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## **Pay Now Illinois Appeals to Illinois Supreme Court**

CHICAGO, October 20, 2016—Today the Pay Now Illinois coalition requested the Illinois Supreme Court to take a direct appeal of their case and confirm the state’s obligation to fully pay social service providers it contracts with to care for vulnerable Illinoisans. The appeal also asks the court to resolve constitutional questions and safeguard the rights of every Illinoisan to be treated fairly and seek legal recourse when damaged by illegal business practices. The appeal marks the latest chapter in a story that has garnered national headlines since May, when 97 service providers from across Illinois sued Governor Bruce Rauner and leaders of seven state agencies for impairment of contract.

The defendants do not dispute that plaintiffs have suffered irreparable harm as a result of the state’s illegal business practices, which left hundreds of providers unpaid for an entire fiscal year. And while the election-season “stopgap” bill passed in June allowed the state to pay many of the contracts that were issued a year earlier, this measure expires December 31<sup>st</sup>. Moreover, it does not include the necessary funding for FY17 contracts, which the state continues to issue and enforce, with no guarantee of payment and no clear access to a remedy, the appeal contends.

In August, when Circuit Court Judge Rodolfo Garcia dismissed the suit, he urged plaintiffs to bring the case to a higher court to expedite redress of the constitutional questions raised by the state’s business practices. In bringing this case to the Illinois Supreme Court, the plaintiffs are asking the Court to clarify an interpretation of a previous court decision that has allowed the state to continue to pay employees, even as it avoids payment to providers the state contracts with to provide services on the state’s behalf.

“Social service providers have been expected to work without payment for a year or more, while state employees that supervise their contracts have not missed a paycheck,” explains Pay Now Illinois Chair Andrea Durbin, who is also chief executive officer of the Illinois Collaboration on Youth. “Withholding payment to providers working on the state’s behalf is patently unfair, irresponsible, and inconsistent with the legal rights every American depends on. It needs to stop.”

A direct appeal to the Supreme Court was necessitated by the rising urgency of problems the state’s business practices have created for the social services community and the threat such practices pose to the state at large. Though the state has not had a budget since June 2015, it continues to enter into and enforce contracts with human service providers, while providing no guarantee of payment. As a result, providers

have been forced to choose between their commitment to vulnerable people they serve and their own financial stability.

Pay Now Illinois plaintiffs represent a cross section of the not-for-profits, county governments, and small businesses that provide state-supported human services in Illinois. Most providers already operated on the thinnest of margins before the current impasse began, coalition leaders say, as the prolonged economic downturn triggered several years of budget cuts during a time when the number of Illinoisans needing services grew sharply.

“Providers have become unwilling lenders to the state. We’ve been forced to cut services to people who truly need them, lay off our staff, and destabilize our own finances by tapping our lines of credits and reserves,” Durbin said. “Like any other business, we need to be confident that our contracts will be honored, so we can provide the services the state has ordered. We can’t wait any longer for a resolution.”

“Stopgap dollars during an election season do not solve the problem. By December, we will be right back where we started,” explains Durbin. “The funding bill only provided 12 months of dollars to pay for 18 months of services. Providers already waited a full year for FY16 contracts to be paid. What happens with this year’s contracts, when elections are over and there is still no solution? The temporary funding bill also gave state agencies unlimited discretion to alter payment terms after services have already been delivered, while curtailing providers’ constitutional rights to legal remedies.”

The appeal also asks the Supreme Court to clarify a court decision that has enabled state employees to earn \$3.2 billion since 2015, while avoiding payment to hundreds of state contractors that employ thousands of Illinoisans who provide services on the state’s behalf. Pay Now Illinois is seeking only to have its contracts be honored and paid in full in a timely fashion. The initial suit sought payment of \$161 million for services rendered.

“Our case is about good business practice as much as it is about our contracts being paid,” adds Durbin. “It is unfortunate that organizations that care for the elderly, prepare our young people, or provide treatment to people with mental illness must appeal to the Supreme Court for protection. Without a resolution, Illinois will only continue to deteriorate.”

For more information, please visit [paynowillinois.org](http://paynowillinois.org).

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**About Pay Now Illinois:** The Pay Now Illinois Coalition is made up of 61 human and social service agencies and companies serving men, women and children throughout the State of Illinois. The members of the coalition provide a broad range of essential services, including healthcare, housing for the homeless, services for senior citizens, sexual abuse counseling, and programs for at-risk youth. [www.paynowillinois.org](http://www.paynowillinois.org)