



Lutheran Social Services of Illinois

NEWS RELEASE

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State's Failure to Pay Its Bills Places Families in Harm's Way, Says One of Illinois' Largest Caregivers

State owes Lutheran Social Services of Illinois nearly \$9 million

(CHICAGO) Lutheran Social Services of Illinois (LSSI) criticized Illinois officials today for failing to live up to their obligation to reimburse community-based non-profit organizations that deliver essential services to Illinois families on the state's behalf. The state now owes LSSI nearly \$9 million for past services provided to Illinois families. Since June 30, that backlog has been growing at a rate of about \$1 million per month, despite a state law that requires payment within 60 days. LSSI warns that if the state fails to act soon to eliminate the backlog of unpaid bills, LSSI and many other vital service providers will be forced to dramatically cut services in communities across the state.

"We're very disappointed that the Illinois General Assembly has adjourned for the year without addressing the crisis caused by the state's unpaid bills," said the Reverend Frederick Aigner, Ph.D., president of LSSI. "Politicians are fond of criticizing deadbeat parents who refuse to meet their obligations, but state government is becoming the biggest deadbeat of all," he continued. "The state has forced us to borrow millions of dollars to continue to serve Illinois families on the state's behalf, but our credit is nearly maxed out now. If the state doesn't move quickly, we and many others across Illinois are going to be forced to make drastic cuts in services that will hurt every community in the state."

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State agencies under the control of Governor Rod Blagojevich that owe LSSI nearly \$9 million provide funding for care of the elderly, at-risk children, families and people with disabilities. The backlog in unpaid bills has forced LSSI to borrow more than \$5 million, along with interest costs that the state does not reimburse. If state government fails to accelerate payments immediately and begin to address the backlog, LSSI says they will be left with no other option but cutting services to reduce their operating costs.

"We understand that the state has a structural budget deficit, and for far too long, state revenues have been insufficient to meet the state's fundamental obligation to provide a well-managed network of roads, schools and critical services that protect families. But the state cannot continue to balance its budget on the backs of our most vulnerable citizens by cutting the services that protect them," said Aigner. "We hope the state will address that long-term imbalance in 2009, but it must act now — not next year — to address this immediate crisis."

LSSI says it supports plans put forth by both Governor Blagojevich and Comptroller Dan Hynes to allow the state to take out short-term loans to begin to erase the backlog of unpaid state bills. According to Hynes, that backlog now totals \$4 billion and will reach \$5 billion early in 2009.

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About Lutheran Social Services of Illinois

Founded in October 1867, Lutheran Social Services of Illinois (LSSI) is a statewide, not-for-profit social service agency of the three Illinois synods of the Evangelical Lutheran Church in America. LSSI serves people through an array of services at 89 sites across Illinois.