

## **PAYING DOWN OUR BACKLOG OF BILLS: SB 42**

### **OVERVIEW:**

- Illinois currently has nearly \$15 billion in backlogged bills. The backlog has tripled since 2015.
- SB 42 authorizes the state to issue \$6 billion in bonds to pay down the backlog, plus \$1.5 billion through a combination of sweeps and interfund borrowing.
- State agencies currently are not required to regularly report to the comptroller's office about the amount of outstanding bills held at their offices. A separate measure that passed in both houses of the Legislature this spring with bipartisan support would require them to disclose every month the bills they are holding and the estimated interest that will be paid on those bills.
- Backlogged bills accrue interest. The state's Prompt Payment Act assigns a 1-percent-per-month penalty to bills that are 90 days past due. Some bills, including claims from health care providers, accrue interest at 9 percent per year after 30 days.
- The state has accrued about \$800 million in interest on its bill backlog so far, according to the Illinois comptroller.