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**BIPARTISAN BILL REQUIRING GOVERNORS TO BUDGET FOR DEBT
BECOMES LAW**

Bill would stop governors ignoring hundreds of millions of dollars in late payment interest penalties the state owes

DU QUOIN, IL —A bipartisan transparency initiative, proposed by Comptroller Susana A. Mendoza, became law today. House Bill 5814 passed unanimously out of the House and Senate and will require governors to account for the cost of late payment interest penalties in their budget proposals.

The state's bill backlog more than tripled under Governor Rauner. Illinois fell far behind on paying its bills, and, so far, that's cost taxpayers more than \$1 billion in late payment interest penalties. Yet, the Governor has ignored that debt in his budget proposals.

"In the past two and a half years, the state incurred more interest penalties than in the previous 18 years combined. Going forward, that very real cost to taxpayers will be included in governors' budget proposals," Comptroller Mendoza said. "Thank you to the sponsors of this legislation, Representative David McSweeney and Senator Tom Cullerton, and the lawmakers on both sides of the aisle who voted for it. I would also like to thank Governor Rauner for acknowledging the need for this change and signing the bill into law. Taxpayers have a right to know how he, and future governors, plan to pay for interest penalties."

Currently, state agencies are faced with determining whether to use their appropriations for late payment interest penalties or for services. Including these now-hidden costs in the governor's budget will ensure they are fully accounted for and will make clear what appropriations the governor wants to use to pay for them.

"This practice will force all future governors to be more realistic when presenting a budget to the General Assembly and the public," HB 5814 sponsor, Senator Tom Cullerton, D-Villa Park, said. "We need to make sure governors, whether they are Republican or Democrat, do not attempt to hide behind phony numbers."

HB 5814 goes into effect immediately. This additional transparency reform builds on Comptroller Mendoza's Debt Transparency Act, which passed last year with unanimous or near-unanimous overrides. Under that act, the Comptroller's office publishes a monthly report that includes an estimate of the late payment interest penalties owed by the state, including on bills sitting at state agencies.

"Late payment interest penalties are skyrocketing in this state, and we need to make it clear how much money is being wasted every year on these payments," Representative McSweeney said.

In addition to HB 5814 being passed unanimously by the legislature, it also has the support of newspaper editorial boards, including the Chicago Sun-Times and the State Journal-Register.

"No one wants to see a budget line of how much money the state will have to waste because it can't pay its bills on time. But no matter how frustrating it is, this is money the state will have to dole out. Budgets proposed by the governor should include it," the SJ-R's editorial board wrote. "Better budgeting practices can only help the future. But we can learn from the mistakes of the past."

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