

# Illinois, short by billions, still cuts 2-cent checks

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The Associated Press

Posted Apr 01, 2010

Rep. John Fritchey was signing routine paperwork so the state could pay his office bills. One voucher caught his attention.

It was for 2 cents.

The state of Illinois plans to send Peoples Gas 2 cents in interest on an overdue gas bill for Fritchey's Chicago district office. It is also handing over 14 cents to Commonwealth Edison as interest on another late payment.

Those amounts aren't a fluke.

The Illinois comptroller's office, which writes the state's checks, has 4,900 vouchers for less than \$5 each awaiting payment, spokeswoman Carol Knowles said. At the sprawling Department of Human Services alone, the number of vouchers under that amount adds up to 4 percent of the agency's monthly total.

Call it a case of good intentions paving the way to fiscal foolishness.

The state is required to make the tiny payments, thanks to a change legislators made last year in state law. But officials say clunky computer systems keep them from combining multiple payments - for instance, totaling all the money owed to Peoples Gas.

The result: one minuscule voucher after another, although the comptroller's office isn't paying them while it makes more pressing payments because of the budget deficit of \$13 billion or more.

But the state will likely have to pay them eventually. Each one costs money to process - and, if it's in the form of a check, to print and mail - although officials can't say precisely what those costs are.

Many undoubtedly will be electronically deposited, but Fritchey complained that a check for 2 cents is "literally not worth the paper it's printed on."

He's not the only legislator who's angry.

Rep. Karen May has a stack of vouchers for payments as low as 5 cents to such vendors as her webmaster, a utility company and her landlord. She wrote a memo to the House clerk, declaring she wouldn't approve the microscopic outlays.

"I will not be party to this type of bureaucratic boondoggle," the Highland Park Democrat's memo read.

The penny-payment spigot opened because of a paragraph tucked into an ethics bill lawmakers adopted last spring.

Since 1993, the state has paid 1 percent interest per month on each bill that's over 60 days old. Illinois was on the hook for \$55.4 million in interest under the "prompt payment act" the last two years, according to the state comptroller.

Until now, a vendor had to request payment in writing for any amount of interest under \$50.

Last year's ethics bill made the payments automatic, no matter how small.

That was probably done in the name of transparency, a buzzword in the post-Blagojevich age of ethics reform, said Rep. Robert Pritchard, R-Hinckley, who co-sponsored the measure. He's working on legislative language to fix the interest snafu in the coming weeks.

The tiny checks are on the back burner during a period in which the state is \$4.2 billion behind on bills and owes roughly \$2 billion each month through June for short-term loans, reimbursements to doctors for medical care, aid to schools and the state payroll.

"That leaves little for anything else," said Knowles, the comptroller's spokeswoman.

Knowles couldn't say how many vendors are paid with electronic transfers into bank accounts, which saves the cost of printing the check and mailing it. Postage ranges from 33.5 cents to the full, 44-cent first-class rate.

Why aren't vouchers to the same vendor combined? Technological limitations, officials say.

In the House, for example, the computer program prevents sending vouchers "grouped to the comptroller so they might be able to issue a single check," spokesman Steve Brown said. Likewise, the comptroller's computer system can't combine checks.

Brown said House staff members are working on a solution.

The prospect of receiving the payments amuses some.

"Any check coming in, for 2 cents or \$5,000, we're going to process it," Peoples Gas spokeswoman Bonnie Johnson said.

Cashing a check for pennies "probably costs more than 2 cents," Johnson said with a chuckle, "but we just have to treat them all the same."

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## Photos

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Illinois State Rep. John Fritchey, D-Chicago, holds two invoice vouchers requesting payment of bills for his office space, for two cents, and 14 cents, Wednesday, March 31, 2010, in Chicago. Fritchey was surprised to find the state planned to pay Peoples Gas 2 cents for an overdue utility bill at his office. Turns out agencies statewide are issuing vouchers for late-payment interest of just pennies apiece because of a change in the law last year Illinois pays 1 percent interest on all late bills. The minimum amount of interest paid used to be \$50, but lawmakers removed all limits last year. (AP Photo/M. Spencer Green)

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