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Governor Vetoes House Bill 581, Increases Uncertainty for Illinois Business Climate

Governor Bruce Rauner's veto Friday of HB581, the Social Services Contract Act, further destabilizes contractual relations with the State of Illinois. The legislation would have provided small businesses and non-profits that deliver state services to Illinois children, families, and communities with greater certainty when it comes to the contracts that govern their work.

In his veto message, Governor Rauner asserted that he supports reasonable measures that give greater certainty to social service providers. HB581 provides precisely such mechanisms. HB581 garnered bipartisan support and passed with super majorities in both the House and Senate, and would have helped non-profits manage with greater certainty in this uncertain budget climate.

The Illinois Collaboration on Youth, Voices for Illinois Children, and Children's Home + Aid are disappointed with the Governor's choice to veto this legislation and urge lawmakers to override the veto when they reconvene this fall.

In his veto, the Governor proposed changing definitions of the Act that undercut the purpose and value of these necessary contractual reforms. Such suggested changes would exclude many state agencies from being subject to this legislation's intent. In doing so, the Governor does not extend protections to services for veterans, prisoners returning to communities, addiction treatment, school-based health programs, violence prevention, foreclosure mitigation housing supports, and even natural disaster relief. This is contrary to the Governor's commendable focus on criminal justice reform and strengthening our K-12 education system.

The Act would have provided basic assurances for business continuity in Illinois by requiring that state agencies give contractors 30 days' advance notice prior to reducing, eliminating, or suspending services.

The Act would have also provided 120 days' notice to the General Assembly, granting a mechanism for the legislature and the Governor to work collaboratively to responsibly stave off unnecessary harm, reallocate resources, and allow the public the opportunity to voice its recommendations. Moreover, it would have promoted state agencies to execute contracts using responsible fiscal foresight.

"Currently, Illinois allows state agencies to eliminate services literally overnight, an action that the Governor's office took on April 3, 2015, when state agencies abruptly announced the elimination of vital programs ranging from services for children with autism and epilepsy to afterschool and addiction prevention programs," said Tasha Green Cruzat, President of Voices for Illinois Children. "Ultimately the Governor and General Assembly worked to temporarily restore these cuts, but the last-minute nature of the cuts threw families and providers into crisis mode unnecessarily."

In addition to the turmoil created for families and communities when services are abruptly terminated, a lack of confidence in contract fulfillment makes it harder to do business in Illinois.

"As providers of state services, we believe the law and public policy of this state must ensure transparent, accountable, and effective use of taxpayer funds," said Andrea Durbin, Chief Executive Officer of the Illinois Collaboration on Youth. "When the state fails to fulfill contracts, or fails to provide notice of termination in time for us to engage in contingency planning, they are not serving as good business partners to vendors, providers, and contract holders."

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About Voices for Illinois Children: Voices for Illinois Children is an independent advocacy organization that champions strong public policies and investments for all children in our state. Voices was founded in 1987 by a dedicated group of civic, business, community, academic, and philanthropic leaders and seeks to educate opinion leaders and policymakers on all issues facing children and families.

About Illinois Collaboration on Youth (ICOY): At the crossroads of policy and practice, ICOY serves as a positive force and collective voice for young people, their families and communities, and the providers who serve them. Founded in 1972, we work to build the capacity of the statewide system of programs and services for youth at risk, and to advocate for legislation and policies that keep children and youth safe, healthy, and on the path to a positive adulthood.

About Children's Home + Aid: Children's Home + Aid is a leading child and family service agency in Illinois. The organization helps children recover their health, their hope, and their faith in the people around them. We link children to a network of opportunity and care, to extended family, teachers, mentors, and the resources of the neighborhood and community. For more than 133 years, the organization has gone wherever children and families need them, and where that work has been proven to be most effective: at home, in the classroom, in the neighborhood, in the course of daily life. The organization has offices located across Illinois and serves more than 40,000 children and families in over 60 counties each year. For more information about Children's Home + Aid, visit childrenshomeandaid.org.