

Overdue payments cost California millions

By Jennifer Gollan, Bay Citizen

If you've ever paid a bill after it was due, you're familiar with late fees.

It turns out the state of California is familiar with them, too.

The state paid more than \$34.3 million in penalties for overdue bills from July 2004 through June 2011, according to new figures from California's Department of General Services, the state's business manager.

The state accrued a third of those late fees – more than \$11.7 million – in the 2010-11 fiscal year.

Some of those fees could have been avoided if former Gov. Arnold Schwarzenegger and the Legislature had agreed to a budget by July 1, 2010, as required by the state Constitution, said Eric Lamoureux, a spokesman for the Department of General Services. Lawmakers approved the budget 100 days after the start of the 2010-11 fiscal year, preventing some departments from paying their bills on time.

"We cannot speak to all the reasons all these penalties were incurred by the previous administration, but historically, late budgets have left departments unable to pay their bills on time," Lamoureux said.

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