

DEBT TRANSPARENCY REPORT SUMMARY

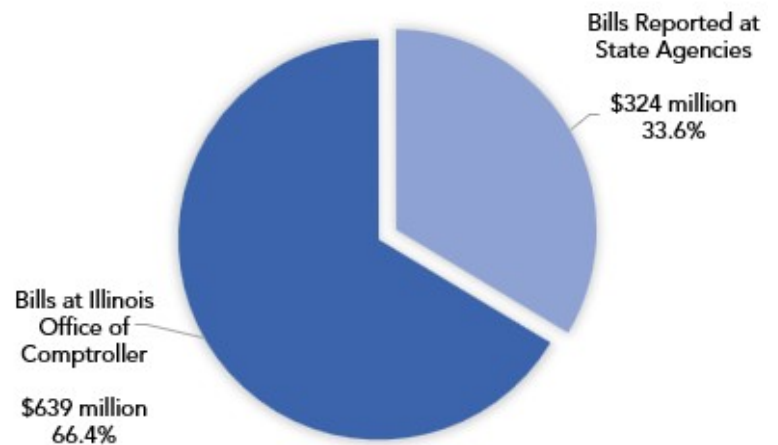
Vol. 6, No. 5

Period Ending April 30, 2023

SUMMARY

- Estimated 4/30/2023 accounts payable totaled \$962 million for General Funds and Health Insurance Reserve Fund (HIRF)^{1,2}
- Agencies reported \$324 million in net General Funds and HIRF liabilities¹
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$639 million¹
- Identifies approximately \$62 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 4/30/2023 was 10 business days

Estimated General Funds Accounts Payable¹
as of April 30, 2023
Total = \$962 million



Debt Transparency Report Summary Vol. 6, No. 5 identifies liabilities from General Funds and the Health Insurance Reserve Fund (HIRF) for the state's total accounts payable.^{1,2} Liabilities and details of other state funds utilized by state agencies can be found in agencies' individual submissions available in the [Debt Transparency Reports](#) section at illinoiscomptroller.gov.

Eighty-four state agencies and universities responded for the April 2023 reporting period in time for their data to be included in this publication. Twenty-five agencies reported zero liabilities.

¹The General Funds accounts payable total is comprised of pending vouchers and transfers from the General Funds and the Health Insurance Reserve Fund (for state employee insurance costs) at the Illinois Office of Comptroller, adjusted for transfers pending from the General Funds to HIRF to eliminate double-counting, and net vouchers and late payment interest penalties reported as held at state agencies for the General Funds and HIRF. Amounts may not sum to total due to rounding.

²The General Funds pay for the state's primary operations and school funding obligations and have accounted for most of the state's payment delays. The General Revenue Fund (GRF) is the largest of the seven funds that make up this group. The HIRF is highly dependent on GRF transfers to fund insurance-related obligations. Vouchers payable from other non-General Funds are typically processed without delay if the funds have sufficient balances. Additional information on General Funds and other state funds is available at the [Comptroller's website](#).

AGENCY DTA SUBMISSIONS

Net Liabilities at State Agencies: \$324 Million

Agencies reported \$467 million in General Funds liabilities and late payment interest penalties as of April 30, 2023. This amount reflects liabilities not yet sent to the Illinois Office of Comptroller as of the end of the reporting period but eligible to be sent because the agencies approved invoices or pending interest payments.

After adjusting for amounts agencies reported have been or will be submitted to the IOC, net agency liabilities totaled \$324 million. The three state agencies with the largest liabilities reported \$310 million in General Funds liabilities, making up 95.9% of the total reported amount of net liabilities at agencies.

The Department of Central Management Services (CMS) reported \$0 in HIRF liabilities for bills related to the state's Group Insurance Program and in obligations pending at the agency for late payment interest penalties from principal payments on HIRF bills that have already been made, while reporting that \$92 million in HIRF liabilities have been or will be submitted to the IOC.

Reporting agencies' net liabilities, based on their net General Funds and HIRF liabilities, including late payment interest penalties owed on bills released for payment by the Illinois Office of Comptroller, totaled \$324 million for the April 2023 period.³ This \$324 million in agency-reported total net liabilities has been incorporated into the accounts payable reported daily on the IOC website and will remain as static input to this calculation until the next DTA monthly report.

After combining this \$324 million with the \$639 million in General Funds and HIRF payables at the Illinois Office of Comptroller, the total estimated General Funds and HIRF accounts payable for April 30, 2023 was \$962 million.

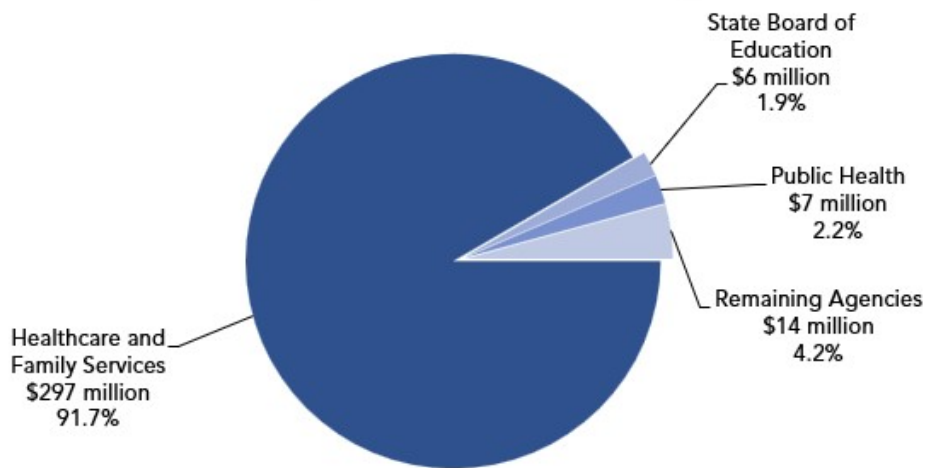
Net Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties

as of April 30, 2023

Total = \$324 million

Amounts may not sum to total or to 100% due to rounding.



³At the end of the day April 30, 2023, the cash balance in the HIRF was \$396 million.

Interest Penalties: \$62 Million

For the April 2023 reporting period, state agencies reported more than \$4 million in late payment interest penalties for all funds and types, including amounts owed after the vendor received the original payment and estimated amounts based on what may have accumulated on vouchers still held by the agencies as of April 30.

Agencies reporting the largest late payment interest penalties, including estimated amounts on vouchers held by the agencies, were the departments of Corrections with \$1 million, Innovation and Technology with \$859,000, Natural Resources with \$758,000 and CMS with \$719,000. As of April 30, 2023, another \$59 million in late payment interest penalty vouchers from all funds was pending at the IOC.

The aggregate of outstanding accrued and pending late payment interest penalties at agencies and the IOC totaled \$62 million for the reporting period, with more than \$1 million in additional estimated late payment interest penalties on vouchers still held by agencies.

Additionally, the IOC paid \$127,000 in late payment interest penalties in April 2023. The IOC has paid \$19 million in late payment interest penalties during fiscal year 2023.⁴

Estimated Pending Liabilities

Agencies reported \$2.083 billion in liabilities incurred by the state for the General Funds and HIRF but not yet invoiced. These are estimates, not actual bills, so they are not reported in the IOC's amount of bills pending or the agencies' estimated liabilities.

UNIVERSITY REPORTING

State universities reported that through April 2023, vouchers reflecting \$1.182 billion, or 96.8%, of the more than \$1.221 billion in fiscal year 2023 General Funds university appropriations had been sent to the Illinois Office of Comptroller.

Northeastern Illinois University reported more than \$1 million in insufficient appropriations for the remainder of fiscal year 2023 and Western Illinois University reported nearly \$2 million in insufficient appropriations. More information may be found in each university's DTA submission.

At the end of April, \$13 million in General Funds payments for universities was pending at the IOC.

⁴Includes prompt pay interest penalties and timely pay interest penalties, including prompt pay interest penalties incurred paid out of a future year appropriation.

VOUCHERS AND TRANSFERS PENDING AT THE ILLINOIS OFFICE OF COMPTROLLER

Pending at IOC: \$639 Million

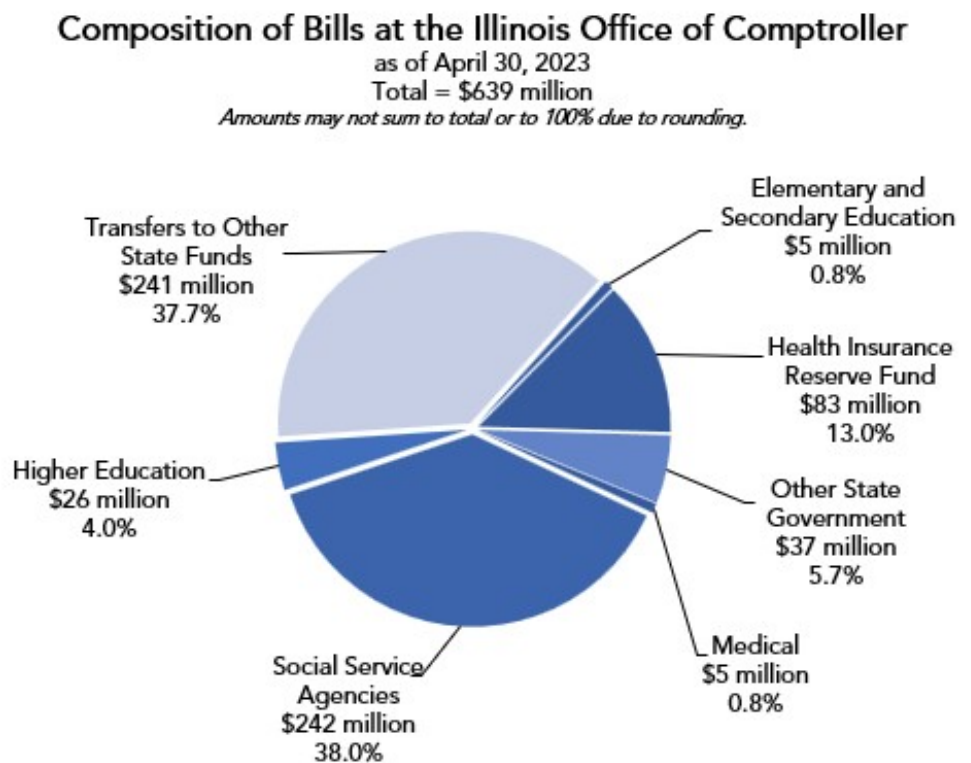
The amount of vouchers and transfers pending at the IOC changes every day as payments are made from the state’s General Funds.

Despite the state’s General Funds base revenues experiencing a year-over-year decline of \$1.844 billion in April, the General Funds and HIRF vouchers and transfers pending at the IOC totaled \$639 million at the end of April 30, 2023, a decrease in General Funds vouchers of \$992 million and in overall vouchers of \$847 million. In April, the IOC reported the lowest total accounts payable since July 2008.

The IOC reported \$98 million in outstanding Community College Health Insurance Security Fund vouchers and transfers pending at the end of April, of which an estimated \$91 million was for vouchers more than 90 days old. The fiscal year 2023 budget includes a \$25 million GRF appropriated deposit for the Community College Insurance Program, the entirety of which was expended in July 2022. Additional resources are needed from community colleges and employee contributions to make up the outstanding shortfall.⁵

Also, \$131 million in technology-related vouchers from the Department of Innovation and Technology was pending at the IOC at the end of April, of which an estimated \$22 million was for principal payment vouchers more than 90 days old, with \$58.4 million for late payment interest penalties. Additional resources are needed from user agencies and/or from appropriations into the Technology Management Revolving Fund to address these other non-GRF vouchers pending at the IOC.

Detailed breakouts are shown in the *Composition of Bills at the Illinois Office of Comptroller* chart.



⁵According to the Governor’s proposed Operating Budget for fiscal year 2024, current contributions fund just 76% of the Community College Health Insurance Program’s liability, and without statutory changes, the backlog of bills for the program will reach \$110 million by the end of fiscal year 2024. The proposed Operating Budget for fiscal year 2024 does not include additional appropriations for the program.

Oldest General Revenue Fund Voucher at IOC: 10 Business Days

At the end of the day April 30, the oldest GRF voucher at the Illinois Office of Comptroller was 10 business days. This chart shows where this compares to the end of the calendar year and the end of the fiscal year since fiscal year 2018, starting with 191 days at the end of October 2017, about a week before the State received more than \$6 billion in General Obligation bond proceeds to help pay down the record \$16.7 billion General Funds bill backlog.

In addition to the General Funds accounts payable, the oldest GRF voucher at the IOC has been an important method of assessing the current financial condition of the State and the hardships faced by State vendors since September 2001, when a worsening economy began a consistent rise in the bill backlog. Steady improvement has been made to the bill payment cycle since December 2017, and today the payment cycle is within 30 days for vouchers sent to the IOC. The 30-day payment cycle does not apply to net interfund transfers, which made up \$241 million, or 37.7%, of the IOC payables as of April 30.

IOC General Revenue Fund Payment Cycle History
October 2017 through April 2023
Oldest GRF voucher at end of day 4/30/2023: 10 business days

