

DEBT TRANSPARENCY REPORT SUMMARY

Vol. 6, No. 9

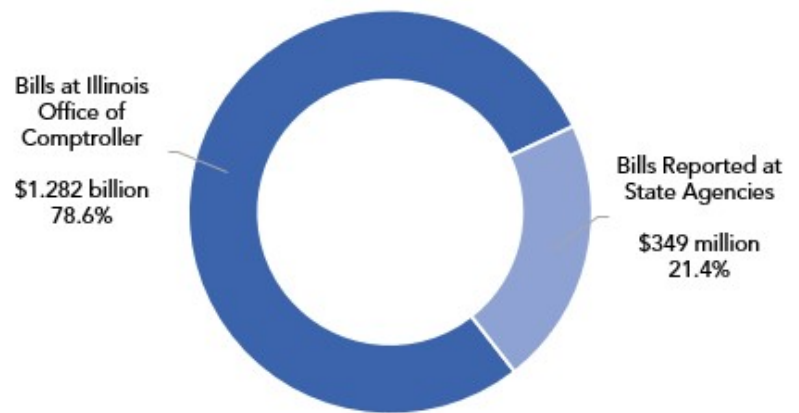
Period Ending August 31, 2023

SUMMARY

- Estimated 8/31/2023 accounts payable totaled \$1.631 billion for General Funds and Health Insurance Reserve Fund (HIRF)^{1,2}
- Agencies reported \$349 million in net General Funds and HIRF liabilities¹
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$1.282 billion¹
- Identifies approximately \$61 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 8/31/2023 was 15 business days

Estimated General Funds Accounts Payable¹

as of August 31, 2023
Total = \$1.631 billion



Debt Transparency Report Summary Vol. 6, No. 9 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.

Sixty-four state agencies and universities responded for the August 2023 reporting period in time for their data to be included in this publication. Seven agencies reported zero liabilities. The IOC granted 19 agencies waivers under 30 ILCS 105/9.08(a).

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: \$349 Million

Agencies reported \$546 million in General Funds liabilities and late payment interest penalties as of August 31, 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. Health Insurance Reserve Fund liabilities and late payment interest penalties totaled \$4 million.

After adjusting for amounts agencies reported have been or will be submitted to the IOC, net agency liabilities totaled \$349 million. The three state agencies with the largest liabilities reported \$343 million in General Funds liabilities, making up 98.1% of the total reported amount of net liabilities at agencies.

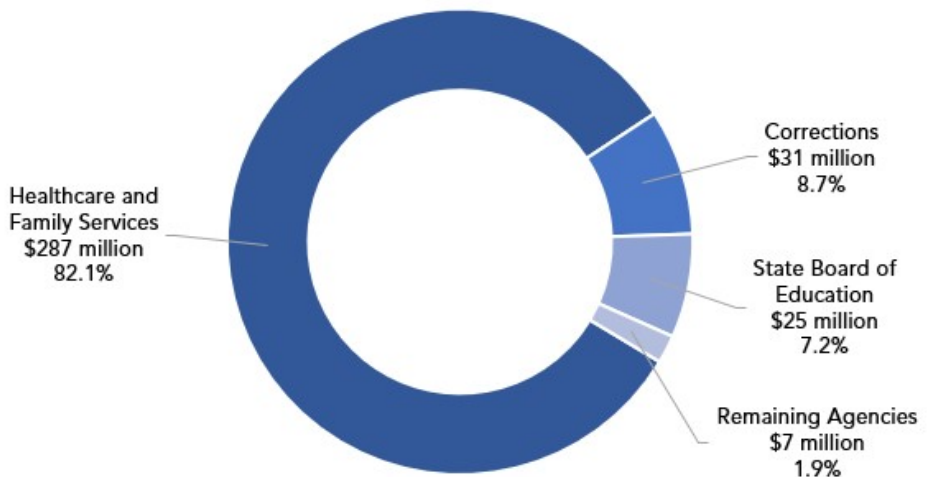
The Department of Central Management Services (CMS) reported \$4 million in HIRF liabilities for bills related to the state’s Group Insurance Program and \$50,000 in obligations pending at the agency for late payment interest penalties from principal payments on HIRF bills that have already been made, while reporting that \$106 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 \$349 million for the August 2023 period.³ This \$349 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 \$349 million with the \$1.282 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, 2023 was \$1.631 billion.

Net Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties
as of August 31, 2023
Total = \$349 million
Amounts may not sum to total or to 100% due to rounding.



³At the end of the day August 31, 2023, the cash balance in the HIRF was \$126 million.

Interest Penalties: \$61 Million

For the August 2023 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.

Agencies reporting the largest late payment interest penalties, including estimated amounts on vouchers held by the agencies, were the departments of CMS with \$783,000, and Natural Resources with \$748,000. As of August 31, 2023, another \$60 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 \$61 million for the reporting period, with more than \$1 million in additional estimated late payment interest penalties on vouchers still held by agencies. As noted in *Vouchers and Transfers Pending at the Illinois Office of Comptroller*, \$58 million of these pending late payment interest penalties is owed from the Technology Management Revolving Fund, which is not a General Fund.

Additionally, the IOC paid \$2 million in late payment interest penalties in August 2023.⁴

Estimated Pending Liabilities

Agencies reported \$1.245 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 August 2023, vouchers reflecting \$302 million, or 23.1%, of the \$1.304 billion in fiscal year 2024 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 2024 and Western Illinois University reported \$715,000 in insufficient appropriations. More information may be found in each university's DTA submission.

At the end of August, \$71 million in General Funds payments for universities was pending at the IOC. No amounts for universities were included in state agency liability estimates.

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: \$1.282 Billion

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

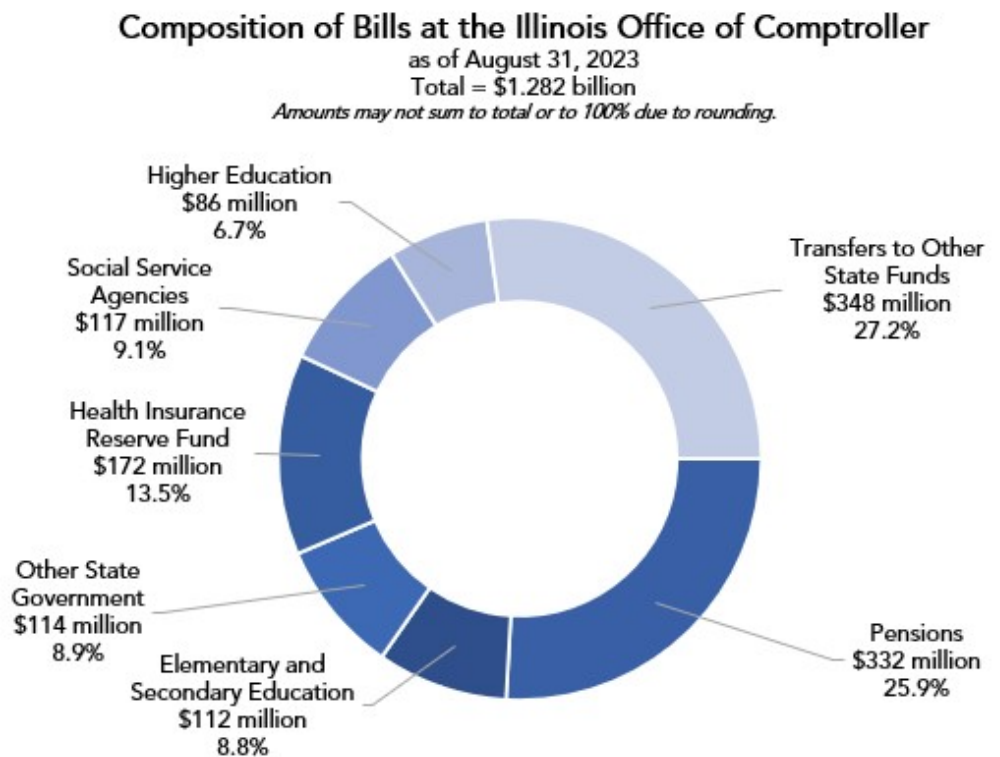
After adjusting the HIRF total down by the \$164 million in pending transfers from GRF included in the accounts payable at the IOC, the net accounts payable and transfers on hold at the IOC totaled \$1.282 billion. GRF transfers to HIRF must be backed out of the total to ensure the transfer amount is not counted twice.

The IOC reported \$101 million in outstanding Community College Health Insurance Security Fund vouchers and transfers pending at the end of August, of which an estimated \$95 million was for vouchers more than 90 days old. To help meet cash flow deficits in the fund, the fiscal year 2024 budget implementation bill requires the IOC to transfer up to \$50 million from HIRF to the Community College Health Insurance Security Fund through the end of the fiscal year. The enacted BIMP also requires community college employees to increase their contributions to the fund toward the cost of annuitant and survivor health care benefits.⁵

Also, \$203 million in technology-related vouchers from the Department of Innovation and Technology was pending at the IOC

at the end of August, of which an estimated \$10 million was for principal payment vouchers more than 90 days old, with \$58 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.



⁵Public Act 103-0008.

Oldest General Revenue Fund Voucher at IOC: 15 Business Days

At the end of the day August 31, the oldest General Revenue Fund voucher at the Illinois Office of Comptroller was 15 business days. This chart shows where this compares to the end of the calendar year and the end of the fiscal year since the end of fiscal year 2018.

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 \$348 million, or 27.2%, of the IOC General Funds and HIRF payables as of August 31.

IOC General Revenue Fund Payment Cycle History
June 2018 through August 2023
Oldest GRF voucher at end of day 8/31/2023: 15 business days

