



PORKER OF THE MONTH

March '09

Ohio Department of Job and Family Services

When you get hit with an interest charge because you paid your bills late, who has to pay that charge? You, of course. When the Ohio Department of Job and Family Services (ODJFS) gets hit with an interest charge because it paid its bills late, who has to pay that charge? You, of course. For sticking taxpayers with \$272,261 in interest charges since 2005, ODJFS gets the March Porker of the Month.

In this time of economic distress, many Ohio families are having troubles paying their bills. The state's politicians have created a job-killing tax and regulatory climate, leading to far higher unemployment in the state than should exist. And with their ban on payday lending, our policymakers have made it harder for families to obtain short-term loans. So some Ohioans miss their bills' due dates. It's unfortunate, and it's bad for business, but at least it's understandable.

What is the excuse of ODJFS? The state isn't out of money (yet). It's not like ODJFS is waiting for its paycheck to be deposited before it can pay its gas bill.

The state also has an electronic accounts and payment system. Apparently it is not working too well. In fact, before the state implemented the new system it actually paid less in interest fees because of late payments. Many banks offer automatic bill payment services. If these banks can manage to get it right, why can't the state?

To be fair, ODJFS isn't alone in racking up these late fees. Many other agencies don't pay their bills on time. According to the Columbus Dispatch, last year taxpayers paid \$121,585 in interest payments because of bureaucrats' inability to put the check in the mail with any regularity.

Maybe this can be explained by the fact that these bureaucrats aren't penalized for wasting your money. You

have an incentive to pay your bills on time. If you don't, you get hit with interest and late fees, which means less money in your pocket. There is no such incentive for those who pay the state agencies' bills. They keep getting their paychecks. There is no deduction to make up for the amount of taxpayer money they wasted.

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Of course, with Governor Strickland practically begging for more federal funds to help cover the state's \$7 billion budget deficit, it would seem politically wise to ensure that no state money is being squandered. Accruing interest charges on past-due bills is entirely avoidable and should be addressed by the governor before his next TV appearance talking about how Ohio needs stimulus money to balance its books.

Not only is this habitual inability to pay bills on time bad for taxpayers, it is also bad for the businesses that contract with the state. As any business owner knows, timely payment of bills is essential for a healthy bottom line. With the state being negligent on its bill payment, it hurts Ohio businesses that are already struggling.

ODJFS defends itself by pointing out that less than once percent of its spending is for interest charges. Even so, there is no excuse for a state agency not to pay its bills by their due dates. Ohio taxpayers and businesses have enough problems because of the state's taxes and regulations. Wasting money on interest fees -- and waiting for a late state payment if you are a business -- should not be something the state's citizens worry about.

