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164th Legislative Day

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PRESIDING OFFICER: (SENATOR MARTINEZ)

The regular Session of the 95th General Assembly will please come to order. Will all Members be at their desk? Will our guests in the galleries please rise? The invocation today will be given by Pastor Jeff Smith from the Modesto Christian Church in Modesto, Illinois.

PASTOR JEFF SMITH:

(Prayer by Pastor Jeff Smith)

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please remain standing for the Pledge Allegiance. Senator Maloney.

SENATOR MALONEY:

(Pledge of Allegiance, led by Senator Maloney)

PRESIDING OFFICER: (SENATOR MARTINEZ)

Madam Secretary, Reading and Approval of the Journals.

SECRETARY SHIPLEY:

Senate Journal of May 28th, 2008.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hunter.

SENATOR HUNTER:

Madam President, I move that the Journal just read by the Secretary be approved, unless some Senators has additions or corrections to offer.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hunter moves to approve the Journals just read by the Secretary. There being no objection, so ordered. Madam Secretary, Resolutions.

SECRETARY SHIPLEY:

Senate Resolution 740, offered by Senator Silverstein and

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all Members.

Senate Resolution 741, offered by Senators Hunter, Clayborne, Bomke and all Members.

And Senate Resolution 742, offered by Senator Haine and all Members.

They're all death resolutions, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Resolutions Consent Calendar.

SECRETARY SHIPLEY:

And Senate Joint Resolution 104, offered by Senator Harmon. It is substantive.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Madam Secretary, Committee Reports.

SECRETARY SHIPLEY:

Senator Trotter, Chairperson of the Committee on Appropriations I, reports House Bills 4215, 5151, 5215, 5350 and 5701 Do Pass, as Amended.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Madam Secretary, Messages.

SECRETARY SHIPLEY:

A Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Joint Resolution 100.

Offered by Senator Lightford, and adopted by the House, May 22nd, 2008. Mark Mahoney, Clerk of the House.

And it is substantive.

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I have a Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 1879, together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Amendment No. 3 to Senate Bill 1879.

We've received like Messages on Senate Bill 2021, with House Amendment No. 1; Senate Bill 2394, with House Amendment No. 1; and Senate Bill 2696, with House Amendment No. 1. All passed the House, as amended, May 28th, 2008. Mark Mahoney, Clerk of the House.

And a final Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to wit:

House Bill 2308.

We've received like Messages on House Bills 4443 and 5668. Passed the House, May 28th, 2008. Mark Mahoney, Clerk of the House.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Pankau, for what purpose do you rise?

SENATOR PANKAU:

Personal privilege, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state that privilege.

SENATOR PANKAU:

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I have a guest with me today. She is my Page for the Day. This is Alice -- Allison Struchum -- Strachan. I tried. Strachan. She's from -- she's in the fifth grade in Waterbury School in Roselle. And she graduated yesterday, along with two hundred other kids from the D.A.R.E. program that they offer out there. Her father is up in the President's Gallery up there. His name is Tom. And if you would join me in welcoming Allison and her father to Springfield and give 'em a big Springfield welcome.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Will all our colleagues please rise and give her a great welcome to Springfield? WLS-TV Chicago and -- and Illinois Information Service seek leave to videotape the proceedings. Seeing no objection, leave is granted. Senator Haine, for what purpose do you rise?

SENATOR HAINE:

Madam President, a point of personal privilege.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state your privilege.

SENATOR HAINE:

Madam President and Ladies and Gentlemen of the Senate, I would take this opportunity to introduce some very close friends for many, many years: Doug Martin, President of the 100 Black Men of Alton, Illinois; Alice Martin, his lovely and talented wife, who is a member of the Alton City Council; and my Page for today, Jon Martin, their grandson, who's going into the fifth grade and an exceptional math student and just an all-around fine young man. Please give them a welcome.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Please welcome -- help us welcome him to the Senate. Thank you for being here. Senator Demuzio, what purpose do you rise?

SENATOR DEMUZIO:

Yes. Thank you, Madam President and Members of the Senate. We have -- it's a point of personal privilege.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state your point.

SENATOR DEMUZIO:

Yes. Back to the west door here today, we have a gentleman by the name of Fred Snodgrass. And Mr. Snodgrass has been a doorman with the Illinois General Assembly for many, many years. He's had some ill health. He's been gone. He's back again. And if you'll -- if Fred will raise his hand back there for us, Fred. Well, today Fred is eighty-three years young. Okay?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Happy...

SENATOR DEMUZIO:

And I think he actually -- how many years, Fred, have you been a doorman? How many years? Twenty-four years as a faithful servant to the Illinois General Assembly. And we wish you many, many more years of -- of good health and being with our Illinois General Assembly, Fred.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Happy birthday. To fulfill our responsibility under Article V, Section 9 of the Constitution, we will now proceed to the Order of Advise and Consent. Senator Hendon.

SENATOR HENDON:

Thank you, Madam President. With respect to the Governor's Office of May -- the Governor's Message of May 15, 2008, I will

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read the salaried appointment of which the Committee on Executive Appointments recommends that the Senate reject. Thank you, Madam President. I move that the Senate resolve itself into Executive Session for the purposes of acting on the appointments set forth in the Governor's -- Messages from the Governor dated April 17th and May 15th, 2008, and the Message from the Comptroller dated May 14, 2008, and the Message from the Treasurer dated May 21st, 2008.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon moves that the Senate resolve itself into Executive Session for the purpose of acting on the appointments set forth in the Message from the Governor dated April 17th, 2008; the Message from the Comptroller dated -- and -- I'm sorry, dated April 17th and May 15, 2008; a Message from the Comptroller dated May 14th, 2008; and the Message from the Treasurer dated May 21st, 2008. Madam Secretary, Committee Report.

SECRETARY SHIPLEY:

Senator Hendon, Chairman of the Committee on Executive Appointments, to which was referred the Governor's Message of April 17th, 2008, reported the same back with a recommendation that the Senate reject the following appointment.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Madam President, with respect to the Governor's Message of April 17th, 2008, I will read the salaried appointment on which the Committee on Executive Appointments recommends that the Senate reject:

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To be a member of the Prisoner Review Board for a term commencing April 14, 2008, and ending January 21st, 2013: Salvador Diaz.

Madam President, having read the salaried appointment from the Governor's Message of April 17th, 2008, I now seek leave to consider the appointment on a roll call. Madam President, will you put the question as required by our rules?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Senator Millner.

SENATOR MILLNER:

Thank -- thank you, Madam President, Members of the Senate. I would just like to, if I may, say a few words about Sal Diaz, who's the Democrat appointment to the -- to the Prisoner Review Board. And I'd like to just share some things with this Body so you know what I learned about Sal Diaz. Sal Diaz was a Chicago Police Officer for -- for twenty-five years. And the statute says that there must be a police officer on -- or a law enforcement officer on the Prisoner Review Board. The last officer we had on the Prisoner Review Board was John Stenson, who was the Chief of Police of Peoria and he was removed. Prior to that, was a guy named Donahue, I believe, another police officer who was removed. Now we have the third police officer. And -- and here's my concern. Here's a guy, not only is he a police officer for twenty-five years, he's got his master's degree in counseling, and because he's on the Prisoner Review Board, this man is now going to the Jane Addams School of Social Work at the University of Illinois to get his master's degree in social work. I've spent a lot of time talking to him. This guy understands the issue of recidivism. He knows how to interview

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prisoners to determine whether or not they're going to commit a crime. This guy -- if you want a model for somebody on the Prisoner Review Board, this is the guy we want to have. We want to have someone just like this guy. But here's more of a concern. Even though there's -- there's rumor, there's innuendo about a case of a cop killer in Rockford. And in May, Salvador Diaz was the hearing officer, and the widow of the police officer told me that she's been through many of these hearings. And Salvador Diaz, she said, he handled this in the most proficient, professional -- professional, dignified and prepared manner than any other case she's been to. This guy is just -- she said was the best. However, the cop killer then moves his case -- he -- he moves it to June. Nobody really knows why he wanted to move it to June, so his case is on June 9th. So Sal Diaz - I spoke with him today about this - he said he wanted to meet with this prisoner to talk to him to figure out if this guy's rehabilitated. The prisoner refused to meet with him. The widow said, when she talked to me, that she feels they're trying to remove this other police officer from the Prisoner Review Board so they can get a favorable vote in June to let this cop killer free. Now, let me tell you a little bit about the cop killer. While he was robbing the bank, he kidnapped the bank president. He leaves the scene, runs into a barbershop, kidnaps the barber. The -- the officer, Detective Mayborne, arrived on the scene and this man killed him. Now, that's bad enough, but the guy was just released from prison for kidnapping somebody else. I'm not sure we want to release him back. That's not the issue here today. I am not suggesting that anybody here wants to release, especially our chairman of the

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committee, that -- he would ever want to release -- or -- or not appoint Diaz for this reason. I'm not suggesting that at all. I'm saying that this -- there's rumor about this. There's innuendo. I'm getting phone calls from all over. I'm getting phone calls from State's attorneys, police groups, and others that suggest that this could be the case. I would like to ask this -- the Senate to please consider -- just in case it may be something in the -- in the -- in the cards here, let's slow the process down. Let's slow it down. Let's vote either Present or let's vote to keep this Sal Diaz there. I talked to another member of the Prisoner Review Board this morning as well, who said that Sal Diaz is probably the most professional member of this Board. Why would we want to get rid of him? Sal Diaz -- treats people with dignity, respect, compassion and empathy. Why would we want to release him from his duties? I also learned, by looking at Diaz's voting record, he does release prisoners. He does send 'em back to the community. He does it on a case-by-case basis, by looking at these people to see if they're going to be able to be rehabilitated, if he will be able to send 'em back to our community without this -- this guy recidivising -- recidivating again, or whatever the word is - committing the crimes again. He wants to make sure we send these people back to their communities so they don't recommit or reoffend. Why would we want to get rid of someone like that? I'm asking this Body here, based upon what I learned about Sal Diaz, to please keep him in this position. I'm asking for those, who aren't sure about this, to please slow the process down and stop it. Remember, our committee, and I want to finish with this, our Executive Appointment Committee unanimously voted

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for Sal Diaz prior to this week. And this week, we vote -- the committee voted to send him on his way. I don't quite get it. I don't understand it. I really don't think it's right, personally. And I -- I ask for an Aye vote to keep Sal Diaz in his position. Thank you so much.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Thank you, Madam President. First of all, for the record, I want to make sure that my dear friend, Senator Millner, know that I haven't -- haven't heard of the case he's even talking about until today, until ten minutes ago. So, to inject that in, I think, is wrong, especially from a fair-minded person such as yourself. I said in committee today how I was shocked that you would bring it up, because that is simply not the case. And all of these Executive Appointments, I'm sure you remember and you know, they come from the Governor's Office - Governor that many of you rant and rave about every day. A Governor that I defend every day. Well, guess what? The Governor's Office decided that they didn't want to work with us on this one. They showed a sign of arrogance. They showed a sign of pompousness that I hope I don't see anymore, because I defend the Governor all the time. We said to the second floor that they had a problem with Mr. Diaz. They chose to ignore it. In fact, it was the height of arrogance. They told the gentleman he didn't have to come and talk to the chairman, he didn't have to come and talk to the vice-chairman, he didn't have to talk to the President of the Senate. The Governor's Office was going to handle it and that was that. Well, this is one of those days

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when the Governor's Office needs to understand that the Constitution calls for the advice and consent of the Senate, and if they choose not to seek that, then this is the result.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Dillard.

SENATOR DILLARD:

Thank you, Madam President. I rise to echo some of the sentiments and concerns of the former Police Chief of Elmhurst, former President of the Police Chiefs' Association of Illinois, my colleague, John Millner. There's a very bad trend here and people always say, well, what's the difference between Republicans and Democrats. This would be the third law enforcement individual that the Democrats have taken off the Prisoner Review Board. And to me, that is clearly an anti-law enforcement bias and it shows that your political party on the other side is soft on crime. This is also -- Mr. -- Mr. Diaz is only one of two Latino members - only one of two Latino members, Madam President, on a large Prisoner Review Board. In a State like Illinois with a growing Latino population, not only among our citizenship, but sadly in our penitentiaries, I don't understand how you can, especially your political party, take off one of only the two Latino members on this big Board. I have problems with Governor Blagojevich, too, Senator Hendon. But I happen to know that Mr. Diaz comes from Congressman Gutierrez. He is an appointee recommended by Luis Gutierrez, who is clearly a prominent Latino in the State of Illinois. And it's an election year and I don't want to make any threats upon anybody. But if I were you on that side of the aisle, and we, in fact, can connect the dots with a vote to let a cop killer

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somehow have extra protection in Illinois, it is not going to look good when you stand for election. So, I guess my warning to you is, what Senator Millner said, you better go slow here and not reject the third member of law enforcement to be bounced off the Prisoner Review Board since your party took control of Illinois. You better think long and hard about whether you're protecting someone who is a cop killer. And, you know, this could be, in the end, I think, a huge mistake to get rid of Mr. Diaz, who as Senator Millner pointed out, is a very qualified, highly professionalized and educated man with respect to hearings of whether we release prisoners back out into our population. So, like Senator Millner put very well, I would vote and urge a Yes vote here or at a minimum a Present vote. And I just warn you, as my friends on the other side of the aisle, this could turn out to be your Willy Horton in an election. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Thank -- thank you, Madam President. Senator Dillard, I have had nothing but respect for you since I got here. You used to work in the administration, so you know how administrations work. There are a lot of Hispanics, Latino law enforcement people who we could put in his place. And, in fact, I am recommending that to the Governor in my role as advise and consent that it should be a Latino. You and Senator Millner just got up and said there's three law enforcement people in a row, but you didn't name 'em. And the reason you didn't name 'em, because there are not three law enforcement people rejected

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in a row. And, once again, you bring up this thing as if Democrats are soft on crime. I'm very tough on crime, my friend. In fact, I live in the middle of crime on the west side of the City of Chicago. And I have a relationship with the ones who are out there messing up because they know I am tough on crime. This has nothing to do with that case. You all keep throwing that out there like it's red meat. And now I -- I'm surprised to find that you're the champion of the Latino people. In fact, there was a Latino Caucus here -- Republican Caucus the other day. I think there was one Hispanic in the room.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Cullerton.

SENATOR CULLERTON:

Thank you, Madam President. I would urge that we support Senator Hendon in his motion and we vote No. I'd like to correct some of the statements made by previous speakers. I will read the statute that creates the -- the Parole and Pardon Board. It says, "The Board shall consist of fifteen persons appointed by the Governor by and with the advice and consent of the Senate." "The members of the Board shall have had at least five years of actual experience in the fields of penology, correction {sic} (corrections) work, law enforcement, sociology, law, education, social work, medicine, psychology, other behavioral sciences or a combination thereof." There is no requirement that there be a law enforcement officer or a police officer. Senator -- a previous speaker mentioned that this gentleman is sponsored by some Latino politician. Well, if that's the case and that's how it works and it's just politics, then maybe that's what's at work - politics, not an effort to

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remove someone because of how he has voted. I can assure you, from talking to the people involved here, that this is not somebody who's being punished for any of his votes. If -- if the previous speaker is correct about people being sponsored for these positions, then it's a political matter. Now, there happens to be some other vacancies on this Board in addition to this one. So that there, I'm sure, will be a Latino appointed. And I'm -- wouldn't be surprised if there's not someone who is a -- a former police officer appointed to make sure that they're represented on the Board. But it's not required by the statute. And as a result, I would urge you to support my good friend, Senator Hendon, who killed my bill a few days ago, and support him and -- and vote No on this resolution {sic}.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Silverstein.

SENATOR SILVERSTEIN:

Thank you, Madam President. I'm going to have to disagree with some of my colleagues on this side of the aisle. I don't see the problem with Salvador Diaz. As Senator Millner pointed out, he seems very qualified. I also sponsor Senator -- I am also the sponsor of Salvador Diaz. Something is just not kosher over here, where a gentleman goes before the Executive Committee, flies out, no complaints, and then, on the eleventh hour, we're saying he's not qualified. And I don't care if he's African-American, white, Latino, whatever. I think that he's an extremely qualified individual. I don't like the situation that's going on over here. Eleventh-hour moves over here doesn't work. And I would ask my -- my colleagues on this side of the aisle to think hard on this vote and support Salvador

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Diaz. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Risinger.

SENATOR RISINGER:

Thank you, Madam President. I rise with concern. This brings back memories of whenever Stenson was not confirmed by this Body. Stenson, as you recall, was a -- a -- an officer that was from Peoria. He was nominated originally by Senator Shadid and supported by Senator Shadid. And I never heard any good reasons presented why the confirmation wasn't to move forward. So, I'm listening very carefully to why Salvador Diaz isn't qualified to be in this position and for us not to confirm him. I have not heard those reasons yet. And I think it really raises some eyebrows about what are we looking at and are we -- you know, we have a responsibility to consent to appointments or to reject if there's good reason. I'm looking for that reason and I don't see it. I urge that we confirm Senator -- or -- or Salvador Diaz, because I think from what I've read and what I know from those readings is that he's a qualified person and have no good reason to reject. I urge a Yes vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Thank you, Madam President. First of all, I -- I would like to sort of get straightened out exactly how the vote will come down. Would it be a Yes vote or a No vote? Could you explain that to the -- to the Body, please?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld, you vote Yes to approve and you vote

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No to reject the appointee.

SENATOR LUECHTEFELD:

So, to -- to make it clear to the Body, a Yes vote would be to approve the appointee?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Yes. Yeah, a Yes vote he will be appointed. A No vote we -- we would then -- he would not be appointed.

SENATOR LUECHTEFELD:

All right. Thank you. To Senator Hendon: If you'll remember in committee, I asked you to sort of explain why this was happening. I mean, as Senator Silverstein pointed out, it -- this just doesn't seem right that one week we -- we appoint him unanimously, the next week, all of a sudden, he's -- he's gone. You know, I know this seems a little strange, because this is a Democrat appointee and that we, over here on this side, are -- are defending him. I think, from what I understand, he's an outstanding individual and an outstanding member of that Board and it does seem like something's wrong. Something here is wrong. Now, Senator, was your -- Senator, was your -- your explanation here on the Floor was somewhat different than it was in committee? Are you saying that basically you are -- are not going to approve this man because -- because of the way the Governor handled it? Is that what you're saying?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Senator Luechtefeld, I also said that in committee. If you recall, I talked about the unfortunate arrogance of the

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Governor's Office on this matter. I talked about -- I mentioned in committee how the Governor's Office told this man that he did not have to talk to the chairman of the committee, which is the protocol set up by Senator Petka, who was here yesterday. He's now a judge. Senator Petka was the chairman of the committee. I sat on the committee. We worked the protocol out together. And it works, Senator. If it's a Republican that you all want to reject, like has happened before with -- like Nikki Zollar, the Republicans, you have a right to do that. This is a Democratic nominee. So, yes, I mentioned the -- the arrogance of the Governor's Office in committee this morning. And I told everyone and I'll tell you now, I called my friend the Governor, and I told my friend the Governor that we had some issues, which I discussed with him at length about this nominee. He chose to go the route that we're going down now. And it is wonderful that Republicans are standing up defending the Governor. It's the first time I've ever heard Republicans defending Governor Blagojevich. So it's a kumbaya moment for him. And if Salvador Diaz is successful, then maybe you guys have found some bipartisan cooperation that you can have with the Governor's Office. But I guarantee you, the same arrogance that you all have found on the second floor, I found it here recently as it relates to Diaz. And that is part of this equation.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Senator, let me make it very clear to you, I have -- it's been a long time since I've defended this Governor in -- in any -- in any of his actions. And it may have been arrogant. I'm

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just saying that this is a good man that probably should not be punished because of something that the Governor did. That is not this man's fault. You know, I think he would come in if you ask him. I don't think there's any question about that. If you slowed this process down, and he would -- he would, I'm sure, come in. It is not his fault that the Governor has acted in the way he has. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Leader Watson.

SENATOR WATSON:

Yes. Thank you very much. I found it very -- almost astounding that someone would say the reason that we're not accepting this gentleman is because of politics. The only people that are playing politics here are those who want to reject the man. I -- I just -- I don't understand this. I've heard nothing but good about him. I don't know him personally. It's a shame he wasn't there today to be able to defend himself or at least to respond to some of the concerns that might have been made available. Why -- some of the questions -- why he wasn't there, I -- I don't know. Senator, maybe you can address that in -- in a moment. I do want to clarify one thing - Senator Millner, when he got up and said he hopes that you either vote Yes or Present, he's -- that was an error, as -- as was pointed out by the -- by the President. You must vote Yes if you want to retain this gentleman on the Prisoner Review Board and that's exactly what we should do. Vote Yes. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Jacobs.

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SENATOR JACOBS:

Madam Chairman, it's a eighty-two-thousand-seven-hundred and forty-two-dollar job. If Mr. Diaz couldn't make it to this Chamber to tell me why he should have this job, I don't know why I'm giving it to him. If the Governor is unable to understand the point, the Governor needs to understand there's a new sheriff in town. And we are not rolling over for him. This is a three-body Chamber - the House, the Senate, the Governor. If my friends on the Republican side of the aisle want to just give an eighty-two-thousand-dollar job to someone that I've never met or someone you've never met, you're welcome to do it. But nobody has a -- a -- a right to these positions. You have to earn 'em. And you have to earn 'em through Senator Hendon.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Ladies and Gentlemen, we have Senator Althoff and one -- and Senator Hendon, to close.

SENATOR ALTHOFF:

Thank -- thank you, Madam President. Okay. Just in -- in response to Senator Jacobs, your -- your comment, please note Mr. Diaz was here when he appeared before committee. He would have been here today, only his wife is ill. He was here till last night. I just want the record to reflect that. When you want somebody to approve you, he was here. And I would urge an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon, to close.

SENATOR HENDON:

Thank you, Madam President. Ladies and Gentlemen of the Senate, this matter came before us over a week ago. I saw Mr.

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Diaz last night. As a gentleman and a Christian, I went and spoke with my -- Mr. Diaz and I asked him, "Mr. Diaz, why haven't you come and talked to me, because who wants to do this to you, and the Governor has ample time to withdraw your name, come up with -- someone else or you can withdraw your name himself." He told me personally last night at the Black and Latino Caucus dinner that the Governor told him he didn't have to. Now, the protocol that was established under President Pate Philip and Chairman Ed Petka, two esteemed Republicans, called for the nominee to speak with the chairman, the vice-chairman, his sponsor and all members of the committee. He did not do that, because the Governor's Office told him he didn't have to. Well, if you want to stand with the arrogance of my friend on the second floor -- and he's still going to be my friend after this vote. I'll go down there and chat with him after this vote and come up with another qualified Latino lawmaker {sic}. I don't care if it's a police officer, a sheriff, or FBI. It don't matter to me. We need men and women with law enforcement backgrounds on this Board. This is not the case. That's not why he's being rejected. The number -- volume of calls and the arrogance of my friend Rod Blagojevich, my friend on the second floor, those who are around him advising him, is what's at play. Finally, let me say, Senator -- Congressman Luis Gutierrez is also a good friend of mine. In fact, he was my seatmate when I was in city council. Let me tell you something about Luis that I learned. If -- if -- if he's chairing a committee and he has taken a position on it, he doesn't care what anybody else thinks. He doesn't have a vote in this Chamber. I urge you to send a message to the second floor that advice and consent is in

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the Constitution. We are serious about it. They had ample time to come to us. They told the man, "Don't go." "You don't have to talk to them." "You don't." "I got this." So maybe they cut a deal with some people that I don't know about for some other reasons. But, in this case, we need to -- there are three other vacancies. So there's plenty opportunity for the Governor's Office to come up with another qualified Hispanic, and I -- I would sure hope that Senator Dillard or Watson, that you all will recommend some Latinos to us, especially for some of these Republican nominees, because you never have in the past. But if you do, I will take 'em up. And I urge a No vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Okay, Ladies and Gentlemen, let me just clarify. Voting Yes is to approve. Voting No is to reject the appointee. The question is, does the Senate advise and consent to the appointment just read from the Governor's Message of April 17th. All those -- all those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Madam Secretary - I'm sorry - take the record. There are 31 voting Aye, 13 voting Nay, 11 voting Present. A majority of the Senate elected concurring by record vote, the Senate does advise and consent to the appointment just read. Senator Hendon, for what purpose do you rise?

SENATOR HENDON:

Madam President, verification.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon has requested a verification. Will all Members be in their seat? The Secretary will read the -- the

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affirmative votes.

SECRETARY SHIPLEY:

Members who voted in the affirmative: Althoff, Bomke, Brady, Burzynski, Cronin, Crotty, Dahl, Delgado, Dillard, Frerichs, Garrett, Halvorson, Holmes, Hultgren, Koehler, Kotowski, Lauzen, Luechtefeld, Maloney, Martinez, Millner, Murphy, Pankau, Peterson, Radogno, Risinger, Rutherford, Schoenberg, Silverstein, Syverson and Leader Watson.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Does Senator Hendon question the presence of any Member voting in the affirmative?

SENATOR HENDON:

Yes, Madam President. Senator Brady.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Brady. He's sitting -- he's here. Senator Hendon, do you question the presence of any other Member voting in the affirmative?

SENATOR HENDON:

Just a moment, Madam President. I'm -- I haven't seen the Governor have so many -- a victory in such a long time, till -- I was kind of shocked. So, give me a minute while I gather my thoughts. I mean, I -- you know, I haven't seen this happen in quite a while. Is Senator Koehler on the Floor?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Koehler is in his chair.

SENATOR HENDON:

Thank you, Madam President. I don't question the presence of any other Member voting in the affirmative.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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On verification roll call, there are 31 voting Aye, 13 voting Nay, 11 voting Present. The Senate does concur on the advise and consent to the appointment just read. Senator Hendon, for what purpose do you rise?

SENATOR HENDON:

Madam President, with respect to the Governor's Message of May...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Madam Secretary, Committee Report.

SECRETARY SHIPLEY:

Senator Hendon, Chairman of the Committee on Executive Appointments, to which was referred the Governor's Message of May 15th, 2008, reported the same back with the recommendation that the Senate do advise and consent to the following appointment.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Madam President, with respect to the Governor's Message of May 15th, 2008, I will read the salaried appointment of which the Committee on Executive Appointments recommends the Senate do advise and consent:

To be a member of the Educational Labor Relations Board for a term commencing June 2nd, 2008, and ending July 1, 2014: Ronald Ettinger.

Madam President, having read the salaried appointment from the Governor's Message of May 15th, 2008, I will now seek leave to consider the appointment on a roll call. Madam President, will you put the question as required by our rules?

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PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, does the Senate advise and consent to the appointment just read from the Governor's Message of -- of May 15th. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. A majority of the Senators elected concurring by record vote, the Senate does advise and consent to the appointment just read. Madam Secretary, Committee Reports. Madam Secretary, Committee Report.

SECRETARY SHIPLEY:

Senator Hendon, Chairman of the Committee on Executive Appointments, to which was referred the Governor's Message of May 15th, 2008, reported the same back with the recommendation that the Senate do advise and consent to the following appointments.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Madam President, with respect to the Governor's Message of April {sic} 15, 2008, I will read the non-salaried appointment of which Committee on Executive Appointments recommend the Senate do advise and consent:

To be a member of the Eastern Illinois University Board of Trustees for a term commencing May 12th, 2008, and ending January 21st, 2013: Leo Welch.

To be a member of the Illinois State Board of Education for a term commencing May 12th, 2008, and ending January 12th, 2011:

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Lanita Koster.

To be a member of the Department of Labor Advisory Board for a term commencing May 12th, 2008, and ending January 18th, 2010: John Penn.

Madam President, having read the non-salaried.. To -- to clarify, that was the -- the May 15th Message. Madam President, having read the non-salaried appointments from the Governor's Message of May 15, 2008, I now seek leave to consider the appointments on a roll call. Madam President, will you put the question as required by our rules?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, does the Senate advise and consent to the appointments just read from the Governor's Message of -- of May 15. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 56 voting Aye, 0 voting Nay, 0 voting Present. A majority of the Senate elected concurring by record vote, the Senate does advise and consent to the appointments just read. Madam Secretary, Committee Report.

SECRETARY SHIPLEY:

Senator Hendon, Chairman of the Committee on Executive Appointments, to which was referred the Comptroller's Message of May 14th, 2008, reported the same back with the recommendation that the Senate do advise and consent to the following appointments.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

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SENATOR HENDON:

Madam -- Madam President, with respect to the Comptroller's Message of May 14, 2008, I will read the salaried appointments of which the Committee on Executive Appointments recommends that the Senate do advise and consent:

To be an Inspector General in the Office of the Executive Inspector General for a term commencing May 14, 2008, and ending June 30th, 2013: Michael Drake.

To be a Commissioner of the Executive Ethics Commission for a term commencing May 14, 2008, and ending June 30th, 2012: James Faught.

Madam President, having read the salaried appointments from the Comptroller's Message of May 14, 2008, I will now seek leave to consider the appointments on a roll call. Madam President, will you put the question as required by our rules?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, does the Senate advise and consent to the appointment just read from the Comptroller's Message of May 14. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, we have 55 voting Aye, 0 voting Nay, 0 voting Present. A majority of the Senators elected concurring by record vote, the Senate does advise and consent to the appointment just read. Madam Secretary, Committee Report.

SECRETARY SHIPLEY:

Senator Hendon, Chairman of the Committee on Executive Appointments, to which was referred the Treasurer's Message of

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May 21st, 2008, reported the same back with the recommendation that the Senate do advise and consent to the following appointments.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Madam President, with respect to the Treasurer's Message of May 21st, 2008, I will read the salaried appointments of which the Committee on Executive Appointments recommends that the Senate do advise and consent:

To be an Inspector General in the Office of Executive Inspector General for a term commencing May 21st, 2008, and ending June 30th, 2013: David Wells.

To be a Commissioner of the Executive Ethics Commission for a term commencing May 21st, 2008, and ending June 30th, 2012: Mary Nicolette Foster.

Madam President, having read the salaried appointments from the Treasurer's Message of May 21st, 2008, I now seek leave to consider the appointments on a roll call. Madam President, will you put the question as required by our rules?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, does the Senate advise and consent to the appointments just read from the Treasurer's Message of May 21st. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 56 voting Aye, 0 voting Nay, 0 voting Present. A majority of the Senators elected concurring by record -- record vote, the Senate does

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advise and consent to the appointments just read. Senator Hendon.

SENATOR HENDON:

Thank you, Madam President. I move that the Senate arise from Executive Session.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon moves the Senate arise from Executive Session. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the motion carries. The Senate has arisen from Executive Session. Senator Risinger, for what purpose do you rise?

SENATOR RISINGER:

Madam President, would you let the record show that Senator Bivins is not here today. He's attending his mother's funeral.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Record shall so reflect. Senator Clayborne, for what purpose do you rise?

SENATOR CLAYBORNE:

Point of an announcement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state that announcement.

SENATOR CLAYBORNE:

Today we have a -- one of our Members whose birthday is today. And that is Senator Mattie Hunter. And if you look at her, she's getting younger every year, younger and prettier every year. So, happy birthday, Senator Mattie Hunter.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Happy birthday, Mattie. Madam Secretary, Communications.

SECRETARY SHIPLEY:

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Yes. I have a letter -- letter dated May 29th, 2008.

Dear Madam Secretary - Pursuant to the provisions of Senate Rule 2-10, I hereby establish May 31st, 2008, as the 3rd Reading deadline for House Bills 4694, 4723 and 5773.

Sincerely, Emil Jones, Jr., Senate President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Trotter, for what purpose do you rise.

SENATOR TROTTER:

Point of personal privilege, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state your point.

SENATOR TROTTER:

Thank you very much. If I could get your attention everyone, as -- as every know, this week is -- is really a -- a hard week for all of us as we try to come to some decisions on - - on how we're going to fund all those necessary things that our constituents and -- and our citizens need. And it's been extra hard on me, because I -- I really hate seeing grown people cry. And I -- I've seen a lot of that this week. So, I called in a friend of mine from Baltimore, Maryland, my counterpart, Delegate Talmadge Branch, who's here. They've already finished their budget already. They're home. He's traveling the country having fun. But he's -- he's taken his time to come over and help me. So, would you please join with me in -- in thanking him for coming over here to try to get us out by Saturday?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Ladies and Gentlemen -- Gentlemen, moving to the order of business, we are going to page 15, bottom of the page. House Bills 2nd Reading. We will be going to those bills that have

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not met their deadline. Senator Halvorson, on House Bill 773.
Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 773.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Labor adopted
Committee Amendment No. 1.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Have there been any Floor amendments for -- approved for
consideration?

SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Moving to the top of page 16. House Bill
4694. Senator Maloney. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4694.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Transportation
adopted Committee Amendments 2 and 3.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Have there been any Floor amendments approved for
consideration?

SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Senator Emil Jones, on House Bill 4723.
Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

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House Bill 4723.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Senator Althoff, on House Bill 5195. Out of the record. On -- Senator Halvorson, on House Bill 5773. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 5773.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Environment and Energy adopted Committee Amendment No. 1.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Has there been any Floor amendments for approved consideration?

SECRETARY SHIPLEY:

No further amendments reported, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. With leave of the Body, we will -- is there leave for WICS to videotape the proceedings? Seeing no objection, leave is granted. Ladies and Gentlemen, we're going to Senate Bills 3rd Reading. Senate Bills 3rd Reading. Page -- I'm sorry. House Bills 3rd Reading. Going to the bottom of page 11. Senator Clayborne, on House Bill 953. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 953.

(Secretary reads title of bill)

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3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Clayborne.

SENATOR CLAYBORNE:

Thank you, Madam President. Senate Bill -- I mean - I'm sorry - House Bill 953 amends the Insurance Code to require insurers to deliver -- who's to deliver coverage to mental or emotional -- emotional disorders shall allow individuals to select a licensed marriage and family therapist to treat their disorders. In other words, we're expanding the options, and instead of an insured going to a psychologist or psychiatrist, we're allowing them the third option of going to a licensed marriage and family therapist to treat those disorders.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 953 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 48 voting Aye, 4 voting Nay, 3 voting Present. House Bill 953, having received the required constitutional majority, is declared passed. Senator Lightford, on House Bill 1141. Senator Lightford. Senator Lightford seeks -- seeks leave to return the Body to House Bill -- to 2nd -- to the Order of 2nd Reading for the purpose of an amendment. Having no objection, leave is granted. On the Order of 2nd Reading is House Bill 1141. Madam Secretary, are there any amendments approved for consideration?

SECRETARY SHIPLEY:

Floor Amendment No. 2, offered by Senator Lightford.

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PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Lightford.

SENATOR LIGHTFORD:

Thank you, Madam President, Ladies and Gentlemen of the Senate. Floor Amendment No. 2 to House Bill 1141 actually becomes the bill. It improves the hard-to-staff salary incentive program. We worked with the State Board on this - and teacher organizations - for quite some time to get this agreed-upon language. It addresses proration in the case of insufficient appropriations. And it clarifies that only full-time teachers are eligible for the stipend and it provides the definition of hard-to-staff. And then it does one other thing. We passed a bill, Senate Bill 2402 {sic} (2042), but before we could get some agreed-upon language through CPS, the bill had already left. That deals with payment for educational services for students in residential treatment facilities. It controls the student's IEP -- IEP, which will remain with the residential district. It places agencies or facilities under notifying the district of the placement as soon as possible. And any recognized facility will show appropriate curriculum and teacher certification before payment would be required. I'd be happy to answer questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Senator Meeks, are you wishing to speak on the amendment? Senator Lightford moves the adoption of Amendment No. 2 to House Bill 1141. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further amendments approved for consideration?

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SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Now on the Order of 3rd Reading, Senate -- I'm sorry, House Bill 1141. Senator Lightford, do you wish to proceed? Senator Emil Jones, on House Bill 1496. Out of the record. Senator Dillard, on House Bill 1533. Senator Dillard. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 1533.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Dillard.

SENATOR DILLARD:

Thank you, Madam President. This bill requires the Department of Healthcare and Family Services to publish ALL KIDS cost sharing requirements in newspapers and it also requires the Department to submit copies of all contracts awarded for the administration of the ALL KIDS Program to the General Assembly. We ought to see those contracts. And the bill also requires an annual audit of the ALL KIDS Program by Auditor General Bill Holland. I'd be happy to answer any questions and would appreciate a favorable vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 1533 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the

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record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 1533, having received the required constitutional majority, is declared passed. Moving to the top of page 12. Senator Frerichs, on House Bill 1768. Madam Secretary, please read the bill. I'm... Senator Frerichs seeks to -- the leave of the Body to return House Bill 1768 to the Order of 2nd Reading for the purpose of an amendment. Having no objection, leave is granted. On the Order of 2nd Reading is House Bill 1768. Madam Secretary, are there any amendments approved for consideration?

SECRETARY SHIPLEY:

Floor Amendment No. 1, offered by Senator Frerichs.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Frerichs.

SENATOR FRERICHS:

I'd like to move to adopt Floor Amendment No. 1.

PRESIDING OFFICER: (SENATOR MARTINEZ)

There any discussion? Seeing none, Senator Frerichs moves adoption of Amendment No. 1 to House Bill 1768. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

SECRETARY SHIPLEY:

Yes, Madam -- Madam President. Floor Amendment No. 2, offered by Senator Frerichs.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Frerichs.

SENATOR FRERICHS:

Thank you, Madam President. I'd like to move for passage

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of Floor Amendment No. 2. This bill will become -- take care of a lot of things and I would speak to the final bill after adoption.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, Senator Frerichs moves the adoption of Amendment No. 2 to House Bill 1768. All those in favor will say Aye. And opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Now on the Order of 3rd Reading, House Bill 1768. Senator Frerichs, do you wish to proceed? Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 1768.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Frerichs.

SENATOR FRERICHS:

Thank you very much, Madam President. As amended, House Bill 1768 amends the Recreational Trails of Illinois Act to include penalties for those who do not display the off-highway vehicle sticker prescribed by the State on property owned, leased or financially supported by the State. The bill states that any person who does not display a public access sticker is initially guilty of a petty offense. All subsequent violations

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are considered to be a Class C misdemeanor. The fine for the subsequent violations is at least a hundred dollars plus court costs. And we had some objection. That's -- was the result of the amendment here. Of the fine collected, five dollars is to be deposited into the Circuit Clerk Operation and Administrative Fund. The remaining fine is to be deposited in the Off-Highway Vehicle Trails Fund. This is something we've worked with many groups to get agreement on and I request a favorable vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 1768 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 57 voting Aye, 1 voting Nay, 0 voting Present. House Bill 1768, having received the required constitutional majority, is declared passed. Senator Clayborne, on House Bill 2651. Out of the record. Senator Hunter, on House Bill 2748. Senator Hunter. Out of the record. Senator Harmon, on House Bill 2769. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 2769.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President, Ladies and Gentlemen of the Senate. House Bill 2769 is an initiative of the Attorney

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General's Office. It is the first stage of State implementation of the federal Adam Walsh Act, and it provides for changes in our Sex Offender Registration Act to comply with the federal requirements. I'm not aware of any opposition and I ask for your Aye votes.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 2769 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill 2769, having received the required constitutional majority, is declared passed. Senator DeLeo, on House Bill 3679. Senator DeLeo. Out of the record. Senator Clayborne, on House Bill 4132. Out of the -- out of the record. Senator John Jones, on House Bill 4132. I'm sorry. 4132. 3137 {sic}. Sorry. 3137. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4137.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Jones.

SENATOR J. JONES:

Thank you -- thank you, Madam President. House Bill 4137 is something I've been working on for about four years. The City of Grayville, in -- in southeastern Illinois, purchased a - a piece of property to build a prison on back in 2001. And -- and the prison is not going to be built. The city quitclaimed

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that property over to the State of Illinois and this simply gives the -- the -- the bill will give DOC the authority to quitclaim it back to the City of Grayville, because they bought and paid for it. I met with the Governor last Thursday and he is anxiously waiting to sign the piece of legislation, but I'd be happy to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 4137 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4137, having received the required constitutional majority, is declared passed. Senator Collins, on House Bill 4191. Out of the record. Senator Burzynski, on House Bill 4206. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4206.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Burzynski.

SENATOR BURZYNSKI:

Thank you, Madam President. What we've done here is we're adding definition of a "billy club" in order to -- that it might be part - thank you, Senator Murphy - that in order that it might be part of an unlawful use of weapons charge. This is brought forward by the DeKalb County State's Attorney, based on

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a case where an individual brought an item that could be used as a club into the county courthouse. They attempted to charge him with possession of a weapon, but could not, simply because the definition did not meet statutory requirements.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 4206 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4206, having received the required constitutional majority, is declared passed. Senator Collins. House Bill 4212. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4212.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Collins.

SENATOR COLLINS:

Thank you, Madam President and Ladies and Gentlemen of the Senate. House Bill 4212 requires DCFS to establish a program for information, social work services, and legal services for caretakers over the age of sixty, regarding future care and custody plans, guardianship options and designated future caregiver options. This came out of a study and a pilot program that found that approximately four hundred children adopted through DCFS are orphaned each year. And thus there is a need for this legislation. And the legislation has been named in

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honor of -- of our former colleague, Lou Jones. And so now it goes under the name Lou Jones Grandparent Child Care Program.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 4212 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4212, having received the required constitutional majority, is declared passed. Senator Link. House Bill 4249. Madam Secretary, please -- I'm sorry. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4249.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Link.

SENATOR LINK:

Thank you, Madam President. This just amends the Regulatory Sunset Act to change the repeal date for -- for the Environmental Health Practitioner Licensing Act from December 31st, 2008, to January 1st, 2019.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4249 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting

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Present. House Bill 4249, having received the required constitutional majority, is declared passed. Senator Syverson, on House Bill 4252. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4252.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Syverson.

SENATOR SYVERSON:

Thank you, Madam President. This legislation gives school districts permission to disclose abuse and neglect reports on employees applying for employment with other school districts. Passed out of the Education Committee unanimously. Know of no opposition.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4252 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. There are -- there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4252, having received the constitutional -- required constitutional majority, is declared passed. WLS-TV seeks leave to videotape the proceedings. Seeing no objection, leave is granted. Moving on to top of page 13. Senator Link, on House Bill 4255. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4255.

(Secretary reads title of bill)

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3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Link.

SENATOR LINK:

...President. Just -- this amends the State Employees Group Insurance Act and Counties Code and Illinois Municipal Code and the School Code to require coverage for medically necessary preventative physical therapy for insureds diagnosed with multiple sclerosis. Be more than happy to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4255 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4255, having received the required constitutional majority, is declared passed. Senator Clayborne, on House Bill 4283. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4283.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Clayborne.

SENATOR CLAYBORNE:

Thank you, Madam President and Members of the Senate. House Bill 4283 amends the statute regarding township bonds so the bonds created for the purpose of purchasing land for parks or to improve existing parks is given the members -- is given to

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the members of the board of trustees of that township. This is created for the purpose of purchasing land to improve parks for those areas that are within the township and the powers rest solely with the township.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 4283 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4283, having received the required constitutional majority, is declared passed. Senator Link, on House Bill 4353. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4353.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Link.

SENATOR LINK:

Thank you, Madam Chairman -- President. Before -- before I read this, I want to clarify this. The Treasurers' Association is on board with this bill, so I just want to make this... This provides that the county board may remove the county treasurer from office if he or she refuses to provide county board with certain information concerning the amounts {sic} (accounts) maintaining -- maintained by the county treasurer's office or he or she refuses to render the account or make settlement as required by law. This is clarifying the law for them. Be more

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than happy to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4353 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4353, having received the required constitutional majority, is declared passed. With leave of the Body, we'll return to House Bill 4374. Moving on. Senator Link, on House Bill 4378. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4378.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Link.

SENATOR LINK:

Thank you, Madam President. This amends the Township -- Township Code. Provides that townships may lease wireless telecommunication towers up to twenty-five years, instead of ten years, at fair market value.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4378 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 1 voting Nay, 0 voting

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Present. House Bill 5378, having received the required constitutional majority -- I'm -- let me go back. House Bill 4378, having received the required constitutional majority, is declared passed. Senator Clayborne, on House Bill 4379. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4379.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Clayborne.

SENATOR CLAYBORNE:

Thank you -- thank you, Madam President. House Bill 4379 basically removes the language -- I'm sorry, states that the pre-licensing course of study must be completed before insurance exam and increases the pre-licensing course of study for each class of insurance producers. This applies to life, accident and health, fire, casualty, and personal line-property casualty. Requires them to have fifteen hours of study. Increases that to twenty hours. Those required for motor vehicle, increases their hours to twelve and a half hours of study. And those who are involved with the educational requirements also must have thirty hours -- reduce -- I'm sorry, reduced to twenty-four hours of study. The bill calls for three hours of course study to consist of classroom ethics instruction. And also expressly prohibits the Governor from -- and others in his jurisdiction from promulgating rules. We removed that, so... So, basically, this increases the hours of study that is required for insurance agents to be licensed.

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PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4379 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4379, having received the required constitutional -- constitutional majority, is declared passed. Senator Halvorson, on House Bill 4449. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4449.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Halvorson.

SENATOR HALVORSON:

Thank you, Madam President and Members of the Senate. House Bill 4449 is a bill that we are trying to address the issue of the donut hole, which everybody knows, which has been a problem. We want to extend the -- the benefits to all those under two hundred and fifty percent of poverty, which would help approximately thirty-six thousand eight hundred and thirty-one more seniors and fifty-two thousand nine hundred and eighty-one persons with disabilities. This would bring everybody from basic up to plus. And we find this as a very necessary thing to do so that we, as Illinois, who have taken the lead in taking care of our seniors and those with disabilities, can make sure that happens. Now, there was some discussion in committee with

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regards to cost and whether the money was in the budget. The cost is approximately twenty-five million dollars and we don't have a budget yet, but it is my full intent to make sure that that is included. It's the least we can do when we're talking about that many seniors and those with disabilities. This came from Make Medicare Work Coalition. And when that was first put together, we didn't realize the differences there would be. And this is just sort of to clean all that up.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Senator Radogno.

SENATOR RADOGNO:

Thank you, Madam President. Just to further discuss the discussion we had in committee on this issue. There is a discrepancy between individuals that are eligible for help under the Circuit Breaker program and SeniorCare. And we could equalize those two populations, which I think is the base problem here, for five million dollars. So, bring the -- the folks that currently qualify -- don't get help because there is SeniorCare, bring 'em all up to the Circuit Breaker level. But this bill does something else in addition to that and that brings the qualifying level from two hundred percent of poverty to two hundred and fifty percent of poverty in addition to just that equalization, which is, in fact, a problem. It is not in the budget. It is not federally matched. And the suggestion was made in committee that if we want to do this, it could be handled within the budget, rather than passing a stand-alone bill that is not subject to appropriation that will probably further, you know, send out of whack whatever budget we pass out of here. So, there's two options. We can either equalize the

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two programs for five million dollars, or if there is money in the budget, we can include this in the budget, the twenty-five million. But, at least, let's be honest and make sure that we have the funding to do what we're trying to do. So, I would encourage a No vote. This issue can be handled within the budget if there's money for it.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Halvorson, to close.

SENATOR HALVORSON:

I just ask for an Aye vote. And let me explain to you what two hundred and fifty percent of poverty is. That's twenty-six thousand for a single, thirty-five thousand double, and fifty-three thousand for a family of four. The least we can do is look out for those who need their prescription drugs, so that in an economy like this they don't have to decide whether to buy their drugs or pay their rent. I ask for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

The question is, shall House Bill 4449 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. There are 46 voting Aye, 5 voting Nay, 7 voting Present. House Bill 4449, having received the required constitutional majority, is declared passed. The Rules Committee will meet immediately in the President's Antechamber room. The Rules Committee.

(SENATE STANDS AT EASE/SENATE RECONVENES)

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Madam Secretary, Committee Reports.

SECRETARY SHIPLEY:

Senator Hendon, Chairman of the Committee on Rules, reports the following Legislative Measures have been assigned: Be Approved for Consideration - Senate Bill 546, 1013, and Floor Amendment No. 3 to Senate Bill 790.

And a second Rules report - Senator Hendon, Chairman of the Committee on Rules, reports the following Legislative Measures have been assigned: Refer to Environment and Energy Committee - Floor Amendment No. 2 to House Bill 4622; refer to Financial Institutions Committee - a Motion to Concur with House Amendment No. 3 to Senate Bill 1879; refer to Insurance Committee - a Motion to Concur with House Amendment No. 2 to Senate Bill 2380 and Floor Amendment No. 2 to Senate Bill 874; refer to Judiciary-Criminal Law Committee - Floor Amendment No. 1 to Senate Bill 1013; refer to Local Government Committee - Floor Amendment No. 2 to House Bill 4545; refer to Pensions and Investments Committee - Floor Amendment No. 1 to House Bill 5088; refer to Public Health Committee - Floor Amendment No. 1 to Senate Bill 2708.

Senator Rickey Hendon, Chairman. May 29th, 2008.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Crotty, for what purpose do you rise?

SENATOR CROTTY:

On a point of an announcement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

State your announcement.

SENATOR CROTTY:

Local Government will be meeting in Room 409 today at 3

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o'clock.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Cullerton, for what purpose do you rise?

SENATOR CULLERTON:

I'm sorry. I rise for the purposes of a announcement. And the announcement would be that the Judiciary-Civil Law Committee would meet in Room 212 at 3 p.m. 3 p.m.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Wilhelmi, for what purpose do you rise?

SENATOR WILHELMI:

Thank you, Madam President. For purpose of an announcement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

State your announcement, please.

SENATOR WILHELMI:

Thank you. The Judiciary-Criminal Law Committee will meet today in Room 212 at 3:15.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Garrett, for what purpose do you rise?

SENATOR GARRETT:

Yes, thank you, Madam President. The Committee on Public Health will meet at 3 o'clock today in -- in Room 400.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine, for what purpose do you rise?

SENATOR HAINE:

A point of announcement, Madam President. The Insurance Committee will meet this afternoon at 4 p.m. or -- or whenever it's practicable after the Session. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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You state the time?

SENATOR HAINE:

I -- I'm sorry, Madam -- at 4 p.m. in Room 400.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Clayborne, for what purpose do you rise?

SENATOR CLAYBORNE:

Point of an announcement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state your announcement.

SENATOR CLAYBORNE:

Environment and Energy Committee will meet today at 3:45 in Room 212.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Collins, for what purpose do you rise?

SENATOR COLLINS:

Thank you, Madam President. For a point of announcement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

State your announcement.

SENATOR COLLINS:

The Financial Institutions Committee will meet today at 4:15 in Room 400.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Kwame Raoul, for what purpose do you rise?

SENATOR RAOUL:

Madam President, I rise for the purposes of an announcement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state your announcement.

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SENATOR RAOUL:

My announcement is that the Committee on Pensions and Investment will meet on -- today in Room 400 at approximate time of 3:30 or as soon thereafter as we can begin with all members being present.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Okay. Returning back to the Calendar, we are returning to House Bills 3rd Reading. Middle of the page, towards the bottom, page 13. Senator Haine. House Bill 4461. Madam Secretary -- Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 4461.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Thank you, Madam President and Ladies and Gentlemen of the Senate. House Bill 4461 is an initiative of the Illinois Credit Union League. It -- it allows certain changes in Illinois regulations in the statute to allow for parity with federal credit unions and -- that makes it consistent with Illinois law so that our State-chartered credit unions can do many of the things that the federals can - the loan programs, loan loss accounting, and marketing and other things. There's no opposition to the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Any discussion? Senator Rutherford.

SENATOR RUTHERFORD:

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Thank you -- or, thank you, Madam President. To the bill, if I may. I would concur with Senator Haine. There is no opposition to the bill, but there is some pause to the bill. And let me just comment, if I may. If I could just comment on that, in that a couple of years ago we had in Financial Institutions the opportunity for credit unions to expand beyond their covenant as to the type of customers that they may wish to serve. That legislation did not go into effect here in the State of Illinois because it actually went beyond the scope of what we had in our law and beyond what the federal did. The reason that I would see that this piece of legislation is acceptable - but, let us be sensitive as this may come up again in the future - the reason that we are seeing no opposition to this today is because this does permit the covenants for participation in a credit union only to be with parity in what the federal government has -- has already established. So we are not expanding those abilities for a State charter any beyond what is already existing in a federal charter. And to that extent, Senator Haine, I do stand in support of your legislation.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine, to close.

SENATOR HAINE:

I adopt each and every premise of Senator Rutherford as my closing statement. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

The question is, shall House Bill 4461 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted

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who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4461, having received the required constitutional majority, is declared passed. Senator Link, on House Bill 4536. Madam Secretary, please read the bill. Mr. Secretary.

ACTING SECRETARY KAISER:

House Bill 4536.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Link.

SENATOR LINK:

Thank you, Madam President. This amends the Downstate Teachers Article of the Illinois Pension Code to strike the 2008 sunset date and replace it with a -- the year 2013, and allows retired teacher certificate -- certified teachers to return to teaching in subject shortage areas without impairing their retirement status. Legislation exempts for new benefit increase provision to -- amend the Teachers {sic} (State) Mandates Act to require implementation without reimbursement. Be more than happy to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Senator Brady.

SENATOR BRADY:

Thank you, Madam President. I stand in support of the gentleman's initiative. There's no cost to this and I'd ask everyone else to support it.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any further discussion? Seeing none, the question is,

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shall House Bill 4536 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. There are -- on the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4536, having received the required constitutional majority, is declared passed. Senator Koehler, on House Bill 4545. Out of the record. Senator Meeks. House Bill 4622. Out of the record. Moving to the top of page 14. Senator Risinger, on House Bill 4653. Madam -- Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 4653.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator...

SENATOR RISINGER:

Thank you, Madam President. House Bill 4653 requires the Department of Corrections, on behalf of the State of Illinois and the Department of Corrections, to convey a quit claim deed to the County of Peoria. The property was the old Hanna City Work Camp and it -- what's going to be used for, the county's going to use it for a -- a jail facility for the mentally ill, where they can also be treated, and also to alleviate overcrowding of the jail. If the county does not use the property in accordance with what they -- stated use is here, then it will revert back to the State of Illinois. I will be glad to answer questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Any discussion? Senator Koehler.

SENATOR KOEHLER:

Yes. Thank you, Madam President, Members of the Senate. To the bill: I also represent part of Peoria County and this is a very important one for Peoria County, and I would also urge an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Thank you, Madam President. This is one of those bills that we let out of Rules, you know, being bipartisan and cooperating, and I'm going to vote with my friend, Senator Risinger. But I do want to just say to him and point out to others, it would have been great to have his vote on the bill that was important to me earlier, especially since I've been so kind to him this Session.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Risinger, to close.

SENATOR RISINGER:

So noted, and I ask for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

The question is, shall House Bill 4653 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4653, having received the required constitutional majority, is declared passed. Senator Haine. House Bill 4668. Mr. Secretary, please read the bill.

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ACTING SECRETARY KAISER:

House Bill 4668.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Thank you, Madam President and Ladies and Gentlemen of the Senate. This bill improves and expands and changes some of the scrap regulations that we passed two years ago. The whole initiative has been the local police, the telecommunications associations, the electric cooperatives, as well as, in this case, the Illinois Secretary of State. They -- they came together and Committee Amendment No. 2 is the bill. And it expands certain recordkeeping requirements for scrap processors, changes the regulatory scheme between the Secretary and those that the Secretary customarily has -- has regulated. It increases some authority to regulate on behalf of local police for some of the alleged violations. And it's necessary because there are groups of thieves going throughout Illinois looting homes and businesses and churches because of the high scrap prices overseas. It's a good bill. It's a well-balanced bill. Everyone was at the table. And we're actually, also -- it's strongly supported, which I think is very important, by the beer manufacturers, because their beer barrels are being taken and melted down in China for steel. If you can imagine, American beer barrels being taken for such a thing. So I think we should vote Aye on this bill and stop this abuse.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Any discussion? Seeing none, the question is, shall House Bill 4668 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill 4668, having received the required constitutional majority, is declared passed. Senator Raoul, on House Bill 4673. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 4673.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Raoul.

SENATOR RAOUL:

Thank you, Madam President and Members of the Senate. House Bill 4673 amends the Ambulatory Surgical Treatment Center Act and the Hospital Licensing Act to allow podiatrists to administer anesthesia. According to Illinois Nursing Association, this codifies current practice for podiatrists. It's supported by the Illinois Medical Society and the Nurses Association. There's no known opposition and I -- I would appreciate your kindness of giving me an Aye vote on this.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4673 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting

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Present. House Bill 4673, having received the required constitutional majority, is declared passed. Senator Luechtefeld, on House Bill 4727. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 4727.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Thank you, Madam President. House Bill 4727 provides that a pupil who becomes a non-resident during a grading period shall not be charged tuition the remainder of that grading period. Presently, you will not be charged for the entire year. This is -- I think would -- would make it better. Would -- would -- would not cost schools as much, obviously, if that person leaves. Now, each school with an amendment to this bill can go back. They -- they do not have to do this. You can -- you could simply not charge tuition for the full year. Also, if you are a senior, you will be permitted to finish out your senior year without paying tuition. I'd be glad to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4727 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting

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Present. House Bill 4727, having received the required constitutional majority, is declared passed. Senator Crotty. House Bill 4778. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 4778.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Crotty.

SENATOR CROTTY:

Thank you. House Bill 4778 contains cleanup language from the rewrite of the Nurse Practice Act and Pharmacy Practice Act. When the language was implemented, the federal Drug Enforcement Agency {sic} (Administration) wanted clarification of the language regarding the delegation of authority to prescribe Schedule III through V and Schedule II drugs to APNs. The bill also adds language allowing for registered APNs to prescribe these drugs when they have entered into a collaborative agreement with a physician, as well as conditions that must be met in order for the APN to prescribe Schedule II drugs. And, finally, the bill prohibits physician assistants and APNs from prescribing medications not outlined in the written delegation of authority.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 4778 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On this question, there are 58 voting Aye, 0 voting Nay, 0 voting

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Present. House Bill 4778, having received the required constitutional majority, is declared passed. With leave of the Body, we will return to House Bill 4879. Moving on to House Bill 4890. Senator Harmon. Out of the record. Senator Harmon, on House Bill 5038. Out of the record. Senator Holmes. House Bill 5059. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 5059.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Holmes.

SENATOR HOLMES:

Yes. First of all, I would like to add that Amendment 2 - I don't know if we did that - it retains the underlying language and it removes the anti-rulemaking language and it makes the bill subject to appropriation. In addition, what the bill actually does is it amends the Nursing Education Scholarship law. It requires the Department of Public Health to provide nurse education scholarships, to be awarded for a period of up to three years. It's critical we have an adequate number of nurses, quality nurses, in Illinois. So I would ask for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 5059 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 58 voting Aye, 0 voting Nay, 0 voting

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Present. House Bill 5059, having received the required constitutional majority, is declared passed. Senator Raoul, on House Bill 5069. Senator Raoul seeks leave of the Body to return House Bill 5069 to the Order of 2nd Reading for the purpose of an amendment. Having no -- hearing no objections, leave is granted. On the Order of 2nd Reading is House Bill 5069. Mr. Secretary, are there any amendments approved for consideration?

ACTING SECRETARY KAISER:

Yes, Madam President. Floor Amendment No. 1, offered by Senator Raoul.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Raoul, to explain your amendment.

SENATOR RAOUL:

Thank you, Madam President, Members of the Senate. Floor Amendment 1 prevents the Illinois Department of Revenue from retroactively taxing captive real estate investment trusts owned by financial organizations for taxable years prior to 2009.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, Senator Raoul moves the adoption of Amendment No. 1 to House Bill -- I'm sorry, 5069. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

ACTING SECRETARY KAISER:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Now on the Order of 3rd Reading -- 3rd Reading, House Bill 5069. Senator Raoul, do you wish to

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proceed? Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 5069.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Raoul.

SENATOR RAOUL:

Thank you, Madam President and Members of the Senate. House Bill 5069 has two parts. One is the Floor amendment that we just adopted, which, again, requires the Department of Revenue to -- prevents the Department of Revenue from retroactively taxing captive real estate investment trusts owned by financial organizations for taxable years prior to 2009. In addition, it requires the -- it amends the Property Tax Code to require a county collector to receive taxes on -- on part of any property charged with taxes when a legal description is furnished by the taxpayer.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Senator Lauzen, for what purpose do you rise?

SENATOR LAUZEN:

Thank you, Madam President. To the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the bill.

SENATOR LAUZEN:

I would like to thank and compliment the sponsor for his patience and his hard work on this bill. There was a concern, especially in Kane County, from the Kane County Treasurer, who

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has, I believe, about twelve years of experience in this area, that a developer would be able to assign property taxes in subdivisions that the developer had control over. You were very kind, very generous in allowing us to try to figure out how we could amend this bill so that it clarified that the function of assigning or extending bills - property tax bills - is a public function that -- you know, belongs to all of us as in -- as a -- as a people represented in a government, as opposed to a private-interest developer. Unfortunately, there were interests beyond your control, beyond my control that put an end to even clarifying that this is a public duty. And the thrust of your bill, I think, is so good and -- it -- it's so good that I -- I suggest an Aye vote. So, I thank you very much for your patience in going through, trying to make everybody happy with the bill. So, I thought you did a great job. I intend to vote Yes, despite my reservations that it would have been far better to do the very easy thing of just clarifying that no self-interested private interests do not assign, and -- and that there wouldn't be jeopardy that they could assign those bills. But it's beyond yours and my control.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any further discussion? Senator Hultgren, for what purpose do you rise?

SENATOR HULTGREN:

Thank you, Madam President. Will the sponsor yield for a couple questions?

PRESIDING OFFICER: (SENATOR MARTINEZ)

The sponsor indicates he will.

SENATOR HULTGREN:

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Thank you. Senator, I had heard from my treasurer that she was very concerned with partial payment of property taxes when there aren't separate PIN numbers. It sounded like your explanation was, as long as there's separate legal descriptions, they can pay separately. But would there also be separate PIN numbers? I think there was just a real concern, from my understanding, of keeping track of that would be a nightmare for them without having -- you know, if they just had to do percentages paid to different PIN numbers. Can you help me understand that a little bit more?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Raoul.

SENATOR RAOUL:

Oftentimes, and particularly in -- in new developments - although I had a personal experience in a long-existing condo association - oftentimes the PIN number has not been assigned, so that an individual property owner, who is prepared to pay their property taxes, has no PIN number to -- to pay their property tax pursuant to -- to that PIN number, yet they have the legal description of -- of the property that they rightfully own and they have the money and they're prepared to pay their property taxes, yet the developer, for whatever reason, may not pay the -- the -- the property taxes. So this protects the property owner in cases where there's no PIN number assigned.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren.

SENATOR HULTGREN:

Thank you, Madam President. Just one more. On our listing, it says the -- the opposition, I'm trying to piece it

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together, but it looks like the Kane County Board, Cook County Treasurer, let's see, Metro Counties. Are they all still opponents as far as you know? Have you heard anything from them? Again, my understanding is, there was an amendment, but the amendment doesn't take away the opposition. Is that correct?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Raoul.

SENATOR RAOUL:

Quite frankly, I don't know of all the specific parties that -- that are -- what -- what their status is in opposition. As -- as the previous speaker indicated, I tried to give as much time as possible for all the parties to -- to come to an agreement on some -- some language. All parties -- the -- that wasn't accomplishable. I would indicate that there are a number of proponents, including the Association of Responsible Taxation, Cook County Assessor's Office, Taxpayers' Federation, Illinois State Bar Association, Illinois Bankers Association. And so, I would love to make everybody in the world happy and have a kumbaya bill, but can't -- it can't happen with all bills. I -- I -- I tried to provide as much time as possible to -- for people to come to an agreement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren.

SENATOR HULTGREN:

Thank you, Madam President. To the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the bill, please.

SENATOR HULTGREN:

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Just quickly, I -- I do appreciate the -- the sponsor and appreciate his hard work on this and I -- I do feel like I want to honor the work that has been done on this and the time that he's placed in it. I -- I do understand the concerns of -- of the treasurers as well. We ask a -- a significant -- place a significant burden on our -- our county treasurers to handle property tax bills and -- and to make sure that that's handled properly. I just -- again, I just don't know if this bill is ready. With all due respect to the sponsor, I think I still need to be opposed to this bill at this time. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Any further discussion? Senator Raoul, to close.

SENATOR RAOUL:

As -- as previously indicated, I tried to allow as much time for parties to come to agreement. The underlying goal of this bill is to protect property owners, to protect people who rightfully purchase their property and who are prepared to pay their -- their -- their taxes. To the extent that those two things exist, notwithstanding the burden on a -- on a county treasurer, I think the interest of making sure that a property owner has a right to protect their property outweighs the burden on -- on a particular county treasurer. So I would urge an Aye vote on behalf of all of the property owners and responsible taxpayers of the State of Illinois.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any further discussion? Seeing none, the question is, shall House Bill 5069 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish?

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Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 56 voting Aye, 1 voting Nay, 0 voting Present. House Bill 5069, having received the required constitutional majority, is declared passed. Moving to the bottom of the page, we have Senator Demuzio. House Bill 5077. Mr. Secretary, please read the bill. Oh! I'm sorry. Mr. Secretary, Senator -- Senator Demuzio seeks leave of the Body to return House Bill 5077 to the Order of 2nd Reading for the purpose of -- of an amendment. Hearing no objection, leave is granted. On the Order of 2nd Reading is House Bill 5077. Mr. Secretary, are there any amendments approved for consideration?

ACTING SECRETARY KAISER:

Yes. Floor Amendment 2, offered by Senator Demuzio.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Demuzio, to explain your amendment.

SENATOR DEMUZIO:

Yes. Thank you, Madam President and Members of the Senate. Floor Amendment No. 2, actually there are two components to it. Floor Amendment 2 to 5077 deleted some of the portion of the underlying language to a school-to-work grant program. However, what we are keeping in Floor Amendment No. 2 is to retain the language deleting the ten-million-dollar cap on the technology immersion pilot program. This particular program is a three-year -- it -- it allows the program to continue into its third year. It also allows ongoing evaluation components to be completed. Also, it lifts the cap, allowing the program to be funded into the third, subject to appropriation. There are a number of schools participating across the State of Illinois in this particular program. And we're finding that the success is

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so -- we're waiting for some of the evaluations to come in and this is a very successful program and the -- we're asking for an Aye vote here.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, Senator Demuzio moves the adoption of Amendment No. 2 to House Bill 5077. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

ACTING SECRETARY KAISER:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Now on the Order of 3rd Reading, House Bill 5077. Senator Demuzio, do you wish to proceed?

SENATOR DEMUZIO:

...of the Senate, again, I ask for an Aye...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Hold on one second. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 5077.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Demuzio.

SENATOR DEMUZIO:

Thank you. Again, Floor Amendment -- the bill, addressing the bill, this is the immersion technology bill. It has been in existence for several years now. It is a very successful laptop computer program going into the classroom. And we have a number

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of schools that have been involved, including the Chicago Public School District 299, Woodstock, Joliet, Community Consolidated School District 59, Southeastern Community Unit School District 337, Calhoun County and Springfield School District 186. What we're asking for is an Aye vote to continue this worthwhile project.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 5077 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. There are 54 voting Aye, 0 voting Nay, 0 voting Present. House Bill 5077, having received the required constitutional majority, is declared passed. Moving to the top of page 15. Senator Demuzio, on House Bill 5088. Out of the record. Senator Righter. House Bill 5121. Out of the record. Senator Lightford. House Bill 5141. Out of the record. Senator Garrett. House Bill 5338. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 5338.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Garrett.

SENATOR GARRETT:

Thank you. I need to adopt an amendment. Thank you. I am going to introduce the bill. I'm sorry. House Bill 5338 requires the State Board of Education to work in conjunction with the Department of Public Health to develop and make

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available to school boards guidelines for the management of students with life-threatening food allergies by July 1, 2009. By January 1, 2010, each local school board must implement its policy based on ISBE's guidelines. This passed unanimously from the House and had -- also in the -- in the Education Committee.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall House Bill 5338 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 56 voting Aye, 0 voting Nay, 0 voting Present. House Bill 5338, having received the required constitutional majority, is declared passed. Senator Syverson. House Bill 5585. Out of the record. Senator Bond. House Bill 5618. Out of the record. Senator Righter. House Bill 5768. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

House Bill 5768.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Thank you, Madam President, Ladies and Gentlemen of the Chamber. House Bill 5768 arises out of a situation in my district. In 2002, the George Ryan administration closed the Paris work camp. That facility has remained closed for the last six years. After several years of trying to get it reopened and failing, we began to speak with officials from the City of Paris

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who were interested in purchasing that land for purposes of either building a new cooperative high school in the area or an adult education campus. They began negotiations with the administration. This bill is a product of those negotiations. This bill would direct the State to convey that property, the old Paris work camp property, back to the City of Paris, and also contains - as did the Peoria bill that we talked about earlier - a reverter clause, that if the property is not used for a public purpose, it would automatically revert back to the State of Illinois. I'd be happy to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall House Bill 5768 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill 5768, having received the required constitutional majority, is declared passed. Senator Trotter, on House Bill 6339. Senator Trotter. Out of the record. Okay, we're moving on to -- turn back to page 3. Top of the page. Senate Bills 3rd Reading. All the bills with an extended date that has not been met -- a deadline that has not been met. Senator Cullerton. Senate Bill 751. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

Senate Bill 751.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Cullerton.

SENATOR CULLERTON:

Yes. Thank you, Madam President, Members of the Senate. This provides that physicians and other employees of the Department of Juvenile Justice are protected from personal liability for medical care and related services provided to them -- by them to juvenile offenders who are in the custody of the Department. This, actually, is really just a technical bill, because this same protection exists for the Department of Corrections. When we separated the Department of Corrections from the Department of Juvenile Justice, we didn't reenact this language for the Department of Juvenile Justice. So, there's no opposition. I'd be happy to answer any questions and ask for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Seeing none, the question is, shall Senate Bill 751 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 57 voting Aye, 0 voting Nay, 0 voting Present. House Bill -- Senate Bill 751, having received the required constitutional majority, is declared passed. Senator Harmon, on House -- Senate Bill 788. Senator Harmon seeks leave of this Body to return Senate Bill 788 to the Order of 2nd Reading for the purpose of an amendment. Having no objection, leave is granted. On the Order of 2nd Reading is Senate Bill 788. Mr. Secretary, are there any amendments approved for consideration?

ACTING SECRETARY KAISER:

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Yes. Floor Amendment No. 1, offered by Senator Harmon.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon, please explain your amendment.

SENATOR HARMON:

Thank you, Madam President, Ladies and Gentlemen of the Senate. The underlying bill is the bill to authorize a -- a new series of pension obligation bonds. The amendment corrects a drafting error and offers further restrictions on guaranteed investment contracts. I move for its adoption and look forward to debating the full bill on 3rd Reading.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any discussion? Senator Radogno, on the amendment?

SENATOR RADOGNO:

...President, we would request a roll call on the amendment, please.

PRESIDING OFFICER: (SENATOR MARTINEZ)

That's always in order. Senator Brady, on the amendment?
Senator Harmon.

SENATOR HARMON:

To close on the amendment, then, Madam President. Whatever you think of the underlying bill...

PRESIDING OFFICER: (SENATOR MARTINEZ)

I'm sorry. Senator Harmon, we'll come right back to you. Senator Lauzen, for what purpose do you rise?

SENATOR LAUZEN:

First -- first, a question. If I -- a question of the sponsor. If I recall correctly, this amendment is the entire bill. Is that correct?

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Harmon.

SENATOR HARMON:

I'm sorry, Madam President. I presented the wrong amendment. I apologize. I thought we had -- can I get clarification from the Chair? Are there two amendments pending?

PRESIDING OFFICER: (SENATOR MARTINEZ)

There are two amendments pending.

SENATOR HARMON:

I apologize to my colleagues. I thought that we were presenting the second amendment. This is a -- an amendment that becomes the bill and provides for the full pension obligation bond. The second amendment is the technical amendment I just described. My apologies to -- to all of you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

For -- for clarification, we are on Floor Amendment No. 1. Is there any discussion on Floor Amendment No. 1? Senator Lauzen, do you -- Senator Lauzen, do you wish to continue? Okay. Please.

SENATOR LAUZEN:

You know, all the notes. Let's see. This -- this becomes the bill and so what we're talking about is making a -- a decision on borrowing sixteen billion dollars. One of the things that I think is very important that's a premise to our thinking here -- well, I'd make two points. This -- just to the bill, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the amendment.

SENATOR LAUZEN:

Or to the amendment, which -- which becomes the bill.

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First of all, I don't think that any of us in this room, in our own lives or if we were advising a neighbor or a client, would suggest that you would take out a mortgage, in effect, to invest in the stock and bond market. In effect, what we'd be proposing to do is borrowing from -- in these pension obligation bonds, sixteen billion dollars and we hope - and it would be my hope - that we would be able to make more in the stock and bond market than what the bondholders would charge us in interest. Part of the underlying assumption of why we might want to do this is what people say, that the -- that this has been successful in the past. It is true that, for the first three years, there was approximately a 13.3-percent return on the invested money - which is a very good thing - versus about a 5.05-percent cost to the bondholders. Unfortunately, in this year - the current information that I've been given by Tim Nuding, who's the head of our financial staff, and Kim Fowler - the performance is 4.82 percent. So if we had done this a year ago, it would have cost us about five percent on sixteen billion dollars, which is about a nine -- nine-hundred-million-dollar loss. Now, it could be good or it could be a nine-hundred-million-dollar loss. I don't think that that's the business that we should be in with the public money. So, the other -- the other problem that we have with this bill and I -- to Senator Harmon's credit, all sixteen -- excuse me -- the -- when they say that it's been successful, they say that thirteen percent, even with the 4.82-percent loss, that it's generally a -- a positive thing. It's been a -- a positive arbitrage deal. Unfortunately, the problem in the 2003 proposal was that we borrowed ten billion dollars, but only put 7.5 billion into the asset of the investment and we took another

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2.5 billion and satisfied our current pension expense for about a year and a half. So we've had to pay five percent on the -- on the ten billion dollars and we've only captured the return on a net asset, on 7.5. The bottom line on all this - and I've given a -- a couple of Members of the Senate just a five- or six-number breakdown on this - is that this proposal is still a negative - about eight hundred and fifty million dollars. So we are still under water on what we did just several years ago. And now we're talking about doing another sixteen billion worth of these assets. I think that this is a very bad, very speculative type of proposal that, again, shortchanges the worst pension plan obligation that we have in the United States.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Let me remind folks that we are -- this is the amendment. You know, we will -- can debate it on the 3rd Reading. Just reminding. Senator Pankau, do you want to speak on the amendment? Thank you.

SENATOR PANKAU:

Yes. Will the sponsor yield for a question?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Indicate he will.

SENATOR PANKAU:

When you presented the first amendment -- well, the meeting kind of broke up. Revenue Committee. And afterwards, you and I were talking out in the hallway and one of the questions that had been asked in kind of a roundabout way was what were the security ethics parts of this. And you were telling me that it's already in law, the -- the secure -- the -- the -- the ability not to have some of the abuses of the 2003 bond issue

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happen again. Could you please, for all of us, tell us about those SEC actions?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. Yes, Senator Pankau. I believe Senator Brady asked in committee whether we had any pay-to-play restrictions in this bill and the answer is no, because that practice is already illegal and has been for more than a decade. The Municipal Securities Rulemaking Board, Rule G-37, prohibits anyone in the municipal securities business from contributing money to any officeholder who has anything to do with the letting of -- of bond business. So there is already a prohibition against that sort of behavior. And, again, it's been in place since the early 1990s.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Further on the amendment, Senator Pankau?

SENATOR PANKAU:

Yes. Senator, why isn't the whole sixteen million {sic} going into the Pension Fund? Why are we taking only -- why is only 15.5 million {sic} going into the Pension Fund? What are we doing with the rest of the money?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. The full sixteen billion, less the cost of issuance, are going into the -- to the pension system. I'm -- I'm not sure what it is that you're asking.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Pankau.

SENATOR PANKAU:

I'm sorry. You're -- you're lowering the pension cash and you're taking some money out to balance this year's budget. Correct? Five hundred million?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. As a consequence of having made an extraordinary early principal payment of sixteen billion dollars, we are resetting the payment schedule over the next twenty-some years to a full payment in 2034. When you average that out and spread the savings evenly across the -- the new structure with an even incremental increase each year, the -- the net effect is a reduction against what we would have paid under the -- the 1995 law, as amended, of approximately five hundred million dollars. But, again, that reflects the extraordinary early principal payment of sixteen billion dollars. It's like refinancing your mortgage and making a lump sum payment against principal. You reduce the amount outstanding and therefore you reduce the monthly payment.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Pankau.

SENATOR PANKAU:

So what is going to happen to this year's budget if this bonding bill doesn't pass?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

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Well, again, to be clear, this does not free up any money that we have. It's less money that we don't have. If we don't pass the pension obligation bond, we would have to increase revenues from some other source, decrease spending, or -- or find another way to balance the budget.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Pankau.

SENATOR PANKAU:

The -- to the bill, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

...the amendment. To the amendment.

SENATOR PANKAU:

To the amendment. I urge a No vote on this amendment. I don't think we're doing this out of the kindness of our heart. This is being brought forward just to help us balance this year's budget. I don't think the sponsor necessarily had those ideas, 'cause I've heard him speak at a number of different retired teacher groups and he has mentioned this idea in the past to those groups. But the timing of this is so, so suspect. And I think the only reason we're doing this is to help with this year's budget and maybe -- by restructuring that debt again, bringing it down, backloading it again for future times. I urge a No vote on this amendment.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Let me remind folks that we are still trying to adopt the amendment. Senator Murphy, are you going to talk on the amendment?

SENATOR MURPHY:

Yes, Madam President. To -- to the amendment: I think

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it's important that the Body understands that the Governor is going to select the investment banker for this sixteen-billion-dollar investment. And in 2003, when the Governor selected, he selected as the lead banker, Bear Stearns. And in particular, Nicholas Hurtgen, from that firm, who is currently under federal indictment for allegedly abusing the Health Facilities Planning Board - similar to what Mr. Rezko's currently on trial for in Chicago. Given this track record by the Governor of selecting a lead banker and given the fact that he and he alone will ultimately have the responsibility for selecting this lead banker, I think we have to ask ourselves, do we trust the Governor with sixteen billion of these -- of this State's dollars that are borrowed. I don't. And if you don't, I would urge that you vote No on this bill. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank -- thank you, Madam President. Senator Murphy raises a -- a concern that I know many folks share. It is not unwarranted. But I need to point out to folks, a transaction of this size will require the participation of an overwhelming number of underwriting firms. The transaction in 2003 did not have a single underwriter, nor even a single senior manager. It had five. All of the large investment banks would participate in an issuance of this size. Almost all of the mid-size and smaller underwriters in Illinois would participate. Given the scope of the transaction, it requires that the risk be shared across underwriters. I appreciate Senator Murphy's point, but I -- I do not believe it is well-founded enough to undermine the

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more important elements of this transaction.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg, on the amendment?

SENATOR SCHOENBERG:

Thank you, Madam President. I'd like to rise in support of Senator Harmon's efforts. A -- a -- a significant point here to remember is that all of the money -- all of the money for this transaction is going to go exclusively towards paying down the principal. There's going to be no skimming of over 2.4 billion dollars, which occurred the last time there was a pension obligation bond offering. The rates are favorable. And I would -- also wish to leave one final thought with Members, and that is, you know, when we did this in 2003, we authorized ten billion dollars in the sale of pension obligation bonds. And if you look at the record of the Floor debate from 2003, many of the criticisms that were offered surrounded the fact that it was unprecedented. It was characterized as being risky. It was called all kind -- had all kinds of negative connotations. But because the rates were low and the arbitrage was favorable, we ended up -- we would have been able to sell twice that ten billion dollars if, in fact, the State had the authorization to do so. For me, what tips the scales on this matter is that we all understand that the -- the capital markets are different. We all understand that we couldn't sell ten times two billion dollars. But we also understand that because of where the rates are, we should come in at a ceiling so that we won't make the same mistake again, namely that we will have not had sufficient capacity and authorization in order to meet the market's appetite for this investment. These investments, these pension

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obligation bonds, are also characterized by the fact that there's been no churning of these bonds. Investors who purchase these bonds, whether they're domestic investors or foreign investors, institutional investors, investors of any flavor, those investors have held onto this investment and that's because it proved to be a sound investment. I say we should give Senator Harmon the opportunity to do this once again and aggressively pay down our principal. Remember, for every dollar that's outstanding in unfunded liability, it's as if we, the State, are lending it to ourselves at eight and a half percent. And those aren't terribly good terms either. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon, to -- to close.

SENATOR HARMON:

I ask for your Aye votes on the amendment, and look forward to debating the full bill on 3rd Reading.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon moves the adoption of Amendment No. 1 to Senate Bill 788. The question is, shall Senate Bill -- shall Amendment No. 1 to Senate Bill 788 be adopted. There has been a request by the Republicans to do a roll call. All in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. There are 36 voting Aye, 21 voting Nay, 0 voting Present. The amendment is adopted. Are there any further Floor amendments approved for consideration?

ACTING SECRETARY KAISER:

Yes. Floor Amendment No. 2, offered by Senator Harmon.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. This is the amendment I intended to present earlier. This is the technical amendment that corrects a drafting error and offers further restrictions on the guaranteed investment contract portion of the bill. I move for its adoption and look forward to debating the bill, as amended, on 3rd Reading.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Senator Radogno, for what purpose do you rise?

SENATOR RADOGNO:

Thank you, Madam President. We would request a roll call on this amendment, as well.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- Senator Harmon moves the adoption of Amendment No. 2 to Senate Bill 788. The question is, shall Amendment No. 2 to -- to Senate Bill 788 be adopted. Again, we have been asked to do a roll call. All in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 36 voting Aye, 20 voting Nay, 0 voting Present. The amendment is adopted. Are there any further Floor amendments approved for consideration?

ACTING SECRETARY KAISER:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Senator Luechtefeld, for what purpose do you rise?

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SENATOR LUECHTEFELD:

Yes. Madam Secretary, I would like to state that I pushed the green button. Did not mean to on the last one. So if you would -- I...

PRESIDING OFFICER: (SENATOR MARTINEZ)

The record shall so reflect. On the Order of 3rd Reading. Mr. Secretary, please read the bill.

ACTING SECRETARY KAISER:

Senate Bill 788.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon. We -- we've already read the bill, Senator Risinger, so we have to proceed. Senator Risinger.

SENATOR RISINGER:

Thank you, Madam President. The Senate Republicans would like a fifteen-minute caucus in Leader Watson's Office.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Risinger, we're on the Order of 3rd Reading and the -- and the -- and the bill has already been read. We will proceed and you can have your caucus right after the -- the bill. Senator Harmon. Senator Harmon, to Senate Bill 788. Senator Harmon.

SENATOR HARMON:

Thank you, Madam President, Ladies and Gentlemen of the Senate. Senate Bill 788, as amended, authorizes the issuance of sixteen billion dollars in pension obligation bonds. It provides for a maximum interest rate on those bonds of 5.95 percent. And if we issue all sixteen billion dollars, the

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deposit would increase the funded ratio immediately to seventy-five percent. We would reach the ninety-percent funded ratio for the funds in 2034, eleven years early, and we would save fifty-five billion dollars primarily in the outyears. We are not frontloading the savings in any way. We are recalibrating the payment schedule to spread the savings evenly over the years 2009 to 2034. This is based on a very successful pension obligation bond issue we did in 2003. We issued those bonds at 5.05 percent and if -- since they earned a return of 14.7 percent annualized through the end of the year. Even with the volatile market, the returns in the aggregate are over ten percent. The net savings to the State from that pension obligation bond issue in just these first few years is 3.25 billion dollars. We hope to replicate that. The market conditions are right, we would expect to see an interest rate of approximately five and a half percent and be able to invest the proceeds prudently and see the same sorts of returns over the next thirty years. I look forward to all of your questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any further discussion? On the bill, we have had already several significant speakers already on the bill. I'm going to move on to the -- to the other Members that are seeking recognition. Senator John Jones.

SENATOR J. JONES:

Thank you, Madam President. I would request an immediate Republican Caucus. That's always in order. You know it and everybody in this building knows it.

PRESIDING OFFICER: (SENATOR MARTINEZ)

That's always in order. We're going to continue to move

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on. Senator Bomke. It's -- it's always in order, but we are in the middle of the 3rd Reading of this bill and we are going to continue to work on this. Senator Bomke.

SENATOR BOMKE:

Thank you, Madam President. I also would request a Republican Caucus.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Dahl.

SENATOR DAHL:

Thank you, Madam President. I also request an immediate Republican Caucus. You know, I'm sixty-seven years old and I've never seen such childish games in -- in my whole life. This is totally ridiculous.

PRESIDING OFFICER: (SENATOR MARTINEZ)

We're not on that order of business. To the bill, please. Senator Hendon, for what purpose do you rise?

SENATOR HENDON:

Just to encourage you, Madam President. You are the Presiding Officer for today and you don't have to accept that abuse. Go ahead with the Senate business.

PRESIDING OFFICER: (SENATOR MARTINEZ)

I will continue. Thank you. Senator Risinger, for what purpose do you rise?

SENATOR RISINGER:

Madam President, this -- this bonding bill is sixteen billion dollars. Is a very important issue to the State of Illinois. It's a risky issue, and to not allow the Republicans to caucus to discuss our position on the bill is -- is -- is out of line. And you know a caucus is -- is always in order. But

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to the bill: We have done this in the past. We did the ten billion dollars in the past. Some people say it's successful. Other people say it's not as successful. And if you take a look at what has happened this last year in the markets, you could make that argument. We don't know how this bill is going to fare. But whenever you're dealing with public money, this is certainly not a -- a risky proposition that is really questionable whether we ought to go in that direction. But, again, to not allow the Republican side to discuss the bill prior to and to have a caucus, which is always in order, is out of line. I urge a No vote on this side of the aisle.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. The last speaker raised a point that others have raised and we've -- we've not addressed - this notion that investing the proceeds of the pension obligation bonds in the portfolio, or the pension funds, is somehow an extraordinarily risky adventure. Where do you think the billions of dollars that the pension funds hold today reside? They are in the market. They are diversified in a portfolio of investments. The thinking on this is that we should take all that money out and put it under the mattress. Because we're on the hook for it - if there's a dramatic decline in the market, even if we don't issue pension obligation bonds, we have to make up the difference. The question is whether it is reasonable to assume that over thirty years we're going to receive a rate of return in excess of five and a half percent. The reason the actuaries say eight and half percent is the

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interest rate for the pension -- pension systems is because there's never been a thirty-year period where we didn't earn at least eight and a half percent. There are ups. There are downs. There are years of nineteen-percent returns and years of 4.8-percent returns. But over the life of the bonds, we would -- we should expect to receive better than eight and a half percent. That is, in fact, a conservative estimate.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Risinger.

SENATOR RISINGER:

Madam President, my name was used in the debate. I'm sorry, it was. But, anyway, I -- I respectfully disagree. There is a big difference between having money invested, and I understand that it is invested in the -- in the market. It's money that we have. But we're talking about borrowed money now. There's a big difference between the money that you have versus borrowed money. And -- and so, you know, it's still a risky proposition. It's not the way -- you can't borrow yourself out of debt and I -- I disagree with what the sponsor's saying.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Further discussion? Senator Righter.

SENATOR RIGHTER:

Thank you, Madam President. First, a point of order - I would like to speak to the bill - but first, if I might, Madam President, on a point of order. You know, over the last few years, Madam President, we have had our disagreements in this Chamber. But I would think it's fair to say that we have always been respectful of one another's abilities to sit down together as a caucus in private and discuss any issue, not just issues of

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tremendous importance like borrowing another sixteen billion dollars, but any issue. Madam President -- Madam President, it is clear in the rules that we have a right to go to caucus when we request it. You denying that is a clear violation of those rules. But even more clear, that is a discredit to the Chair that you occupy and it's an embarrassment to this institution. We can do better than this, Madam President. And I would hope that you would afford the Republicans, now, immediately, the right to caucus. You are embarrassing yourselves and you're embarrassing this Chamber when we do this. I would ask one last time, Madam President, that you allow the Senate Republicans to caucus immediately.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter, you just indicated you were going to speak to the bill. But let me just be very clear. We are being disrespectful to the sponsor, who is in the middle of presenting his bill at the time when a caucus was requested. And I'll be happy to go to that order of business as soon as this bill has been done. The Chair will honor your request when the sponsor is done with his bill. Senator Righter, to the bill.

SENATOR RIGHTER:

I wonder, Madam President, if -- and I appreciate your concern for Senator Harmon. I actually share that concern. I like Senator Harmon. I wonder if he would mind if we went to caucus. If your -- if it's his concern, can you ask him if he would mind if the Republicans went to caucus?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Sir, to the bill, please.

SENATOR RIGHTER:

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Okay. Well, fair enough. Will the sponsor yield, please?

PRESIDING OFFICER: (SENATOR MARTINEZ)

...indicate he will.

SENATOR RIGHTER:

Senator Harmon, am I clear in reading this bill that if the pension funds so request, that the Office of Management and Budget will actually direct the investment of these funds? Is that correct?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. No, Senator. But I -- let me try to respond to what I believe is the genesis of your question. We are permitting in certain circumstances - if a particular pension system says we are not able at this point to invest the cash proceeds of the pension obligation bonds in one fell swoop - we don't want to assume the risk of investing all of those proceeds at one time - instead of contributing to the pension funds the cash proceeds, directing the Office of Management and Budget to purchase what's known as a guaranteed investment contract and contributing that asset to the pension system. What a guaranteed investment contract is, is essentially a certificate of deposit for major investors. You purchase it. There's a guaranteed interest rate. We've -- we've said, I think, in the bill that it has to be six and a half percent -- or, no, it has to provide for a guaranteed rate of return. We'd expect at least six and a half percent. That asset is contributed and then it pays out cash over time depending upon the terms. It could be over six months, twelve

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months, twenty-four months. The pension systems would then have that cash in hand to invest. It provides them the equivalent of dollar cost averaging for what -- what smaller investors would do - buying into the market over some time and not risking the principal immediately.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

So, Senator Harmon, who would be responsible for purchasing this so-called guaranteed investment contract? Who does that?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Subject to the restrictions of Amendment 2, the Office of Management and Budget would do so with the approval of the pension system.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Who appoints the members who sit on the pension investment boards, Senator Harmon?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

The Governor appoints those members, Senator.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR HARMON:

With the...

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SENATOR RIGHTER:

If he wants to add to that, that's fine, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

With the advice and consent of the Senate.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Senator Harmon, does the guaranteed investment contract that the Governor, through OMB, will purchase, does that have to be competitively bid?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. It needs to satisfy the requirements in Article 2, which specifically provide for the amount -- it should be purchased in the amount specified by the pension system, provide for a guaranteed minimum interest rate, be with an issuer satisfactory to the pension system, and have a credit rating of A3 or higher from Moody's or A- from Standard and Poor's. There's no requirement for competitive bidding, but remember what this product is, is a -- it's essentially just a certificate of deposit with an interest rate. The -- the pension systems will seek to maximize the rate of return relative to the bond -- or the -- the bond rate.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- Senator Righter.

SENATOR RIGHTER:

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Senator, will there be -- I mean, you are -- you're far more an expert in this area than I am. Can I safely assume that with the purchase of this guaranteed investment contract by the Governor's Office, that there will be some fees associated with that?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Well, I'm certain there -- there will be some fees and -- and legal costs associated with the issuance. I don't have any figure. The real advantage here for the issuer is to have access to capital at a relatively low rate. The folks who issue these turn around and invest their principal as a part of their portfolio and earn a greater return than they're paying on the contract - the same model that we're using with the pension obligation bonds.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Senator Harmon, earlier when you were discussing the amendments - and I didn't ask to speak on the amendments, because I think the Presiding Officer was urging Members to wait until 3rd Reading to talk about those issues - you talked about the process that has been engaged in to determine how much, quote unquote, "savings" will be gleaned from this, and so that is the amount by which we can reduce the pension payment for the upcoming fiscal year. Is that -- is that a fair..

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

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SENATOR HARMON:

That -- that's a fair statement. Albeit the -- the recalibration adopts a different model, it provides for uniform, growing increases in our contributions year to year.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

How long are -- is the -- is the -- are the bonds? How long do the bonds last in this -- this pension bonding plan, Senator?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

They are thirty-year bonds, Senator.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Risinger. I'm sorry. Senator Righter.

SENATOR RIGHTER:

Senator, then in order to determine or forecast how much savings you're going to get and, therefore, how much you can reduce the pension payment by in this fiscal year, don't you have to forecast out three decades of this is what we think we're going to get over thirty years and this is what we're going to have to pay out, so this is what we think the savings is going to be? I mean, is that -- isn't that what you had to do in order to come up with that figure?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Yeah, it -- it is what the actuaries for the systems did

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and for the Office of Management and Budget did. And I believe that it was done with a -- a far greater degree of sophistication than was done when the General Assembly looked fifty years into the future to put together the 1995 law. That's what we do here with pension systems. We look thirty, forty, fifty years into the future to figure out what our obligations are and what assets are likely to be. And everything that we do is based on a very educated set of assumptions about the risks and rewards of these strategies.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Thank you, Madam President. But, Senator, isn't there a critical difference here? And that is, when the fifty-year plan was adopted, sure, there was a forecast, but then every year the actuaries for the pension systems would recalibrate that to come up with the next fiscal year's payment requirement. What you're saying here is we're going to decide now - right now - we're going to borrow the full sixteen billion right now, based on a calculation we're making right now about the next thirty years. I mean, we don't get a chance to recalibrate that. I mean, once we borrow the money, we're not going -- the actuarials - I don't think, maybe I'm wrong - are not going to be able to readjust that and say, "You know what, we needed to borrow that at a lower interest rate in order to make this work." I mean, isn't that a fundamental difference between these two situations?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

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No, it's exactly the same. The -- the actuaries have looked thirty, forty, fifty years into the future and have said that we believe the returns on -- on the assets invested in the pension systems will be at least eight and a half percent. That's the forecast. We are able to lock in today an interest rate of five or five and a half percent against that future assumption. It is -- the -- the eight and a half percent is based on years and years and years of historical data and all the reasonable forecasts. Again, it's a very conservative estimate.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

To the bill, please, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. To the bill.

SENATOR RIGHTER:

Thank you, Madam President. Senator Harmon, thank you for your responses. Ladies and Gentlemen, putting aside for a moment, quite frankly, the -- the -- with all due respect, the disgraceful conduct in not allowing this caucus to meet, which is always something that is afforded, let's talk about the merits of the bill. There is a dramatic difference between forecasting out thirty or forty, fifty years and saying each year we're going to readjust, we're going to make a forecast, but we're going to be able to adjust every twelve months how much we're going to pay into the pension funds and borrowing sixteen billion dollars of our kids' and grandkids' money right now. And -- 'cause once you borrow that money, you're stuck

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with it. If next year or two years or five years or ten years down the road, the system actuaries say, "You know what, the stock market is not what it used to be and that forecast isn't eight and a half percent anymore, it's six percent, or it's five percent." We don't get to go back to the bondholders and say, "We need to lower the interest rate", or, "You know, we made a mistake in borrowing this money." We don't get to do that. We've squeezed the trigger. The bullet is out of the gun. And we are going to pay that money back. Ladies and Gentlemen, I would suggest to you, there are a laundry list of reasons why this is a bad idea, and I think that we're going to hear more of those as this debate goes on for some time. But the best reason is this, is that we are borrowing to gamble and, if the forecast goes bad, we are still going to have to pay that money back. That, for reason alone, is reason to vote No on this. Thank you, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Further discussion? Senator Peterson.

SENATOR PETERSON:

Thank you, Madam President. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR MARTINEZ)

The -- the sponsor indicates he will.

SENATOR PETERSON:

Senator Harmon, what's the position of the pension system on this proposal?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Well, I think we're waiting for final word from them. They

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were supportive of the 2003 issue, obviously. But I have not heard directly from the systems.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Peterson.

SENATOR PETERSON:

So currently, if this is such a great deal, the pension trustees still can't fathom how good it is. They haven't made a decision. Is that correct?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Senator. You guys, you really need to figure out which story you're going with, the pension trustees are all stooges for the Governor or they're independent-minded trustees who need to clear this ahead of time. We're waiting to hear from them. But -- but that's where we stand.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Peterson.

SENATOR PETERSON:

How about the IEA and the IFT? Are they supportive of this proposal?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

I'm afraid the -- the story is the same there. They were supportive in 2003 and we're waiting for their indication on this issue.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Peterson.

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SENATOR PETERSON:

So they have just been presented with this proposal and they haven't time - just like we haven't, 'cause we can't go to caucus - to discuss it, that -- if -- if this is such a great deal, the rank-and-file teachers should be on board. And to the bill, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the bill, please.

SENATOR PETERSON:

This is certainly a bad investment for the State of Illinois, and I recommend we vote No.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Jacobs, what purpose do you rise?

SENATOR JACOBS:

Question of the sponsor.

PRESIDING OFFICER: (SENATOR MARTINEZ)

He indicates he'll yield.

SENATOR JACOBS:

Senator, exactly how much money does this take from the Teachers' Retirement System and throw away on -- on political boondoggles? Exactly how much money are we talking that we're stealing from the teachers of Illinois?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Senator, for your kind question. In fact, this is the reverse. We're putting in sixteen billion dollars to the five pension systems that would not be there but for the issuance of pension obligation bonds. We are not taking a

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holiday from our current payments. In fact, we're increasing those payments over last year by two hundred and eighty-one million dollars. The net impact would be approximately eighteen -- 18.3 billion dollars more into the five pension systems, assuming the bill passes and all sixteen billion in pension obligation bonds are issued.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Jacobs.

SENATOR JACOBS:

This notion that we're going to borrow our way out of debt created by past administrations, what -- what's your -- what's your take on that? Do you see this as borrowing our way out of debt?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Senator. No, we're -- we're not. We are already in debt. We are forty-two billion dollars in debt and the terms of that debt are very unfavorable. The implicit interest rate in the amount we owe to the pension systems is eight and a half percent, because of the lost investment returns we're not generating for our failure to have deposited that in a timely fashion. We are essentially refinancing on much more favorable terms. It's just as if you had taken out a mortgage on your house when interest rates were at an -- a high of eight or ten percent and you were able to refinance and reduce your interest rate to five percent; you would recognize those savings monthly. If you were refinancing and you had some cash set aside, you could make a principal payment as a part of that

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refinancing and further reduce your monthly obligation. That's what we're doing here. We are refinancing existing debt. It's debt to ourselves. But this becomes hard debt, debt we cannot take a pension holiday from in the future as the whims of the General Assembly may dictate.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Jacobs.

SENATOR JACOBS:

But if by tomorrow we pass this bill, my friends in the Illinois House receive the bill and determine that -- that we're trying to move too much money, that maybe this is too much -- too much appetite, do they have the opportunity to rescind that, cut that in half and send it back to us?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. Yes, Senator. We are -- we are passing a Senate bill which could be amended in the House. If the House has particular thoughts about the structure or the size of the authorization, I think we'd be very willing to talk with them about the appropriate steps to take at this point in time. The market conditions are right and we should authorize the issuance of some pension obligation bonds. Whether we do ten billion or twenty billion, six billion or sixteen billion, is really just a question for us to decide.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- Senator Jacobs.

SENATOR JACOBS:

In closing, Senator, I'll sort of make it two points. One

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is, have any of my friends on the other side of the aisle came with you -- came to you with ideas how to reduce the -- the incredible debt that they helped build? And second is, is -- does anyone really think the Republicans need a caucus on this issue when everybody knows you're going to vote No? It shouldn't take a caucus to figure out where your position is. You don't need to send a smoke signal to the IEA. And you sure as heck don't need to go out in the hall and meet with all those lobbyists.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- Senator Harmon.

SENATOR HARMON:

Thank you, Senator. In response to your last question, no, we -- we've not gotten any suggestions for other ways to do this, other than to continue following the -- the much praised 1995 pension law. I would point out to -- to my colleagues who don't know it - and few of us are likely to be here in the year 2045 - but the ramp up in the '95 plan would put us to the point of making sixteen-billion-dollar payments to the pension systems in 2045. If we were able to adopt this plan today, we would reduce that payment by ten billion dollars a year. We would pay off the debt eleven years earlier. We would save fifty-five billion dollars, primarily between 2034 and 2045. This is a vast improvement.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Viverito, for what purpose do you rise?

SENATOR VIVERITO:

...Madam President. Move the previous question.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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There -- there are -- let me count. There are eight people seeking recognition that have not spoken on the bill -- on the bill. So we are going to move on to Senator Hultgren.

SENATOR HULTGREN:

Thank you, Madam President. Will the sponsor yield for some questions?

PRESIDING OFFICER: (SENATOR MARTINEZ)

He indicate he will.

SENATOR HULTGREN:

Quickly, does this increase or decrease our general obligation debt?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

It increases our -- our general obligation bond debt, but it reduces our pension debt. And it's -- it's an even trade.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren.

SENATOR HULTGREN:

So it does increase the general obligation debt. You had mentioned that a lot of the projections are on this eight and a half percent. That is a projection. That's not a guarantee. The actuarials don't guarantee an eight and a half percent. Is that right?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

No. That -- that's pretty close to a guarantee from our perspective. It's the amount we -- we owe to the pension

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systems. It -- it's the amount by which our debt to the pension system grows each year. It -- it's not -- it's not a guarantee on the return on -- on the portfolio, but that's their estimate. So every dollar we don't invest today is a dollar and eight and a half cents next year.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren.

SENATOR HULTGREN:

Maybe I -- maybe you didn't understand my question. But the eight and a half percent return that you said the actuarials have projected on this -- on this new bonding, my question is, that's not guaranteed. There's no guarantee that we get eight and a half percent. It might be that we get zero percent. Is that true?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. There -- there are two concepts and it's -- it's important to distinguish between the two. Okay? The first is, the likely return on the portfolio of investments for the pension systems, which is estimated to be eight and a half percent, and that is an estimate. There is no guarantee. There are years we will be well in excess of that and years we will be below that. But over thirty years, that's a very conservative estimate for the aggregate annualized return on that investment. The other piece is the amount we're being charged, essentially, the amount by which our unfunded pension obligation grows each year. Right now, that's eight and a half percent a year. If we refinance with bonds issued at five or

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five and a half percent, that's an immediate arbitrage savings of significant proportion. Again, the savings in the last year, since the 2003 bond issue, has been 3.25 billion dollars. Better off today than we were then.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren.

SENATOR HULTGREN:

My understanding is, a lot of this is timing, and if we would have done the same thing last summer, our information - again, we didn't have a chance to discuss this - but our information is we would be down over seven hundred million dollars. So, again, there's a timing issue as far as what the returns are going to be on the investments. Isn't that true?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Well -- well, of course. And -- and that's -- there's a timing issue with the -- the sale of the bonds too. We're still in a very good interest rate market for selling bonds. Now, again, no one is proposing that we give the proceeds to the pension systems and they turn around and invest it all in equities in the stock market. There will be prudent investments. It will be put across their -- their portfolio over time and distributed according to those ratios. It's a ratio of assets invested that we have deemed responsible and prudent for eighty-three billion dollars that we're -- I'm sorry, seventy-four billion dollars that we have invested in those five pensions systems today. It -- it would follow the same prudent investment strategy. The portfolio is always at

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risk and we're always at risk of making up the difference. It's the same risk. We are not adding any risk to that -- that -- that pension portfolio.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren.

SENATOR HULTGREN:

Help me understand a little bit about the backloading and the payments of that. My understanding is, then that increases the amount of payments that we're going to be making later. Again, from our analysis, it talks about that. With backloading, our children and grandchildren, people who are at the end of this, will be paying a much larger amount than we'll be paying beginning. Is that true? Is there backloading on this? And are we paying more up-front or less up-front? Help me understand a little bit more.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Thank you, Madam President. Again, the issue gets very complicated and it would be easier to -- to explain over a conference table with charts and graphs. But let me answer two questions that I think you're asking. One is that the -- the pension obligation bonds themselves are structured in a way to layer over the current portfolio of pension obligations - the current costs, the 2003 pension obligation bonds and the -- what would be the 2009 pension obligation bond debt service. When we pay off the 2003 bonds, for instance, there will be much greater capacity to attend to the unfunded liability or to -- to attend to the 2009 pension obligation bonds. And it's structured in a

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way that acknowledges that. But with respect to your bigger question, if you look at the whole portfolio, all of our contributions to make principal payments on the pension systems, to make current payments to the pension systems and to pay principal and interest on both the 2003 and 2009 bonds, you'll see that we're -- we are not backloading it. If anything, we are cutting off the back end. We are proposing a new payment structure that provides for even annual increases in the payment amount, which is much more manageable from our standpoint than seeing these irregular increases of eight hundred million dollars in one year or another. We're reaching the ninety-percent-funded level in 2034, at which point our annual payments plummet precipitously or dramatically - on the order of six billion dollars a year. So our grandchildren will see payments to the pension systems from our General Revenue Fund fall by more than fifty percent. In the -- in the last year, 2045, a payment that would have been sixteen billion dollars under the '95 law, would fall to just six billion dollars, including all the debt service on the pension obligation bonds.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hultgren, please bring your final comments.

SENATOR HULTGREN:

To the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. To the bill.

SENATOR HULTGREN:

Thank you. It's really been my honor to be down here for the last ten years - eight years in the House, almost two years here in the Senate. This really is the first time I've ever

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seen a caucus refused. I hope the media - you do a lot of good work down here; we appreciate your work - but I hope you pick this up. It really is -- it makes absolutely no sense to me. And I -- I don't blame the sponsor for that. I'm not sure if you had a part in that or not. But it really doesn't make sense when something is admittedly, as the sponsor has said, complex, much better explained over a conference table - exactly like we have back in our caucus room, a conference table where we could have our staff explain this. I don't get it. I don't understand it. What it does is, it raises some real questions that there must be some -- something going on underneath the surface that needs to be questioned that we don't want the -- the full light of day shown on this. And I don't know if that's the case. What I can tell you, and I disagree -- I do respect my colleague from the Moline area, but I disagree with him because I think the maneuver here today has actually lost some Republican votes. I've talked to a couple of our Members, myself included, that said I want to understand this, I might want to support this if it truly is going to help our teachers. But because of some of the shenanigans that are going on and a refusal of something I've never seen -- all my time in the House, Speaker Madigan never refused a caucus. I don't understand why that needs to happen here. And I guess I would encourage the Majority Party to change the rules if you can't abide by them, rather than just ignoring the rules. So, again, it raises some real questions. It's an important issue. It's too bad we weren't given a fair opportunity to fully understand it. Because of that, I need to vote No. I encourage my colleagues to vote No as well. I do -- the perception here is -

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and -- and people understand this back home - there's nothing for free. When you do refinance, when you roll things together, you extend the -- the debt payment. So if you had a -- twenty-three years left on your thirty-year mortgage and then you refinance it, you might get a lower rate - that's great - but you also have another seven years that you have to pay that off. So, people understand - there's nothing for free. Certainly, there are times that make -- that -- that we need to take advantage of things. But when we look at the people who are going to be making the decisions on this, of who's going to be getting the contracts, who's going to be getting the fifty-plus million dollars of fees every year with the investment firms, it's our Governor. And, obviously, we all have great questions of his ability to be able to do that fairly and not just looking at people who've made contributions. So, again, it's unfortunate, with something as important as our pensions and our commitment to our teachers, to be doing things that raise additional questions in an already complex situation by the refusal of the Majority Party to allow us to discuss this, to hear from our staff to fully understand this around the conference table, exactly like the sponsor has recommended. So, again, I'm -- I'm very disappointed. This is a -- a new low. I think we've hit a couple new lows this year, but a new low for my time down here in Springfield. My hope is that we start rebounding and -- and turning back around and that we can start that working together again. But from every indication, I don't see that happening. Thank you for your -- the time, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Burzynski, to the bill, please.

SENATOR BURZYNSKI:

Thank you, Madam President. Well, here we go again. You know, in 2003, Illinois became first; they became first in the nation to have a pension bond sale of ten billion dollars. I think the previous high prior to that time was -- something around 2.8, 2.7. It's still the record. And, you know, in Illinois, for some reason, this administration and many of my colleagues want to be first again, moving up to a sixteen-billion-dollar pension bond sale - all the while knowing that there is a piper to pay at some point in time. What we've done and to the best of my recollection and what I've been able to gather here in the last few minutes on the Floor - because I was hoping to be able to ask our staff this in a caucus - but it appears to me that we actually haven't paid one penny of principal on that ten billion dollars' worth of borrowing we did in 2003, not one penny. The first payment, to my best understanding, is not due until June 1st on the principal - not one penny, principal payment in five years. Here we are, now we're going to extend -- we're going to go to another sixteen billion dollars' worth of borrowing, as Senator Hultgren said, that our children, our grandchildren, probably my great-grandchildren, will end up paying for, if they live in the State of Illinois. I would suggest to you, this is not the wisest thing that we should be doing here in Illinois at this time. We have uncertainties. We certainly have a lack of trust in the process. We're not even clear what that process is going to be, who will be making all of those decisions and entering into those contracts. I think that we need those answers before we

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move forward here today. As we look at this and as -- there's nothing to say that we're not going to continue this trend. Twice in five years now the State of Illinois is going to go out for a pension bond sale - that's twice. Some say it's because the first one worked so well. I would suggest to you, it's because there are no -- there's no other low-hanging fruit to be picked by this administration. Madam President, just, again, to reiterate a comment or a question that was made earlier, I want to make sure that you understand, that my colleagues on the Democratic side of the aisle understand, that at the conclusion of this bill, we would request a Republican Caucus prior to the reading in of the next bill. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Brady, for what purpose do you rise?

SENATOR BRADY:

Thank you, Madam President. A couple questions of the sponsor and then to the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Sponsor indicate he will.

SENATOR BRADY:

Senator Harmon, in 2004, when we were getting along, we all worked on a budget compromise that included something called debt responsibility. That debt responsibility was an agreement that if Illinois was to move forward, that we would have, in terms of bonded indebtedness, no less than twenty-five percent of the bonds would be bid, not negotiated, that bonds would be paid back in no less than twenty-five years, and that we would have level principal payments. Would you not agree with that? Is that not the current statute?

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PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

I would agree with the statute, but I would disagree that we were getting along. That was the product of a long overtime Session and it was insisted upon by you and others in the -- in the Republican Caucus. And it really did put handcuffs on our ability to prudently issue and manage our debt.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Brady.

SENATOR BRADY:

It -- it doesn't surprise me that that would be your excuse. Having said that, you voted for it, other Members of this General Assembly voted for it. And yet, here you bring forward a bill to us, less than a few years later, that allows the Governor - and correct me if I'm wrong - but this allows the Governor to negotiate sixteen billion dollars in bond sales that will probably earn someone over fifty million dollars. It does not require principal -- level principal payments and it extends the indebtedness beyond the twenty-five-year limitation to thirty years. Is that not correct?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

The bonds are thirty-year bonds. They would be sold through a negotiated process that will yield a better interest rate and lower costs. The competitive sale notion just does not work for a bond issue of this size. You will not see a competitive bond sale in excess of one billion dollars. The --

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the cost associated with doing that and the uncertainty of selling the bonds that we need to sell makes that -- that mechanism wholly unsuitable for this method. We're trying to sell bonds with a variety of maturities from short-term to thirty-year bonds in certain amounts maturing in each year. A competitive sale is at great disadvantage to us. It would indicate to the market exactly what we're selling and when we're selling it. It would provide for a higher interest cost and it would limit our flexibility if we need to cancel the sale because the market has moved against us.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Brady.

SENATOR BRADY:

Yeah. To the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the bill, please.

SENATOR BRADY:

Ladies and Gentlemen, and -- and, Senator Harmon, I understand that your firm has a large reputation and does a great number of bond deals. And I'm sure your knowledge, to some extent, is involved in what your firm has provided you with. But let me tell you something, that negotiated sales is only one of the problems here. I disagree with you fully. But you've also violated two of the other covenants. But before I get to that, let me talk briefly about, yes, your firm's ability in bonds sales. But let me tell you, that there -- you are accurate - the Pension Board supported this last time. And this time they don't. And this is where I think you fall very short. Where your firm may be a bond -- have expertise, your investment

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expertise, I think, is waning. The reason the pension boards don't support this is because they don't think the arbitrage works. And they're not buying into your scheme to -- to hide five hundred million dollars in unfunding of our pension systems. They're not supporting this, because they know they cannot, in this current market, put sixteen billion dollars, invest it anywhere, and get the kind of return you want. That's why they're not supporting it and you need to be honest with that. You know that as well as I do. Let me get to another problem we've got here, Ladies and Gentlemen, and it deals with trust. Our word is our bond. Senator Harmon, you are putting the first hole in the dike of eliminating any chances we have of a capital bill this year. And let me tell you why. You know, the first time, shame on me. The second time, shame on you. The third time, forget about it. Last year -- let me just preface this, last week we were all invited to the Governor's Office to listen to him cry about why we could finally trust him. Why he, all of a sudden, could be trusted. Last year, we came together as a General Assembly and agreed to vote on a budget. And if the Governor vetoed that budget, we were going to override that veto, because we knew that was the best thing for Illinois. We were told, not directly by your leader to me, but we were told that that was a unanimous agreement. To what we find in the end is that your caucus cut a deal with the Governor and backed out of that agreement, leaving three caucuses without the ability to trust you. Now, in the last week, Senator, we have been asked..

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Brady. To the -- to the bill. To the bill,

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please.

SENATOR BRADY:

Thank you. We have been asked to trust a capital bond bill. But the first hole in the dam -- the second hole in the dam is here today. When you agreed to debt responsibility and now you're violating that. Senator, one lie after another, one false -- rather, run by one false promise after another eventually leads to a complete lack of trust. Violating that trust here a second time sends a heck of a message to our side. One message that Speaker Madigan's been trying to get us to buy into is that we cannot trust this administration and frankly your caucus with thirty-one billion dollars in capital.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld, please to the bill. I'm going to stop anyone who just gets off the bill.

SENATOR LUECHTEFELD:

Thank you, Madam President. As I come up, you're going to stop me, is that...

PRESIDING OFFICER: (SENATOR MARTINEZ)

If we get off the bill.

SENATOR LUECHTEFELD:

Well, first of all, let me -- I -- I would like to talk a little bit about the bill and -- but, first of all, let me say, I -- I know a lot of people on that side of the aisle, and I know there's people over there who are very principled. I take for granted that the -- the -- that the sponsor of this bill is a principled person. You -- you have to feel embarrassed that you would not even grant a fifteen-minute caucus. I mean, you -- if you don't -- you have to feel embarrassed that you wouldn't

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grant...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld, to the bill, please. To the bill.

SENATOR LUECHTEFELD:

And I -- I take it you are denying that caucus once again. Is that right, Senator?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Right after we finish this bill, we can go -- the order of business will be that. So, please, to the bill.

SENATOR LUECHTEFELD:

Are -- are you saying before we vote, we will have a caucus?

PRESIDING OFFICER: (SENATOR MARTINEZ)

After we are done with this bill, voting and all, we will proceed. Please -- please proceed on to the bill.

SENATOR LUECHTEFELD:

Senator, you -- you have sold this as this -- as this magical thing that's going to take care of our pensions. Yes, you have in a way. I mean, you're talking billions of dollars we're going to invest. Things are going to be good and this is the way to do it. I guess I would ask you this. If this is such a good idea, to simply go out and borrow money and invest it in the stock market, would you do that personally? Would you personally -- or do you do that personally? Do you go borrow money and invest it in the stock market?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld, you were speaking to the bill.

SENATOR LUECHTEFELD:

It was a question of the sponsor. If this is such a good

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idea, does - and -- and the sponsor is making it sound as if it is a great idea - does he -- or would you advise a person to go out and borrow all the money they can borrow and do exactly what you are asking this State to do?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon, can you answer the...

SENATOR HARMON:

Senator, you are gravely mischaracterizing what I'm asking the State to do. The appropriate analogy is, if you had a home mortgage at twelve percent and the interest rates fell to six percent, would I advise you to refinance your mortgage at the lower interest rate? And, yes, without reservation I would advise you to do that and I would do that myself and I have done it myself.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Senator, you -- you really have changed the question. I just asked you a simple question, and -- and that was, would you advise me or yourself -- if this is a good idea, you and I need to get together and borrow every cent we can borrow and -- and invest it. Any maybe someday we'll be rich. And I hope that this thing does work, obviously, for the sake of the State of Illinois. But, you know -- I'm not an expert in this business and most of us in this -- in this Legislature are not. You may be. But I have to think that most of us would say to ourselves, is this really what we want to -- we wouldn't do this with our own money and now we're doing this with State money. Another question of the bill. Would you be doing this, or would we be

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even talking about this issue at all, if it wasn't for the fact that this was a way to help try to balance the budget that you're putting forward?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Yes, Senator, absolutely, and Members of your caucus can verify that. In our conversations last summer during the extended budget negotiations, we talked about issuing pension obligation bonds and what the merits of doing that were, even without recalibrating the repayment schedule. And, yes, I would be sponsoring this bill even if the recalibration were not a part of it.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld, can we wrap it up, please?

SENATOR LUECHTEFELD:

Well, seriously, I -- I would doubt that -- and again, you can -- that you would be doing this bill at this time if it wasn't for about a five-hundred- to a six-hundred-million-dollar hole that you can fill in the budget in the payments to the pension. Now, again, are you saying for sure that there will -- all sixteen billion will go into the Pension Fund?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Less the cost of issuance, which are statutorily capped at .5 percent and are more likely to be about .38 percent.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Luechtefeld.

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SENATOR LUECHTEFELD:

And there would be no way with simply another vote sometime down the road that you could use some of this money to fill a hole in the budget as we did last time, as you know? You know, I -- I'm always amazed at the fact that we -- the pension system is now funded better, but we still owe ten billion dollars. If we do this, the pension system will be filled a lot better than it is right now, but we will owe twenty-six billion dollars. You know, I hope -- I would hope that this -- that the -- that the -- that the investment markets do well over the next thirty years, 'cause I think most of us in this room probably are going to try to do that. But it's not with borrowed money. It's with money that we already have. So, again, I -- I -- I -- first of all, I think we should have been granted a caucus. I think that's wrong. I hope you know that. And secondly, you know that this is a risky idea.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Syverson, for what purpose do you rise?

SENATOR SYVERSON:

Thank you, Madam President. Some questions of the sponsor.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Sponsor indicate he would yield.

SENATOR SYVERSON:

Thank you. Senator, in no particular order, but the first question is, by issuing this sixteen billion now on top of the - the bonds we've issued before, will that put any pressure on the attempt to try to issue bonding for a capital plan potentially a few months from now? Will this -- can we guarantee that this will not have any effect on any changing in

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future bond issues that we may do yet this year as part of a capital plan?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

SENATOR HARMON:

Well, that depends on two -- two factors. The first is the market appetite for bonds of any sort or shape. The fact of the matter is, in the current environment, there's been a flight to security. And after U.S. Treasury's, State-backed bonds are as good an investment opportunity as exists in the market. The second is the rating agencies and whether they would rate the capital bonds favorably or unfavorably, dependent upon the pension system. The fact is, my understanding, is that they view this as a swap of debt, hard debt for soft debt. In conjunction with the -- with the recalibration and the earlier repayment at ninety percent, the rating agencies, I'm told, would view this very favorably. I expect that would be true and it should not inhibit our ability to issue capital bonds.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Syverson.

SENATOR SYVERSON:

Would you also agree -- we -- we hear a lot of criticism of the '95 deal. Would you agree, if we had the '95 deal still in place today, that there would have been more principal paid off than is paid off today? If we took a snapshot right -- of today of where we would be, would more than -- more debt been paid off than where we are today, not counting the ten billion that was borrowed, of course?

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Harmon.

SENATOR HARMON:

No. I disagree. My understanding, from having looked at the '95 law, is that the unfunded liability today would be fifty-five billion dollars, instead of forty-two billion dollars. So even when you factor in the ten billion we owe on the pension obligation bonds, our total debt service on the pension system and the POBs is fifty-two billion dollars, where it would have been fifty-five billion dollars, a net savings of over three billion dollars when you factor in the rounding errors.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Syverson.

SENATOR SYVERSON:

Thank you. I guess -- I guess I would respectfully disagree. If we were paying the higher amounts from the '95, the fact that we had -- that we've borrowed money to make those payments, if we include the borrowed money, I -- I -- I don't know how we would not have had significantly more. But you had mentioned earlier that - and I guess that's where a lot of confusion comes up - you had talked about that we had forty-two billion in pension debt. And that's a story that a lot of people go out and tell their constituents, but that's almost more "Enron" when we only talk about one side of the ledger and we don't talk about the fact that we're borrowing money. And we need to really make sure that when we talk about the amount of pension obligation, the amount of pension debt that we have, that we need to be including the money that we're borrowing in that total so at least we're being -- that we're

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being honest from that standpoint. The one issue regarding the safety of it, and -- and I'm certainly not opposed to the concept of -- of investing, but -- but in today's economy to talk about that eight and a half percent is about as sure -- about as safe a deal as we can get, that reminds me an awful lot of something Bear Stearns said a couple years ago. Investing in mortgages, investing in homes is the safest thing you can possibly do. There's no downside. You can't lose. But where is Bear Stearns today? These were the best and the brightest financial experts in the world, and they said we can't lose. And yet they're all unemployed today. They lost. And a lot of your constituents lost because they believed that it was a guarantee, or as close to a guarantee as we can get. I'm just concerned that there -- this isn't necessarily a guarantee, especially in today's economy. I would also feel more comfortable if we weren't using it to skip this year's payment. If we were paying the same amount of money -- when I work with clients about -- and they talk about refinancing their debt with one charge card to another charge card and their goal is to keep skipping the payment, even though they're getting a new interest rate, they're paying bond -- they're paying charge fees. And we tell them, keep making the same payment. With the idea that the eight and half percent isn't guaranteed, would you admit that we would be better off if we kept funding the pension at the current level plus we did your proposal? Wouldn't that be a safer way to fund that pension - if we continued to fund it at the current obligation level that we're at?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon.

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SENATOR HARMON:

Senator, it would be absolutely no safer. That's -- that's the wrong measure. We would be putting more money into the pension system. But we would be putting more money in if we increased this year's contribution. The number would -- that was determined is -- is relatively arbitrary. It's -- it's determined -- and -- and we just made that up. I mean, that's really what we did, is at one point we made up a -- a ramp and -- and now we're saying we have to stick with it, notwithstanding the extraordinary principal contribution we're planning to make. This -- the -- the eight and a half percent is not a number that's being sold to us by some huckster coming, trying to sell us an investment product. It's the number arrived at by the actuaries we retain to give us a conservative estimate of what we can expect to return. This is -- this is not the scenario that -- that you're painting this out to be.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Syverson.

SENATOR SYVERSON:

But -- I'll wrap it up with this. I guess my question is, is if we did your plan and put the sixteen billion in, less the fees, and we made the full payment that we were planning on this year, we would have more funding in the pension plan twelve months from now than if we didn't put that extra five hundred in. So, clearly we'd be better off if we put the five hundred in; there would be more money in there and that would assure us that the reason we're doing this is not just to avoid the five hundred million. But, again, we keep talking about the safety. My concern is that the world economy is changing. The idea that

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we're going to be able to get eight and a half, nine, ten percent on the markets these days is not as secure as it was a few years ago. And, as I said, these are the same things that Bear Stearns said. They said that it was as safe as you can possibly be. And they're the same actuary experts, probably some of the same ones that we're consulting with. So I'm always concerned when the experts say this is as good a -- safe a deal as you can get, because that's not always the case. So, I appreciate your work on this, but, again, I'm just concerned that -- that we are putting people at risk, if this doesn't work. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Dillard, for what purpose do you rise?

SENATOR DILLARD:

Thank you, Madam President. To the bill, if -- if I may.

PRESIDING OFFICER: (SENATOR MARTINEZ)

...bill.

SENATOR DILLARD:

You know, I come with this -- little different perspective because I voted for Governor Blagojevich's last pension obligation bond program. So, as Senator Jacobs pointed out, not all of us are automatic Noes over here. And, in fact, as we were going from 2nd Reading to 3rd Reading, John Harris, the Governor's Chief of Staff, is back here talking to Senator Millner, talking to Senator Cronin and myself, trying to discuss this proposal with us. So, you know, I think you've probably wasted an hour now 'cause you haven't given us our caucus. But, you know, we were still in the discussion stages back here and I wouldn't automatically count everybody as a hard No back here.

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There are differences between when we did the first pension obligation bond program, however, and today, climate-wise. The last time, we had a new Governor and, obviously, we wanted to give him the benefit of the doubt. We didn't know his track record as a manager or the history of pay-to-play that would follow. We also clearly had, I think, a different stock market environment than we do today. Senator Syverson rightfully pointed out, it's a little more risky today than it was last time. And, the last program, to the Governor's credit - and I'm glad I voted for it - it -- it's worked out very well. It's clearly saved the State of Illinois billions of dollars. Another big difference - and I know that Senator Brady pointed out - that the pension boards are not gung-ho on this like they were last time. Another huge difference to we Republicans is that last time every major statewide business group supported the pension obligation plan; the manufacturers, the State Chamber, everybody on the business community thought that this is a good idea. And that's not necessarily true today. And I guess one of the big changes - and I touched on it a minute ago - is that, you know, we have a track record here now. We gave the Governor his ten billion dollars last time and just a year or two later he goes back in and he takes billions of dollars, billions of dollars, out of the Teachers' Retirement System. So, I'm not sure you can trust this guy as -- as a manager. But, nonetheless, you know, we were sitting back here. There's questions I wanted answered in my caucus. And, Madam President, sadly, because of the procedure here on the Senate Floor, I'm going to have to -- to vote No now. You know, in our caucus, the kinds of questions we ask our staff are different, with --

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as good as Senator Harmon is and there's no better sponsor, especially for this proposal, than Senator Harmon in the General Assembly, but the kinds of things we try to find out in caucus are very different than the kind of dialogue that we're limited here with, with Senator Harmon about. And, I guess, last but not least, and -- and -- and I want pat Senator Harmon and Senator Schoenberg on the back, because they have tried to ease fears of people like myself or Senator Brady with respect to pay-to-play and the -- the investment firms and the pension systems that has taken place shamefully over the last few years. I mean, we've all read about what's going on in the Tony Rezko trial with Stuart Levine, and it all comes down to, much of it, this type of activity. And Senator Harmon's got a great bill, which the Governor says he's going to maybe amendatorily veto, that really addresses a lot of my fears. Don, you've done a great job. And Senator Schoenberg has Senate Bill 1305, which is a great bill that would ban -- pension consultants - many of whom have really no expertise in the financial field at all, other than connections - from getting contingent fees. And I wish that bill would move around. But, sadly, primarily because of the antics that took place here on the Floor and that we can't get our questions answered and a little different market than was around last time, I'm going to vote No. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Radogno.

SENATOR RADOGNO:

Thank you, Madam President. Senator Harmon, I could really relate to you when you talked about how much easier this would - - would be to explain with charts and graphs, because we

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actually had the opportunity to do some of that. We had a number of meetings -- excuse me. I like to look at who I'm talking to. But we had the opportunity to have a number of meetings - yourself, myself, the Director of Government -- of the Office of Budget and Management - and you did explain this in great detail. And, quite frankly, it does make some sense to use some of these relatively complex financial tools in managing a state government. There is some merit to that. The Lottery sale is another one that we probably ought to take a look at. Now having said that, that there is some sense in examining that, we -- do still need to recognize that there is risk associated with it. And people have talked about that. There is no guarantee. It -- just to read a quote from Eden Martin from the Civic Committee from The Commercial Club of Chicago, he said, "This is a craps game, and you should not break the State's finances based on taking those kinds of risks." Now, that's a pretty dramatic statement, but it does hone in on the fact there is risk. Now, again, there's some merit in looking at these kinds of -- of issues - if we were doing that in the context of a good financial plan and a good manager of state government, and that's where I'm having the problem. Quite frankly, I have a lot less concern about the risk of the stock - - stock market than I do about the risky behavior of the Governor and the General Assembly. And that's really where my concern lies. The history of this is that we did do the ten-billion-dollar pension bonding program with some help on -- on this side of the aisle. There was a recalibration of the schedule and then there was a turnaround right away and there was a pension holiday. That could happen again. And that's the

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history that we have before us. We give them this tool to use, and we turn around and it could get recalibrated next year and the next year and the next year. This is more about budget relief than it is about fixing the pension system. I don't believe that to be the case in your mind, is this -- I mean, you know, I think you understand how this could be beneficial. But in the context we're dealing with, it has a great potential not to be beneficial. The -- the fact is, again, it can change from year to year. We do have another alternative, another alternative that may even get some votes, and that is we could make the full pension payment this year, the one that's scheduled, the seven hundred additional -- seven-hundred-million-dollar additional into the system, and then we could do the pension bonding. That would really help the system. As you know, if we did the two payments of seven hundred million this year and slightly more next year, after that the growth in the pension payments drops way down, and then we would have really done the pension system a favor. So if we could have a program like that, that would demonstrate some real commitment to fixing the problem and then I think looking at these kinds of -- of tools would make a lot of sense. But until there's a commitment that we're trying to fix the pension system and not provide first and foremost budget relief, which is going to require additional revenue next year and next year and next year, I can't consider supporting this. And hopefully others will not as well.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Final speaker, Senator Watson and then Senator Harmon, to close. ...Watson.

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SENATOR WATSON:

Well, Madam President, there's others that have their lights on here.

PRESIDING OFFICER: (SENATOR MARTINEZ)

I have -- Senator Watson, I have gone around to everyone that has spoken, let it be on the amendment and on the -- on the bill, so we have covered...

SENATOR WATSON:

Well, they speak on the amendment...

PRESIDING OFFICER: (SENATOR MARTINEZ)

So I'm asking you, Senator Watson, to speak on the bill.

SENATOR WATSON:

...President, they speak on the amendment, that's one order of business. Now, we're on another order of business and they can certainly speak on that. You're -- I -- I can't believe you're going to deny our Members, who maybe didn't ask all the questions they would have liked to have asked, you're going to deny them.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Watson, I have gone through everyone. Everyone has spoken on the bill. Everyone has spoken on the bill - on the bill and on the amendments -- on the amendment and on the bill. Senator Watson.

SENATOR WATSON:

Well, I -- I don't have any idea why you're doing what you're doing. I feel bad for you, Madam President, because I don't think this is your style or this is the way you would conduct business if you weren't told to do so. And it kind of bothers me that I -- I see you sitting there, but somebody else

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is pulling the chain. And the person that's pulling the chain is a character flaw. It is a character flaw to put you, ma'am, in that...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Leader Watson. Leader Watson, can we just go to the bill, please?

SENATOR WATSON:

There's no -- there was no sense to deny us a caucus, none. A lot of these questions that were asked here could have very well been answered in our caucus. We have very capable staff here, as you know and all the Members know and this building knows. We've got great staff here who could have answered a lot of these questions, Senator Harmon, and then -- instead of putting you through this. We could have done this in a fifteen-minute caucus. And -- and I don't understand. It doesn't make any sense that you would do this. All you have done, quite frankly, is unite us. You really have. I appreciate it. Chief of Staff, John Harris, came on the Floor, came over here to my desk and asked me, he said, "Senator, I would like to have the ability to communicate our concerns, our thoughts and why we think the pension bonding issue is a good idea. Do you mind if I talk to your Members?" Absolutely not. We're not -- we don't muzzle people over here. We want 'em to know. We want to know what they -- what -- what their questions might be. They want to -- we want 'em to know what -- what they're about to do. That -- and I said, "John, be my guest." And -- and most of you saw him. He was here talking to a lot of our Members and that's no problem. We have no problem with that, but that was a classy thing he did. This is not classy - what's going on right now -

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not classy at all. This is truly -- and I -- and we've seen it since you've taken control. We've seen this slippery slope of the abuse of power. And this is just one more step down that slope. You're just sliding, sliding, sliding. This has never been done. We've never seen a caucus denied the opportunity to meet. I've never seen it done. I've been here almost thirty years. It never happened in the House. It never happened here. This is not right what -- what's happened, not at all. And I know some of you, I can see by the way you're sitting and the way you're looking, you agree. This is not good. This is an abuse of power.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Watson, to the bill, please.

SENATOR WATSON:

You want me to continue to talk about abuse of power, ma'am? I'm willing to do so.

PRESIDING OFFICER: (SENATOR MARTINEZ)

...continue to the bill. To the bill, please.

SENATOR WATSON:

We are now nine -- no -- when this administration took office, we were nine billion dollars in debt. We are now twenty billion dollars in debt. This will now take us to thirty-six billion dollars in debt. What a legacy for the Democrat Party of Illinois to carry forward into the future that someone else is going to have to pay. It isn't going to be us. We're not going to be held accountable and responsible for this. It may not even be my children. It probably will be our grandchildren. Somebody -- somebody's going to have to pay. It was said a moment ago, there's not been one dime paid on the principal from

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'03, not one dime. We finally passed in '04, as Senator Brady mentioned, the Debt Responsibility Act, which would -- which would have leveled the payments of -- of the -- of the debt so that equal payments are made on principal and interest. And it would have been paid off over the thirty-year or twenty-five-year length of the bond. That's -- was a responsible thing to do. We all embraced that. We thought it was a good idea. What we're doing here today, when the -- when the stock market crashed, people were borrowing on margin. It's not going to end. You know, we're going to -- everything's going to be wonderful tomorrow. And we know what happened. The housing market - this is exactly what happened in the housing market. You cannot borrow yourself out of debt. And the housing market went -- went through the very same thing. People were buying, buying, buying, because the escalation - tomorrow's prices will be greater than today. That's what was happening. You can't lose to buy a home, because of inflation it's always going to be going up. We know that's not accurate. We wouldn't do this ourselves. As Senator Luechtefeld said, we wouldn't do this ourselves. I don't think we would do it with our own cash, just go out and throw it into the -- expecting eight and a half percent. I don't think we would do that. We certainly wouldn't borrow. We certainly wouldn't borrow, us individually. And for the State to do this and for us, as Members and good stewards of the State of Illinois and the taxpayers of this State, to go in this direction and put this kind of debt on top of them is totally irresponsible, totally irresponsible. What this is, is another Enron borrowing scheme. And we all know what happened to Enron. The -- the vote is obviously No. Don't go down this

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direction of more and more debt. I -- please, I beg. I pray for you to vote No. That's the responsible vote. No.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- President Emil Jones.

SENATOR E. JONES:

Yeah, thank you, Madam President. I hadn't planned to speak on this issue. I think Senator Harmon has done a tremendous job over the past year in working on this pension obligation bond issue. But if you listen to the debate from the other side of the aisle, you would have thought that our pension system -- or you would believe that the crisis we have in our pension system here in the State of Illinois just happened six or seven years ago. But the underfunding of the pension system under Governor Jim Thompson, under Governor Jim Edgar, under Governor George Ryan, put us in the position we are in today. When we passed the law in the nineties to deal with the crisis that they had created for us, no consideration was given as relate to the anticipated revenues each fiscal year. As a result, our pension payments nearly exceed the revenue growth of the State of Illinois. Common sense dictate that if you can do a bond issue and only pay maybe five and a half percent, rather than paying eight and a half percent, that is the wisest thing to do. So many of you on the other side of the aisle keep talking about the economy and the market and so forth. We only have a few more months of George W. Bush. And I'm quite certain that one of the Members who sat on this side of the aisle will be there and they will be better able to improve the economy across the United States, which would also include the State of Illinois. As relate to procedures -- as relate to procedures on

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this Senate Floor, we have not denied you a caucus. The wise thing to do if you want a caucus, just as you did when you were in the majority, you do not interrupt the proceedings in the middle of debate on the bill and call for a caucus. It's either going to be before or -- or after. So it's not what you call, Mr. Minority Leader, abuse of power. No. We are just carrying out the same practices that took place prior -- prior to our becoming in the majority. If you had caucused for two hours -- if you had caucused for two hours, it would not have changed one thing on your side of the aisle. You would still come back with the same old rhetoric, as though George Ryan, Jim Edgar, Jim Thompson did not exist. The wisest thing and the most prudent thing to do is, the obligation we have as relate to our unfunded liability, if we're going to be charged eight and a half percent and we have a -- a -- a program that where we only have to pay five-and-a-half-percent interest out of general revenue dollars, then you should go for the five and a half percent. You are telling people all across this State, across the nation, if you could refinance that mortgage you have, instead of paying seven percent and you can get it for six and a half percent, then you should do it. You still have the twenty years, but you're paying a less amount in interest. So that's what it's all about. It's a good bill. And I want to thank Senator Harmon for working with everyone, giving everyone an opportunity to have some input, and it just didn't start today. The bill has been on the Calendar for quite some time. If you were truly interested and say you wanted to have some input, you could have had a caucus yesterday, day before, because you knew it was coming. So let's not talk about abuse of powers. It's the

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abuse of power when you deny yourself the opportunity to get the information. I urge an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Harmon, to close.

SENATOR HARMON:

Thank you, Madam President. To close quickly. I appreciate all the arguments that were made. The -- the funny thing is, so many of the arguments we heard today were the same ones that we heard in 2003 with the first pension obligation bond. When I stood up on the Floor as a freshman to talk about the risks and rewards, a prominent Member said it was the stupidest thing he'd ever heard said on the Senate Floor, and we've saved 3.25 billion dollars since then. That's a pretty good return. The fact is, we're fifty-two billion dollars in debt to the pension systems today. We're going to be fifty-two billion dollars in debt to the pension systems after we do this pension obligation bond, but the terms will be far more favorable. Let me close with just one observation. Several folks said you would never do this in your -- your own life. The fact of the matter is, we do it all the time. When my wife and I met with a financial advisor to talk about our retirement and our debt, we proposed paying off our mortgage early, making additional payments. And the financial advisor said, "Why in the world would you do that? Your mortgage is at 5.95 percent. Put it in your retirement accounts. It's going to grow at a much greater rate. You'll be able to pay off the mortgage at a lower rate over time." It's the same thing we would be doing in our own lives and I ask for your Aye votes.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Ladies and Gentlemen, the question is, shall Senate Bill 788 pass. All those in favor, vote Aye. Opposed, Nay. The voting is... Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 37 voting Aye, 21 voting Nay, 0 voting Present. Senate Bill 788, having received the required constitutional majority, is declared passed. Senator Burzynski, on the request for a Republican Caucus, is that still... You -- you asked for fifteen minutes. So we are going to return to the Floor for further Floor action at exactly 4:25. We are returning back to the Floor for further Floor action at 4:25. The -- the Senate stands in recess.

(SENATE STANDS IN RECESS/SENATE RECONVENES)

PRESIDING OFFICER: (SENATOR MARTINEZ)

The Senate will come to order. Will all the Members in the sound of my voice please be at their seats? We are going to continue on with further Floor action. To all Members in the sound of my voice, please come to the Senate Floor for further Floor action. We are going to go to final passage of Senate Bills on 3rd Reading. Madam Secretary, Messages.

SECRETARY SHIPLEY:

I have a Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a following -- bill of the -- of the following title, to wit:

Senate Bill 1869, together with the following

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amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Amendment No. 1 to Senate Bill 1869.

We've received like Messages on Senate Bill 1900, with House Amendment No. 1, and Senate Bill 1927, with House Amendment No. 1.

All passed the House, as amended, May 29th, 2008. Mark Mahoney, Clerk of the House.

And a second Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to wit:

House Bill 4905.

Passed the House, May 29th, 2008. Mark Mahoney, Clerk of the House.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Madam Secretary, Communications.

SECRETARY SHIPLEY:

Yes, I have a letter dated May 29th, 2008.

Dear Madam Secretary - Pursuant to the provisions of Senate Rule 2-10, I hereby establish May 31st, 2008, as the 3rd Reading deadline for Senate Bill 1013.

Sincerely, Emil Jones, Jr., Senate President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Ladies and Gentlemen, before we go to final action, on the sound of my voice, we need all the Senators on the Floor for final action. On the Order of Senate Bills 3rd Reading, page 3, we are going to -- to where we left off. Senate Bill 790.

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Senator Schoenberg. Senator Schoenberg. Senator Schoenberg seeks leave of the Body to return Senate Bill 790 to the Order of 2nd Reading for the purpose of an amendment. Hearing no objection, leave is granted. On the Order of 2nd Reading is Senate Bill 790. Madam Secretary, are there any amendments approved for consideration?

SECRETARY SHIPLEY:

Floor Amendment No. 2, offered by Senator Schoenberg.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

Thank you -- thank you, Madam President and Ladies and Gentlemen of the Senate. Floor Amendment No. 2 is the Federal Transfer Maximization Act {sic} (Law) of 2008. It -- it -- it lists a -- it provides an opportunity for us to draw down from dedicated funds to -- for the exclusive purpose of obtaining additional federal funding that we can leverage through our -- through our -- through our use of the dedicated funds. We can - - this provides authority of up to five hundred and thirty million dollars, which would provide a federal match of an additional five hundred and thirty million dollars. I'd be happy to answer any questions when the bill's on 3rd Reading.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- Senator Hendon, on the amendment. Out of the record. Senator Righter, for what purpose do you rise?

SENATOR RIGHTER:

Thank you, Madam President. I would request a roll call vote on the adoption of this amendment, please.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Thank you. That's always in order. Senator -- with no further discussion, Senator -- Senator Schoenberg moves the adoption of Amendment No. 2 to -- to Senate Bill 790. The question is, shall Amendment No. 2 to -- to Senate Bill 790 be adopted. All those in favor will vote Aye. Opposed, Nay. Senator Hendon, what purpose do you rise?

SENATOR HENDON:

Thank you, Madam President. I was trying to ask the sponsor a question. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR MARTINEZ)

He indicates he will.

SENATOR HENDON:

Senator Schoenberg, you gave a very unique title for this bill. Could you just tell us a little bit about what Amendment No. 2 would do for this wonderful piece of legislation that's necessary and needed at this time?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

Thank -- thank you for that question, Senator Hendon. I had hoped to go into this detail a little greater on 3rd Reading. But since you asked, I -- I don't want to leave any -- I don't want to leave anything out. So, if you'll indulge me, I'd appreciate it. As you know, in the past we have had -- we've had fund transfers. In fact, we voted on legislation earlier, and it occurred -- it's occurred to me that during a time when State -- when State finances are -- are -- are stretched and revenues are scarce, that we need to aggressively seek as much revenue from other sources as we possibly can.

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Specifically, we need to do whatever possible to aggressively pursue more federal funds for our existing commitments. There's no shortage of other states who are looking to have additional federal funds to pay for their current health care and human service commitments. So then, rather than -- so, what's distinctly unique about this is that whatever fund transfers occur, are used to -- exclusively, to leverage additional federal matching funds. We take that five hundred and thirty million dollars' maximum and, by virtue of seeking federal matching funds, we are able to get that to point -- over one billion dollars, to 1.06 billion dollars. That in turn makes it possible, Senator Hendon, for us to move general revenue funds that had be -- been paying for existing commitments which we have and to transfer that so that we can have a modest increase in the school aid formula of approximately two hundred million, as well as to meet those commitments to the twenty-four school districts. And if you're interested further, I'd be happy to go through the list of exempted funds, many of which all of us on both sides of the aisle believe should not be touched by this initiative.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Hendon.

SENATOR HENDON:

Thank you -- thank you, Senator Schoenberg. That was certainly a -- a very good explanation of the bill. A question, inquiry of the Chair. Madam President, I know there are Members in the building who want to vote for this very important piece of legislation and I know they can hear the debate here on the Floor and they are aggressively getting their way to the Floor.

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So I wanted to inquire of the Chair, I know this is the amendment and not the bill, so how many votes will it take to pass this amendment, Madam President?

PRESIDING OFFICER: (SENATOR MARTINEZ)

One more in favor. Senator Trotter, for what purpose do you rise?

SENATOR TROTTER:

Seek inquiries on the bill. Questions to the sponsor.

PRESIDING OFFICER: (SENATOR MARTINEZ)

He -- the gentleman indicate he'll yield.

SENATOR TROTTER:

Yes. Thank you very much. Senator Schoenberg, you -- you pointed out that we have done these transfers in the past, and over the past few years as a matter of fact. Can you tell us, what has -- any of these funds that we're transferred before, have they've been exhausted?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

Senator Trotter, no, they have not.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Trotter.

SENATOR TROTTER:

Are there any safeguards in your language or that we can refer to that would -- would ensure that if we do this large transfer of funds - five hundred thirty million dollars - that they will not be depleted to the point to whereas they're no longer useful?

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Schoenberg.

SENATOR SCHOENBERG:

Thank you -- thank you for that question, Senator Trotter. There are -- on page 3 of the bill, there is a reference to the protections that exist. But, what I also want to point out is that, within Amendment No. 2, there are twenty-six funds exempted of the six hundred and sixty-nine. Amendment No. 3, which is a technical amendment, will add three other funds, one of which is in litigation. So there are safeguards in -- and I'd be happy, if you want, to go through that list or a short version of that list of which funds are exempted. Because many of them are things that we all care deeply about, like OSLAD would be exempt. The motor fuel taxes would be exempt. The Public Transportation Fund, which is important to many of us from the suburban communities, myself included, for -- the Regional Transportation Authority requested that that be exempt. All the veterans' homes are exempt. The College Savings Pool Administrative Trust Fund is exempt, as is the Teachers' Health Insurance Security Fund. There are a number of exemptions. Amendment No. 3 will provide three more. Now there's one other point that I -- now there's one other point that I'd like to add to this, Madam President and Ladies and Gentlemen of the Senate, and that is, by -- by -- by doing -- by supporting this legislation -- this legislation were to become law, it would enable us to be able to not only draw down up to five hundred and thirty million dollars of new federal funds, which would free up existing general funds to be used for those other purposes that I alluded to, but because those are federal funds, they are inherently restricted in how they can be used. So, for

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example, as I mentioned in committee, for -- if there is a concern, and it's been expressed by Members of both sides of the aisle, if there's a concern that the legislative branch may be relinquishing too much discretion to the executive branch on this, this would be far more -- the use of these funds would be far more restrictive because they'd be federal funds. So they'd be subject to all the federal reporting requirements and all the federal eligibility requirements as well. So, for those reasons combined, this is really a sound measure that'll enable us to keep our existing -- to maintain our existing commitments to the growing demand for health care and other essential services in the State.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Trotter.

SENATOR TROTTER:

One further, I didn't know if you had mentioned it or not, about how long does the Governor have to make these transfers?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

This is the Federal Transfer Maximization Act {sic} of 2008, so it's only good through June 30th of -- from July 1, 2008 through June 30th, 2009.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Trotter.

SENATOR TROTTER:

And one final question, you mentioned that there are how many funds? Well, that's two -- I have another question after that. But how many funds are there and do you know the value of

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those funds that are there?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

We currently have six hundred and sixty-nine specially dedicated funds. As we've discussed many times in our -- in our Senate Appropriations committees, those funds really represent an off-budget budget. The -- as of the end of Fiscal Year -- so there's six hundred and sixty-nine of them, and as of the end of Fiscal Year 2007, which is the most current data that I have available, the overall balance of those funds exceeded forty billion dollars. It was 40.7 billion dollars. Now, arguably, the Road Fund is the largest. And I apologize for not having more current data; I'm sure that's available on the Comptroller's website. But the Road Fund, which is the -- by far the largest one, as you know, is exempted.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Trotter.

SENATOR TROTTER:

Just to the bill: As pointed out, we have done this in the past. We have not left any fund in jeopardy. As a matter of fact, the language is there that says if the -- the balances go under what is needed, they will be replenished by GRF. So this -- this is a good idea for the right time. Getting that federal match only makes good sense. And I ask all for an Aye vote. Thank you very much.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Noland, for what purpose do you rise?

SENATOR NOLAND:

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Will the sponsor yield for a question?

PRESIDING OFFICER: (SENATOR MARTINEZ)

On the -- this is on the amendment.

SENATOR NOLAND:

That'll be fine.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Sponsor indicate he yield.

SENATOR NOLAND:

Thank you. Thank you. Could you tell me, the federal funding that would be -- is it -- is it -- would the federal funds be replenishing those that are transferred out in these funds that are nonexempt?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

It -- they would.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Noland.

SENATOR NOLAND:

Just a quick follow-up question. And would those dollars go to the GRF or would they go to the specific funds for replenishment?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

They would -- they would be pooled in the General Revenue Fund very much the same way for the hospital assessment that the individual, the two hundred -- roughly two hundred hospitals pool their funds, collectively on a voluntary basis and then

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send it to Washington for the -- to leverage -- excuse me, to leverage the federal match. Here, too, we would pool the swept funds, and in order to fully leverage the federal match, we would park that into the General Fund and then we could only spend it exclusively on Medicaid obligations and other State obligations that secure federal funds or the State Board of Education's obligation. So, we have very -- not only do we draw very tight parameters on how the money can be spent, but what we've really done is maximize our ability to draw down hundreds of millions of dollars in new federal funds, that if we don't go and get them, some other state will in order to deal with their financial pressures as well.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Noland.

SENATOR NOLAND:

Thank you, Madam Chairman. If I may speak to the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the amendment.

SENATOR NOLAND:

To the amendment. Well, to the amendment and, generally speaking, as somebody who's not particularly fond of the sweeps and the transfers and whatever you want to call them, I think this is a reasonable accommodation to reality and -- and the beginning of a transition to a much more disciplined approach to -- to reappropriating some of the -- some of the funds from the specialty funds to the -- to the GRF, back and forth. Thank you very much. I urge an Aye...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Brady, for what purpose do you rise?

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SENATOR BRADY:

Move the previous question.

PRESIDING OFFICER: (SENATOR MARTINEZ)

That was the last speaker. Thank you. Senator Schoenberg, to close.

SENATOR SCHOENBERG:

Senator Trotter and I have already experienced role reversal. So with that, I'd like to ask for an Aye vote on the amendment.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg moves the adoption of Amendment No. 2 to Senate Bill 790. The question is, shall Senate Bill -- shall Amendment 2 to Senate Bill 790 be adopted. All in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 36 voting Aye, 21 voting Nay, 1 voting Present. The amendment is adopted. Are there any further amendments approved for consideration?

SECRETARY SHIPLEY:

Floor Amendment No. 3, offered by Senator Schoenberg.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

Thank you, Madam President and Ladies and Gentlemen of the Senate. Amendment No. 3 is a technical amendment. It adds three additional funds. So the total funds that would be exempt are twenty -- would be twenty-nine. I've alluded to the earlier twenty-six. The three that would be added are the Public Transportation Fund - that's a -- a request of the Regional

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Transportation Authority and that's essential to all of us who live in the suburban metropolitan Chicago area - the Recreational Trails Fund {sic}, and also the Cycle Rider Safety Training Fund, which is currently in litigation, so we don't want to interfere with that. I urge your adoption of Floor Amendment No. 3.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Seeing no discussion, Senator Schoenberg moves the adoption of Amendment No. 3 to Senate Bill 790. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. ...Rutherford, for what purpose do you rise?

SENATOR RUTHERFORD:

I'm rising on a point of a parliamentary inquiry.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Please state your point.

SENATOR RUTHERFORD:

Prior to you having moved this bill to 3rd Reading and actually at the conclusion of the adoption of Amendment 2, I filed a request for a fiscal note. Per the Illinois State Statute 25 ICL -- ILCS 50, Fiscal Note Act, requires the opportunity to have one filed by an appropriate State agency. It's my understanding that the bill cannot move to 3rd Reading until that fiscal note has been filed. So, Madam Chairperson -- or, Madam President, that was filed timely. I saw that your

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Parliamentarian and the staff talked about it prior to moving to 3rd and I request that the bill be moved back to 2nd, retained there until a fiscal note is properly filed. And let me -- and let me -- and let me -- let me tell you the reason why. We have already seen sweeps taking place in the past that wound up in litigation. In fact, we've now had to go through pieces of legislation to codify a judicial order. We're not dealing with Senate rules here. We're not dealing with interpretation of the Chair. We are dealing with Illinois State statute. The words that I am saying into this microphone right now are being recorded. They will be transcribed and they will be made a part of the Journal. If litigation comes in the future from any of these potential five-hundred-and-thirty-million-dollar sweeps, I would anticipate that these -- these records and these words will be pulled into the court proceedings. And, again, Madam President, I'm talking about a piece of Illinois State statute, which we have a copy of right here, specifically delineating the opportunity for the public to know through a fiscal note respectfully filed by the appropriate State agency. You can file the note tonight. We can deal with this tomorrow, or another day in the future. But, if not, these, I believe, will some day be a part of litigation.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Rutherford, we'll -- we'll be right with you. Senator Rutherford, it has been the practice of this Body to not allow a note request to hold up the progression of a Member's legislation during -- a deadline week. Senator Schoenberg.

SENATOR SCHOENBERG:

Madam Chair, I -- I just suggest that the -- the notion

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that there is -- the -- the very reason behind a fiscal note is to determine whether or not there's indeed a cost, a hard cost to the State. There is no cost to the State. There's no cost to the General Fund, because all of these moneys are from funds that are off-budget. So -- and, therefore, there is no cost to the State. So I would say that -- I would say that the request for the note is inapplicable.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Rutherford.

SENATOR RUTHERFORD:

Thank you, Madam President. What is the official ruling of the President of the Illinois State Senate with regards to the request for a fiscal note, as is obligated under the Illinois State statute, which was filed in a timely manner, on Senate Bill 790?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Rutherford, we are following the standard procedure of the Body to allow -- not to allow a note request to hold up the progression of a Member's legislation during a deadline week. Senator Schoenberg. Senator Schoenberg.

SENATOR SCHOENBERG:

As I mentioned earlier, it's my view that the note is -- note is inapplicable, because there is no cost to the State since these are all -- these are all off-budget funds from over six -- from -- just under seven hundred specially dedicated funds. I -- I think I've done an -- a thorough job of providing a narrative on what the Federal -- the Federal Transfer Maximization Act {sic} of 2008 will do. The necessary safeguards which are in place to protect those dedicated funds,

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which are most important to all of us to provide additional parameters and restraints on how the newly obtained federal funds, which could be as much as five hundred and thirty million dollars, what they can -- what they can be spent for. And with that, I'd be happy to answer any further questions with the bill on 3rd Reading.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Rutherford.

SENATOR RUTHERFORD:

Thank you, Madam President. I -- I respect Senator Schoenberg's opinion, but my request is directly to the President of the Illinois State Senate. Would you please give me your official ruling, regardless of the opinion of the sponsor, with regards to the Illinois State statute that requires a fiscal note to be appropriately filed? If I -- if I could -- if you could say it real clear and loud so it will go on the transcripts, because when this is journalized and the lawsuit comes because we are not following Illinois State statute -- which is inconceivable for me to believe that a fiscal note could not be applicable to a fund sweep legislation like this. If you could repeat to me very clearly your ruling as the Illinois State Senate President, please.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you, Senator. I'm going to repeat it very slowly for the third and final time. It has been the practice of the Body to not allow a note request to hold up the progression of a Member's legislation during a deadline week. Senator Rutherford.

SENATOR RUTHERFORD:

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Thank you, Madam President. I would move to appeal the ruling of the Chair. And I would request a roll call vote so, one more time, this could be journalized for potential litigation purposes.

PRESIDING OFFICER: (SENATOR MARTINEZ)

There was no ruling. It was a statement of -- of regular practice here. We need to keep going on this. Senator Rutherford, for the -- for the final time.

SENATOR RUTHERFORD:

So you are telling me that you are not ruling. You're just giving a statement or an opinion?

PRESIDING OFFICER: (SENATOR MARTINEZ)

I am giving the statement of the -- of the practice of this Body. Senator Rutherford.

SENATOR RUTHERFORD:

I would like to appeal the statement of the President of the Illinois State Senate.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

Thank you, Madam Chair, Ladies and Gentlemen of the Senate. I ask you to support Senate Bill 790. It will enable us to access as much as five hundred and thirty million dollars in new federal funds, which will enable us to meet our existing health care and human service obligations. The -- this legislation will allow us to leverage the collective power of the fund transfers, while taking into full account the need to protect twenty-nine of those specially -- of the six hundred and sixty-nine specially dedicated funds that many, if not all of us, feel

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should, indeed, be exempted. With that, I'd ask for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Maloney, for what purpose do you rise?

SENATOR MALONEY:

I would move the previous question, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

Senate Bill 790.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Schoenberg.

SENATOR SCHOENBERG:

I urge for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

For -- for further discussion, Senator Maloney.

SENATOR MALONEY:

Yes, Madam President. I would move the previous question.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. We have four speakers. Senator Burzynski.
Senator Righter.

SENATOR RIGHTER:

Thank you. First, Madam President, I would request a roll call on Senator Maloney's motion to move the previous question. I'm entitled to a roll call on that, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

We are on 3rd -- final passage of this bill. I am going to

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-- this -- this is to the bill, Senator Righter?

SENATOR RIGHTER:

And I'm asking for a roll call on that motion. I mean, Madam President, I appreciate the attempt to try to bend the rules here once in a while, but you're just taking the statute book and you're tearing it up and throwing it in the air. You are going to -- you're going to kill this bill. We're not going to. We're asking for our rights. You're going to kill this bill. Senator Rutherford is dead on. They're going to read the transcript of this if it becomes law and every dime that you pluck out of these funds is going to go right back, because this bill was passed in violation of State law. Why don't you guys just follow your own rules and then we can move forward? Madam President, I would like a roll call on Senator Maloney's motion to move the previous question. Are you going to give me that roll call, Madam President?

PRESIDING OFFICER: (SENATOR MARTINEZ)

We are going to move on and we're going to take the questions to Senator Schoenberg's bill and then we're going to take a vote. Okay. We're going to take a roll call on Senator Maloney's moving on the previous question. All those in favor, vote Aye. So the question is, shall Senator Maloney's question to move the previous question... Let me stand to be corrected here. What we'll be voting on is the -- Senator Maloney's motion. The previous question should be stated in the following form: Shall the main question now be put? All those in favor, vote Aye. All opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. There's 36 voting Aye, 21 voting Nay, 1

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voting Present. The motion prevails. The question is, shall... According to Senate Rule 7-8, page 41, the effect of the main question being ordered is to put an end to all debate and bring the Senate to direct vote on the immediate pending motion. So, the question is, shall Senate Bill 790 -- 790 pass. All those in favor will vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 37 voting Aye, 21 voting Nay, 0 voting Present. Senate Bill 790, having the -- received the required constitutional majority, is declared passed. Senator Rutherford, what purpose do you rise?

SENATOR RUTHERFORD:

Parliamentary inquiry.

PRESIDING OFFICER: (SENATOR MARTINEZ)

State your inquiry.

SENATOR RUTHERFORD:

Would -- would you please clarify the ruling you've just placed prior to -- no, no, no...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Sorry, I am not going to go to that. We just...

SENATOR RUTHERFORD:

No, no. Madam President...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator -- Senator Rutherford, you asked for a roll call on the -- on Senator Maloney's motion, which we did give you the courtesy. I followed the Senate rules on our Senate -- on our handbook and that closes the debate. There is a formal roll call that was taken. Senator Rutherford.

SENATOR RUTHERFORD:

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Thank you, Madam President, for the clarification. Now just so I can understand it in simple terms for me. You are explaining then, if we call for a -- the question has been called, there is a request for a roll call, if that is then upheld, that even the persons that had lights on prior to that, then, are no longer eligible for debate and debate ceases and we go right to the -- to the order of business. Is that correct, Madam President?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Rutherford, the Senate rules brings all debate -- it states here, it brings all debate to an end. And it -- and it takes the Senate to a direct vote on the pending legislation. Senator Haine, for what purpose do you rise?

SENATOR HAINE:

Madam President, I really find this discussion stimulating. It's interesting. In fact, it's -- it's entertaining. But I have a bill that's next up. And I would like to leave town ahead of my creditors, after I get this bill to the Floor of the Senate. And I would ask that the -- this stimulating, entertaining discussion be postponed for another day in another tavern.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine, we are going to proceed to that order of business. Moving on to page 3, middle of the page. Senate Bill 836. Senate -- 813. No. Senator -- yes. Senate Bill 813. Senator Raoul. Out of the record. Senator Watson, for what purpose do you rise?

SENATOR WATSON:

Yes. Thank -- thank you. Appreciate that. It was said

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earlier that this whole thing is kind of childish by one of the previous speakers earlier in the day. And this has reached another new low. What we've seen here is a complete shutoff of debate on a five-hundred-and-thirty-million-dollar appropriated sweep, and you shut the debate off. I -- I -- I feel bad for you, again. I just don't think that you're the one pulling the strings here. But unfortunately you're the one in the Chair. All we would have had to do -- all we would have had to do is wait till tomorrow and do this bill. You have the votes. That's all you would have had to do. I went over and I said to Senator Schoenberg, "Why don't you just wait till tomorrow?" That's all. File your fiscal note and do -- do as you wish to do. But, no, the arrogance, once again, prevails. The arrogance of the Majority. And those of you that are watching this on the Internet or watching this at home, or wherever you might be - all over the world you have the opportunity to be watching this - if you are watching this right now, and you see what we call democracy in Illinois, this is the way the Democrats control democracy in Illinois. This is the way it is. It's an abuse of power, and you should be able to recognize that. Those of you that are watching, watch what's going on. Listen to what's being said. This is an abuse of power. It...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Let's have some order, please. Senator Watson.

SENATOR WATSON:

I thank the viewers at home in taking the -- my message to heart that this is not democracy. This is the way the Democratic Majority controls this process and that needs to change. Those of you that are at home, those of you that are

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voters, those of you that will have an impact in this next election, you need to take note to what's going on here, 'cause we can make a change. We can make changes in this...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Thank... Senator -- President Emil Jones.

SENATOR E. JONES:

Thank you, Madam President. We are trying to take care of the people's business. Now we've gotten to the silly times. I haven't seen the paper thrown in the air yet. And Senator Todd Sieben is not here anymore, so I -- I don't have him here to calm people down. But the Senator -- you asked for a roll call on the motion to shut debate. The mere fact that you asked for it, the same rules that govern this Body were the same rules that has conducted this Body for the past ten/fifteen years. We never change it. It's in the rules. It's in black and white. If you can't read, perhaps I'll get Senator Harmon or someone to read it for you. So it's not an abuse of power; it's just the exercising of the rules that this Body voted on, that you voted on. So let's stop all the silliness. It has nothing to do with who has the gavel. No one is pulling any strings, because you didn't say that when Pate Philip pulled the strings of the Minority Leader at that time -- and wouldn't let the Members of this side of the aisle even discuss or even have a caucus meeting. So, let's stop all the silliness. And why should we wait till tomorrow when we have enough votes to pass it today? If we were to wait till tomorrow, are you telling this Body that you're going to put enough votes on it tomorrow and pass it? No, you're not. So, let's -- let's stop playing the silly games and let's move ahead and take care of the people's business.

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PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank -- thank you. It has been the tradition of this Body to -- so when someone's made a motion for the -- to move the previous question, as Senator Maloney did, to go ahead and extend that courtesy and we did just that. But then we went on. A roll call was asked for, which we did. We followed the rules and now we are moving on to the next order of business. So we are going to continue on with Senator Haine on Senate Bill 836. Senator Watson, for the final -- we want to keep going on here.

SENATOR WATSON:

I appreciate that and I appreciate my good friend from Madison County's interest in getting this legislation heard. First of all, all we were asking for waiting till tomorrow was so you don't violate State statute. That's all. You would have been able to file the statement. You would have been able to proceed under State law. You violated that. That's all. You violated that. So, I -- we're just trying to protect you from yourselves. And we -- and we can't do a -- we're not doing a very good job of that.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine. Senate Bill 836. Senator Haine seeks leave of this Body to return Senate Bill 836 to the Order of 2nd Reading for the purpose of an amendment. Hearing no objection, leave is granted. On the Order of 2nd Reading is Senate Bill 836. Madam Secretary, are there any amendments approved for consideration? Madam Secretary.

SECRETARY SHIPLEY:

Yes. Floor Amendment No. 1, offered by Senator Haine.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Senator Haine, to explain your amendment.

SENATOR HAINE:

Thank you very much, Madam President and Ladies and Gentlemen of the Senate. Floor Amendment No. 1 further delineates and restricts the -- the powers of the local levee districts and the use of advanced money from county boards for subsoil work, engineering in preparation for the reconstruction and construction of -- of the levees. Amendment -- Floor Amendment No. 1 grew out of discussions with the Minority Leader and Minority Leader's staff that was a response to 836, as filed. And 836, as filed, was filed as a trailer bill to Senate Bill 2052, which is now the law. The Governor signed it in -- into law. The trailer bill was made necessary because of bond counsel's desire to amend the -- the law for necessary purposes. The Illinois Department of Revenue had some changes they needed to make. And they thought we were going to have a year-round Session, I guess, and so they came in late. And then the counties wanted to advance money and get -- and get going on this important work, but the flood prevention districts wouldn't have a source of revenue under this law until March of 2009. So there was necessity to expend money. But Floor Amendment No. 1 actually is of specific delineation, which was a response again to the Minority Leader's concerns. And we filed it and passed out of committee. And that's what I'd like to make a part of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine moves the adoption of Amendment No. 1 to Senate Bill 836. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there

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any further Floor amendments approved for consideration?

SECRETARY SHIPLEY:

Floor Amendment No. 2, offered by Senator Haine.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

You know what, Madam President? I -- Floor Amendment No. 2 has some -- it does the same thing as Floor Amendment No. 1, but I believe it's some technical changes. But, in essence, in substance it's the same thing I just said.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine moves the adoption of Amendment No. 2 to Senate Bill 836. All those in favor, vote Aye. Opposed, Nay. The Ayes have it, and the amendment is -- is there any discussion? Senator -- Senator Righter.

SENATOR RIGHTER:

Thank you -- thank you, Madam President. Will the sponsor yield, please, on Amendment 2?

PRESIDING OFFICER: (SENATOR MARTINEZ)

The sponsor indicates he'll yield.

SENATOR RIGHTER:

Senator Haine, I guess I wasn't quite clear on what you said the difference between -- Amendment 1 and Amendment 2 is. You said it's kind of the same, but just a little bit different. Can you -- can you walk through it a -- with a little more clarity what we're doing with these amendments?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

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Floor Amendment No. 1 is actually what we initially filed. And Floor Amendment No. 2 - I was confused - is the changes made to the bill pursuant to the discussions with the Minority Leader and his staff.

PRESIDING OFFICER: (SENATOR MARTINEZ)

No further discussion, Senator Haine moves the adoption of Amendment No. 2 to Senate Bill 836. All -- all those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any Floor -- further Floor amendments approved for consideration?

SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. And now on the Order of 3rd Reading, Senate Bill -- Senate Bill 836. Senator Haine, do you wish to proceed? He indicates he will. Senate -- Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

Senate Bill 836.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Thank you, Madam President. In essence, 836 is a -- is a trailer bill, as I indicated, and it does four things. It -- it provides bond language made necessary by the opinion of Chapman and Cutler law firm, which is retained to review these matters. The Department of Revenue wanted changes in the bill and -- and

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that's -- that's in the bill. There's a provision to allow the use of a portion of the Tort Fund, which is, now, the accounts of the Metro East Sanitary District, to be used for the delineated and specific purposes in that Floor Amendment No. 2. And they have to report all that to the flood prevention district board. And then there's also a provision where the county may advance money to begin these same delineated purposes, which are engineering, subsoil - they've expended some up to date - subsoil test, all in the effort to get going on the -- on the repair of the levees, which is a critical need under the -- 2052, which is now the law, because the sales tax money will not be coming in until 2009. I would personally like to express my gratitude to the Minority Leader for providing his staff and input into this bill, and to the local leaders, the same thing. It's a much better -- it'll be a much better law if this passes the House and is signed into law by the Governor.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Any further discussion? Senator Althoff, what purpose do you rise?

SENATOR ALTHOFF:

Thank you, Madam President. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR MARTINEZ)

The sponsor indicates he -- he will yield.

SENATOR ALTHOFF:

Thank you. Senator Haine, you're absolutely correct. This bill has been probably one of the most detailed bills, with both sides working to come to a -- a valid conclusion. However, just again for the record, can you tell me, that Tort Immunity Fund that is going to have -- be able to be gained access to, how

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much money is in that fund?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Thank you, Senator, for that question. Seven million dollars in the fund, which has accumulated over the years. And the -- the local authorities, the county -- the two counties and the Metro East District would like to use that money, which is out there. And not -- can't be used for anything else except for the payment of tort monies. And as I said in committee, it's extraordinary that in Madison County, which has been dubbed a less than pleasant place by some folks for the lawsuit industry, you have a -- a large accumulated tort fund, which means low lawsuits and judgments. They would like to use that money for the further restricted purposes as listed in the bill, because it's an emergency use of the money. And it..

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Althoff.

SENATOR ALTHOFF:

Thank you. Can -- can I ask you, can you elaborate on what specific purposes are included in that bill? And, again, I -- I do believe the bill says that they can gain access to ninety percent of that seven million. Might I ask where that ninety percent came from, and -- and what -- what rationalization was used?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

The -- it's -- they can't -- they can't take any more than

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ninety percent. They may not take that, but they -- it's up to ninety-percent cap. The money is to be used for the engineering, improvement, construction of the levees' systems and the -- the levees. It's not to do anything else, except the preparatory work for the levee district. It may include some emergency maintenance on the levees, which also has to be done anyway.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Althoff.

SENATOR ALTHOFF:

And can this money also be accessed to reimburse counties for expenditures that -- that they use?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

You -- you know, Senator, I don't think so. I think -- no. The counties - that's a good -- good question - the counties will be -- will be fronting the money to do this necessary work out of their own money. They won't be taking any money from the levee board. That's not the intent of the bill. The counties have to wait until the flood prevention district boards are up and running with a stream of revenue and then submit within the time frame parameters in the bill for their reimbursement. So, no, that's a -- I'm glad you mentioned that.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Althoff.

SENATOR ALTHOFF:

Thank you, Madam President. Again, I appreciate your patience. Last question. I know that in most local units of

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government, we have the Debt Reform Act and there are statutes that limit the amount of indebtedness that units of local government may carry. My understanding is, this bill allows the flood prevention districts to increase their bond indebtedness, regardless of any present or future cap on such debt, because you're using sales tax revenue. Can you explain that a little bit further for me so we have it for the record?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Thank you, Senator Althoff, for that question. I have an opinion from Chapman and Cutler. Again, this is the premiere bond firm in the State, and their opinion is that this exemption had to be in there because otherwise they would have been subject to statutory limits that they could not exceed 2.875 of the value of the taxable real estate in the county, which would have been a restricted amount. There is no way, in their opinion, that any property tax would be used to satisfy any debt of this district. The -- the district's powers are to issue a sales tax and the sales tax would be the revenue stream for the bonds. And that's it. There's no way -- but they had to remove the -- the debt limit which would be applicable, because without doing so, they would be restricted extremely in their ability to -- to issue a full number of bonds that's -- that's necessary to repair the levees, which could be as high as a hundred and fifty million dollars. But the -- the -- again, to repeat, there is no way, in Chapman-Cutler's opinion, that any property taxes would be used in any way, shape or form, which is usually the case for local units of government, and that's why they have the

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bond limit in there.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Lauzen, for what purpose do you rise?

SENATOR LAUZEN:

..Madam President. Do I understand correctly that it's a hundred-and-fifty-million cap on the borrowing?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

No -- no, Senator. That's -- that's not a cap. That's an estimate as to what the -- the bonds they'd be able to purchase with a quarter-of-one-cent revenue stream in each county. That generates about thirteen million dollars. With the two counties combined, if they purchase bonds on the open market for twenty - - for a twenty-five-year life span, which is the usual amount, you're -- you're talking about a hundred and fifty to a hundred and seventy million dollars. But they can be paid off sooner if they need to issue less, if -- and if the previous -- what's now the law, Senate Bill 2052, we had in there that all reimbursements from the federal government, which should be sixty-five percent of the cost, would go to retire the bonds. So it may be sooner than twenty-five years. But that figure of a hundred and fifty is based on what -- what that sales tax would -- would support.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Lauzen.

SENATOR LAUZEN:

Is there any ceiling or limitation to the amount of bonds that can be issued under this legislation?

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PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

No -- no, sir. There's no statutory cap, but there is a cap based upon the -- the physical limit of the revenue stream. They can't sell to a bond buyer anything more than that quarter-cent tax would support over a twenty-five-year period. And they...

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Lauzen.

SENATOR LAUZEN:

And how much is the -- the -- in this bill, it allows them to put a -- a sales tax increase into place - and that's a quarter of a percent? - and so it's increasing the capacity for the local government to tax for that specified purpose. Is that right?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

No, Senator. The -- that's already the law. That was in the previous bill. This is only a trailer bill, which has bond language and -- and exemptions that the bond counsel believe are necessary to be able to sell the bonds and get the highest and best price. But that -- the tax and the revenue stream and the authority to sell the bonds is already the law. It was in 2052. So this -- this has nothing to do -- this bill contains no taxing authority.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Lauzen.

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SENATOR LAUZEN:

This one has no tax authority in it. That was the previous bill. But there is no limit -- there is no limit under this law of what they can issue. You're saying, well, they're constrained from issuing more by the revenue stream, but couldn't they issue bonds more than their ability to tax and pay 'em back?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Senator Lauzen, I'm not Don Harmon. I'm not a bond expert. I can only tell you that if they did issue an unlimited supply of bonds, no one would buy them, because they'd be -- the local government couldn't -- wouldn't have the revenue stream to retire the bonds. The -- the -- the government has to have the revenue stream to retire the bonds. And they are limited in effect by that -- by the low -- the low nature of -- of the tax. And they can't go anywhere else to get any money.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter, for what purpose do you rise?

SENATOR RIGHTER:

Thank you, Madam President. Will the sponsor yield, please?

PRESIDING OFFICER: (SENATOR MARTINEZ)

The sponsor indicates he will.

SENATOR RIGHTER:

Senator Haine, just so we're -- I'm clear on the procedural setting we're in: A few weeks ago we passed a bill on this issue. It passed the House. It went to the Governor's Office.

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He signed it. And then -- now we're already doing a revision of what is current law, but currently as of just a few days ago. Correct?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

That is absolutely correct. It's a trailer bill and I apologize for that. I -- I didn't want to bring -- some of these things were brought to our attention after it passed the Senate. I didn't want to bring the bill back to go -- to bring back before the Senate on a motion to concur. I would rather have had a trailer bill. So that's what we're doing.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Senator Haine, you've -- you've characterized it as a trailer bill and a cleanup bill and whatnot, but there is -- there is something in here that is entirely new that I don't think was even discussed - at least not on the Floor of the Senate - in the previous bill that became law, and that is allowing the use of up to ninety percent of the Tort Immunity Fund for issues that are wholly unrelated to the payment of liability insurance or the payment of attorneys' fees or the payout of a judgment or anything like that. Can you articulate, Senator Haine, why it is that you feel it's necessary that we embark on what, I think, we would all have to admit is an unprecedented use of tort immunity funds in this regard?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

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SENATOR HAINE:

Again, Senator, I don't know if it's unprecedented. I do admit, I don't remember using tort funds in this fashion, but it may have a precedent to it. But we are -- we are talking about an extraordinary situation, a large amount of money, that in the -- the sound opinion of the governing authorities of that district, can be used to begin the process of reconstruction, including engineering, subsoil testing, and the -- the -- the money is, again, it's in their accounts. It's lying fallow. It's not subject to any tort suits. This is money paid in by, primarily, industry. Industry wants the levees repaired. We won't -- the flood protection districts won't have any money coming in from the sales tax, again, until March of 2009. They want to get going on the work. The county wants to front some money. The -- the -- it became apparent that the seven million dollars was in the Tort Fund and not reasonably anticipated to be used for any judgments. I mean, I -- I appreciate the -- the -- the question. I really do. It's good to clear this up. But these are moneys used for directly the reasons why the levee board exists.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Appreciate that, Senator Haine. But I remember, with some measure of clarity, the debate we had here on the Senate Floor with regards to the preceding legislation that became law. I asked you then why it was not appropriate to have a referendum from the voters to approve the sales tax that was in your legislation. And your response was, because we don't have time.

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We've got to have that money right now. You've also got a provision in here that allows for reimbursement to counties. So you've got immediate money flowing from the sales tax increase and the county can front money, why do you need to dip in or take away from - dare I say raid - the tort immunity funds for up to ninety percent? And it is the irony of ironies, and I -- you've recognized this, that we would allow for the expenditure of ninety percent of tort immunity funds for things not related to lawsuits in Madison and St. Clair counties. I mean, if you've got this other money coming in, and you've justified that in the previous bill, why do you have to allow for this?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Thank you, Senator. I -- I do appreciate the irony. It was a shock that so much money was lying around in Madison County. The lawyers must have been looking elsewhere. I don't know. But the -- but, again, there -- as I recall that debate, there were two reasons why we didn't have a referendum. You stated one, and that's accurate. The other one was that if the referendum lost, if we put it on the ballot, and for one reason or another people think it should be the federal government's responsibility, it should be the State of Illinois' responsibility, it should be the responsibility of only those people that live in the flood zone itself. Why am I paying? I live on the bluffs - and I do live on the bluffs - why should I pay? And it's a quarter of one cent. But why should I pay? Well, then if the referendum goes down in a bad -- in -- with ill feeling as I indicated, then we're done. We're just done.

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Then -- then we wait for the federal government to come in, just as New Orleans waited for the federal government to come in, and it's done in a patchwork quilt. But the county always intended to advance the money. They came in with the reimbursement idea after this thing passed the Senate. And I didn't want to amend it in the House. The Tort Fund was brand new to me. When the bill was in the House, they discovered -- they literally discovered they had seven million dollars. Why not use some of that? If -- we're talking about the prevention of loss. Actually, they are related in a -- in a -- in a way, because the Tort Fund is there to pay judgments for loss caused by the levee district. Repairing these things, beginning the process of repairing them, will prevent loss. So, it isn't -- it isn't -- it isn't a completely unconnected use. But in any case, it's a philosophical thing. The local people have to make these transfers and they're accountable to the -- the levee board isn't, but the county board, they're all accountable to the voters. And they want to do it.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

Senator Haine, you're -- you are an adept debater, to say the least. And you answered a couple questions there in your answer, but you didn't answer mine. The question isn't, why not run a referendum? You -- we explained that the last bill and it came on and became law. And -- and not whether or not it's the federal government's problem. The question I have for you is, with the immediate influx of funds that the district's going to get from the sales tax increase that's going to go into effect

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without voter approval, and with the supplement that the county can front and guaranteed be reimbursement, why do you need to add a third revenue stream which is pulling money out of the Tort Immunity Fund, which I appreciate the tremendous elasticity that you are giving to what you believe to be the purposes of the Tort Immunity Fund. I don't think that's what the property taxpayers have in mind though. But why do you need to take money out of the tort immunity funds?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine.

SENATOR HAINE:

Senator, I'm stating the best I can say after talking with the county officials, and I may be doing an injustice to them. But I don't believe the counties have that much money lying around that they can front. Whereas, the -- the levee district through -- through frugal saving, through luck or whatever, they have seven million dollars in a -- a tort fund. The county may be -- may not be able to front that much money and -- so I think that's the answer that the local people would -- would -- would give to you. And, again, we're putting in the bill, as you accurately stated, it's a restricted fund. Can't be used for anything else. And Supreme Court restricted it even further a few years ago. Can't be used for anything except for torts.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Righter.

SENATOR RIGHTER:

To the bill, please, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

To the bill.

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SENATOR RIGHTER:

Thank you, Madam President, Ladies and Gentlemen of the Senate. I have tremendous respect for Senator Haine and the issue that he is trying to deal with. But I think that allowing for an expenditure of up to ninety percent of a local government's tort immunity fund, which is paid for by the property taxpayers, for issues that are wholly unrelated to the tort immunity fund - I guess you could make an argument that this is related to the tort immunity fund, but it's no better argument than you could make that we should use tort immunity funds for the roads or to build schools or to do just about any other construction project that's out there - I think that crosses the line. If there are excess funds in the Tort Immunity Fund, then the -- property taxpayers need a break. It's not to allow them to be diverted into some other use. Thank you, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Burzynski. Senator Watson.

SENATOR WATSON:

Thank -- thank you, Madam President. One reason to get the money out of the Tort Immunity Fund is now the lawyers know it's there. So, to answer Senator Righter's concern, I'm just jesting, obviously. Bill Haine didn't ask for this. None of us did in the Metro East area. This is -- the Federal Emergency Management Agency and the Corps of Engineers has come in and said they're going to decertify the levees in our area if something isn't done. And -- and the only thing that can be is somehow raising revenue locally to be able to do the work that's necessary to accomplish the decertification issue. So I applaud

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Senator Haine for -- and -- and Representative Beiser's right here, who's the House sponsor, for -- for moving this legislation. And I know it -- in some areas of this State, you may have some concerns about the fact that there's a sales tax - not in this bill - this is a trailer bill. All the egregious legislation has gone forward. It's out of here, signed into law - those of you that are concerned about sales tax increases. This is just an effort to try to cleanup that Act. And I -- and I want to applaud Senator Haine for working with us, 'cause you did. I mean, you worked with us in -- in a very professional fashion. So, just remember, this is -- this is a huge issue for us economically in the southwestern Illinois area. Because you decertify those levees and all of a sudden you can't get insurance, then you -- then you got a problem with attracting industry, jobs, and even saving the ones that are there. We've got billions of dollars going on in our area right now - ConocoPhillips, U.S. Steel and others - with some expansion and plus the fact that we're trying to attract industry in. That could be in jeopardy, if something isn't done. Is this the perfect answer? Probably not. No, I don't probably think that it is. We'd rather not do this. But it's something that has to be done. I'd appreciate consideration on this side and your side, Senator Haine, for what your efforts have been. So, thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Thank you. Senator Crotty, for what purpose do you rise?

SENATOR CROTTY:

To the bill: I think much -- the debate on this bill was good. But as Chairman of Local Government, I know the sponsor

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had come - I -- I see my Members like nodding their head - with this bill. It was -- some of the problems were brought to his attention. He went back and has worked this out with Senator Watson. This is an important piece of legislation for their region. And -- and it went through the committee unanimously. So, I would ask the support on both sides of the aisle for this bill. Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Haine, to close.

SENATOR HAINE:

I -- I thank you very much, Ladies and Gentlemen of the Senate, for your consideration, and the Minority Leader, as always, for his input and support. And I appreciate Senator Righter's comments, and just one last comment to his well-meant remarks about the Tort Fund. The -- the property owners that paid into this Tort Fund are the ones that are in the flood plain. I don't think there'll be a one of them - it's pure speculation - but I don't think there'll be a one of them that wakes up every morning and looks at those levees that stand between them and the Mississippi River, is going to complain about the use of this Tort Fund to protect them from the force of that river as we've seen it in the past few years. I would ask for an Aye vote.

PRESIDING OFFICER: (SENATOR MARTINEZ)

The question is, shall Senate Bill 836 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 47 voting Aye, 8 voting Nay, 2 voting Present. Senate Bill 836,

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having received the required constitutional majority, is declared passed. The Associated Press and Illinois Channel requests this Body -- leave of this Body to videotape the proceedings. Seeing no objection, leave is granted. With leave of the Body, be -- we will be going to page -- page 6, middle of the page. At the request of the sponsor, we are going to do Senate Bill 2090. Senator Garrett. Senator Garrett seeks leave of the Body to return Senate Bill 2090 to the Order of 2nd Reading for the purpose of an amendment. Hearing no objection, leave is granted. On the Order of 2nd Reading is Senate Bill 2090. Madam Secretary, are there any amendments approved for consideration?

SECRETARY SHIPLEY:

Floor Amendment No. 2, offered by Senator Garrett.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Garrett, to explain your amendment.

SENATOR GARRETT:

Yes. This is -- the amendment becomes the bill, I think. Are we -- I just want to make sure we have the right amendment.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Amendment No. 2, Senator Garrett.

SENATOR GARRETT:

Amendment No. 2 becomes the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, Senator Garrett moves the adoption of Amendment No. 2 to Senate Bill 2090. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

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SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Now on the Order of 3rd Reading, Senate Bill 2090. Senator Garrett, do you wish to proceed? She -- she indicates she will. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

Senate Bill 2090.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator Garrett.

SENATOR GARRETT:

Yes. Thank you. Senate Bill 2090 is the result of approximately ten meetings between the Illinois Municipal League, downstate and suburban police and fire unions. It's a very long bill, but basically here -- here are the highlights. It -- the following provisions are included: ethics requirements for pension fund fiduciaries, contractual disclosure requirements for vendors seeking businesses with police and firefighter pension funds, public transparency of pension fund performance, anti-fraud protection of -- for pension awards, verification of pension payment calculations to avoid benefit award errors, more detailed fiscal notes on introduced pension legislation, publication of pension study every two years by the Commission on Government Forecasting and Accountability that includes an analysis of the factors that have caused unfunded liability, and, finally, more frequent pension audits by the Illinois Department of Financial and

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Professional Regulation. I'd be happy to answer any questions.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Is there any discussion? Seeing none, the question is, shall Senate Bill 2090 pass. All those in favor, vote Aye. Opposed, Nay. The voting is now open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On the question, there are 56 voting Aye, 0 voting Nay, 0 voting Present. Senate Bill 2090, having received the required constitutional majority, is declared passed. Ladies and Gentlemen, going back to House Bills 2nd Reading. On top of page 16, there is a mistake on this bill -- there was a mistake on the Calendar. We're going to House Bills 2nd Reading. Senator Sullivan, on House Bill 4179. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

House Bill 4179.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Revenue adopted Committee Amendment No. 1.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Have there been any Floor amendments for approved consideration?

SECRETARY SHIPLEY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR MARTINEZ)

3rd Reading. Ladies and Gentlemen, we're now moving through the Calendar to page 22, on top of the page, Secretary's Desk, Concurrence, Senate Bills. We are going to begin with Senator Brady's bill. Senator -- it's Senate Bill 2102.

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Senator Brady. Out of the record. Senator Murphy. Senate Bill 2170. Out of the record. Senator Silverstein, on Senate Bill - - 2210. Senator Silverstein? Out of the record. Senator Risinger. Senate Bill 2581. Out of the record. We are going to Senate Calendar -- Senate Calendar, Supplemental Calendar No. 1. It should have been distributed on your desk. To the Order of Secretary's Desk, Concurrence, Senate Bills. Senator DeLeo, on Senate Bill 1900. Madam Secretary, please read the bill.

SECRETARY SHIPLEY:

I move to nonconcur...

PRESIDING OFFICER: (SENATOR MARTINEZ)

The motion.

SECRETARY SHIPLEY:

I move to nonconcur with the House in the adoption of their Amendment No. 1 to Senate Bill 1900.

Filed by Senator James DeLeo.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator DeLeo, to explain your motion.

SENATOR DeLEO:

Thank you very much, Madam President, Ladies and Gentlemen of the Assembly. As you know, the House has this procedure; they're putting on these amendments for JCAR. This was -- this -- this -- this amendment that they attached to the autism bill, we believe -- our staff believes that this has no business being on this bill. It passed the House earlier today 113 to nothing. It passed the Senate 53 to nothing. And so I'd ask for nonconcurrence in House Amendment No. 1, and send this back over to the House, Madam President.

PRESIDING OFFICER: (SENATOR MARTINEZ)

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Is there any discussion? Senator Rutherford.

SENATOR RUTHERFORD:

Thank you, Madam President. We did this yesterday, I believe, and some of us that do serve on JCAR want to make sure that the record would reflect that we would be No when you do the roll call, and -- and in a voice vote like that. May I ask the Senate President if the appropriate means to do that would be a letter to the Secretary of the Senate outlining the specific pieces of legislation and that our intent with regards to how it should be reflected in the Journal, when you do a roll call vote audibly.

PRESIDING OFFICER: (SENATOR MARTINEZ)

The answer is yes. Senator Rutherford.

SENATOR RUTHERFORD:

Just to be real clear. The answer is yes, such that when you do this and you do it on a voice vote, for those of us that would like to make sure the Journal is reflective of the fact of our having voted negative to the voice vote, that we would do a letter to the Secretary of the Senate and the Secretary will see that it is entered into the official Senate record and then journalized. That is the answer unto which you gave the yes to?

PRESIDING OFFICER: (SENATOR MARTINEZ)

Yes, sir.

SENATOR RUTHERFORD:

Thank you.

PRESIDING OFFICER: (SENATOR MARTINEZ)

Senator DeLeo moves to nonconcur in House Amendments {sic} No. 1 to Senate Bill 1900. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the motion carries. And

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the Secretary shall so inform the House. Ladies and Gentlemen, can I have your attention? I'm going to go through the committees that are going to meet and at what time. And we're going to start at 6:30 on the nose. Judiciary-Civil Law in Room 212, Public Health in Room 400, and Local Government in Room 409 will be meeting at 6:30, as soon as we adjourn. The next committees will meet at 6:45. 6:45. Judiciary-Criminal Law will meet at 6:45 in Room 212. At 7 o'clock, the Pensions Committee will meet in Room 400. The Pensions Committee in Room 400 at 7 o'clock. At 7:15, Environmental -- Environment and Energy will meet at 7:15 in Room 212. At 7:30, the Insurance Committee will meet in Room 400. That is 7:30, in Room 400, the Insurance Committee. And finally, the -- Financial Institutions will meet in Room 400 at 7:45. Financial Institutions in Room 400 at 7:45. Madam Secretary, Messages.

SECRETARY SHIPLEY:

A Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 1939, together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate to wit:

House Amendment No. 1 to Senate Bill 1939.

We've received like Messages on Senate Bill 1945, with House Amendment No. 1; Senate Bill 1979, with House Amendment No. 1; Senate Bill 1982, with House Amendment No. 1; Senate Bill 2012, with House Amendment No. 1; and Senate Bill 2017, with House Amendment 1.

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All passed -- all passed the House, as amended, May 29th, 2008.
Mark Mahoney, Clerk of the House.

And a final Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 1920, together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Amendment No. 1 to Senate Bill 1920.

We've received like Messages on Senate Bill 2071, with House Amendment No. 1; Senate Bill 2077, with House Amendment No. 1; Senate Bill 2080, with House Amendment No. 1; Senate Bill 2187, with House Amendment No. 1; and Senate Bill 2199, with House Amendment No. 1.

All passed the House, as amended, May 29th, 2008. Mark Mahoney, Clerk of the House.

PRESIDING OFFICER: (SENATOR MARTINEZ)

There being no further business to come before the Senate, the Senate stands adjourned until the hour of 11 o'clock a.m. on Friday, May 30th, 2008. The Senate stands adjourned.