working with you on those as well."

Speaker Lyons: "The Lady from Grundy, Representative Careen Gordon."

Gordon, C.: "Thank you, Mr. Speaker. Will the Sponsor yield?" Speaker Lyons: "Sponsor yields."

Gordon, C.: "Thank you. Representative Mautino, I'm looking at the language of the Amendment, and specifically page 12, which has Section C, which says that, if the director of the Governor's Office of Management and Budget determines that any transfer to the General Revenue Fund from a special fund under subsection (a) and then we... we talked about the federal funding, which I obviously don't have a problem with. But then Roman numeral two is, 'violates an order of a court of competent jurisdiction, then the director may order the State Treasurer and State Comptroller, in writing, to transfer from the GRF to that listed special fund all or part of the amounts transferred from that special fund under subsection (a).'"

Mautino: "Correct."

Gordon, C.: "Okay. So, does that mean that a... a court order would have to be entered for them to transfer the money back? So, it would have to go through litigation first for a court order to be entered, correct?"

Mautino: "Correct. It means simply that just by filing a suit doesn't automatically get you the money back. You must be successful and make your... and get the court order approve it."

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Gordon, C.: "Okay. Well, I initially voted against the fund sweeps Bill because I found it, once again, problematic that we may be inviting litigation that took place a couple... that we saw took place a couple years ago. And so once again, here we are, in my opinion, trying to cover ourselves in Roman numeral two of subsection (c), to say, oh, but if... if a court order is entered, we'll just transfer the money back, and... and have it go through. But... but we're still saying, so, if there is litigation, then we're doing it. So... so, aren't we kind of saying, we know this could potentially be litigated and have court action on this?"

Mautino: "Many of the funds... you know that... there's always a possibility that... that someone may file a lawsuit. You can do that on any one of these funds. I'm sure that that may, and has in the past, occurred. So, this just says that, if someone is successful in that suit and the court finds that it couldn't be swept, then the BOB director would let the dir... agency director and the Comptroller know that that fund... those funds must be put back."

Gordon, C.: "Thank you, Representative."

Speaker Lyons: "The Gentleman from McHenry, Representative Jack Franks."

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

Speaker Lyons: "Sponsor yields."

Franks: "Representative, this is... We're basically voting now on the Bill as House Amendment #2, correct? That becomes the Bill?"

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Mautino: "Yes."

Franks: "As I'm reading the Amendment, and in the Amendment it has an entire list of the funds that are to be swept to the tune of approximately \$356 million. Is that correct?"

Mautino: "I'm just trying to pull up the Bill itself."

Franks: "Yeah..."

Mautino: "A listing of those that were in the previous Bill that has passed. Correct."

Franks: "Well, I'm... I'm a bit confused, because in Section... If you read the Amendment, it says, Section 5, if and only if Senate Bill 1433 of the 96th General Assembly becomes law, then the State Finance Act is amended by changing the Section as follows..."

Mautino: "Right. So if that... which was the fund sweep bill on there... So, if that doesn't become law, then these changes in here would not have any impact."

Franks: "Is your intent, the way you had drafted this, to list all of the fund sweeps? 'Cause I thought you told a previous questioner that..."

Mautino: "There's not one new or different dollar in the... That was to Representative Eddy."

Franks: "Okay. It was Representative Eddy."

Mautino: "Correct. There's not one new dollar of fund sweeps authorized by this Bill."

Franks: "But this does list all the fund sweeps, and it says that if any of these would be deemed illegal or need to..."

Mautino: "Or reduce federal dollars."

Franks: "Then you wouldn't do that?"

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Mautino: "Correct."

Franks: "Okay. Thank you."

Speaker Lyons: "The Lady from Will, Representative Renee Kosel."

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

Speaker Lyons: "Sponsor yields."

Kosel: "I... I just want to clarify something. If this Bill passes, and we deal with the fund sweeps and the Fire Prevention Fund is still swept, I have a fire department who has a zero interest loan that has been approved by... through that fund. Will they still get their loan, or voting..."

Mautino: "Yes."

Kosel: "...They will?"

Mautino: "Yes."

Kosel: "So, if they have..."

Mautino: "Any... any moneys that have been appropriated; that is in this year's appropriation..."

Kosel: "It's been approved, I don't know if it's actually been
appropriated."

Mautino: "Well, we're waiting to find out on the… about the appropriations. But whatever has been requested and appropriated, if they have an appropriated sum, they'll be guaranteed. And the fund may not be swept below that level."

Kosel: "What... let's make a difference. We know we're waiting for the appropriation. I know they've been approved, but I don't know that it's been appropriated. And you just

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acknowledged that we're waiting on those appropriations. So, the approval means it will be appropriated?"

Mautino: "I'd have to talk to the fire marshal's office on how that is structured, but they're approved and they're awaiting payment, correct?"

Kosel: "Yes."

Mautino: "Okay. And the payment was submitted in the operations budget for the... Was that in the operations budget? Do you know for..."

Kosel: "I don't know."

Mautino: "...fire marshal's office?"

Kosel: "I don't know."

Mautino: "That's the people we need to ask, there."

Kosel: "Okay."

Mautino: "If it was in the amount they intended to appropriate this year for that program... If that's part of it, yes, they'll get it."

Kosel: "Okay."

Mautino: "And we cannot sweep below that level. If we do, the Comptroller must give that money back."

Kosel: "Thank you."

Speaker Lyons: "Representative Kosel, are you... finished your questions, Ma'am? Thank you very much. Seeing no further discussion, Representative Mautino to close."

Mautino: "Thank you very much. I appreciate the questions on this issue. It answers questions in the earlier debate on the other Bill; what happens if we lose federal dollars? What happens if there's a lawsuit? This language in here,

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if the fund sweep Bill does become law, simply says, if you lose federal dollars, you cannot sweep it. If there is a lawsuit which is successful, and the order from the court tells you you can't touch those funds, you can't touch that funds. That adds to the protection of the Bill that if we take money more than the amount appropriated to the agency, and they can't function, it has to be given back. And I ask for an 'aye' vote."

Speaker Lyons: "The Gentleman moves for the passage of Senate Bill 265. This Bill requires 71 votes for passage. All those in favor signify by voting 'yes'; those opposed vote 'no'. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Rich Myers. Representative Myers, you want to be recorded? Mr. Clerk, take the record. On this Bill, there are 93 Members voting 'yes', 18 Members voting 'no', 0 voting 'present'. This Bill, having received the Constitutional Majority, is hereby declared passed. Representative John D'Amico, for what purpose do you seek recognition?"

D'Amico: "Point of personal privilege."

Speaker Lyons: "Please proceed, Representative."

D'Amico: "Thank you, Mr. Speaker. I just want to let everybody in the House know that my seatmate, Representative Joe Lyons... It's his birthday today. And I want to wish him a happy birthday. And many more."

Speaker Lyons: "Me and John the Baptist. It's his feast day, too. Thank you. Six months 'til Christmas, kids, so you've got the warning. Thank you very much, everybody.

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- Mr. Clerk, on page 2 of the Calendar under Senate Bills—Second Reading is Senate Bill 415. What's the status of that Bill, Mr. Clerk?"
- Clerk Mahoney: "Senate Bill 415 has been read a second time, previously. Floor Amendments #1, 2, and 3 have all been approved for consideration."
- Speaker Lyons: "On Amendment #1 to Senate Bill 415, the Chair recognizes Representative John Bradley."
- Bradley: "I reluctantly move to withdraw Amendment #1."
- Speaker Lyons: "The Gentleman moves for the withdrawal of Amendment #1 to Senate Bill 415. The Amendment is withdrawn. Mr. Clerk, further Amendments?"
- Clerk Mahoney: "Floor Amendment #2 by Representative McCarthy."
- Speaker Lyons: "The Chair recognizes the Gentleman from Cook, Representative McCarthy on Amendment #2."
- McCarthy: "Thank you, Mr. Speaker, Ladies and Gentleman of the House. First of all, thank you, Representative Bradley, for withdrawing your Amendment. The... Floor Amendment #2 is the authorization to increase our general obligation bonds so that we can help make our certified pension payment this year from the proceeds of these bonds instead of making it from GRF which, of course, will free up over \$2 billion and help us meeting our budget demands and eliminate some of the severe cuts that have been proposed in the upcoming budget. The... the Bill allows the increase of \$2.23 billion in general obligation bonds. These bonds will be used for the Fiscal Year 2010 required contribution to our five state-funded pension systems. The... the proceeds of the

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bonds will be deposited into a Pension Contribution Fund, which then states that the Comptroller and the Treasurer will take the proceeds from that fund and pay it into our five state-funded systems. The bonds that will appropriated for this purpose... Our general obligation bonds... It is clearly stated in the legislation that they will be paid in five years. There is no long-term payment schedule. It's also clearly stated in the legislation that these will be equal yearly payments. So, there is no balloon payment as we've done on many other bond things over the years. So, no further General Assembly has to worry about getting hit with a exorbitant payment at some point. The... So, there's no balloon and five equal, yearly payments. The... the rest of the Bill basically goes into every one of the five systems; both the General Assembly System, the State Employee Retirement System, Universities' Retirement System, the TRS, and the Judges' Retirement System, and explicitly states exactly what the contributions will be so that they will be able to make up the... the fiscal year 2000 required contribution as... as appropriated in the continued appropriation Bill. This, as I said before, will allow us to have less cuts. Many, many of us are hearing across the state about the severity of these cuts. This allows \$2.23 billion to go into the budget, which then can be appropriated in order to make the cuts that are forthcoming be much less painful. also a... part of the Bill for all five of the systems in the future. When we're determining the defined contribution,

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we will use a term that's used in a lot of private systems, of 'asset smoothing'. All this does is that, when either the market sways greatly up or greatly down, we take the decrease or the increase and smooth it out over five years so that the payment does not fluctuate as greatly as it does under the current system. I think this is a... a conservative way to move forward to help us meet our budget goals, to... to restore a lot of the services that are presently on the table to be cut. And I would appreciate a 'affirmative' vote."

Speaker Lyons: "Discussion on Amendment #2, Chair recognizes the Gentleman from Crawford, Representative Roger Eddy."

Eddy: "Thank you..."

Speaker Lyons: "Roger, before... shhhh. Thank you very much.

Representative Eddy."

Eddy: "Thank you, Mr. Speaker. And may I personally wish you a happy birthday. You don't look as old as John the Baptist, but I didn't know if it was the same day or era, but congratulations. Would the Sponsor yield?"

Speaker Lyons: "Sponsor yields."

Eddy: "Representative, just some clarifications. First of all, our understanding is that you wish to adopt the Amendments, both 2 and 3, and then hold this Bill on Second Reading for continued work?"

McCarthy: "No. I wish to adopt Amendment #2. If that's successful, then I want to try to adopt Amendment #3. And if it looks like the number of votes are there that could move this forward so that that item will be on the table in

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discussion of our Leadership, I would probably want to move it forward at that time."

Eddy: "Representative..."

McCarthy: "Representative Eddy, the prior speaker was incorrect. We are going to give you an opportunity to add some legislation that may be able to gender up some more votes. So, my goal today has just been refined somewhat to adopt Amendment #2 and Amendment #3."

Eddy: "Okay. So, let's... let's discuss very basically what some of that continuing work is designed to do. I believe the concept... And... and I would describe this as a cash flow strategy concept in order to make the full pension payment this year, unlike in... in previous years, we've... we've done some things with pension notes or bonding that resulted in less than the full payment being made. This cash flow strategy does include a full payment of the obligation to the pension funds for FY10. Is that correct?"

McCarthy: "Yes, it does."

Eddy: "Okay. And I think the other issue here is the amount of General Revenue Funds that could become available should this concept ultimately be adopted by both the House, the Senate, and the Governor. And could you reiterate the dollar amount of general revenue that could become available should this concept be successful?"

McCarthy: "The dollar amount stated in the Bill is \$2.23 billion, less any costs that are incurred in... in bringing the bonds forward."

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- Eddy: "Okay. Mr. Speaker... and I... I don't want to belabor this, but I'm not sure anybody can hear at this point, again."
- Speaker Lyons: "Ladies and Gentlemen, again, there's a... The noise level on the floor makes it very hard for Members to hear each other discussing the Bill. Ladies and Gentlemen, can we bring down the noise level? Shhh. Thank you. Roger?"
- Eddy: "Thank you, again. Now, the… the intent here is that General Revenue Funds in the amount of just over 2 billion… I said… I think you said 2.23…"

McCarthy: "Correct."

- Eddy: "...would become available to help ease the... the pressure, especially the pressure we've seen in the last week or so on human service areas since the Governor had notified agencies that there were impending cuts."
- McCarthy: "I agree. And I think that now... and I truthfully do support waiting a couple days to move forward with the legislation. Hopefully, by then we'll have a more exact detail of exactly what those restored cuts would be."
- Eddy: "And I'm glad... I'm glad you've said the... detailed the specifics because I think that has been the point all along regarding general revenue to be made available in this manner, is that we have a complete understanding of what the Governor will do with revenue that becomes available, and that that revenue be applied in a manner that the General Assembly agrees with."
- McCarthy: "I think... I think you're correct. I think Representative Poe made that point very well in committee.

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And... and I think if we come back later without those exact line items and stuff like that, it will give many of the Members concern and may cause them to vote against the legislation. So, I'm going to highly encourage membership who wants to talk to their leaders about programs they'd like to see brought back in through this added revenue, and also I strongly encourage the Governor's Office to come forward what their plan would be. So, that when I next stand up to present the Bill early next week, hopefully, I will be able to give you more exact information..."

Eddy: "Okay."

McCarthy: "...and you can make your decisions accordingly."

Eddy: "And... and that's our hope as well, that when we come back... if we come back, that those are specific enough that those decisions could be made. One other point regarding the mechanics of this. The mechanics of this... there was some... there was a couple of different ways originally that the... the notes would be sold. One version had the notes being sold by the state. And I think in the final language, the state is actually obligating the notes so that the payment is made and the systems are not the... the ones that are obligating the notes. Is that correct? The... the version of this, the state obligates the notes?"

McCarthy: "The state is going to do it, and then the Comptroller and the Treasurer will be responsible for depositing the funds into the five pension systems."

Eddy: "Okay. Representative, thank you for the... the explanations. We certainly are... are ready to move forward

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in... in a manner to work on specifics that will bring us back to a point where we can... we can use this type of a strategy and... and cash flow relief to general revenue that we can fund those essential services, especially for human services that we've heard so much about in the last week. And... and hopefully, those discussions will go well, and... and we'll see each other again, and move this along in a positive manner. Thank you."

McCarthy: "Thank You."

Speaker Lyons: "The Gentleman from DuPage, Representative Mike Fortner."

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

Speaker Lyons: "Sponsor yields."

Fortner: "As I understand this... this... the amount here roughly... or maybe exactly... is equivalent to our payment on the... paid out of the liability part of our obligation of the continuing appropriation for the pensions, is that correct?

McCarthy: "Correct. Correct."

Fortner: "And because we've set up this flat payment structure that you've described for the five-year period of this note, we will have an obligation to pay back something on the order of between 400 and 500 million dollars in FY11. Is that your understanding?"

McCarthy: "Correct. Somewhere between 450 and 500 million I would say is a good estimate."

Fortner: "So, when I look ahead... and I... I understand the need to try and say, what do we do with the cash flow problems that we are facing right now, today in the state. No

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question, we have those. We have to look at tools that are appropriate. But I think, at the same time... I'm curious and concerned as I look ahead towards FY11 because what I would be seeing then is the return of our regular pay down liability obligation that we have, which would probably be of roughly the same magnitude, plus this additional roughly half a billion dollars. So, we'd be pushing somewhere almost \$3 billion of additional expenditures that would be pushed on to the FY11 budget that we don't have we... if this were to pass on the FY10 budget. And the question I then have is, what do we anticipate... can we anticipate how we will avoid finding ourselves with a bigger cliff to hurdle next year at this time, as we are going on the FY11 budget?"

McCarthy: "Well, I... I think you're correct. And we should acknowledge the fact that there is going to be this... this payback. It's good that it's a level payback over the five vears. But we also incorporated 'asset smoothing' into And we believe that that will take up a large part of the debt burden... of the initial debt burden... if not all of it, whatsoever. So, we are counting on that. still think it's a very important point that these are level payments. This is a once in a generation, or once in a lifetime, economic occurrence that we just all lived through in the last year. We see the markets coming back Hopefully, we can look forward to a continued gradually. gradual upswing that will help us long-term. But it... and it also helps us get over, you know, the most serious

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downturn in our state budget. So, I mean, this is a drastic measure for drastic times, but I think it's reasonable."

Fortner: "Sure, and I... I understand ... and ... and part of my concern is because, if it is the kind of gradual upturn, which many economists are forecasting, it's probably the case that FY11, we've only seen at best modest increases on the revenue side, it's more toward FY12, FY13, when some of the economists were forecasting that we'll start seeing the better growth that would then be able to accommodate what I see as... as just as a concern. And I would certainly feel a lot more comfortable if at least we had a sketch towards what that 'asset smoothing'... and how the other pieces will play out in the FY11 budget. I understand the smoothing, I... I just would be concerned if we can really smooth out enough to accommodate what will be this sort of \$3 billion additional expenditure that we'll be seeing in next year's budget."

McCarthy: "I think you're correct, but you know, we are paying back close to \$3 billion in short-term borrowing this year, which hopefully, we'll have a much smaller number to pay back next year, which will help us make up this difference that's going to make this payment on these pension notes."

Fortner: "Yeah... the... the... yeah... You said... It's about one billion, I think, we're paying back in short-term borrowing, is that right? It's about one billion?"

McCarthy: "I'm told it's closer to three billion, but I can get back to you..."

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Fortner: "Okay... yeah..."

McCarthy: "...with the exact number."

Fortner: "...I'd be curious because I was under the impression that the short-term borrowing that we did earlier was... was...

We were paying back about a billion in this year. But I...

If you can correct that, I'll stand corrected."

McCarthy: "I... I will firm it up, and get back to you, Mike."

Fortner: "Thank you very much."

Speaker Lyons: "Gentleman from McHenry, Representative Jack Franks."

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

Speaker Lyons: "Sponsor yields."

Franks: "Representative, I guess in layman's terms, what are we doing here?"

McCarthy: "We're trying to address our serious budget deficit this year. We're trying to share the pain over five years as opposed to taking all the hit this year to many of our, you know, much needed programs that we've had a very tough time to pay for. And we're also thinking that we can borrow this money at much less than the 8.5 percent, then if we leave it on the books that we owe the pension systems, then we also are hit with that plus the 8.5 percent payment, I think that we can probably... I mean, I'm pretty sure we can borrow the money for a lot less than that, and even the arbitrage itself will allow us to make back some money."

Franks: "And this is used by other... other pension firms as well, I presume? This smoothing effect?"

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McCarthy: "Public and private, I'm told. Yes."

Franks: "And a big part of this is a result of the worldwide slowdown in the economy. I saw the numbers this week where the world economy, we thought, would shrink at 1.7 percent, but it actually shrank at almost 50 percent higher, at 2.9 percent this year. And as a result, our markets have fallen over 20 percent. Isn't that correct?"

McCarthy: "Yes, it is."

Franks: "So, we're not going to be shortchanging the pension systems at all. They're going to be fully reimbursed this year with their full payment, isn't that correct?"

McCarthy: "They're going to be fully paid on their certified amount that they have presented through the 20-45 formula, the 90 percent 20-45 formula. That's a certified amount. That's... that's not a fully operational amount. I mean, sometimes people quote that like that's exact... the exact cost. But it is a fully certified payment that we were obligated to make under a continuing appropriation Bill."

Franks: "Okay. So, we're not going to be shortchanging, at all, any of our pension systems?"

McCarthy: "Correct."

Franks: "Okav."

McCarthy: "Of those five, yes."

Franks: "And this is basically being able to borrow the money a lot cheaper than bonding the money for a long-term, correct?"

McCarthy: "That's correct."

Franks: "Okay. And you believe..."

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McCarthy: "And because of the short-term of it..."

Franks: "Right."

McCarthy: "...I think that makes it more attractive, hopefully, to more of the... the voters here in the House and the Senate."

Franks: "So, you believe that, as a result of this ability to borrow, that we'll save... we'll be able to free up \$2.3 billion in this next year's..."

McCarthy: "Two point two three, less the cost of the issuance of the bonds."

Franks: "Do we have any idea what the cost of the issuance of the bonds are?"

McCarthy: "OMB estimates it to be about eight million."

Franks: "Eight million?"

McCarthy: "Eight million. Yes."

Franks: "Okay. Is that typical... Is that low or is it high?"

McCarthy: "That seems better than what I remember in other ones. But I think that sounds reasonable to me. But whether it's low or high, I'd have to talk to Representative Hoffman about that."

Franks: "Okay. Now let me... let me go back to your... your certified contribution. I want to make sure I understand it. I'm looking at our analysis, and it indicates that the certified contribution this year when you put in TRS, SERS... SERS, and SURS, judges and General Assembly, that the certified contribution is over \$4 billion, correct?"

McCarthy: "Correct."

Franks: "And we'll be making that contribution this year?"

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McCarthy: "Yes, we will."

Franks: "Okay. Thank you very much."

McCarthy: "Thank you."

Speaker Lyons: "Gentleman from Peoria, Representative David

Leitch."

Leitch: "Thank you, and happy birthday, Mr. Speaker."

Speaker Lyons: "Thank you, David."

Leitch: "Would the Gentleman yield?"

Speaker Lyons: "Gentleman yields."

Leitch: "Representative, if I understood earlier conversation on this Bill, your goal is to do an Amendment that accomplishes two things: One, transparency. And one, much needed relief to the most vulnerable people in society, whose programs would be funded by using this 2... 2.3 billion. Is that accurate?"

McCarthy: "I'd say that's correct."

Leitch: "Well, I would just like to compliment you, the Speaker, and Leader Cross for responding to this emergency. Many of us, especially those of us who have been around awhile, can never remember a time when the human service structure was threatened and the most vulnerable people in our society were held hostage to this type of very vicious fight. So, I simply congratulate you and the others in the chamber who've come together to at least provide some very meaningful relief to this crisis that has drawn so many of us to be so concerned. Thank you."

McCarthy: "Thank you, Representative."

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Speaker Lyons: "The Gentleman from Winnebago, Representative Dave Winters."

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

Speaker Lyons: "Sponsor yields."

Winters: "The question I had was on, I believe you called it asset balancing, or what was the balancing term...?"

McCarthy: "'Asset smoothing'."

Winters: "Smoothing."

McCarthy: "Yes."

Winters: "Could you explain that a little bit to me, what you're trying to do? It's... it's basically taking a five-year average and then the actuarial computations would be on more of a smooth..."

McCarthy: "Correct."

Winters: "...smooth average?"

McCarthy: "They would be based on the... the lower number, both on an increase in the economy or a decrease in the economy. It'll be done over a five-year term. So, it will balance out at the end of these five years. It'll help us a bit in the years when we have a downturn in the economy, and we won't get as great a benefit from the spikes up. But it'll make it a lot easier to do the accounting, and then we don't have to worry about future General Assemblies all of sudden having these spikes in the pension payment that ends up making us do extraordinary measures every year."

Winters: "Well, but the… I don't see the savings, because even if you have five years that are spiking in your… and the state contribution is moving more… in a more volatile

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fashion with those spikes or falls, the average of those is still going to be the same as it would on smoothing. So, I'm not sure that making the claim that you're going to five... find 450 or 500 million dollars in savings in each of the next five years, I think that's a huge stretch."

McCarthy: "Oh no, no. I... I certainly did not say that, and if I did, I... I apologize."

Winters: "Okay."

McCarthy: "I did not intend to say that. No, this... this is just going to affect what the certified actuarial amount is, that the systems, you know, come back to us every year with. But all it does is take the fluctuations in their asset base and average it out over the five years. So, it's a... I think smooth is the right word. It's a much smoother process. And by eliminating the peaks and the valleys, we have a much easier number to maintain, a number that won't fluctuate as wildly."

Winters: "And I... and I appreciate that. I think that is a good move forward. But the way I understood the conversation earlier was that we were going to be able to pay off the 500 million... 450 to 500 million repayment that will be in FY11 by using this smoothing. Now..."

McCarthy: "No, we said something about..."

Winters: "...now, the point I'm trying to make..."

McCarthy: "...the cost of the bonds, we may be able to pay, but that wasn't on... because of the smoothing."

Winters: "Then the point I'm making is that we're borrowing 2.2 billion for this year's budget. And next year we won't

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have that 2.2 billion. So, we've automatically created... to meet the same obligation to the pension fund next year, we'll have 2.2 billion to make that we're... that we're covering with this borrowing this year. There's a \$2.2 billion hole, plus the repayment on a five-year note, if you will, is going to be something in the order of 500 million. So, we've created \$2.7 billion hole instantly in next year's budget, compared to this year's budget."

McCarthy: "We certainly won't have the 2.2 billion again unless we made another move forward, which I... I don't think would be that wises."

Winters: "Well and... and that means we borrow again..."

McCarthy: "So, we will make it up and we hopefully will..."

Winters: "...then we're a billion dollars of payments the following year. So, you're... you're borrowing to get through this year. I'm just simply letting the public know the way we're trying to keep our social service agencies afloat is, again, another financial gimmick of borrowing this year, and we'll pay it later when hopefully, the economy recovers. But we're creating almost a \$3 billion hole if we do this. Thank you."

McCarthy: "You're welcome."

Speaker Lyons: "The Lady from Lake, Representative Kathy Ryg."

Ryg: "Thank you, Mr. Speaker. To the Bill. The previous speakers have mentioned the budget relief that this provides in the form on the \$2.2 billion. However, I think it's incumbent upon us to go back to those same human service agencies that have been impacted by our failure to

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pass a budget and find out exactly what a 70 percent budget does for them over a 50 percent budget, so that we do our due diligence and don't assume we've solved a problem. My... in my brief conversations in the short time we've had to look at this, the agencies are telling me that this will not preclude the layoffs that they've already started to implement, neither will it bring them back to a place where they can simply make some reductions. They will still have to close programs at a 70 percent budget. So, I hope that everyone will take the time to speak directly to their providers and understand that this is a step in the right direction, and I do believe it's an important step in a final budget resolution. But it is not the final answer to ensuring that the residents of Illinois, who require the safety net of state human service programs, are going to get those services. Thank you."

Speaker Lyons: "Our final speaker will be Representative Pritchard, and then Rep... the... Rep... Representative McCarthy to close. Representative Pritchard."

Pritchard: "Thank you, Mr. Speaker. Will the Sponsor yield?" Speaker Lyons: "Sponsor yields."

Pritchard: "Representative McCarthy, the last speaker indicated that this would be a 70 percent budget for many of these agencies. Is that your intent, or did I hear you say earlier that it was up to each of the Leaders in the caucus to come up with a list of who would be funded?"

McCarthy: "That 70 percent number is basically a number that... it would... across the board, instead of being a 50 percent

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cut, it would be approximately a 30 percent cut. But as was stated earlier in response to a question from Representative Eddy, and also I would echo Representative Ryg's comments. It's incumbent upon the Members to talk to their Leadership. I know Speaker Madigan has encouraged our Members to do this, to come forward with programs that they feel are direly needed and that should not be cut. And hopefully, when this Bill is presented in final form, I'll be able to stand here and say, these are some of the line items maybe not for every bit of the 2.23 billion, but hopefully for the lion's share of that. I would feel much more secure in that. But hopefully, we will be able to do a fine-tune knife so that we will be able to restore things that are the most detrimental to the citizens of our state."

Pritchard: "I... I certainly hope you're accurate, because I think all of us have heard from our human service agencies of very vulnerable clients, who if not funded will perhaps take their lives. It is that serious. They are emotionally disturbed, and if we don't have mental health services, if we don't have residential for developmentally disabled individuals, I'm at fear for their lives and their livelihood. So, I hope we do set some good priorities. This would perhaps relieve our payment this year, but what about the payment next year? What kind of pension payment will we have to make, and where will we come up with the resources for that?"

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McCarthy: "We estimate that the, you know, certified payments are going to be pretty much in the same ballpark as it is this year. And we'll have an extra 450 to 500 million in order to pay off this obligation that... if this Bill is successful. So, everybody is hoping that the economy... I agree with Representative Franks, it's... it's not going to come back as quickly as it went down, but we are hoping for a positive turn in the economy, a positive turn in our revenue numbers, so that we'll be able to meet our obligations better next year than we were this year. But this does help us, as you spoke of just a few seconds ago, to stop from making some of the most drastic cuts that almost everybody in here would be opposed to."

Pritchard: "The Governor, or I think some of his assistants, have said that in this next year's interim, there will perhaps be some reforms in the pension system that may lead to less of a contribution in... in the FY11 budget. Are you in agreement with that thought?"

McCarthy: "I... I'm the Chief Sponsor of Senate Bill 1292 that we formed a task force around. We're going to be meeting over the summer, hopefully to come up with some of these reforms that will take and reduce our long-term actuarial demand so that we can then justifiably reduce the payment that is due to the different systems. But that's going to be a battle we're going to have to fight. We didn't make it through in the spring Session, but I'm hopeful that this task force will come up with some agreed changes to the system that will reduce the long-term cost, while still maintaining a

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very valuable system for our state employees. But that's a completely different topic than this is here today."

Pritchard: "Well, I certainly wish that task force success in its efforts, because this is a... a real strain in our budget. We have obligations to meet, but we certainly must deal with this overall agenda of how we budget and what are our priorities. Thank you."

McCarthy: "Thank you."

Speaker Lyons: "Representative Bellock, I announced that Representative Pritchard to be the last questioner. Can this wait until we... This is the Second Amendment only. Can it wait, or is it something that needs to be addressed? Okay. Representative Feigenholtz, I did the same thing. Can this wait 'til we call the Bill on Third Reading, or does it need to be addressed now on... On... We're doing the Amendments."

Feigenholtz: "One little question."

Speaker Lyons: "All right. Yours will be the last question, and then Representative McCarthy to close."

Feigenholtz: "Thank you, Mr..."

Speaker Lyons: "Representative Bellock, do you... do you also choose... All right. Two more questions to be asked, and then Representative McCarthy to close. Sara."

Feigenholtz: "Thank you, Mr. Speaker, and a very happy birthday to you."

Speaker Lyons: "Thank you, Sara."

Feigenholtz: "Will the Sponsor yield?"

Speaker Lyons: "Sponsor yields."

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- Feigenholtz: "So, this is interesting. I mean, I think it's a gr... it's a good idea, but as some former speakers said, it... it doesn't really solve the whole problem. It's... it's a BAND-AID to a much bigger problem that requires a lot more... a better and more long-term solution. When we come up with these... When we pull these cards out of our pockets and put them on the table, what happens is we hear from providers who have been putting a... a lot of effort into trying to convince people in this room that we need other revenues to sustain lifesaving safety net programs in the state. So, Representative McCarthy, my question to you is, we're going... this is going to take a little bit of pressure off of some of the budget problems we have, is that accurate?"
- McCarthy: "My estimate... it would take about 25 percent of the cuts off the table. We have about a \$9 billion deficit that I'm told of. This will help us this year with \$2.23 billion of things that can be restored. So, it certainly is not..."
- Feigenholtz: "So, it's a one-time fix... It's a one-year remedy, right?"
- McCarthy: "It's a one-time fix for a one time budget year, FY10."
- Feigenholtz: "Okay."
- McCarthy: "And it's \$2.23 billion in relief so that cuts that were going to be made, they would not be made. They're still going to... If nothing else goes forward from this General Assembly, there's still going to be, you know, another \$6.77 billion in... in budget cuts that are going to

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be very detrimental to the… the people of our state. But this is one step in a two- or three-step plan that the Governor's Office, working with the Leadership, has come forward with that they want to try to work toward re… you know, returning all of that \$9 billion. But I think any part of those four steps or three steps that goes forward will relieve some of the pain. Am I going to say this relieves all the pain? Of course not."

Feigenholtz: "Okay, so..."

McCarthy: "It will relieve some of it."

Feigenholtz: "So, there were some other speakers on the other side of the aisle who were talking about human services, and that... people who don't typically get up and have concerns about human services saying how glad they are that we're going to be relieving some of the pressure on the human services budget and restoring some of the draconian cuts that would literally shut programs down in the State of Illinois. So my question to you, because I'm getting bombarded with questions, is in... in the spending portion of this 2.2 billion, are we spending this solely on those human services cuts?"

McCarthy: "Well, as agreed upon by the... by Leadership on both sides of the aisle, they're going to give us a couple days where any Member can speak to their Leaders and say, these are cuts that I just can't live with, and you can do the best you can the next couple days to impress upon our Leader that that has to be stipulated, that that's back in there. I think people like yourself and Representative

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Ryg, Representative Bellock, and Representative Mulligan on the other side, who are more familiar than the average Member with a lot of these DHS cuts, it's incumbent on them to work with us and work with our Leadership and say, please put in a plug for this program. This is something... you know, when we cut the budget, we gave a lot of power to the department heads because many of us felt, well, they know more about where the rubber hits the road, whether the really... I mean, I thought that was a responsible thing to do. Some people have criticized that. But I did that thinking those people know more about the everyday workings of their departments, and hopefully, they will make the wise decisions so that the most drastic cuts can be eliminated. I don't know if it's going to work out that way, but hopefully, between now and when this Bill gets called on Third Reading, which will not be today, we will then have some of these things specified. I'd love to stand up here and say, you know per... per this person's request..."

Feigenholtz: "So... so..."

McCarthy: "...these are in there."

Feigenholtz: "Okay. So, Kevin... But we are talking about dedicating most, if not all, of this toward those human services cuts, is that correct? Is that what you've been hearing? Because providers out there want to know the answer to that."

McCarthy: "I'm hearing that. I think the most drastic... I think most of us in the chamber are impressed that most of the

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most drastic cuts are with DHS services. There's no guarantee that every single penny... I mean, I know individual Members don't like this, but there're some programs that are very important that aren't directly DHS. And I'm sure there's a significant number of Members here who don't like the cuts to MAP and maybe that'll be restored to a certain percentage. We'll all have different views on the issues, and I think we work with our Leadership to say, this is what I need to see in there. And maybe what's kept in there or what's not in there, you'll vote accordingly."

Feigenholtz: "Well, it's... You know, I... I don't want to get picayune about this, but it's not just the DHS budget, it's also Aging and DCF as in other Draconian cuts across other agencies, so, le... Just for clarification, you know, But... but I thank you very much."

McCarthy: "You're welcome."

Speaker Lyons: "Representative Patti Bellock."

Bellock: "You..."

Speaker Lyons: "Sponsor yields."

Bellock: "Oh, thank you very much, Mr. Speaker. Happy birthday. I just want to ask one question, because we've discussed this over and over again, but even with this money that you're talking about in this pension note, how does that affect the hysteria in human service right now, that all contracts must be signed and back in by June 30 before we vote on this Bill?"

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McCarthy: "I think it reduces the hysteria somewhat. Does it eliminate it? Of course not. But it does re..."

Bellock: "But the con..."

McCarthy: "...I think it re... I mean, this keeps a card on the table. There's a.m. there's a plan out there, which every Member of this General Assembly and this House has a right to agree with certain parts of it or not. You know, this is a \$2.23 billion part of that plan to get back, if we want to eliminate all cuts, to work toward \$9 billion. The income tax vote, which may or may not come up later, is a \$4.5 billion part of that plan. We're going to see what parts of the plan pass, what parts of the plan don't pass, and then we will appropriate the money accordingly, but this is a small step forward. If this cannot move forward because enough Members just don't feel it's the right thing to do, well, then we know, well those cuts are almost certain. Just like when the income tax comes up for a vote, if that doesn't... isn't successful, then those cuts are certain. We're hoping to be able to spell out exactly what this will reinstate. If it we're possible to do that, I would feel more comfortable standing up presenting the Bill next week. I'll still present it even if we don't have the exact list, but I've been telling the Governor's Office I want that list. I've been telling our Leadership and your Leadership. Representative Cross asked for a couple days so he could work with his Members and come back to us on the things that they think are the most important

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that should be restored with this first step \$2.23 billion."

Bellock: "So, is there a letter or some type of information that's going to be sent out to those agencies as of today, saying there may be a correction? Because some of those people are firing people this week."

McCarthy: "Well, I think they're... I mean, they're paying attention to what's going on down here, I'm sure. And you know, like every issue in here, there are some people... I mentioned your name just a few seconds ago, a person that's very involved in this, and I'm sure you'll reach out to certain people in those agencies, and they'll reach out to their people beyond that to keep contacting us from tomorrow and Friday and Monday, and saying, please, let the Speaker know on our side, let the Minority Leader know on your side how important these things are. I mean, I hope... I mean, I would love to be standing here right now and be telling you this is what this is getting, this is what that is getting. I'm not at the liberty to do that right now. Maybe by Tuesday or Monday when we're... whatever day we're coming back, I'll be able to do... be more explicit in exactly what this restores. And depending on what that is, you may be a supporter or you may be a nonsupporter."

Bellock: "Well, I guess my point still remains is that, how are we to g... if these people call us today, and say is it not true that we have to have this signed contract back in by June 30, are we to tell them that there's going to maybe be

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a change or they do have to have their contracts signed and back in by June 30, before we take the vote on this?"

McCarthy: "I would say that, you know, we're going to adopt... My hope is to adopt the Amendments today. I would... If I speak to the agencies, I would tell them their ... I would state that there is a light at the tunnel now. It's a small light, but there's a light out there and, you know, and... and handle it that way. I wouldn't promise them that this is going to come true or that... but this certainly... I mean, if we just drop this plan, well, then we say, okay, that 2.23 billion's off the table. I don't think there's going to be another plan to say, let's increase in income tax 4 percent or something and make up that. So, we're doing one step at a time. I think this is a reasonable step that'll help us restore, hopefully, the most drastic cuts that are out there. That's what I'm praying for. I don't know if there's ever going to be a complete certainty of that, but I know that it will restore cuts that are very meaningful to a lot of Members of the state."

Bellock: "Thank you."

McCarthy: "Thank you, Patti."

Speaker Lyons: "The question is, 'Should Floor Amendment #2 be adopted?' All those in favor signify by saying 'yes'; those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #2 is adopted. Anything further, Mr. Clerk?"

Clerk Mahoney: "Floor Amendment #3 has been approved for consideration."

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Speaker Lyons: "Representative McCarthy on Floor Amendment #3."

McCarthy: "Thank you, Mr. Speaker. And thank you for discharging the Amendment straight to the floor. This is a technical Amendment that basically guarantees that, if for any reason these bonds are not sold, that the continued appropriation Bill that guarantees payment into our pension systems will be honored, so that the payments will be made in full, if for any reason, that this Bill is successful and the bonds are not issued."

Speaker Lyons: "Is there any discussion? Seeing none, all those in favor of the adoption of Floor Amendment #3 signify by saying 'yes'; those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And Amendment #3 is adopted. Anything further, Mr. Clerk."

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

Speaker Lyons: "Mr. Clerk, the Adjournment Resolution."

Clerk Mahoney: "Senate Joint Resolution #1, offered by Representative...

RE SOLVED, BY THE SENATE OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, AT THE FIRST SPECIAL SESSION THEREOF, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that when the two Houses adjourn on Wednesday, June 24, 2009, the Senate stands adjourned until the call of the President, and the House of Representatives stands adjourned until the call of the Speaker."

Speaker Lyons: "All those in favor of the adoption of the Adjournment Resolution signify by saying 'yes'; those opposed say 'no'. In the opinion of the Chair, the 'ayes'

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have it. And the Resolution is adopted. Chair recognizes the Gentleman from Crawford, Representative Roger Eddy."

Eddy: "Thank you, Mr. Speaker. Just for purposes of planning, and I'm guessing at this time, there's nothing specific, but could you give us the latest in what we should plan for, for the next several days and over the weekend?"

Speaker Lyons: "It's forth... it's forthcoming, Roger."

Eddy: "Okay. Thank..."

Speaker Lyons: "We're about to announce it."

Eddy: "...thank you."

Speaker Lyons: "All right. Ladies and Gentlemen, for the purpose of the announcement of the schedule, the House will adjourn this afternoon momentarily, until Monday, June 29, at 3 p.m. The House will be in Session Monday and Tuesday, the 29 and the 30 of next week. Everybody understands we will be adjourning shortly. We will be back a 3:00 p.m. on Monday and we'll be here Monday and Tuesday of next week. Seeing no further discussion, Representative Barbara Flynn Currie moves that Special Session One adjourns to the hour of 3 p.m. on Monday, June 29, allowing perfunctory time for the Clerk. All those in favor signify by saying 'yes'; those opposed say 'no'. In the opinion of the Chair, the 'ayes' have it. And the House stands adjourned until 3:00, Monday, June 29. Have a safe weekend, one and all."