



OFFICE OF THE COMPTROLLER
STATE OF ILLINOIS

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**COMPTROLLER MENDOZA'S STATEMENT ON WEDNESDAY'S
BOND SALE**

SPRINGFIELD — The 3.5 percent rate the state of Illinois received on its total \$6 billion bond offering Wednesday will save taxpayers billions of dollars over the life of the bonds. The state pays up to 12 percent interest on parts of the \$16.5 billion backlog now. That is why I urged the Governor to launch the bond sale immediately after legislators passed the budget, giving him the authority to go to market with the bonds. Unfortunately, for two full months, he refused to do so, costing state taxpayers at least \$2 million a day or \$120 million in additional late payment interest penalties. Under continued pressure, the governor finally relented and agreed to proceed with the sale.

During this fiscal crisis, I have done everything in my power as the state's Chief Fiscal and Accountability Officer to give the markets confidence that Illinois bonds are a sound and strong investment. I am incredibly pleased that this great deal for taxpayers will result in the savings of billions of dollars in interest payments over the life of the 12-year bonds. As soon as the money comes in to our state coffers, my office will leverage federal matching dollars to get the best investment for state taxpayers and focus our payments on the state's highest-interest-accruing debts.

Make no mistake that while this is a good day for taxpayers and many small businesses in Illinois who have been forced to be unwilling lenders to the state, we will still be faced with a large backlog of unpaid bills that will likely take years to pay down. This is a big step toward fiscally stability for our state.

Susana A. Mendoza
Comptroller of Illinois