

80TH GENERAL ASSEMBLY  
SECOND SPECIAL SESSION  
NOVEMBER 4, 1977

1. PRESIDING OFFICER: (SENATOR DONNEWALD)

2. The Second Special Session to come to order. Reading  
3. of the Journal. Senator Kosinski.

4. SENATOR KOSINSKI:

5. Yes. Mr. President and members of the Senate. I move  
6. in reading and approval of the Journals of Wednesday, November  
7. 2nd and Thursday, November 3rd in the year 1977, the Second  
8. Special Session be postponed pending arrival of the printed  
9. Journals.

10. PRESIDING OFFICER: (SENATOR DONNEWALD)

11. Heard the motion. Those in favor indicate by saying Aye.  
12. Those opposed Nay. The Ayes have it. The motion carries.  
13. Resolutions. Senator Rock.

14. SECRETARY:

15. Senate Joint...Senator Joint Resolution No. 1.

16. (Secretary reads S.J.R. No. 1)

17. PRESIDING OFFICER: (SENATOR DONNEWALD)

18. Senator Rock moves that the rules be suspended for the  
19. immediate consideration of the adoption. Those in favor  
20. indicate by saying Aye. Those opposed Nay. The Ayes have it.  
21. The rules are suspended. Senator Rock further moves that the  
22. Second Special Session stand adjourned till two-thirty Monday,  
23. November 7th. Those in favor indicate by saying Aye. Those  
24. opposed. The Ayes have it. The motion is adopted. Senate  
25. Bills on 2nd reading. Senate Bill 1. Senator Smith. Senate  
26. Bill 8. Senator Nimrod. Senate Bills on 3rd reading. Senate  
27. Bill 3. Senator Graham. Senate Bill 6. Senator Glass.  
28. Senate Bill 7. Senator Maragos. The Senate will stand at  
29. ease. The Senate will stand in recess to the call of the Chair  
30. as to the Second Special Session.

31. (RECESS)

32. (AFTER RECESS)

33. PRESIDING OFFICER: (SENATOR BRUCE)

11/14/77

1. The Second Special Session shall come to order. On the  
2. Order of Senate Bills, 3rd reading. Senate Bill 6. Senator  
3. Glass. It's my understanding that you had agreed to return  
4. that bill to the Order of 2nd reading when we got to this  
5. order. Senator Glass.

6. SENATOR GLASS:

7. Yes, Mr. President. I have so agreed and I would ask  
8. leave of the Body to be at ease for a few minutes. I'm  
9. waiting for an amendment to come up here. I'd like to  
10. present that amendment and at that time I'm sure we can  
11. handle all the amendments that are going to be offered. It  
12. should be here momentarily. Okay. In fact, it has just arrived.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. The Secretary informs me that he has not received a copy  
15. but I'm sure that he will. (Machine cutoff) will be at ease  
16. for a moment. Senator Hynes. May we just stand at ease for  
17. one moment. The amendment that has been brought up as a technical  
18. error and they're going to correct it and then have it copied  
19. and distributed to the members. The Senate will come to order.  
20. We are in the Second Special Session on the Order of Senate  
21. Bills, 3rd reading. Senator Glass on Senate Bill 6.

22. SENATOR GLASS:

23. As I indicated, Mr. President and Senators, yesterday  
24. I would call this bill back to 2nd for purposes of allowing  
25. anyone who wished to offer amendments and I make that request  
26. at this time.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Is there leave to return...Senate Bill 6 to the Order of  
29. 2nd reading for the purpose of an amendment? Leave is granted.  
30. Senate Bill 6 is now on the Order of 2nd reading. Mr. Secretary.

31. SECRETARY:

32. Amendment No. 5 offered by Senator Hynes.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Senator Hynes.

2. SENATOR HYNES:

3. Mr. President, this...this amendment would require the  
4. State of Illinois to assist local governments in this tran-  
5. sitional period by contributing any local share that is in-  
6. volved for the first Calendar year only. The amendment that  
7. we discussed yesterday required State contribution into  
8. perpetuity. Many members in debate indicated that they  
9. could support and would support a...an amendment which covered  
10. only the first year. And we have prepared such an amendment  
11. and I now offer it. The fiscal impact on the State will be  
12. a total of six point seven million dollars, which will be payable  
13. in FY '79. There will be no fiscal impact on the State in  
14. FY '78. Only in FY '79. The total amount involved will be  
15. six point seven million dollars. I think this is a very  
16. reasonable approach, in fact, unduly conservative as far  
17. as I'm concerned. But I think it is a good approach, because  
18. first of all it will not impact severely on the State budget.  
19. Secondly, it will allow local governments during the first year  
20. when they simply are not prepared for the imposition  
21. of this new...new burden, either in terms of available  
22. revenues or procedurally in terms of being able to implement  
23. this legislation. It will take the burden from them. I think  
24. it is a...good amendment and I think it ought to be adopted.  
25. The amount of...six point seven million dollars is arrived at  
26. by deducting what the Federal contributions will be for that  
27. first year. The Federal Government will pay one hundred  
28. percent of the cost in the first six months of the Calendar  
29. year, fifty percent in the second quarter and twenty-five  
30. percent in the third...in the final quarter and...this is the  
31. balance that will be due and owing. And this amendment would  
32. call for the State to pay that amount. And I think those of  
33. you that have been in contact with your units of local government

1. know the kinds of problems they're going to have both in terms  
2. of coming up with the money to pay this bill and simply in terms  
3. of mechanically being able to pay it out even if they have the  
4. money. This will give them the year to be able to make...any  
5. necessary adjustments in order to be able to handle this matter  
6. in the future. It also builds in accountability, it seems to  
7. me, since if the program is not run properly at the local level  
8. it is going to impact on the experience determination for local  
9. governments in the future. And they will be footing the bills.  
10. So I think they will be very strong incentive for local  
11. governments to properly administer the program. And I would  
12. urge your support in the adoption of this amendment.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. Is there discussion? Senator Regner.

15. SENATOR REGNER:

16. Well, Mr. President, and members of the Senate. Just  
17. you know, very shortly, what I see happening here is a  
18. precedent being set and come next year there would be a bill  
19. in to extend...extend the payments for one more year and I  
20. think it's not much better than the amendment that was offered  
21. yesterday and I'd urge its defeat.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Glass.

24. SENATOR GLASS:

25. Well, thank you, Mr. President and Ladies and Gentlemen  
26. of the Senate. I also rise in opposition to this amendment.  
27. And for the Body's information we will be offering if this  
28. amendment is defeated a substitute amendment which will  
29. provide relief to local governments through State loans of  
30. twenty-five percent of the amount due repayable in a year.  
31. Now I...I think, Ladies and Gentlemen, that is a far preferable  
32. approach rather a State bailing out completely these local  
33. governments and giving them all the money necessary to pay the

1. unemployment comp cost. And I...and I say that primarily,  
2. because in principle, it is wrong for the State to pick up  
3. what is a local obligation. And furthermore, and I think,  
4. most importantly, unless the local units of government have  
5. some stake in a good performance on unemployment compensation  
6. as far as accountability, and a good experience rating  
7. during 1978 they will not, in fact, perform. I don't...I'm  
8. not persuaded that merely building up an experience rating  
9. for the future is the kind of incentive that is necessary.  
10. They ought to have their own money involved to some degree  
11. and I think the substitute amendment that will be offered  
12. where the State will give them assistance through loans is  
13. far preferable. I, therefore, would urge the defeat of this  
14. amendment.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Further discussion? Senator Shapiro.

17. SENATOR SHAPIRO:

18. Just very briefly. This amendment cuts the payment by  
19. the State if it were enacted to one calendar year. And I just  
20. want to urge the members, particularly on this side, to resist  
21. the amendment.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Hickey.

24. SENATOR HICKEY:

25. Mr. President, yesterday I was horrified to think that we might  
26. say that the State would pick up the whole tab or next year and  
27. on in perpetuity. We don't seem to object to the Federal  
28. Government picking up the greatest share. That this cuts  
29. down what the State's going to do considerably. There is no  
30. promise of State liability a second year and this amendment  
31. at all. And it seems to me that it's a very good compromise  
32. and I'm going to support it.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Further discussion? Senator Wooten.

2. SENATOR WOOTEN:

3. Mr. President and colleagues. I stated my position  
4. on this repeatedly. The proper sequence is to simply pass  
5. a system of compliance and deferral. Deal with the question  
6. of eligibility and then deal with the program of a system of  
7. loans for units of local government. I think it is crucial  
8. that units of local government be faced with the prospect  
9. of what our eligibility requirements can do. Once they have  
10. an experienced rating they'll go from one percent to four  
11. percent in a hurry, if we apply any kind of realistic standard.  
12. But their entry rate is one percent. They've got to go up if we  
13. keep up our system of temporary employment. I think it is  
14. psychologically bad, as I said, to put into...into the law  
15. any kind of guarantee of State payment. We defeated, what  
16. was a bad amendment yesterday. I don't think this amend-  
17. ment is much better, but I am, as Senator Bruce put it so  
18. eloquently yesterday, going to rise above principle and  
19. support the amendment for this reason. I want to get it  
20. out of this Chamber and get it over to where the real scrap  
21. is going to take place in the House. Get it on the Governor's  
22. Desk. See what he does and let's get the action moving along.  
23. I absolutely promise that that date is not going to be extended  
24. with my vote ever because I...it may be we're establishing a  
25. precedent, but it's certainly a precedent that I'm not about  
26. to repeat. It is absolutely a mistake. I think that a system  
27. of loans and we ought to look carefully at a program of that  
28. kind in the Spring is, perhaps, defensible. But unless the  
29. local units of government police the system, it's just not  
30. going to work.

31. PRESIDING OFFICER: (SENATOR BRUCE)

32. Senator Grotberg.

33. SENATOR GROTBORG:

1. Mr. President and fellow Senators and Senator Berman in  
2. particularly. I'm delighted to know that I was only a million  
3. dollars off when I said we were going to give a gift to the  
4. taxpayers back home in local governments of an IOU of ten  
5. million dollars. It is nine million dollars. And I think  
6. it's crucial because people understand their local taxes.  
7. There's only one way to get the message back to the people  
8. about what's being done to them in Washington and using us  
9. for a pipeline. If we'd put this on the State it will  
10. disappear in the bowels of everything else that's in the  
11. State's budget and will never be noted back home as a  
12. gift of any kind. I think it's crucial we defeat this  
13. amendment. Deal with the reality that it's the local  
14. taxpayer that's supporting his local unit of government  
15. and it's an add on to that and...for communication purposes  
16. alone back home that's essential that we let this thing drift  
17. back to where it will be understood and dealt with at the polls  
18. from here on in and I oppose the amendment.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Kenneth Hall.

21. SENATOR KENNETH HALL:

22. Thank you, Mr. President and Ladies and Gentlemen of the  
23. Senate. So much has been said about this, I just wanted to  
24. reecho that this makes sense to me. You know when you're  
25. talking about putting things on local governments back home,  
26. I don't know who you people are talking to, but I know who  
27. I'm talking to back in my district and with this being  
28. cut down to one year, I certainly am going to support this  
29. amendment and I would urge everyone to do so.

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Senator Harber Hall.

32. SENATOR HARBER HALL:

33. Out of controversy, Mr. President, comes compromise and

1. I appreciate any effort to compromise so that we can move  
2. this serious matter forward, as it must do, probably, today.  
3. But I would suggest to you, Mr. President, that this...  
4. so called compromise eliminates the possibility of forcing  
5. the tax to be paid by the local entities who have control  
6. of their employees and who should monitor that control and  
7. who know the situation and who would be the most interested  
8. in keeping the record for unemployment in good condition.  
9. Now we have, as Senator Glass has indicated, an amendment that  
10. would preclude the possibility of this Body coming back under  
11. pressure next year and extending what is provided here. State  
12. payment of all claims. It would be a very simple amendment  
13. to the Statute that we would provide them with to just extend  
14. it. You would set the precedent, as Senator Regner pointed  
15. out. You would set a precedent of the State paying these  
16. claims a hundred percent and how attractive it would be and  
17. how much pressure you would receive from all local governments  
18. and school districts to continue the practice. So I...I would  
19. suggest that you think very carefully about voting for this  
20. amendment. And, certainly, if this amendment is put on this  
21. bill would have difficulty passing...as it should. But we  
22. have an amendment that would...that would provide no immediate  
23. cost to the local districts...the local levels of government...  
24. inasmuch as the Federal Government would provide part of the  
25. cost and we would make a loan for the balance. So every  
26. school district, every level of government who comes under this  
27. would have the first year financed, so that they would from  
28. then on get into their budget enough money and they would have  
29. a...they would have a year to pay this twenty-five percent back  
30. to the State. The Federal Government picks up the other seventy-  
31. five percent and that amendment is the one that should go on  
32. this bill.  
33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Permission is being sought to record the proceedings.

2. Is leave granted? Leave is granted. Senator Buzbee.

3. SENATOR BUZBEE:

4. Thank you, Mr. President. I was not the one that  
5. sought permission to have the proceedings recorded because  
6. I was getting ready to speak, but...I oppose the amendment  
7. as offered yesterday, which would burden the State into  
8. perpetuity with the cost of the unemployment compensation  
9. insurance for local governments. However, it seems to me  
10. as Senator Hall just pointed out, out of conflict comes  
11. compromise and this is a good compromise. Now I am not  
12. concerned about the lack of managerial oversight or the  
13. lack of responsibility on the part of local governments  
14. because if they're not having to pay the tab they can  
15. hire and fire as they see fit, if they don't have to pay  
16. the tab for unemployment comp. I'm not concerned about  
17. that because they are going to have to pay the tab after  
18. this first year. They are going to have an experienced  
19. factor history, which will be established this first year.  
20. And so we are relieving them of this burden which they had  
21. nothing to do with and which we, of course, know that we  
22. had nothing to do with either. But the Feds once more  
23. telling us how to run our business and one of these days  
24. we're going to have to tell the Feds where they can go with  
25. their running our business. But in the meantime, why we're  
26. going to have to give in, apparently, on this one. And as  
27. I said, I think that we are...there will be a history  
28. established this first year of the experience factor and  
29. we will be able to turn it over to the...to the local  
30. governments shortly thereafter. After the first year, I'm  
31. like Senator Wooten, I'm not going to vote to extend it past  
32. that first year. If the cost factor is, in fact, as Senator  
33. Hynes pointed out no more than six point seven million dollars,

1. don't tell me that this is going to break the bank in the  
2. State of Illinois. We all know that the Governor's Office  
3. is in...is in the preparation, right now, of the Fiscal '79  
4. budget and we all know that there's going to be gifts under  
5. the Christmas tree for everybody. Next year is an election  
6. year. Smart politics, Governor Thompson. I have maintained  
7. all along this was going to be the tack that you take. Next  
8. year we're going to have plenty of money for the universities.  
9. We're going to have plenty of money for public...for public  
10. school funding. We'll have a cost of living for Public Aid  
11. recipients, et cetera, et cetera, et cetera, et cetera...on  
12. ...on to ad infinitum. And I tell you that the six point seven  
13. million dollars that the State's...the State will now pick up  
14. this year on behalf of local governments who have no other way,  
15. by the way, of raising this money, don't forget their levy  
16. has already been extended. They're...they can't go back to the  
17. taxpayer and say, you got to give me a little bit more until  
18. some time late next year, will they be receiving any more of  
19. their revenues from local property taxes. And I think this is  
20. an excellent compromise. I congratulate Senator Hynes for...  
21. for agreeing to such a compromise as this.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Further discussion? Further discussion? Senator Hynes,  
24. do you wish to close? Senator Glass.

25. SENATOR GLASS:

26. Well, I...I would just like to point out one further  
27. objection to the amendment where the State pays the full  
28. cost. There will be no incentive for local governments to  
29. have a good experience rating because this will not be similar  
30. to the private sector, where each employer is judged upon his  
31. own rating. For the first two years the...there will be a  
32. study made to determine what a...what a proper rate is for  
33. local governments. And the only incentive and the only

1. responsibility local governments' will have is if some of  
2. their own money is tied up in paying these costs and...and  
3. is that risk. So I think this is an extremely bad principle  
4. and I would urge a...strongly upon those of you who agree with  
5. that philosophy to oppose this amendment and...and support the  
6. next one that will be offered.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Is there further debate? Senator Berning.

9. SENATOR BERNING:

10. Just one question of clarification. I have before me  
11. a document, an amendment and I have not been able to number it.  
12. I'm not sure that this is the one we're considering and may I  
13. just be sure that what this piece of paper says is, number five.  
14. "Notwithstanding subparagraphs A and B herein, the State of  
15. Illinois shall make payments in lieu of contributions on be-  
16. half of each governmental entity that," and I submit the word  
17. should be which, "which elects to make payments in lieu of  
18. contributions of one hundred percent of the payment, in lieu  
19. of contribution for the...calendar year of 1978." Seems to me  
20. there's a couple of in lieu's missing there, but is this the  
21. amendment we're talking about?

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. ...Senator Berning, to answer your question, that is  
24. the amendment under consideration.

25. SENATOR BERNING:

26. If this is the... -

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. That's Amendment No. 5.

29. SENATOR BERNING:

30. ...I submit that the explanation has not defined what  
31. payment is lieu of contribution of one hundred percent of  
32. payment in lieu, really means.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. (Machine cutoff) further debate? Senator Nimrod.

2. SENATOR NIMROD:

3. Yes, Mr. President and Ladies and Gentlemen of the Senate.  
4. I would only like to reiterate what Senator Glass has said and  
5. tell you this that if we set up a policy of next year of not  
6. having the personnel of the local governments be concerned as  
7. to whether or not they'll have any of the responsibility in  
8. policing that we're going to have a very bad precedent beginning.  
9. It seems to me that the far more sensible approach is to have  
10. them have some responsibility and concern in this area. And the  
11. fact is, that if we loan them the money they're going to  
12. be concerned about it. But if we start this program on the  
13. wrong foot and the wrong kind of policies get set up and the  
14. wrong rules and regulations get implemented, then it's going  
15. to be very difficult to have them corrected later. There's no  
16. reason for our local government under this program to minimize  
17. or not to include someone when this isn't being made of not  
18. to include them so that they're receiving unemployment compen-  
19. sation. I think it's a bad precedent and you're encouraging  
20. a bad policy to exist.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. (Machine cutoff) discussion? Senator Hynes.

23. SENATOR HYNES:

24. Mr. President and members of the Senate. I will be very  
25. brief. There is accountability built into this amendment because  
26. how else can the future rates of local governments be determined  
27. other than through experience in the first years this program  
28. is in effect. So there is a very strong incentive on local  
29. governments to keep down the rate of unemployment compensation  
30. claims that are paid out on. Secondly, with respect to the  
31. alternate proposal that will come up after this amendment, if  
32. the amendment is successful and, therefore, I am convinced  
33. it will never come up. The amendment proposes to pay, in effect

1. twenty-five percent of twenty-five percent. So it is not  
2. a loan and this ought to be very clear. It is not a loan,  
3. as it is drawn of whatever amount local governments would  
4. have to pay. It is a loan of part of what they would have  
5. to pay and it does nothing to cure the problem. And I would  
6. urge the adoption of this amendment.

7. PRESIDING OFFICER:(SENATOR BRUCE)

8. The question is on the adoption of Amendment No. 5 to  
9. Senate Bill 6. Those in favor vote Aye. Those opposed vote  
10. Nay. The voting is open. Have all voted who wish? Have all  
11. voted who wish? Take the record. On that question, the Ayes  
12. are 32, the Nays are 25. None Voting Present. Amendment No.  
13. 5 to Senate Bill 6 is adopted. Further amendments, Mr.

14. Secretary?

15. SECRETARY:

16. Amendment No. 6 offered by Senator Harber Hall.

17. PRESIDING OFFICER: (SENATOR BRUCE)

18. Senator Harber Hall, for what purpose do you arise?

19. SENATOR HARBER HALL:

20. Mr. President, this amendment conflicts with a previous  
21. amendment just adopted and I would like to withdraw the amend-  
22. ment.

23. PRESIDING OFFICER:(SENATOR BRUCE)

24. The amendment will be withdrawn. Are there further  
25. amendments?

26. SECRETARY:

27. No further amendments.

28. PRESIDING OFFICER: (SENATOR BRUCE)

29. 3rd reading. Senator Glass.

30. SENATOR GLASS:

31. We...we do have an amendment that has been requested by  
32. the Municipal League to offer. And I will reserve right to call  
33. that back at a later time.

1. PRESIDING OFFICER: (SENATOR BRUCE)

2. All right. Are there further bills in...in the Order of  
3. the Second Special Session that any sponsor wishes to call either  
4. on 2nd or 3rd reading? The Senate will stand as ease. Is there  
5. leave to recess the Second Special Session subject to the call  
6. of the Chair? Leave is granted. The Chair might get some of  
7. the resolutions considered.

8. PRESIDING OFFICER: (SENATOR ROCK)

9. The Senate will come to order in the Second Special Session.  
10. We were on the Order of Senate Bills, 3rd reading, Senate Bill  
11. 6. Senator Glass.

12. SENATOR GLASS:

13. Mr. President, I would like to have this bill held until  
14. the Session on Monday. We'll be prepared to offer final amend-  
15. ments to it at that time and take action.

16. PRESIDING OFFICER: (SENATOR ROCK)

17. Any further business to come before the Senate? Senator  
18. Hynes.

19. SENATOR HYNES:

20. For the purposes of edification of the membership. Senator  
21. Glass is unwilling to proceed with the bill in its present form.  
22. He has some disagreement with the amendment that was adopted and  
23. we have discussed some alternatives. And there's been no con-  
24. clusion reached on any alternative. And, therefore, as the  
25. sponsor he has the right not to call the bill and, therefore,  
26. we will not be able to act on this matter today and I would like  
27. to simply inform the membership that that means we will be here  
28. on Wednesday of next week. So make your plans accordingly.  
29. Wednesday is also the 9th. The deadline is the 10th. So our feet  
30. are being put to the fire. But I hope we'll be able to resolve  
31. this matter promptly on Monday when we return and get the bill  
32. over to the House so it can be acted on. And if...if there is no  
33. further business to come before the Senate in the Second Special  
34. Session...

1. PRESIDING OFFICER: (SENATOR ROCK)

2. The hour of two-thirty...

3. SENATOR HYNES:

4. I would move that the Second Special Session stand  
5. adjourned until the hour of two-thirty p.m. on Monday.

6. PRESIDING OFFICER: (SENATOR ROCK)

7. You've heard the motion. All those in favor signify  
8. by saying Aye. All those opposed. The Ayes have it. The  
9. Senate...Second Special Session stands adjourned until Monday,  
10. November 7th at the hour of two-thirty p.m. The Senate is  
11. adjourned.

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