

# DEBT TRANSPARENCY REPORT SUMMARY

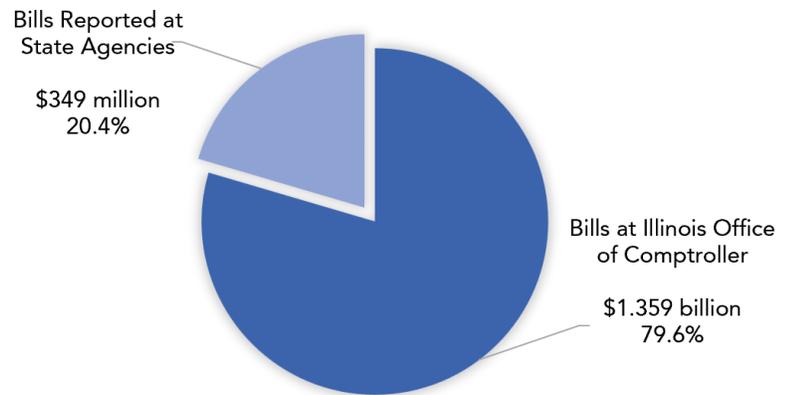
Vol. 5, No. 9

Period Ending August 31, 2022

## SUMMARY

- Estimated 8/31/2022 accounts payable totaled \$1.708 billion for General Funds and Health Insurance Reserve Fund (HIRF) (\$21 million increase from prior month)<sup>1,2</sup>
- Agencies reported \$349 million in General Funds and HIRF bills on hand (\$242 million decrease from prior month)<sup>1</sup>
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$1.359 billion (\$263 million increase from prior month)<sup>1</sup>
- Identifies approximately \$50 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 8/31/2022 was 12 days

Estimated General Funds Accounts Payable<sup>1</sup>  
as of August 31, 2022  
Total = \$1.708 billion



Debt Transparency Report Summary Vol. 5, No. 9 identifies liabilities from General Funds and the Health Insurance Reserve Fund (HIRF) for the state's total estimated accounts payable.<sup>1,2</sup> 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](http://illinoiscomptroller.gov).

Eighty-four state agencies and universities responded for the August 2022 reporting period in time for their data to be included in this publication. Twenty-four agencies reported zero liabilities.

<sup>1</sup>The 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 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.

<sup>2</sup>The 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

### Bills Held at State Agencies: \$349 Million

Agencies reported \$337 million in General Funds liabilities and late payment interest penalties as of August 31, 2022. This amount reflects liabilities not yet sent to the Illinois Office of Comptroller but eligible to be sent because the agencies approved invoices or pending interest payments.

The four state agencies with the largest liabilities reported \$336 million in General Funds liabilities and HIRF liabilities, making up 96.3% of the total reported amount of bills pending at agencies.

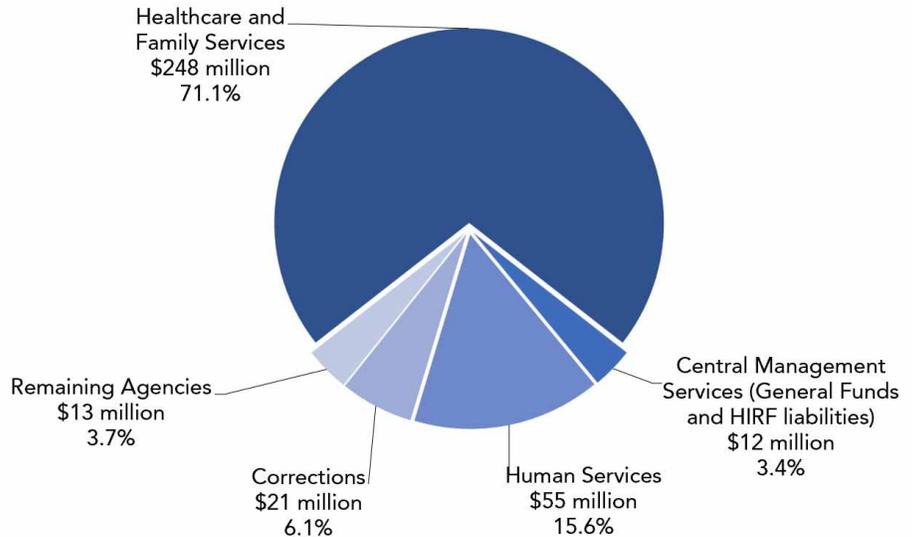
The Department of Central Management Services (CMS) reported \$12 million in HIRF liabilities for bills related to the state's Group Insurance Program and \$0 in obligations pending at the agency for late payment interest penalties from principal payments on HIRF bills that have already been made. This amount represents a \$94 million decrease compared to combined HIRF liabilities and HIRF late payment interest penalties from July 2022.

### Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties  
as of August 31, 2022

Total = \$349 million

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



Reporting agencies' total liabilities, based on their General Funds and HIRF liabilities, including late payment interest penalties owed on bills released for payment by the Illinois Office of Comptroller, were \$349 million for the August 2022 period, representing a \$242 million decrease compared to agencies' July 2022 liabilities.<sup>3,4</sup> This \$349 million in agency-reported total liabilities has been incorporated into the estimated 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 \$349 million with the \$1.359 billion in General Funds and HIRF payables at the Illinois Office of Comptroller, the total estimated General Funds and HIRF accounts payable for August 31, 2022 was \$1.708 billion, a \$21 million increase from the end of July 2022.

<sup>3</sup> Compared to July 2022, liabilities and late payment interest penalties decreased by \$95 million at the Department of Central Management Services, by \$66 million at the Department of Human Services, and by \$23 million each at the Department of Healthcare and Family Services and the Department of Corrections.

<sup>4</sup> At the end of the day August 31, 2022, the cash balance in the HIRF was \$77 million.

## Interest Penalties: \$50 Million

For the August 2022 reporting period, state agencies reported \$3 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 August 31. Just \$179,000 in late payment interest penalties from the General Funds and HIRF was factored into the reported agency liabilities of \$349 million because the payments could be released by the respective agencies.

Agencies reporting the largest late payment interest penalties, including estimated amounts on vouchers held by the agencies, were the departments of CMS with less than \$2 million, Natural Resources with \$699,000 and Public Health with \$427,000. As of August 31, 2022, another \$48 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 \$50 million for the reporting period, with an additional \$1 million in estimated late payment interest penalties on vouchers still held by agencies.

Additionally, the IOC paid nearly \$5 million in late payment interest penalties in August 2022.<sup>5</sup>

## Estimated Pending Liabilities

Agencies reported \$994 million 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 August 2022, vouchers reflecting \$303 million, or 24.8%, of the more than \$1.221 billion in fiscal year 2023 General Funds university appropriations had been sent to the Illinois Office of Comptroller. Through the end of August, the IOC paid 24% of the universities' fiscal year 2023 appropriation.

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

At the end of August, almost \$20 million in General Funds payments for universities was pending at the IOC. No amounts for universities were included in state agency liability estimates.

<sup>5</sup> Includes 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: \$1.359 Billion

The amount of vouchers and transfers pending at the IOC changes every day as payments are made from the state’s General Funds. The estimated vouchers and transfers pending at the IOC totaled \$1.359 billion on August 31, 2022, reflecting a net increase of \$263 million compared to July 2022.

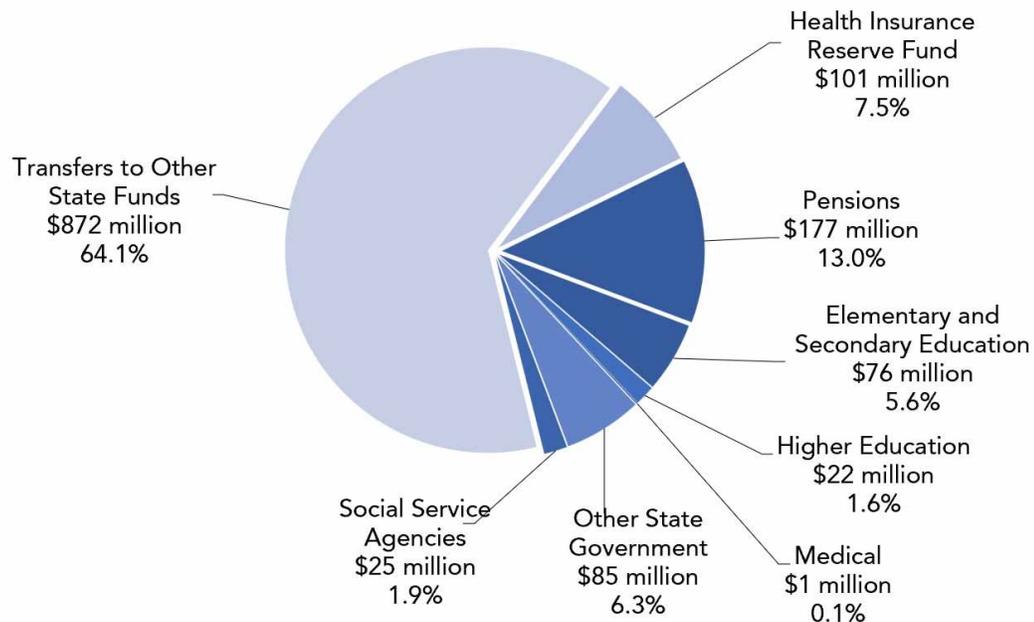
The largest increase within the IOC payables was the amount of HIRF vouchers pending at the end of the month, which rose from less than \$500,000 in July to \$101 million in August.

### Composition of Bills at the Illinois Office of Comptroller

as of August 31, 2022

Total = \$1.359 billion

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



The IOC reported \$89 million in outstanding Community College Health Insurance Security Fund vouchers and transfers pending at the end of August. 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. Additional resources are needed from community colleges and employee contributions to make up the shortfall.<sup>6</sup> Also, \$179 million in technology-related vouchers and transfers from the Department of Innovation and Technology was pending at the IOC and will continue until additional fund receipts from other user state agencies are made. In April, the Legislature and Governor approved a \$45 million fiscal year 2022 supplemental appropriation to the Technology Management Revolving Fund, more than \$42 million of which was expended in July.

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

<sup>6</sup>According to the Governor’s proposed Operating Budget for fiscal year 2023, current contributions fund just 62% of the program’s liability, and without statutory changes, the backlog of bills for the Community College Health Insurance Program will continue to grow.

## Oldest General Revenue Fund Voucher at IOC: 12 Business Days

At the end of the day August 31, the oldest General Revenue Fund voucher at the Illinois Office of Comptroller was 12 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, and including its high point of 210 days at the end of November 2017.

In addition to the General Funds accounts payable, the oldest General Revenue Fund 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 interfund transfers, which made up \$872 million, or 64.1%, of the IOC payables as of August 31.

### IOC General Revenue Fund Payment Cycle History

October 2017 through August 2022

Oldest GRF voucher at end of day 8/31/2022: 12 business days

