

STATE OF ILLINOIS
96th GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
TRANSCRIPTION DEBATE

151st Legislative Day

11/29/2010

Speaker Madigan: "The House shall come to order. The Members shall be in their chairs. We shall be led in prayer today by Wayne Padget, the assistant doorkeeper. The Members and their guest are asked to refrain from starting their laptops, turn off all cell phones and pagers, and rise for the invocation and the Pledge of Allegiance."

Wayne Padget: "Dear Heavenly Father, we come before You today in sound body, and mind; praying that on this day You grant to us the grace to remember with love and reverence that we are to go forth in peace with courage; holding fast to that which is good, rendering to no one evil for evil but help us to strengthen the fainthearted. Let us pray to support the weak and help the afflicted to honor all people loving and serving You in the same love and spirit and where You have loved us. This we ask in Your Son's name, Amen."

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

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

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

Bost: "Thank you, Mr. Speaker. Let the record reflect that Representative Fortner, Myers, and Mulligan are excused on the Republican side of the aisle today."

Speaker Madigan: "Representative Currie."

Currie: "Thank you, Speaker. Please let the record show the excused absences of Representatives Dugan and Miller."

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Speaker Madigan: "The Clerk shall take the record. There being 110 Members responding to the Attendance Roll Call, there is a quorum present. Mr. Clerk."

Clerk Bolin: "Committee Reports. Representative Burke, Chairperson from the Committee on Executive reports the following committee action taken on November 29, 2010: do pass as amended Short Debate for Senate Bill 3776; and recommends be adopted Floor Amendment #1 to House Bill 1850. Representative Holbrook, Chairperson from the Committee on Environment & Energy reports the following committee action taken on November 29, 2010: do pass as amended Short Debate for Senate Bill 3388; and recommends be adopted Floor Amendment #1 to House Bill 1606. Representative Nekritz Chairperson from the Committee on Personnel & Pensions reports the following committee action taken on November 29, 2010: recommends be adopted Floor Amendment #1 to House Bill 1566 and Floor Amendment #2 to Senate Bill 550. Representative Arroyo, Chairperson from the Committee on Mass Transit reports the following Committee action taken on November 29, 2010: do pass as amended Short Debate for Senate Bill 2571 and Senate Bill 3778. Representative Flider, Chairperson from the Committee on Electric & Generation Commerce reports the following committee action taken on November 29, 2010: do pass as amended Short Debate for Senate Bill 2485. Representative Currie, Chairperson from the Committee on Rules reports the following committee action taken on November 29, 2010: recommends be adopted Floor Amendment #2 to House Bill 1935."

Speaker Madigan: "Representative Currie."

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Currie: "Thank you, Speaker. I move to suspend the posting requirements so that Sen... House Bill 6862 and Senate Bill 678 may be heard in House committees this week."

Speaker Madigan: "You've all heard the Lady's Motion. Is there leave? Leave is granted and the posting requirements are suspended. Representative Osmond."

Osmond: "Thank you, Mr. Speaker. I have two reasons for rising today. One, I would like the Members of this chamber to give a moment of silence for one of our colleagues on our side, Rich Myers, who is struggling right now in the hospital and if we could please keep... just have a moment of silence for his recovery. Thank you, Mr. Speaker. And the Republicans wish to caucus."

Speaker Madigan: "Representative Osmond."

Osmond: "Yes, Mr. Speaker."

Speaker Madigan: "Would you be able to tell us how long it will take for your group to come to some monumental decisions?"

Osmond: "One hour, Sir."

Speaker Madigan: "That's enough?"

Osmond: "Yes, Sir."

Speaker Madigan: "Okay. So, we'll see you all back here at about 1:25. Thank you."

Speaker Madigan: "The House shall come to order. On page 7 of the Calendar, on the Order of Total vetoes there appears Senate Bill 2635, Mr. Reitz. Mr. Reitz."

Reitz: "Thank you, Mr. Speaker. 23... House Bill or Senate Bill 2635 is a fee-splitting Bill. This is a Bill that we worked on last year. It provides that... it indicates that medical practice sets forth criteria for splitting fees for

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virtually any practice in the State of Illinois. And I'd be...
excuse me... I'd be happy to answer any questions."

Speaker Madigan: "Mr. Eddy."

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

Speaker Madigan: "Sponsor yields."

Eddy: "Representative, there... there seems to be a little back
and forth on this issue and I think some of it was caused
due to some hearings that took place related to health care
costs. And there seems to be a claim that this actually will
not produce any lesser amounts but could actually increase
health care costs. Are you familiar with any of that?"

Reitz: "I've sent the study that they have indicated on that,
but I've seen other studies that show that there should not
be any cost."

Eddy: "Well, the study I'm referring to has to do with the... the
Medicare payment advisory commission report to Congress. I
think that was... in June which in all fairness was after the
date that this passed the House and the Senate. Are you
familiar with that?"

Reitz: "Yes."

Eddy: "One of the questions or the main concerns that... that
report points out is about the perceived cost increase that
could occur because of the increase in clinical appointments
if doctors have those ancillary services at their disposal
rather than to have to send them somewhere else. Are you
concerned that that's a finding we should pay a little more
attention to?"

Reitz: "No, I'm not. That... the Bill just simp... simply addresses
in the case that there are different disciplines that have...

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that work together to split fees in any form or fashion. This Bill just sets forth the criteria of which they split the fee. There's no reason for me or anyone else to think that it will change the landscape at all for that. I think that is just an allegation that's un... untrue."

Eddy: "Well, my... I guess the facts behind that claim have to do with the volume of ancillary services that we've witnessed and the increase in the volume of those services when these types of services are supplied right at the office or in some type of an agreement and that data kind of suggests that it's happening."

Reitz: "Nothing in this Bill will add to the chances of that. Everything... any changes that they could make, they can currently make under existing law. All this does is articulate how they will split the fees if there is a combination of practices or combination of services in any form or fashion."

Eddy: "The group that at least in my experience that has been particularly concerned about this are physical therapists. And the fact that the physical therapists feel that there... there's going to be a... I think some kind of cost increase was pointed out to us during the spring Session when this Bill was being brought to our attention. And I think in the Governor's Veto that is the major concern. Is there a way to... to address the... the type of, I guess, convenience and provider network that this seeks to address without concerning this particular group or taking the chance that we're going to increase health care costs? 'Cause health

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care costs, right now, as you know, we really can't afford to increase those costs."

Reitz: "And I don't believe we will. I think what we have over 20 health care services that are affected by this and everyone else agreed. Other than the physical therapists. We were able to incorporate a lot of suggestions they had to make sure that if there is a referral that they disclose that there is a relationship between the physical therapist or anyone else that needs a referral to make sure that they disclose that."

Eddy: "Okay. Representative, I'm still not sure, but I really appreciate your answers and that report came to light and I wanted to go into it a little bit before we voted on this. Thank you."

Reitz: "Thank you."

Speaker Madigan: "Representative Osmond."

Osmond: "Thank you, Mr. Speaker. Could the record reflect that Representative Chapin Rose is excused for the rest of the afternoon."

Speaker Madigan: "Let the record reflect the request of the Representative. Representative Gabel."

Gabel: "Thank you, Mr. Speaker. To the Bill. I just want to state that I voted 'no' on this Bill last time and I'll be voting 'no' again. That the Med Pack report that recently came out did indicate that arrangements like this will increase health care costs in the future and I think that this is an issue that we will be revisiting in this Chamber again."

Speaker Madigan: "Representative Yarbrough."

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Yarbrough: "Thank you, Mr. Speaker. Will the Gentleman yield for a question?"

Speaker Madigan: "Sponsor yields."

Yarbrough: "Representative why do physicians need to own physical therapy clinics?"

Reitz: "Excuse me?"

Yarbrough: "Why do phy... physical therapy clinics, why do the physicians need to own them?"

Reitz: "They don't need to own them, they can own them, and they currently do own some but very, you know, very few."

Yarbrough: "I've gotten so many e-mails and questions on this Bill and I'm going to listen to the debate. I know I voted for this Bill and I also looked at the Senate's vote on it as well. But it just occurred to me you know it appears to be somewhat a conflict of interest especially if the consumer would want to go to a different physical therapist and if there was a rela... relationship between the doctor and the physical therapist."

Reitz: "This Bill changes none of that. All it does is basically clarify that if there is a relationship that they will... how they will split the fees and that they will tell their patient that there is a relationship. It's the same as hospitals, have their own physical therapists just as doctors do."

Yarbrough: "Okay. Thank you, Representative."

Speaker Madigan: "Representative Coulson."

Coulson: "Thank you, Mr. Speaker. To the Bill, I would urge a 'no' vote on overriding this veto. As I spoke of in the earlier spring session which has been confirmed by the Med

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Pack Report that both of the previous speaker's have spoken about this Bill will increase costs. It does cause physicians and other healthcare providers to have conflicts of interest. And I believe that it will also cause more unethical practice. As a physical therapist myself, I would never work in a fee splitting situation. Most therapists would not. But this doesn't just cover physical therapy it covers 22 other licensed professionals healthcare professional groups and I'm very, very concerned about the need for any kind of fee splitting in healthcare. As we fight to be able to bring healthcare access to our communities to constituents and everybody in the State of Illinois we don't need Bills that will increase those costs and I would urge a 'no' vote."

Speaker Madigan: "Mr. Tryon."

Tryon: "Thank you, Mr. Speaker. Would the Sponsor yield for a question?"

Speaker Madigan: "Sponsor yields."

Tryon: "Representative Reitz, today in Illinois and for years we have had laws that have made it illegal for a physician to refer and get money for the referrals is that not correct."

Reitz: "That's correct."

Tyron: "And so this doesn't change that. We've already outlawed fee-splitting. What really happened here is we had an interpretation made by the Department of Professional Regulation that somebody in this profession, that actually might work for a doctor or work for a hospital, who actually is getting benefits paid for by the doctor was considered fee-splitting. Is that not correct?"

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Reitz: "Yes."

Tyron: "Okay. To the Bill. In health care throughout our state and throughout the country it's not uncommon for doctors to hire dieticians, for doctors to hire physical therapists, it's not uncommon for a hospital to hire dieticians and physical therapist and a whole host of other health care providers. And if we uphold the Governor's Veto and we don't pass the Bill as we originally passed it, people are going to lose their jobs. If you are a physical therapist that works for a hospital, you'd have to go work for another physical therapy company. So, I support your Bill, what you're doing. I think it's the right thing to do to clarify this. We've had laws on the books that prevent phy... physicians from profiting from referrals and... and I think this will allow for a professional industry to stay intact as we have now. And I look at the model of health care, it's changing. We're seeing bigger physician's groups, we're seeing groups of doctors partner and hire other health care perc... professionals and I think... I don't think that's a bad thing. So, I welcome your Bill and... and I support it."

Speaker Madigan: "Representative Feigenholtz."

Feigenholtz: "Thank you, Mr. Speaker. I, too, rise to commend Representative Reitz for this override. I actually voted 'yes' the first time and have actually been a consumer of the services of a physical therapist in recent months and have a clear understanding of what Representative Tryon was just talking about, that people should have consumer choice. I think that when we pass Practice Acts here in the General Assembly we're permitting people to define their professions

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and the parameters and I think that this further clarifies that. So, I encourage a 'no' vote."

Speaker Madigan: "Mr. Reitz, did you wish to offer some more of your gems of wisdom?"

Reitz: "Just a little bit, Speaker. Thank you. On this Bill, just to address some of those. We have 22 medical professions that are affected by this. Twenty-one agreed, the physical therapists didn't agree. We took some of their concerns, incorporated them in the language, then we further took this to the Attorney General and had an interpretation and incorporated all of the concerns and the changes that the Attorney General wanted. I think this Bill strictly defines how someone in a fee-splitting operation will operate in the State of Illinois. I think it clarifies that and I'd appreciate an 'aye' vote."

Speaker Madigan: "The question is, 'Shall the House override the Veto of the Governor on Senate Bill 2635?' Representative Reitz has moved that House that Senate Bill 2635 do pass, notwithstanding the Veto of the Governor. Those in favor of that Motion vote 'aye'; those opposed vote 'no'. Have all voted who wish? Mr. McGuire. The Clerk shall take the record. On this question, there are 83 people voting 'yes', 29 people voting 'no'. The Motion, having received a Supermajority Vote, Senate Bill 2635 is hereby declared passed, notwithstanding the Veto of the Governor. On the Order of Amendatory Vetoes, on page 7 of the Calendar, appears Senate Bill 2544. Mr. Mautino."

Mautino: "Thank you, Speaker, Ladies and Gentlemen of the House. I would move to override the Veto on Senate Bill 2544. This

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is the Interstate Insurance Compact. It's been developed about 10 years ago and it's the... decided by this Body that it was time for Illinois to join this structure of regulation. The Governor wanted to move the date that Illinois would join out by a year. I think that we have been working on this for about 10 years and it's time to do it now. I would answer any questions and ask for your 'aye' votes."

Speaker Madigan: "The Gentleman moves to override the Veto of the Governor. Is there any discussion? Being no discussion, Representative Mautino moves that Senate Bill 2544 do pass, notwithstanding the Amendatory Veto of the Governor. Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Mr. McGuire. Mr. McGuire. The Clerk shall take the record. On this question, there are 111 people voting 'yes', 0 voting 'no'. The Motion, having received a Supermajority, Senate Bill 2544 is hereby declared passed, notwithstanding the Amendatory Veto of the Governor. Mr. McCarthy, on page 3 of the Calendar, on the Order of House Bills-Second Reading, there appears House Bill 1565. This concern with employee benefits. Do you wish to move the Bill?"

McCarthy: "Yes."

Speaker Madigan: "Mr. Clerk."

Clerk Bolin: "House Bill 1565, a Bill for an Act concerning public employee benefits. The Bill has been read a second time, previously. No Committee Amendments. Floor Amendment #1, offered by Representative Poe, has been approved for consideration."

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Speaker Madigan: "Mr. Poe."

Poe: "Mr. Speaker and Ladies and Gentlemen of the House, this is just cleanup language that would on our furlough days, people that bought them there was a misunderstanding when the Bill was drafted that they'd have to go back to the day they were hired and this cleans that up so it goes back to the time that they take their furlough days. And it's a technicality in... in drafting and we'd ask for your approval."

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

Clerk Bolin: "No further Amendments. No Motions are filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading. Mr. McCarthy, do you wish to call the Bill? Mr. Clerk, read the Bill for a third time."

Clerk Bolin: "House Bill 1565, a Bill for an Act concerning public employee benefits. Third Reading of this House Bill."

McCarthy: "Thank you, Mr. Speaker, and Ladies and Gentlemen of the House. I believe Representative Poe gave an adequate and accurate representation of the Bill. And I would ask for its passage."

Speaker Madigan: "Question is, 'Shall this Bill pass?' Those in favor signify by voting 'aye'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there are 105 people voting 'yes', 6 people voting 'no'. This Bill,

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having received a Supermajority Vote, is hereby declared passed. Representative Currie, did you wish to call House Bill 1566? The Bill is concern with employee benefits. Mr. McCarthy, Representative Currie has indicated that you should handle the Bill. Do you wish to call the Bill? Mr. McCarthy."

McCarthy: "Thank you, Mr. Speaker, and Ladies and Gentlemen of the House. House Bill 1566 mandates that the five state pension systems recertify their..."

Speaker Madigan: "Mr. McCarthy, this Bill was on the Order of Second Reading. Mr. Clerk, do you have any Amendments filed?"

Clerk Bolin: "Floor Amendment #1 offered by Representative McCarthy."

Speaker Madigan: "Thank you. Mr. McCarthy on Amendment #1."

McCarthy: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. Floor Amendment #1 to House Bill 1566 basically tells the five state systems to recertify the amount that the... of the contribution that the state is supposed to make during fiscal year '11. This language was originally in the borrowing Bill that we passed out of the House and sent over to the Senate, but since it now looks like that borrowing Bill may not meet with success, we need to pass this Bill in order for them to recertify the amount. So they have been notified of this back when the borrowing Bill had moved forward and this will allow us to make \$300 million in less cuts if it gets down to the point where we cannot do the pension borrowing and we have to make cuts into the budget in order to balance the budget and make the payments to our

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five systems. So, I think it's a rational explanation and I would appreciate your support."

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

Clerk Bolin: "No further Amendments. No Motions are filed."

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

Clerk Bolin: "House Bill 1566, a Bill for an Act concerning public employee benefits. Third Reading of this House Bill."

Speaker Madigan: "Mr. McCarthy."

McCarthy: "Thank you, Mr. Speaker. This is the... the Amendment is the Bill. It was a gut and replace, so that explanation is adequate for the entire Bill. I do want to say that this Public Act that Senate Bill 1946 was passed in April of last year, so the systems did know about this. They also knew about it because it was included in the borrowing language that goes forward. So, as I said earlier, it... without this, if we end up making cuts instead of making borrowing or some other source of revenue to pay the pension payments, we'd have to make an additional \$300 million 'cause this was figured as to what the reduction would be because of the cost savings included in Senate Bill 1946. So, I'd ask for favorable passage of House Bill 1566."

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

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Eddy: "Representative, let's make sure we get this straight. What we're doing is we're recertifying the number, we don't know what it's going to be, but it's supposed to be a potential savings, correct? And so we're trying to get the number based on the reforms that were made in Senate Bill 1946?"

McCarthy: "That is correct."

Eddy: "How... how much has been paid to these systems to date?"

McCarthy: "How much do we pay for the..."

Eddy: "How much have we paid to the... the pension systems to date..."

McCarthy: "A very..."

Eddy: "...in FY11?"

McCarthy: "For the FY11 payments, a very, very minimal payment so far. I think that SURS is somewhere less than 10 percent. Some of the other systems have barely gotten anything. So, because of the borrowing Bill being upheld that was going to be the vehicle to pay the systems as it was last year when we didn't go through with the borrowing."

Eddy: "Representative, I don't think you have to borrow money to make a payment. There's nothing in the current law that says pension payments can't be made unless money is borrowed. The payment though..."

McCarthy: "Correct."

Eddy: "...to date, these systems have yet to receive the statutory obligated payments that are required. Is that safe to say? Is that fair to say? Whatever the... they have not... So, in your legislation... Well, first of all, let's go back. A lot of the systems, at least the TRS system, I know one month

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had to sell over \$300 million in assets in order to pay current costs."

McCarthy: "Correct."

Eddy: "So... so, does this calculation take into consideration the fact that they sold assets?"

McCarthy: "The... this Bill allows us as we look forward. And we... if... when we have to say we have to make cuts in order to do this because we have to use existing revenue. We don't have any new revenue on the horizon. If the borrowing plan that we passed out of the House fails over in the Senate, we have to find some way within the budget in order to make those payments to the system. Okay. So, under that borrowing plan, we had the systems look at what savings could be anticipated through the changes in Senate Bill 1946 and they came up that there would be like a \$311 million worth of savings overall or for that year, about one and a half billion overall through 2045. So, without this, if we go back to making cuts in order to make that payment, if it's only one pool of money, if we make the cuts out of that instead of making the borrowing, then we'd have to make an additional \$311 million, if we don't say what are the effects of Senate Bill 1946."

Eddy: "Where are the systems? What... what's the position of the pension systems related to this legislation? Are they in favor? Are they..."

McCarthy: "The systems, as of the hearing, oppose this legislation. I think that they are very much opposed to the fact that they're receiving so little payments this year. Last year we did the payment... the borrowing payment that we..."

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we passed out of this House and the Senate. They got their entire payment in January which was actually a boon for them compared to other years. But they've gotten such a little payment this year that they have to be opposed to it because they see it as a reduction in their overall payment, when it is finally made."

Eddy: "Well, I don't necessarily disagree with their logic. If we're going to reduce, by this recertification, the amount of payment for the fiscal year that's going to be made to the pension systems but they are experiencing losses now related to the fact that they are selling assets, I think they have a point."

McCarthy: "Yeah. The... the one thing is that they always sell assets 'cause assets mature and they move on to other things, but... but you're right they are selling assets. Their asset pile is being reduced and it's because the state has not made that payment. We still... there's still some that hope that we'll be able to make that payment this year in these extraordinarily bad times through the borrowing, but if that borrowing does not happen in the Senate very soon, we have to... we are obligated to make the payment and in order to make that payment will have to make cuts in our already very tight budget. And without considering the effects of Senate Bill 1946, those cuts would be increased by \$311 million."

Eddy: "Representative, I appreciate that. I just think... I think we're mixing some issues here. To this date, there is nothing that would have stopped the payments from being made that relates to the borrowing Bill. There's nothing written

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that the only payments that can be made to the systems have to come from borrowed money. Now, we did that one year."

McCarthy: "You're absolutely right. But... but when we made the budget, we included that the payment that would be made through the borrowing. So, had we at the time said no, no we're going to cut education by, you know, a couple billion dollars or we're going to cut higher ed by \$600 million, if we add it up to our 4.2 billion by making cuts at that time, we would have been able to say make it out of the regular budget that we have going forward. We allocated the money to make the payment to these systems through that borrowing plan. Now, if that borrowing plan's not going come to fruition, we have to do some other things. We have to make serious cuts. Without taking the effects of 1946 into play with the new revenue projections, we'd have to make \$311 million more in cuts than we will by including the effects of Senate Bill 1946."

Eddy: "Representative, I... I get that and I understand this is recertification and that figure has to come at some point or another. I get that. The problem I see is, that we're costing these pension systems money every single day and whatever the recertification number that we're going to use may be accurate to the benefits, but it's not accurate to what we've done to those systems these several months by not making those payments where they had to sell assets. And I guess my original question is, is there anything in this calculation that allows for that recertification number to include those possible losses so that those systems could calculate what we really should be paying to them whether

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it's borrowed or real money this year. And I think the answer is no. This is simply the recertification number. It doesn't take in to account their concern."

McCarthy: "The... the only thing that would be included is the current status of their systems. That is considered as part of the formula. But you're right, they have lost money and this would, you know, cause them to lose some more. But..."

Eddy: "Representative..."

McCarthy: "...maybe that \$311 million is not the right number, but we do need to know that number to avoid making more serious cuts that are necessary at this time. And I would join with you. I hope we make this decision very shortly 'cause I know these systems are experiencing, you know, negative growth."

Eddy: "What... what's the effective date?"

McCarthy: "The effective date is we told them they have to have this done by February 1 of 2011."

Eddy: "The... the recertification process has to take place."

McCarthy: "The systems... Yeah, they have to come back with a number. It's all five state systems that if they said that on or before February 1, 2011 the board shall recalculate or recertify to the Governor the amount of the requi... required state contribution to the system for all of state fiscal year FY11. So, it's February 1."

Eddy: "Thank you, Representative."

Speaker Madigan: "Representative Sullivan."

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

Speaker Madigan: "Sponsor yields."

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Sullivan: "Representative... Oh, I'm sorry, there you are. My previous speaker has done a very good job trying to bring out the facts of the case. I... I have one question. When we're doing this recertification, we in the General Assembly, not all of us, but the General Assembly changed the ramp up for the pension systems. From the '95 law it was recalculated in... in 2005, in essence, to skip a few pension payments. So, while we're having this discussion, are we having a discussion on recertification off of 2005 recalculation. Is that correct?"

McCarthy: "From what I understand of your statement, I would say well we... we're not having any discussion about recertifying that 90 percent target for 2045."

Sullivan: "Right."

McCarthy: "But how it effects the 2005 recertification, I wouldn't be able to tell you at this point."

Sullivan: "Well, I guess what I see in this Bill, aside from the merits of what the previous speaker spoke about, to vote for this is, in essence, on our side a vote to say yes what was done to kind of change the funding formula in 2005 is correct and so now we're going to recertify that. Some of us think that it was a bad vote and that's why we didn't vote for it and your side did, so wouldn't this vote somewhat be recertifying what you guys did in 2005?"

McCarthy: "I think recertifying the FY11 contribution would mean more to the peop... is... it would... it would pertain more to how you voted on Senate Bill 1946, which everybody supported. So, I think that by passing Senate Bill 1946, by passing it out of the Senate, by having it signed by the Governor, we

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did allow these systems to have some savings for FY11. We want to be able to access those savings so that we don't have to make as serious cuts if we get into that position that we have to make the cuts. So, I would say Senate Bill 1946, how you voted on that would pertain more to this discussion than how you voted back in 2005."

Sullivan: "Thank you. I... now, to the Bill. I understand we have to recertify all the numbers that go into the pension system. I just want to repoint out that in '05 legislation was passed to skip pension payments and by skipping those pension payments we're farther along into the problem that we are right now and I think many Members in this Body should take that to heart and understand that we are in the process or in the... in the problems that we are today because we haven't been paying pensions. And we have to start working on that as soon as possible and this Bill is... is one of those. Thank you."

Speaker Madigan: "Representative Nekritz."

Nekritz: "Thank you, Mr. Speaker. Ladies and Gentlemen, this legislation is about dealing with the reality that we have today. We had legislation earlier in the spring to... to do the pension borrowing. That actually failed in this Body the first time and when it did the Speaker brought forth a Bill to... to cut \$3.8 billion out of the budget which was the amount of the pension payment in order to balance the budget and... and that Bill failed. It got 99 'no' votes; we were one short of giving you the century club, Mr. Speaker, which was very disappointing. But the reality is that we simply do not have the cash right now to pay the pension system. This is

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an effort to try to bal... to make sure that we're dealing with the most current data, the most current information we have to minimize the amount of damage that we're going to have to do when that payment actually gets made. And so this is an attempt to, again, deal with the reality of the situation we have today as it's presented to us with our cash flow and with the rather large pension obligations that we have. I would urge an 'aye' vote."

Speaker Madigan: "Mr. Reis."

Reis: "Thank you, Mr. Speaker. Inquiry of the Chair."

Speaker Madigan: "State your inquiry."

Reis: "How many votes will this take for passage?"

Speaker Madigan: "Seventy-one."

Reis: "Thank you."

Speaker Madigan: "Mr. Black."

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

Speaker Madigan: "Sponsor yields."

Black: "Representative, I think Representative Eddy mentioned this and it's hard to hear on the floor. It appears to me that you're recertifying a number that is less than it should be. Yes or no?"

McCarthy: "Recertifying a number that is..."

Black: "The bottom line number of dollars that should go to the pension system is lower than it should be. You're not recognizing money that they're supposed to get. Is that correct or am I looking at this the wrong way?"

McCarthy: "We are looking at what the savings would be in FY11 because of the measure that we passed Senate Bill 1946, the pension modernization. The ok... the impetus for the systems

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to do that was included in the borrowing Bill. In case the borrowing Bill does not go all the way through to fruition to become law, we need to have a different vehicle to say at least let's access those savings that will help us when we have to make... if it fails at the end of the day and Leadership makes the decision, there's no chance it's going forward, then those cuts that were talked about a second ago that got the 99 'no' votes on the cuts, I think I was one of the fourteen who voted for the cuts, but we're going to have to come back in here and make some serious cuts to the budget because we have to make these pension payments. We can make 311 million less in those cuts, if we pass this Bill, is the way I look at it."

Black: "It appears obvious that the pension payment will not be made in fiscal year '10. I don't..."

McCarthy: "No. Fiscal year '10 we made, fiscal year '11."

Black: "Okay."

McCarthy: "*The current."

Black: "Since obviously it won't be made... I don't even see how it would be made in fiscal year '11."

McCarthy: "Well..."

Black: "And so what do you do come back and recertify a different number?"

McCarthy: "No. The number we recertify just the one time and then we will have to make cuts from whatever that number is off of the \$4.2 billion. Because we have to... see, if we have to make \$3.8 billion in payments when the new numbers are recertified, then we have to make \$3.8 billion in cuts. If the number's recertified as 3.7, then we make 3.7. This

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gives us a chance to at least take advantage of some of those savings that were passed with the modernization and make the cutting less painful."

Black: "What... Can you... can you shed some light on the alleged savings that we're... we should recognize in fiscal year '11? I don't see any real dollar savings in the reform Bill for some years, the out years. I mean how... how can you say we're going to recognize savings of \$2 billion in the first fiscal year of pension reform. There aren't going to be that many people on that different formula."

McCarthy: "Of \$300 million, not 2 billion, but I know... I mean, I don't know how all the actuaries do it, you know, every single line in the formula, Representative. But I do know that when they went over the numbers, I mean, we're talking about people that are going to retire in the 2040s so our payment is based on a formula that figures out to 2045 and because of that, they said that there would be some savings immediately and they came up with that number 311 million. But we did that in the borrowing Bill, that's the only place that that recertification number was approved."

Black: "But is it your understanding that the Illinois Teachers' Retirement System is opposed to this because we're certifying less money than is due them."

McCarthy: "I... my feeling and... I spoke to them in committee. I did not speak to them directly like in the office, but my thing is I think they are very concerned over the fact that we have not made any of the fiscal year '11 payment to date and that's their main concern that we're asking them to do something and say... say that a payment you owe us, that

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you're not making, we want you to reduce it. You know, so I understand their concern. They're very concerned because up until this point of this fiscal year they've had to sell assets off of their total asset number. They... they sell assets every day, but these are ones that are reducing their total assets. So, I can understand their concern and their, you know, it's... but I do think that savings will be there. Actuaries have given us that number and said savings then will be there because of the changes and I think..."

Black: "Okay."

McCarthy: "...it will help us when we're making the cuts."

Black: "Let me ask you one last question. If we don't recertify, what's the result?"

McCarthy: "Then the cuts would... the cuts would be approximately 4.1 billion instead of 3.8."

Black: "And if we don't recertify, will the pension systems still be able to make the required payments in FY11?"

McCarthy: "I'm sorry. I didn't see where you all... you said about the required payments."

Black: "Yeah. If... if you don't recertify, does that somehow inhibit the pension systems' ability to write checks?"

McCarthy: "If we don't recertify, that means that we are going to actually pay them more than what they were demanded when they saw the changes made in Senate Bill 1946, if we don't recertify that number. I don't know if that answers your question. But once again I understand their trepidation that they're not receiving any of these payments or very, very minimum payments of like the amounts coming out of the checks and stuff like that. So, I understand their

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opposition saying, well, why should we reduce a number when you're not even paying us anything of what you owe us. But I do think if we have to make these cuts, when we make that hard decision, what you said earlier, you don't think the borrowing's going to be done, I don't think the borrowing's going to be done. When we make that hard decision to say let's move forward, make those terrible cuts that are now going to be in half of a fiscal year in stead of the full fiscal year if we'd done it back in June, that we're going to have to make those cuts much more dramatic if we can't include this 311 million in savings."

Black: "All right. Thank you very much, Representative."

McCarthy: "Thank you."

Speaker Madigan: "Mr. Ramey."

Ramey: "Thank you, Mr. Speaker. I'd like to yield my time to Representative Roger Eddy."

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you, Speaker. Just... I don't... down where I'm from once the horse is dead we usually get off of it, but I'm going to beat this a little more because I've got two, I think very, very important questions about this. I... I understand the fact that what we're doing is recalculating based on the new benefit structure in Senate Bill 1946 and that's going to yield a reduction in the amount that's necessary on the payment schedule to the systems. The point is though that this year those systems have not been paid. And their argument is, that if you're going to recertify a number, that there should be some calculation made in that recertification number to make them whole to tha... those

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payments. Not that every year it is going to be done, but they feel like since they've had no payments that there should be some type of... of calculation in that recertification. This Bill does not include that and that's why they're opposed to it."

McCarthy: "You may be correct. They did not bring that up in... in the committee hearing. The committee hearing they mainly brought up the fact that since they've been paid very little this year, if anything, that they could not be for anything that recertified a... a savings number."

Eddy: Okay."

McCarthy: "But what you said seems to make sense to me."

Eddy: "Okay. So, if we believe that there should be some type of an attempt made to make those systems whole based on what they have not received in this fiscal year to date, as their argument is, we shouldn't vote for this. This is a pure recertification of the benefit structure in Senate Bill 1946 and even if you vote against this it doesn't mean you're not for those benefits. It just means that you think the recertification calculation should include some type of calculation to make them whole and I think that's is the important thing here. We're not voting for or against the benefits, that's all done. We're voting for this process. And I would urge a 'no' vote."

Speaker Madigan: "Mr. McCarthy to close."

McCarthy: "Thank you. The... I think some good points have been made, but let's remember, the actuaries of the system will look at the current status when they're made to recertify this number. The gist of the argument at the end of the

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thing, if we're forced to make these cuts and if we don't have something like this in place in case the borrowing doesn't go through, when you're cutting back on education, when you're cutting back on human services, you're going to have to cut 311 million approximately depending on what that... that's what the actuaries told us back in June. Say, it's 300 million now, you'll have to make those more significant cuts if we don't have something in place in order to access those savings. These cuts are going to be terrible the way they are and I think using the savings that are truthfully there according to the actuaries, not according to myself, but those savings are there through 1946 and where we're making those cuts I would rather make 3.8 billion in cuts than 4.1 billion, if we have to do it. It's going to be easier on all of us, easier on our schools, easier on our clinics for this... the developmental disabled people. So, I think that it's a tough decision. I understand that, but I think it's time to move forward on this and say let's access those savings so that the cuts can be less severe. Thank you and I'd appreciate an 'aye' vote."

Speaker Madigan: "The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. The Clerk shall take the record. On this question, there are 62 voting 'yes' and 48 voting 'no'. And the Chair recognizes Mr. McCarthy."

McCarthy: "Thank you, Mr. Speaker. I'd like to request Postponed Consideration."

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Speaker Madigan: "The Bill shall be put on the Order of Postponed Consideration. House Bill 1606, Mr. Holbrook. Mr. Clerk, what is the status of the Bill?"

Clerk Bolin: "House Bill 1606 has been read a second time on a previous day. No Committee Amendments. Floor Amendment #1, offered by Representative Dugan, has been approved for consideration."

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

Holbrook: "On the Amendment... the Amendment becomes the Bill. It's simply an Amendment that requires county and municipal governments to notify under... when they issue demolition permits that the person doing the demolition may also come under an EPA rule on asbestos and they should check that issue with the IEPA. We just did this one in committee today and the EPA is neutral on this and the only one who slipped against it was Metro Counties. I move to adopt the..."

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

Clerk Bolin: "No further Amendments. No Motions are filed."

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

Clerk Bolin: "House Bill 1606, a Bill for an Act concerning local government. Third Reading of this House Bill."

Speaker Madigan: "Mr. Holbrook."

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Holbrook: "I just explained the Floor Amendment which became the Bill. I'd be glad to take any questions."

Speaker Madigan: "Mr. Black."

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

Speaker Madigan: "Sponsor yields."

Black: "Representative, I... you were kind enough to mention that the Metro Counties are opposed to this legislation. Would it be a fair assumption to say they are opposed because it is a mandate on those counties without reimbursement because we're invoking the state mandate's Act; you have to do this, but you'll have to pay for it."

Holbrook: "Correct. Some counties already do it. A lot of municipalities already do it. This is just... we feel we'll cover the bases and save a lot of trouble down the road with contractors. It isn't that none of them do it now, some of them do do it and this will make it very clear in statute that just because they get a demolition permit doesn't mean they have the green light to do the demolition, that there could be another regulation. They need to check into that with the EPA."

Black: "All right. And I appreciate the answer; you've always been an upright person to get both sides of the issue. I think the problem that some of the county board people that I know have indicated, they are as... they are in just as bad shape if not as... if not worse than the State of Illinois and so they are very leery of any mandate that may cost them \$10 without reimbursement because many of them are operating so close to the edge they're afraid of anything that... that might push them over. I understand the Bill; I understand

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the rationale but I think Metro Counties and probably many other county boards as well would just say leave it alone until we're all in better shape and then let's revisit it. For that reason I intend to vote 'no'."

Speaker Madigan: "Mr. Tryon."

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

Speaker Madigan: "Sponsor yields."

Tryon: "Representative Holbrook, I mean, essentially if Metro Counties is opposed for this for an unfunded mandate, how can this cost anything? I mean, you're just simply saying that when somebody gets a permit to... a local permit to demolish a building, they are informed that they also have to go to the EPA to make sure there is no permit needed by the EPA. Is that correct?"

Holbrook: "It would be a very minimal cost. They would just have to change their form or maybe even attach something to their form, if they don't do it. Again, a lot of them already do it. It would be very minimal. I mean, you know, xeroxing off a few sheets of paper, literally. And there is no penalty if they don't apply... comply, even."

Tryon: "Thank you. So, to the Bill. I mean, essentially I... I think this is about two governments working together. One government's not holding out a permit as this is all you need in order to tear down a building and... and doing the right thing by saying, look, there's a whole host of laws here that you have to comply with while you're complying with our laws you have to comply with State Laws. We see this all the time. People go... one unit of government says

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they can do something, another says they can't. So, I actually think it makes sense. So, I support your Bill."

Speaker Madigan: "Mr. Eddy."

Eddy: "Thank you. Will the Sponsor yield?"

Speaker Madigan: "Sponsor yields."

Eddy: "Rep... Representative, the... the form that they're talking about here, before there's any type of demolition or renovation, is this already required? Is the form already required by law?"

Holbrook: "No, it's not required and some municipalities and counties don't even require it, I'm told. This would only be those that do require it. We want to prevent allusion that that permit is the final end gain for what they have to do to do the demolition. We're just warning the contractor, there could be another issue here if you're dealing with asbestos. So, some do, some don't and the ones that do some include this clause, some don't. We're just trying to say if you issue a permit, which people think gives them the green light to go ahead and do demolition, they ought to at least be informed that there could be another issue here with asbestos and they should check with the EPA. So, that would be it."

Eddy: "So, right now, in some small municipality there could be a building being demoed and the form, this National Emission Standards for Hazardous Air Pollution {sic-Pollutants{ form, is not required right now?"

Holbrook: "It's not... may not be required by the municipality."

Eddy: "Okay."

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Holbrook: "EPA says you're going to have to do it, if you're tearing something down, there's asbestos in it, no matter where you're at."

Eddy: "Well, that's what I thought. I thought they had to file the form anyway and all this is doing is requiring them to notify that the form has to be filed and it's an existing form requirement."

Holbrook: "Yeah. The form is EPA so someone doing the demolition is getting this from a local government and they think that by getting that they're covered. They think, well, the county or the city wouldn't approve it if it was okay for me to do and what all this does is say if you... if you're going to condone this demolition with a permit, then at least tell the people this may not be the only issue you have to deal with. You may have to deal with the asbestos issue with the EPA."

Eddy: "What has the IEPA done with this authority in relationship to the United States EPA? Are they just basically going to follow whatever the USEPA comes up with? I mean, where does... is this really kind of allowing the USEPA to eventually be the final arbiter here and bring requirements down on these cities and municipalities, these counties?"

Holbrook: "Well, it's in many cases in Illinois. The IEPA is the administrator for the rules that the federal EPA sends down and that's what this is."

Eddy: "So, basically..."

Holbrook: "They're just administering it."

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Eddy: "And I... that's what I'm hearing from... from the folks who contact me at the county level, the municipal level. They're concerned about the heavy-handed USEPA as well and this being a conduit for additional rules that haven't even been written yet that eventually they're going to have to come into compliance with because we've set up the system where the permitting has to take place and then later there's going to be additional cost. And also in this my understanding is those costs are without reimbursement, so it could be maybe not right now but eventually a large unfunded mandate the counties and municipalities is we're tying ourselves to those future rules."

Holbrook: "This Bill does not change anything. We are not mandating counties and municipalities to issue demolition permits, we're not requiring that. We're saying if they do issue them then at least tell the guy doing the demolition that there could be other issues he has to address dealing with asbestos and he should see the EPA, that this isn't a permit to go ahead and tear the thing down..."

Eddy: "Okay."

Holbrook: "...this is meaning that they've met all government requirements. So..."

Eddy: "But don't you have to have a permit to demolish a building anyway? So, what we're saying is anytime you're going to demolish a building that permit could eventually tie you to USEPA regulations that haven't even been written yet. That's what their... their concern is when they talk to me, that we're being tied to those type of things that may... we may not even know what they are yet."

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Holbrook: "This is an existing rule they have right now. This isn't something down the road. They're... EPA already requires this, that if you're going to demolish a home that has asbestos in it then they have to sign off on it."

Eddy: "Okay. Again, and just... the concern is what this could hap... what could happen to these small municipalities, these counties and the cost and the fact it wouldn't be reimbursed. I appreciate your answers. I... I have those same concerns, especially when the USEPA gets involved. We know what happened with underground storage... underground tanks, septic tanks, we think we got a handle on it and all of sudden the USEPA comes out with some rule that flows through the IEPA and... and so, that's the big concern in my area, Representative. Thank you."

Holbrook: "Okay."

Speaker Madigan: "The question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? The Clerk shall take the record. On this question, there are 78 voting 'yes', 33 voting 'no'. This Bill, having received a Supermajority vote is hereby declared passed. House Bill 1631, Representative McAsey. Mr. Clerk, what is the status of the Bill?"

Clerk Bolin: "House Bill 1631 was read a second time on a previous day. No Committee Amendments. Floor Amendment #1, offered by Representative McAsey, has been approved for consideration."

Speaker Madigan: "Representative McAsey on the Amendment."

McAsey: "Thank you. Thank you, Mr. Speaker. House Amendment #2 is an extension of a TIF district located in Romeoville,

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Illinois. I would ask for the... House Amendment 1, rather. I would ask for the adoption of the Amendment."

Speaker Madigan: "The Lady moves for the adoption of Amendment #1. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any other... are there any further Amendments?"

Clerk Bolin: "No further Amendments. No Motions are filed."

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

Clerk Boling: "House Bill 1631, a Bill for an Act concerning local government. Third Reading of this House Bill."

Speaker Madigan: "Representative McAsey."

McAsey: "Thank you, Mr. Speaker. The legislation adds a 12 year extension to the Marquette TIF district within Romeoville, Illinois. Each of the taxing bodies have submitted a letter or resolution stating their support for the... the project, the extension. And I ask for your 'aye' votes. Thank you."

Speaker Madigan: "The Lady moves for the passage of the Bill. Those in favor signify by voting 'yes'; those opposed by voting 'no'. Have all voted who wish? Have all voted who wish? The Clerk shall take the record. On this question, there 95 people voting 'yes', 16 people voting 'no'. This Bill, having received a Supermajority Vote, is hereby declared passed. On the Order of House Bills-Second Reading there appears House Bill 1850. Mr. Clerk, what is the status of the Bill?"

Clerk Bolin: "House Bill 1850 was read a second time on a previous day. No Committee Amendments. Floor Amendment #1,

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offered by Representative Thapedi, has been approved for consideration."

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

Thapedi: "Thank you, Mr. Speaker. Amendment #1 to House Bill 1850 actually becomes the Bill. This creates smoking free or smoking optional rooms in casinos. This would be an exemption to the Illinois Smoke Free Act. And I'm asking for its adoption at this time."

Speaker Madigan: "The Gentleman moves for the adoption of the Amendment. Those in favor... Mr. Eddy."

Eddy: "Just a quick question. Would the Sponsor yield? Representative, there had been discussions about other venues. I know I've... I've had VFWs, American Legions, did those get included as an exemption, is this casino riverboat only?"

Thapedi: "Casinos and riverboats only."

Eddy: "Okay. Thank you."

Thapedi: "Thank you."

Speaker Madigan: "Mr. Will Davis."

Davis, W.: "Thank you very much, Mr. Speaker. Sponsor yield for a question?"

Speaker Madigan: "Sponsor yields."

Davis, W.: "Representative, when we were talking earlier and I just want to make sure that... that we under... people understand that, because you're trying to create these rooms on boats and casinos, would those rooms have gaming positions in them so people can continue to enjoy whatever it is that they're doing?"

Thapedi: "Yes."

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Davis, W.: "They would?"

Thapedi: "Yes. In fact, if I can use the chamber as an example.

Assume that the chamber was a casino, and that we have our antebellum rooms on each side that are enclosed rooms, those would be example of the smoking rooms. Segregated, sealed, ventilated and gaming would be going on inside of those smoking rooms."

Davis, W.: "And one room might have table games over there, this room might have slot machines over here. Okay. And just so you know, Representative, sometimes this is a casino."

Thapedi: "Thank you."

Davis, W.: Thank you."

Speaker Madigan: "Mr. Bost."

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

Speaker Madigan: "Sponsor yields."

Bost: "Representative, you and I just recently discussed this particular issue.

Thapedi: "Yes."

Bost: "The concern that I do have is the fact that, it was brought up by Representative Eddy and then in fact that, you know, I... those of us that were actually in the military prior to 1980 remember very well that the U.S. Government taught us very well how to smoke. In every sea rat, every packaged meal that was sent out, there was always four cigarettes and those four cigarettes most times didn't have a filter. They were... they were... some people referred to them as a cowboy killer. They referred to them as whatever."

Thapedi: "Yes."

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Bost: "But they trained our military on how to smoke. Now, the problem that I had with the original Bill that passed this General Assembly that... that put the ban in place was we did not take the places like the Legion and the VFW and those areas where those military personnel now just want to go out and hang out and... and have a cigarette and a beer and... and play cards with their buddies. And we didn't exempt them out, but yet now, in this Bill and I'm not disagreeing with you... you're wanting to create a... an area aboard these riverboats that where the people who want to smoke can stay and do that and the people that don't they can go in another room. I just believe that in this language we ought to include that in the fact that if a club or organization such as the VFW or the Legion where those men and women have actually fought for those freedoms to be able to do these things, if they wanted to take their own club and invest in some sort of smoking area that would meet through these same requirements, I would hope that your language would include that as well. And I... I believe that that's probably reason... if you could come back with that, if this doesn't pass, if you'd come back with that, that's what I would support, but..."

Thapedi: "I certainly appreciate your comments, Representative and in fact, you and I did talk about that this morning. And the reason for me coming to talk to you, Representative, is because I had the opportunity to look at the floor debates and I did see that you were very vocal on the floor, but please understand my objective here. Is that what prompted this piece of legislation was a study that was done by the

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Federal Reserve Bank in St. Louis. And the Federal Reserve Bank in St. Louis made the determination at least opined that, the state of Illinois is losing roughly about \$200 million as a result of the imposition of the smoking ban. So, again, I do understand that there are a lot of other interests that are interested in looking for an exception; however, what's before the Body today is only what I have documentary evidence of and that is a loss of \$200 million in casinos."

Bost: "And that would be another place that... that would be... do we know what... has the states surrounding us, including Missouri, shown an increase or a decrease in their people attending and going to their casinos based on this issue?"

Thapedi: "Another excellent question and in fact, that's exactly what the study did, by the Federal Reserve in St. Louis, is that they actually monitored and they tracked the attendance and the revenue that was generated not only in Illinois casinos but as well as casinos in Missouri and some of the neighboring states. So, again, this was a very detailed analysis that was done by the Federal Reserve Bank and that's what I'm relying upon at this time."

Bost: "Thank you for answering questions."

Thapedi: "Thank you."

Speaker Madigan: "The question is, 'Shall the Amendment be adopted?' Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Mr. Clerk."

Clerk Bolin: "No further Amendments, but several notes have been requested on the Bill and have not been filed."

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Speaker Madigan: "The Bill shall be left on the Order of Second Reading. Mr. Rose, did you wish to call House Bill 1935? Mr. McCarthy, did you wish to call Senate Bill 550? So, Mr. Clerk, Senate Bill 550 on the Order of Second Reading. What is the status of the Bill?"

Clerk Bolin: Senate Bill 550, a Bill for an Act concerning public employee benefits. Second Reading of this Senate Bill. Amendment #1 was adopted in committee. Floor Amendment #2, offered by Representative McCarthy, has been approved for consideration."

Speaker Madigan: "Mr. McCarthy."

McCarthy: "Thank you, Mr. Speaker, and Ladies, and Gentlemen of the House. Senate Bill 550, Floor Amendment #2 is basically a gut and replace, so it is the entire Bill. And this is the cleanup language that was offered by all of the systems in order to implement the changes that have been made in the famous Senate Bill 1946. So, all of the systems are in support of this. We had no opposition in committee from either the systems or from Members of the committee. So, I'd ask for your favorable consideration of the Amendment and then the Bill."

Speaker Madigan: "The question is, 'Shall the Amendment be adopted?' Those in favor say 'yes'; those opposed say 'no'. The 'ayes' have it. The Amendment is adopted. Are there any further Amendments?"

Clerk Bolin: "No further Amendments. No Motions are filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading and read the Bill for a third time. Mr. McCarthy, this Bill was

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read for the second time today, today, which means it cannot be called on Third Reading until tomorrow."

McCarthy: "Great."

Speaker Madigan: "So, Mr. Clerk what is the status of the Bill?"

Clerk Bolin: "Senate Bill 550 was read for a second time today and has been placed on the Order of Senate Bills-Third Reading."

Speaker Madigan: "So, leave the Bill on the Order of Third Reading. On the Order of Supplemental Calendar #1 there appears Senate Bill 2485. Mr. Clerk, what is the status of the Bill?"

Clerk Bolin: "Senate Bill 2485, a Bill for an Act concerning utilities. Second Reading of this Senate Bill. Amendment #1 was adopted in committee. No Floor Amendments. No Motions are filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading. Mr. Clerk, Senate Bill 2571. What is the status of the Bill?"

Clerk Bolin: "Senate Bill 2571, a Bill for an Act concerning local government. Second Reading of this Senate Bill. Amendment #1 was adopted in committee. No Floor Amendments. No Motions are filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading. Senate Bill 3388."

Clerk Bolin: "Senate Bill 3388, a Bill for an Act concerning regulation. Second Reading of this Senate Bill. Amendments 1 and 2 were adopted in committee. No Floor Amendments. No Motions are filed."

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Speaker Madigan: "Put the Bill on the Order of Third Reading.
Senate Bill 3776."

Clerk Bolin: "Senate Bill 3776, a Bill for an Act concerning
finance. Second Reading of this Senate Bill. Amendment #1
was adopted in committee. No Floor Amendments. No Motions
are filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading.
Mr. Clerk, Senate Bill 3778."

Clerk Bolin: "Senate Bill 3778, a Bill for an Act concerning
local government. Second Reading of this Senate Bill.
Amendment #1 was adopted in committee. No Floor Amendments.
No Motions are filed."

Speaker Madigan: "Put the Bill on the Order of Third Reading.
For what purpose does Mr. Holbrook arise?"

Holbrook: "Thank you, Speaker. It's for the purpose of an
announcement. This evening from 5:30 to 7:30 I'd like to
invite all the Members here in the chamber to a going away
party for eight of our colleagues. It's going to be at
Saputo's and just... I want everyone to know all Members are
invited. Come on down and have a drink and say good-bye.
Thank you."

Speaker Madigan: "Mr. Clerk. Agreed Resolutions."

Clerk Bolin: "Agreed Resolutions. House Resolution 593, offered
by Representative McCarthy. House Resolution 1499, offered
by Representative Tryon. House Resolutions 1500, 1501, 1502,
and 1503, offered by Representative Ford. House Resolution
1504, offered by Representative Kosel. House Resolution
1507, offered by Representative McAsey. House Resolution
1508, offered by Representative Dunkin. House Resolution

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1509, offered by Representative Brady. House Resolution
1511, offered by Representative Miller. House Resolution
1512, offered by Representative Howard. House Resolution
1513, offered by Representative Mayfield. House Resolution
1514, offered by Representative Davis."

Speaker Madigan: "The Clerk has read the Agreed Resolutions. Representative Currie moves for the adoption of the Agreed Resolutions. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The Agreed Resolutions are adopted. The Chair recognizes Representative Feigenholtz. Feigenholtz. Representative Feigenholtz."

Feigenholtz: "Thank you, Mr. Speaker. I move to waive the posting requirements for House Bill 1445 and Senate Bill 150 to be heard in committee tomorrow."

Speaker Madigan: "You've all heard the Lady's Motion. Is there leave? Leave is granted. The posting requirements are suspended. Ladies and Gentlemen, the Chair is prepared to adjourn 'til tomorrow at 9:30 a.m. For Democrats, there is a Democratic Caucus at 4:00 at the State House Inn. Again, Democratic Caucus at 4:00 at the State House Inn."

Speaker Madigan: "Ladies and Gentlemen, the Chair recognizes Mr. McCarthy. Mr. McCarthy."

McCarthy: "Thank you, Mr. Speaker. The recess committee on Personnel & Pensions will convene immediately in Room 118 in the State Capitol."

Speaker Madigan: "All right. For all Members of the Pensions Committee, please note the Gentleman's announcement. The committee will meet immediately. Representative Currie moves that the House stand adjourned until Tuesday, November

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30 at 9:30 a.m., providing perfunctory time for the Clerk. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The House does stand adjourned until Tuesday, November 30 at 9:30 a.m., providing perfunctory time for the Clerk."

Clerk Mahoney: "House Perfunctory Session will come to order. Committee Reports. Representative Nekritz, chairperson from the Committee on Personnel & Pensions reports the following committee action taken on November 29, 2010: do pass as amended is Senate Bill 3538. House Bills-Second Reading. House Bill 1915, a Bill for an Act concerning transportation. Second Reading of this House Bill. Senate Bills-Second Reading. Senate Bill 3538, a Bill for an Act concerning public employee benefits. Second Reading of this Senate Bill. Senate Bills-First Reading. Senate Bill 647, offered by Representative Coulson, a Bill for an Act concerning education. Introduction and First Reading of House Joint Resolution Constitutional Amendment-First Reading. House Joint Resolution Constitutional Amendment 59, offered by Representative Farnham.

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that there shall be submitted to the electors of the State for adoption or rejection at the general election next occurring at least 6 months after the adoption of this resolution a proposition to add Section 2.1 to Article VIII of the Illinois Constitution as follows:

ARTICLE VIII

FINANCE

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SECTION 2.1. LIMITATIONS ON APPROPRIATIONS AND TRANSFERS

(a) For the fiscal year ending in 2014 and each fiscal year thereafter, aggregate appropriations and transfers from the general funds are limited as provided in this Section. "General funds" include the general revenue fund and any other funds designated by the General Assembly by law making specific reference to this Section. "Appropriations and transfers" do not include (i) reappropriations from a previous fiscal year, (ii) those made for debt service payments, and (iii) those made to a budget stabilization fund.

(b) Aggregate fiscal year appropriations and transfers from the general funds may not exceed the limitation amount. The limitation amount is the aggregate amount of appropriations and transfers from the general funds in the previous fiscal year, including increased amounts under subsection (c), as adjusted. The adjustment is the average annual percentage change in the average per capita personal income for Illinois for the five most recent calendar years for which data is available, as defined and reported by the United States Department of Commerce, or its successor.

(c) The Governor may declare a fiscal emergency by filing a declaration with the Secretary of State and copies with the Senate and House of Representatives. The declaration must be limited to only one State fiscal year, set forth compelling reasons for declaring a fiscal emergency, and request that the limitation amount for that fiscal year be increased by a specific dollar amount. If the Comptroller and Treasurer advise the General Assembly that they concur in the

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Governor's declaration, then by a record vote of three-fifths of the members elected in each house, the General Assembly by law may authorize increased appropriations and transfers in a specific dollar amount that is no more than the increased amount requested by the Governor in the declaration.

(d) If the general funds revenues for a fiscal year exceed the limitation amount for that fiscal year, then those excess revenues must be deposited into one or more budget stabilization funds. A budget stabilization fund must be designated by law making specific reference to this Section or, in the absence of law, by the Comptroller. If the aggregate unexpended and unobligated amount in the budget stabilization funds at the end of a fiscal year exceeds an amount equal to ten percent of the limitation amount for that fiscal year, then that excess shall be refunded in a manner and in amounts determined by the General Assembly by law.

SCHEDULE

This Constitutional Amendment takes effect upon being declared adopted in accordance with Section 7 of the Illinois Constitutional Amendment Act. There being no further business, the House Perfunctory Session will stand adjourned."