

**IN THE CIRCUIT COURT OF COOK COUNTY  
COUNTY DEPARTMENT, CHANCERY DIVISION**

ILLINOIS COLLABORATION ON YOUTH, ABCOR )  
HOME HEALTH INC., ACCESS LIVING OF )  
METROPOLITAN CHICAGO, ADDUS )  
HEALTHCARE INC., AIDS FOUNDATION )  
OF CHICAGO, ALTERNATIVES, INC., ASI, INC., )  
ASSOCIATION FOR INDIVIDUAL DEVELOPMENT, )  
AUNT MARTHA'S YOUTH SERVICES CENTER, )  
CARITAS FAMILY SOLUTIONS, CARROLL )  
COUNTY HEALTH DEPARTMENT, CENTER ON )  
HALSTED, CENTER FOR HOUSING AND HEALTH, )  
CENTERSTONE, CHADDOCK, CHICAGO )  
COMMONS, CHICAGO HOUSE AND SOCIAL )  
SERVICE AGENCY, CHILDREN'S HOME + AID, )  
CHILDREN'S HOME ASSOCIATION OF ILLINOIS, )  
CJE, COMMUNITY YOUTH NETWORK, INC., )  
CONNECTIONS FOR THE HOMELESS, )  
CUNNINGHAM CHILDREN'S HOME OF )  
URBANA, IL, DUPAGE YOUTH SERVICES, FAMILY )  
ALLIANCE, FAMILY COUNSELING CENTER, INC., )  
FAMILY FOCUS, FEATHERFIST, FOX VALLEY )  
OLDER ADULT SERVICES, GAREDA HOME )  
SERVICES, HAVEN YOUTH AND FAMILY )  
SERVICES, HEARTLAND HUMAN CARE SERVICES, )  
HEALTHY FAMILIES CHICAGO, HENRY COUNTY )  
HEALTH DEPARTMENT, HOUSING FORWARD, )  
HOUSING OPPORTUNITIES FOR WOMEN, HUMAN )  
SUPPORT SERVICES, ILLINOIS COALITION )  
AGAINST SEXUAL ASSAULT, ILLINOIS PUBLIC )  
HEALTH ASSOCIATION, INDIAN OAKS ACADEMY, )  
INSPIRATION CORPORATION, INTERFAITH )  
HOUSING DEVELOPMENT CORPORATION, )  
JEWISH CHILD AND FAMILY SERVICES, JEWISH )  
VOCATIONAL SERVICE AND EMPLOYMENT )  
CENTER KEMMERER VILLAGE, KNOX COUNTY )  
HEALTH DEPARTMENT, LA CASA NORTE, LESSIE )  
BATES DAVIS NEIGHBORHOOD HOUSE, )  
LUTHERAN CHILD AND FAMILY SERVICES, )  
MEDICAL GEAR, LLC, METROPOLITAN FAMILY )  
SERVICES, MIDWEST YOUTH SERVICES, NEW )  
AGE ELDER CARE, NEW MOMS, NEXUS, INC., )  
NICASA, NORTH CENTRAL BEHAVIORAL )  
HEALTH SYSTEMS, INC. OMNI YOUTH )  
SERVICES, ONE HOPE UNITED, CHICAGO , )  
PREVENTION INITIATIVE, OUNCE OF )

Case No. 16-CH-6172

The Honorable Rodolfo Garcia

PREVENTION FUND, POLISH AMERICAN )  
ASSOCIATION, PROJECT OZ, PUBLIC ACTION TO )  
DELIVER SHELTER, PUERTO RICAN CULTURAL )  
CENTER, RAMP, INC., RENAISSANCE SOCIAL )  
SERVICES, REVIVE CENTER FOR HOUSING AND )  
HEALING, RIVER TO RIVER SENIOR SERVICES, )  
ROCK ISLAND COUNTY HEALTH DEPARTMENT, )  
SAN JOSE OBRERO MISSION, SENIOR HELPERS, )  
SENIOR SERVICES PLUS INC., SHELTER, INC., )  
SINNISSIPPI CENTERS, STARK COUNTY HEALTH )  
DEPARTMENT, STEPHENSON COUNTY HEALTH )  
DEPARTMENT, STEPPING STONES OF ROCKFORD, )  
INC., TASC, TEEN LIVING PROGRAMS, TEEN )  
PARENT CONNECTION, THE BABY FOLD, THE )  
BRIDGE YOUTH AND FAMILY SERVICES, THE )  
CENTER FOR YOUTH AND FAMILY SOLUTIONS, )  
THE FELLOWSHIP HOUSE, THE HARBOUR, )  
THE NIGHT MINISTRY, THE RESURRECTION )  
PROJECT, TURNING POINT BEHAVIORAL HEALTH )  
CARE CENTER, UNION COUNTY, UNITY )  
PARENTING AND COUNSELING, VANGUARD )  
HEALTH AND WELLNESS, LLC., UNIVERSAL )  
FAMILY CONNECTION, WESTERN ILLINOIS )  
MANAGED HOME SERVICES, WHITESIDE )  
COUNTY HEALTH DEPARTMENT, YOUTH )  
ADVOCATE PROGRAM, YOUTH CROSSROADS, )  
YOUTH OUTREACH SERVICES, YOUTH SERVICE )  
BUREAU OF ILLINOIS VALLEY, )

Plaintiffs, )

v. )

JAMES DIMAS, SECRETARY OF )  
THE ILLINOIS DEPARTMENT OF HUMAN )  
SERVICES, in his official capacity, JEAN )  
BOHNHOFF, ACTING DIRECTOR OF THE ILLINOIS )  
DEPARTMENT ON AGING, in her official )  
capacity, NIRAV SHAH, DIRECTOR OF THE )  
ILLINOIS DEPARTMENT OF PUBLIC HEALTH, )  
in his official capacity, and FELICIA NORWOOD, )  
DIRECTOR OF THE ILLINOIS DEPARTMENT OF )  
HEALTHCARE AND FAMILY SERVICES, in her )  
official capacity, JOHN R. BALDWIN, DIRECTOR )  
OF THE ILLINOIS DEPARTMENT OF )  
CORRECTIONS, in his official capacity, )  
MICHAEL HOFFMAN, ACTING DIRECTOR OF THE )

ILLINOIS DEPARTMENT OF CENTRAL )  
MANAGEMENT SERVICES, in his official )  
capacity, AUDRA HAMERNIK, EXECUTIVE )  
DIRECTOR OF THE ILLINOIS HOUSING )  
DEVELOPMENT AUTHORITY, in her official )  
capacity, LESLIE GEISSER MUNGER, )  
COMPTROLLER FOR THE STATE OF ILLINOIS, )  
in her official capacity, and BRUCE RAUNER, )  
GOVERNOR OF ILLINOIS, in his official capacity, )  
)  
Defendants. )

**THIRD AMENDED COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF**

**Introduction**

1. Plaintiff Illinois Collaboration on Youth (ICOY) and the 98 other plaintiff provider organizations owed money by the State of Illinois seek declaratory and injunctive relief against the defendant State officers and agency heads for violation of their constitutional rights. First, as set out in Count I, the defendants had no constitutional authority to enter and affirm these contracts while the defendant Governor was vetoing the funding of them. As late as June 10, 2016, the defendant Governor had vetoed yet again the funding of the contracts that his agency heads had approved and entered. By such a course of conduct, the defendant Governor exceeded the powers of his office and conducted the public business for nearly the entire fiscal year without any budget in place as required by Article VIII of the Illinois Constitution or without any legislative authorization for the contracts. As a result, plaintiffs received no funding, took out loans still unpaid, laid off staff who cannot be replaced and have suffered other harm in violation of their constitutional rights to equal protection and due process of law.

2. Second, as set out in Count II, and as a product of this unauthorized conduct of public business during fiscal year 2016, the General Assembly and the Governor reached agreement on a so called stop gap budget which is not a true budget. Public Act 99-524 provides very limited retroactive partial funding for some of the obligations incurred by the defendant

Governor and agency heads during fiscal year 2016 in the unconstitutional manner described above. It also provides limited funding for obligations to be incurred in the first six months of fiscal year 2017. By doing so, and in violation of Article I, section 16 of the Illinois Constitution, the General Assembly has enacted a law, namely, Public Act 99-524, which impairs the legal remedies for non-payment of the contracts in the Court of Claims. As set out below, the Court of Claims is a quasi-judicial agency responsible to the General Assembly and has a policy of providing legal relief only out of the sums appropriated by the General Assembly. As set forth below, even if all the money allocated for fiscal year 2017 could be reallocated to fiscal year 2016, the appropriated amounts still would not be sufficient to obtain relief by legal action for non-payment in the Court of Claims. Accordingly, by an act of the General Assembly, and in violation of their rights under Article I, section 16 of the Illinois Constitution as well as the due process clause of the Illinois Constitution, plaintiffs have suffered an impairment of the obligations of contracts - namely, their legal remedies for non-payment of the contracts.

3. Finally, as set out in Count III, the so called stop gap budget does not guarantee any meaningful payment at any level and thereby further violates the constitutional rights of plaintiffs to equal protection and due process of law and to be free of impairment of contracts. With only a limited number of specific designations for obligations to be paid to plaintiffs for fiscal year 2016, Public Act 99-524 largely gives unchecked discretion by the defendant Governor and agency heads to determine how much to pay and whom to pay - not for contracts to be entered in the future but *for contractual services already rendered*. Public Act 99-524 without any meaningful standards creates a kind of rump bankruptcy process whereby the Governor and agency heads can set up as a kind of court and decide without review the degree to which the plaintiff providers will receive a "haircut" for services rendered in the last fiscal year.

Public Act 99-524 also complicates the chances of plaintiffs receiving timely payment. Instead of being paid out of general revenue, the agency heads must submit vouchers that are coded to alternative specific funds. Plaintiffs have no idea how much money is in those funds. Already in desperate financial condition in many cases, plaintiffs may receive 10 percent, 20 percent, 50 percent, or 60 percent of the money due to them and may not receive it for months to come. Furthermore, the cumbersome nature of the coding of the vouchers will hold up payments for plaintiff organizations that are near collapse and have cut programs and continue to lay off staff.

4. Accordingly, plaintiffs seek declaratory relief that by the actions set forth in Counts I, II and III, plaintiffs have suffered a violation of their constitutional rights. As part of the final relief in this case,, plaintiffs seek an injunction against the defendant Governor and agency heads to redress such constitutional injury by directing the Comptroller to pay the entire sums due to the plaintiff organizations for fiscal year 2016, regardless of the limited funding and lack of specificity in Public Act 99-524. Immediately, and for the pendency of this case, plaintiffs seek a preliminary injunction directing the Comptroller to preserve the status quo by (1) requiring defendants to act on an equal basis and submit all vouchers received from plaintiffs to the Comptroller with or without coding to specific funds, and (2) ordering the Comptroller to pay immediately all such vouchers more than 90 days overdue out of general revenue or specific funds, regardless of whether there is a specific legislative appropriation or not.

#### **Parties**

5. Plaintiff Illinois Collaboration on Youth (ICOY) is an Illinois not-for-profit corporation that is party to the contract signed by the Secretary of the Department of Human Services (DHS) for fiscal year 2016 and attached as Exhibit A.

6. The contract attached as Exhibit A, renewed in this fiscal year, is typical in relevant part of the contracts signed by other plaintiffs having contracts with DHS.

7. Additional plaintiffs with contracts signed by the Secretary of DHS for fiscal year 2016 are listed on Attachment 1, and each such plaintiff is incorporated into the allegations concerning these contracts by this reference.

8. Plaintiff Addus Health Care, Inc. is an Illinois corporation that is party to the contract signed by the Director of the Department of Aging for fiscal year 2016 and attached as Exhibit B.

9. The contract attached as Exhibit B is typical in relevant part of the contracts signed by other plaintiffs with the Department of Aging.

10. Additional plaintiffs with contracts signed by the Director of the Department of Aging for fiscal year 2016 are listed on Attachment 2, and each such plaintiff is incorporated into the allegations concerning these contracts by this reference.

11. Plaintiff Whiteside County Health Department is a public entity that is party to the contract signed by the Director of the Department of Public Health (DPH) for fiscal year 2016 and attached as Exhibit C.

12. The contract attached as Exhibit C is typical in relevant part of the contracts signed by other plaintiffs with DPH.

13. Additional plaintiffs with contracts signed by the Director of DPH are listed on Attachment 3, and each such plaintiff is incorporated into the allegations concerning these contracts by this reference.

14. Plaintiff Children's Home & Aid is an Illinois not-for-profit organization that is party to the contract signed by the Director of the Department of Healthcare and Family Services (HFS) for fiscal year 2016 attached as Exhibit D.

15. The contract attached as Exhibit D is typical in relevant part of the contracts signed by other plaintiffs with HFS.

16. Additional plaintiffs with contracts signed by the Director of HFS are listed on Attachment 4, and each such plaintiff is incorporated into the allegations concerning these contracts by this reference.

17. Plaintiff New Moms Inc. is an Illinois not-for-profit organization that is a party to the contract signed by the Director of the Illinois Department of Corrections for fiscal year 2016 attached as Exhibit E.

18. Plaintiff Jewish Vocational Service and Employment Center is an Illinois not-for-profit organization that is party to the contract signed by the acting Director of the Illinois Department of Central Management Services for fiscal year 2016 attached as Exhibit F.

19. Plaintiff Resurrection Project is an Illinois not-for-profit organization that is party to the contract with the Illinois Housing Development Authority for fiscal year 2016 attached as Exhibit G.

20. Defendant James Dimas is the Secretary of the Illinois Department of Human Services and is sued here in his official capacity.

21. Defendant Jean Bohnhoff is the acting Director of the Illinois Department of Aging and is sued here in her official capacity.

22. Defendant Nirav Shah is the Director of the Illinois Department of Public Health and is sued here in his official capacity.

23. Defendant Felicia Norwood is the Director of the Department of Health and Family Services and is sued here in her official capacity.

24. Defendant John R. Baldwin is director of the Illinois Department of Corrections and is sued here in his official capacity.

25. Defendant Michael Hoffman is acting Director of the Illinois Department of Central Management Services and is sued here in his official capacity.

26. Defendant Audra Hamernik is the Executive Director of the Illinois Housing Development Authority and is sued here in her official capacity.

27. Defendant Bruce Rauner is Governor of Illinois and is sued here in his official capacity.

28. Defendant Leslie Geissler Munger is the Illinois State Comptroller and is a defendant only for purposes of relief. Except where she is specifically named, she will be excluded from the term "defendants" as used below.

### **Facts**

29. On February 18, 2015, the defendant Governor submitted to the General Assembly a proposed budget for fiscal year 2016, starting on July 1, 2015.

30. The defendant Governor's proposed budget provided for funding of most, if not all, of the services covered by the contracts that the defendant state officers later entered with the respective plaintiffs.

31. On or about May 28 and 29, 2015, the General Assembly passed 27 appropriation bills for fiscal year 2016.

32. Certain of these appropriation bills authorized the expenditure of money to pay plaintiffs for the contracts with defendants in either the same, or differing but comparable, amounts to those proposed by the defendant Governor.

33. Specifically, five of these bills, House Bill 4153, House Bill 4158, House Bill 4165, Senate Bill 2034, and Senate Bill 2037, which appropriated funding for human services,

authorized the expenditure of money to pay plaintiffs for the vast majority of the services covered by the contracts at issue in this complaint.

34. Although these bills had passed both houses in late May, the General Assembly sent the appropriations bills to the Governor on or about June 22 to June 24, 2015.

35. As Exhibit H, plaintiffs have attached a description of each contract entered with the defendant directors for fiscal year 2016 and have cross-referenced the specific line items in the various appropriation bills passed by the General Assembly.

36. No further action by the Governor—or signature or consent—was necessary for the amounts appropriated by the General Assembly to become law.

37. Nonetheless, on June 25, 2015, the Governor vetoed all of the relevant appropriation bills.

38. The Governor's veto included funding that he himself had planned for these services.

39. At various times before and after the veto, the defendant directors induced plaintiffs to enter the contracts in the same standard form like those contracts attached as Exhibits A through G.

40. Plaintiffs have attached all such contracts electronically on the thumb drive attached as Exhibit I, in compliance with 735 ILCS § 5/606.

41. Plaintiffs include 98 agencies providing human services of various kinds that enter contracts annually with the respective defendants.

42. At various times, plaintiffs signed and returned the contracts in the attached Exhibits that the defendant directors had sent them.

43. Plaintiffs signed and returned such contracts in the attached Exhibits after the General Assembly had appropriated the funds for the contracts.

44. After the Governor's veto on June 25, 2015, the defendant directors at various times accepted and returned the contracts in the attached Exhibits and enforced them through the end of fiscal year 2016.

45. The defendant directors never proposed or took any action to suspend or terminate the contracts signed by plaintiffs in the attached Exhibits for lack of an appropriation by the General Assembly or for any other reason.

46. Many of the contracts have a clause like Section 4.1 of Exhibit A, which states:

This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason, (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly: or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

47. Defendants never invoked these rights, but continued the contracts in effect.

48. At the same time, the plaintiffs were not readily able to withdraw from these contracts.

49. First, the plaintiffs would have had to give 30 days' notice, and in doing so, such plaintiffs would have been among those least likely ever to be paid.

50. Furthermore, the plaintiffs might face liability to their service populations if they abruptly withdrew even with 30 days' notice.

51. Plaintiffs also feared reprisal if they withdrew and the loss of funding not only from the defendants but from foundations and other funders for carrying out their missions.

52. Furthermore, the defendant directors do not dispute that the plaintiffs should receive payment for these services during fiscal year 2016.

53. Nonetheless, plaintiffs received no funding for any of the services they rendered in fiscal year 2016 at any point during the fiscal year.

54. While a so called stop gap budget was passed on June 30, 2016, at the very close of fiscal year 2016, Public Act 99-524 has little money designated explicitly for the plaintiff organizations.

55. Furthermore, plaintiffs have received no money to date pursuant to the stop gap budget.

56. Defendant directors - during most of fiscal year 2016 and prior to the enactment of the "stop gap" budget - took the position that the Governor's veto of the appropriations for these contracts on June 25, 2015 barred them from paying plaintiffs for services rendered under these contracts.

57. As a result of this unorthodox manner of conducting public business, plaintiffs had to use up lines of credit, lay off professional and other staff, cut back programs and suffer a loss or degrading of their capabilities as service organizations.

58. Nonetheless, the defendants took the position that they could lawfully conduct the public business in this manner, without legislative authorization of these contracts, inflict such damage upon plaintiffs and leave plaintiffs to pursue such remedies as they might have in the Court of Claims.

59. None of this harm was necessary because of any political dispute between the Governor and the General Assembly, since the existences of these obligations to plaintiffs was never questioned or challenged or denied by the Governor or General Assembly.

60. The Governor had the option under the Illinois Constitution to exercise a line-item veto to block only expenditures unrelated to the obligations which the defendants have acknowledged with respect to plaintiffs.

61. Nonetheless, the Governor used his legislative power of veto to block the funding of the contracts that he and his subordinates had entered.

62. On June 10, 2016, as the fiscal year 2016 drew to a close, the Governor again - for a second time - vetoed the full funding of the plaintiffs' contracts which had now been almost fully performed.

63. On April 13, 2016, the General Assembly had passed SB 2046 which approved appropriations for nearly all of the contracts listed in Exhibit I.

64. Specifically, SB 2046 approved the contracts with the Department of Human Services, the Department of Aging, the Illinois Housing and Development Authority, the Department of Public Health, and the Department of Healthcare and Family Services.

65. On April 14, 2016, the General Assembly sent SB 2046 to the Governor

66. On June 10, 2016, the Governor vetoed SB 2046 in its entirety.

67. As in the previous veto of June 25, 2015, the Governor did not use the amendatory veto, or line item veto to allow the funding of the contracts that he and his designates have entered and enforced

68. The Governor took this action to block the funding of the contracts although by June 10, 2016, the Governor and other defendants had already received the benefit of the performance of these contracts.

69. On June 30, 2016, the General Assembly passed and the defendant Governor signed Public Act 99-524, popularly known as "the stop gap" budget.

70. Public Act 99-524 does not purport to be a budget within the meaning of Article VIII of the Constitution - and is better described as providing interim funding in light of the impasse between the Governor and General Assembly as to an actual budget for fiscal year 2016.

71. In particular, Public Act 99-524 has very little money *explicitly* for the contracts in Exhibit I.

72. For example, for plaintiffs with contracts with the Department of Aging, plaintiffs state on information and belief and after careful review of Public Act 99-524 that there are no funds explicitly for such contracts.

73. Article 74 of Public Act 99-524 says that appropriations in Articles 75 through 225 are appropriated for use in the first six months of fiscal year 2017, but may be used to pay prior year costs.

74. Whether that money is so used is discretionary with the defendant agencies.

75. Public Act 99-524 also has various lump sum amounts to be used by the Department of Aging, the Department of Corrections and other agencies which may or may not be used to pay some unknown percent of the contracts listed in Exhibit I.

76. Furthermore, instead of requiring plaintiffs to be paid out of general revenue as typically occurred in the past, Public Act 99-524 limits payments out of specific funds.

77. There are dozens of such funds, and vouchers are being held up by the defendant state agencies' need to code them to the specific funds.

78. Even then plaintiffs do not know if the specific funds will have cash in them to allow the Comptroller to pay them.

79. The coding will take weeks if not months, and when defendants send over the vouchers to the Comptroller, such vouchers will be last in line for payment.

80. The Comptroller in her discretion may nor may not move up an item for payment for any reason or no reason, subject to the prior of obligations to bond holders and court ordered payments.

81. Plaintiffs do not know how much of the obligations of the contracts in Exhibit I will be paid.

82. While the news media give figures of the stop gap budget covering 50 percent or some other percent of the obligations for both fiscal year 2016 and 2017, the defendants may choose without any standard or criteria to pay nothing, 10 percent, 20 percent, or other amount for services already rendered.

### **Irreparable Injury**

83. For lack of payment, most plaintiffs have used up all available lines of credit.

84. Many plaintiffs have no credit remaining.

85. Most plaintiffs have had to use cash reserves and many have no cash reserves remaining.

86. Many plaintiffs will have difficulty in meeting payroll within the next 30 days.

87. At least six or more plaintiff organizations face total closure.

88. The financial security and credit of many plaintiff organizations have been destroyed by the defendants' course of conduct.

89. Plaintiffs in some cases have laid off up to 30 percent or more of their professional staff.

90. In some cases plaintiffs have closed critically needed programs, for which there are no alternatives in their areas.

91. All of this injury will increase to a catastrophic degree as the plaintiffs wait under the complex procedures of Public Act 99-524 to determine when and if they receive any funding for the millions of dollars owed them for services in fiscal year 2016.

92. Furthermore, once services and programs are eliminated, many will be incapable of restoration.

93. Indeed, the anticipated amounts from Public Act 99-524 - if anything comes at all - will not allow for rehiring of staff or restoration of programs but simply allow some kind of current effort to continue.

94. It will ultimately be difficult for plaintiffs even if they receive full funding at the end of this case to find the same professional staff, or the equivalent.

95. Likewise in many cases because of the layoffs plaintiffs have already lost the personal networks and relationships in the communities they serve.

96. These personal networks and relationship are crucial in reaching the neediest clients.

97. Many of these clients are youth, homeless persons, persons with HIV/AIDS, or low income persons with persistent mental health and behavioral issues.

98. Already many of these former clients have ended up in the jails of the state because there is no other place for them to go.

99. Because of defendants' course of conduct, the entire infrastructure of State supported social services to the needy is at risk of collapse.

**COUNT I  
(ULTRA VIRES CONDUCT BY STATE OFFICIALS)**

100. By the acts set forth above, and in excess of their lawful powers of their office, the defendant Governor used his legislative power under Article III of the Illinois Constitution to veto the funding of plaintiffs' contracts while he used his executive power under Article IV to enter, affirm, continue and enforce these contracts without any funding or payment of these contracts during fiscal year 2016.

101. Defendants have no constitutional authority to conduct the public business of the state in this extensive and deliberate manner for plaintiffs and hundreds of other providers, with no legislative appropriation in place because of the defendant Governor's own acts.

102. The conduct of public business in this manner is beyond the powers of their office, in conflict with Article VIII, section 2 which requires General Assembly approval of expenditures.

103. Such conduct is even more legally egregious when the defendants themselves and not the General Assembly blocked the funding of these contracts.

104. Furthermore, such conduct has denied their rights to equal protection of the laws, as other vendors of the state were paid, and plaintiffs were unequally harmed by the budget impasse and the conduct of State business in this manner because plaintiffs serve the poor and the indigent.

105. Furthermore, such a course of conduct has denied plaintiffs due process of law and deprived them without compensation of their contractual rights.

WHEREFORE, plaintiffs pray this Court to:

- A. Declare that the defendants exceeded their legal and constitutional authority - and their lawful powers of office - by entering and continuing the contracts with plaintiffs through fiscal year 2016 while vetoing the funding to these very contracts and denying any payment to plaintiffs;
- B. Declare that such action by the Governor and other defendants as set forth in paragraph B denies the plaintiffs due process of law and equal protection of the law in violation of the Illinois Constitution;
- C. Declare that there under Article VIII, section 2 of the Illinois Constitution, there is no authority for conducting the public business in this manner;
- D. Grant permanent injunctive relief requiring the defendants to redress the constitutional violations by defendants as set forth above by immediate payment of the vouchers submitted by plaintiffs for services rendered in fiscal year 2016, regardless of whether there are sufficient appropriated funds in Public Act 99-524;
- E. Grant preliminary injunctive relief to require defendants and the defendant Comptroller to preserve the status quo and keep the current network of social services in place by immediately paying plaintiffs for the most seriously overdue bills, including bills more than 90 days overdue; and
- F. Grant plaintiffs such other legal relief as may be appropriate.

**COUNT II  
(IMPAIRMENT OF OBLIGATIONS OF CONTRACTS)**

106. By the acts set forth above, including the execution of Public Act 99-524, the defendants have also impaired the obligation of contracts, in violation of Article I, section 16 of the Illinois Constitution.

107. Public Act 99-524 is a law that ensures the impairment of the obligation of contracts because it limits the right of plaintiffs to sue in the Court of Claims for non-payment of the contractual obligations in fiscal year 2016.

108. Public Act 99-524 has little money explicitly designated for the contractual obligations incurred by plaintiffs in fiscal year 2016.

109. Article 74 of Public Act 99-524 allows the defendant agency heads to reallocate money appropriated for fiscal year 2017 to pay for obligations incurred in the prior year.

110. There is no guarantee that defendants will use such authority to pay for the obligations incurred in fiscal year 2016 or if so, which obligations they will pay and in what amounts.

111. However, even if all such money to be spent in fiscal year 2017 is reallocated to pay for prior year obligations, there are insufficient funds to pay for the obligations incurred in fiscal year 2016.

112. Defendants in some cases are unilaterally rewriting the contracts for fiscal year 2016 previously signed so as to provide funding that is significantly below the amounts in the original contracts attached as Exhibit I.

113. Plaintiffs are receiving these unilaterally rewritten contracts as if they are binding on them for the reduced amounts.

114. By such action, and rewriting the previously executed contracts without plaintiffs' consent at much lower amounts, defendants have violated the rights of plaintiffs to due process under Article I, section 2.

115. Public Act 99-524 also limits the legal remedies available to the plaintiffs in the Court of Claims, and impairs their ability to sue for non-payment.

116. The Court of Claims has a policy of not paying claims on contracts performed in a prior year except out of appropriations enacted by the General Assembly.

117. By enacting Public Act 99-524, the General Assembly has enacted a law that impairs if not eliminates the possibility of a legal remedy for non-payment in the Court of Claims.

118. By such actions, the defendants have violated the constitutional rights of plaintiffs to receive due process of law and to be free of laws like Public Act 99-524 that impair their contractual obligations.

WHEREFORE, plaintiffs pray this Court to:

- A. Declare that by the acts set forth above, including but not limited to the continuation of these contracts through the fiscal year without payment, and the execution of Public Act 99-524 at the end of the fiscal year to ensure there will not be full or reasonable payment, the defendants have violated Article I, section 16 of the Illinois Constitution, which prohibits the legislative impairment of the obligation of contracts;
- B. Declare that by the acts set forth above, defendants have also violated plaintiffs' rights to due process of law under Article I, section 2;
- C. Issue preliminary injunctive relief to bar defendants from continuing in this unconstitutional scheme and to provide payment for vouchers submitted by plaintiffs and overdue by 90 days or more;
- D. Issue permanent injunctive relief to ensure that plaintiffs receive full payment of the contracts entered in fiscal year 2016, notwithstanding the attempt of defendants through the vetoes of full funding as described above and through the

enactment of Public Act 99-524 to impair the remedies for non-payment of the contracts in the Court of Claims in violation of Article I, section 16, and otherwise to deny them due process of law under Article I, section 2.

- E. Grant plaintiffs legal fees under Section 5 of the Illinois Civil Rights Act of 2003, 740 ILCS 23/5;
- F. Grant such other temporary and permanent injunctive relief as may be appropriate.

**COUNT III  
(ADDITIONAL CONSTITUTIONAL VIOLATIONS)**

118. As set forth above, Public Act 99-524 fails to provide funding for the obligations incurred by plaintiffs in fiscal year 2016.

119. Defendant officials can decide in effect which claims accrued against the State of Illinois prior to enactment of Public Act 99-524 and now performed in full will be entitled to retroactive payment.

120. As set forth above, defendant officials are currently using Public Act 99-524 to act in a quasi judicial capacity to determine which contractual claims will be honored and which will not.

121. Under Public Act 99-524, there is virtually no limit on their discretion or obligation to act equally or impartially.

122. While defendant officials may exercise discretion as public officers to commit sums from a general or lump sum appropriation for particular contracts that they choose to enter, the General Assembly may not confer a judicial type power on the defendants to decide retroactively and on a general basis which obligations against the State will be paid and which will not be.

123. Furthermore, in this case there is no requirement that defendants treat all claims equally, although the contractual obligations are equally legitimate.

124. Such a process denies plaintiffs equal protection of the laws since it is necessarily arbitrary and capricious.

125. Plaintiffs have no opportunity to be heard before these decisions are made.

126. Such a process denies plaintiffs due process of law since it denies fundamental fairness.

127. Such a process denies plaintiffs due process of law since it is a forfeiture of their contractual rights and services without compensation.

128. Finally, such a process denies the principle of separation of powers since it accords to the defendants a quasi-judicial authority to determine which claims will be paid and which will not.

WHEREFORE, plaintiffs pray this Court to:

- A. Declare that by the acts set forth above, the defendants are currently violating the rights of plaintiffs to equal protection of the laws and due process of the laws;
- B. Declare that by the acts set forth above the defendants are resolving claims against the State in a quasi judicial manner and without standards in a manner that violates the principle of the separation of powers as set forth in Article II, Section 1 of the Illinois Constitution;
- C. Grant plaintiffs the preliminary injunctive relief sought in the prayers for relief in Counts I and II above;
- D. Grant plaintiffs permanent injunctive relief as sought in the prayers for relief in Counts I and II above;

E. Grant plaintiffs their legal fees as sought in the prayers for relief in Counts I and II above;

F. Grant plaintiffs such injunctive and other relief as may be appropriate.

Dated: July 20, 2016

By:

s/ Sean Morales-Doyle  
One of Plaintiffs' Attorneys

Thomas H. Geoghegan  
Michael P. Persoon  
Sean Morales-Doyle  
Samantha Liskow, *of counsel*  
Despres, Schwartz & Geoghegan, Ltd.  
77 West Washington Street, Suite 711  
Chicago, Illinois 60602  
(312) 372-2511  
Cook County Attorney Code 70814