

DEBT TRANSPARENCY REPORT SUMMARY

Vol. 7, No. 9

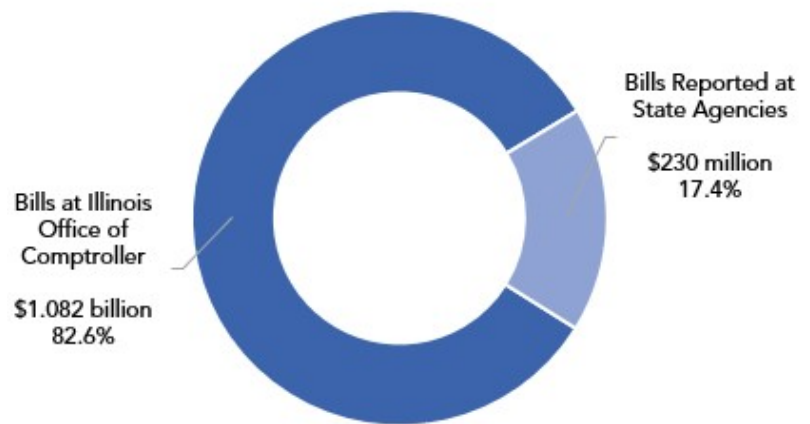
Period Ending August 31, 2024

SUMMARY

- Estimated 8/31/2024 accounts payable totaled \$1.311 billion for General Funds and Health Insurance Reserve Fund (HIRF)^{1,2}
- Agencies reported \$230 million in net General Funds and HIRF liabilities¹
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$1.082 billion¹
- Identifies approximately \$69 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 8/31/2024 was 15 business days

Estimated General Funds Accounts Payable¹

as of August 31, 2024
Total = \$1.311 billion



Debt Transparency Report Summary Vol. 7, 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-six state agencies and universities responded for the August 2024 reporting period in time for their data to be included in this publication. Seven 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: \$230 Million

Agencies reported \$374 million in General Funds and Health Insurance Reserve Fund liabilities and late payment interest penalties as of August 31, 2024. This amount reflects liabilities not 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 \$230 million. The three state agencies with the largest liabilities reported \$222 million in General Funds liabilities, making up 96.4% of the total reported amount of net liabilities at agencies.

The Department of Central Management Services (CMS) reported more than \$1 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, while reporting that \$85 million in HIRF liabilities have been or will be submitted to the IOC.

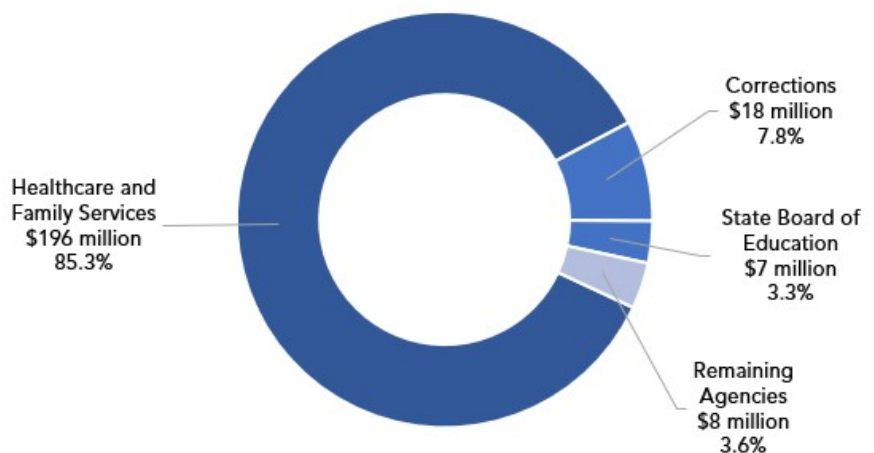
Reporting agencies’ net liabilities, based on their net General Funds and HIRF liabilities, including late payment interest penalties owed on bills released for payment by the Illinois Office of Comptroller, totaled \$230 million for the August 2024 period.³ This amount has been incorporated into the 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 \$230 million with the \$1.082 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, 2024 was \$1.311 billion.⁴

Net Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties
as of August 31, 2024
Total = \$230 million

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



³ At the end of the day August 31, 2024, the cash balance in the HIRF was \$24 million.

⁴ Amounts may not sum to total due to rounding.

Interest Penalties: \$69 Million

For the August 2024 reporting period, state agencies reported \$7 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 Innovation and Technology with \$5 million and CMS with less than \$1 million. As of August 31, 2024, almost \$69 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 \$69 million for the reporting period, plus almost \$7 million in estimated late payment interest penalties on vouchers still held by agencies. As noted in *Vouchers and Transfers Pending at the Illinois Office of Comptroller*, \$68 million of the \$69 million in 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 2024.⁵

Estimated Pending Liabilities

Agencies reported \$1.283 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 2024, vouchers reflecting \$277 million, or 20.8%, of the \$1.329 billion in fiscal year 2025 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 fiscal year 2025. More information may be found in the university's DTA submission.

At the end of August, \$19 million in General Funds payments for universities was pending at the IOC. No amounts for universities were included in state agency liability estimates.

⁵Includes 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: \$1.082 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 \$192 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 \$1.082 billion. GRF transfers to HIRF must be backed out of the total to ensure the transfer amount is not counted twice.

At the end of the day August 31, \$186 million in technology-related vouchers from the Department of Innovation and Technology was pending at the IOC, of which an estimated \$44 million in interest-generating principal payments was more than 90 days old, with another \$68 million owed in late payment interest penalties. The oldest voucher for late payment interest penalties goes back almost four years, and more than one year for vendor-related vouchers, at a time when GRF commercial vouchers are being paid by the IOC within 30 days. Since payment for these technology-related vouchers is made from the Technology Management Revolving Fund, a non-GRF fund with limited cash availability, the fund is dependent on revenue receipts from user agencies and/or special transfers enacted by the legislature. Given the uncertainty of revenue receipts into the fund, the IOC must continue working in consultation with the department to cash manage bill payment strategies from the fund to sustain overall agency operations.

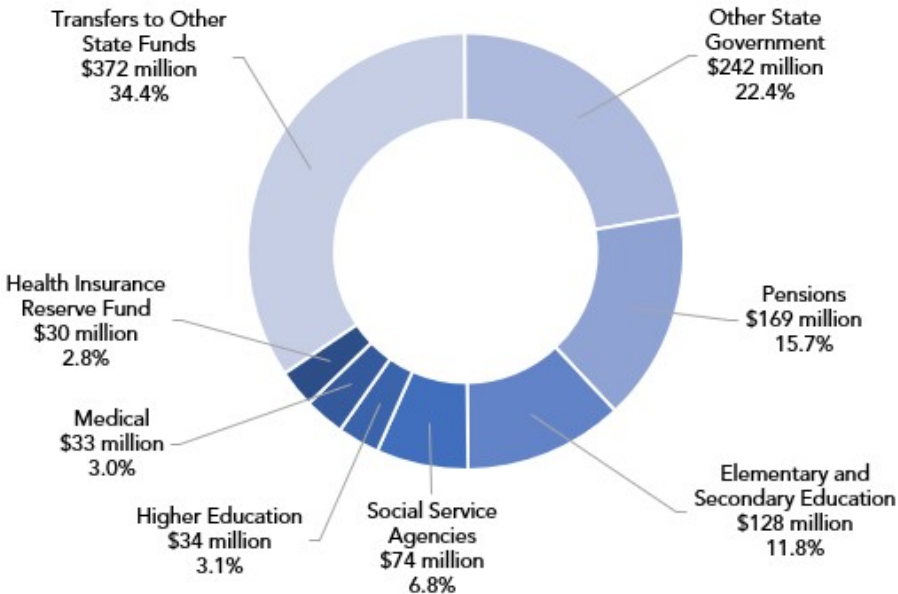
In addition, \$49 million in outstanding Community College Health Insurance Security Fund vouchers and transfers was pending at the IOC at the end of August, of which an estimated \$41 million was for vouchers more than 90 days old.

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

Composition of Bills at the Illinois Office of Comptroller

as of August 31, 2024
Total = \$1.082 billion

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



Oldest General Revenue Fund Voucher at IOC: 15 Business Days

At the end of the day August 31, the oldest GRF voucher at the Illinois Office of Comptroller was 15 business days. This chart shows the changes to the GRF payment cycle over the past several years, beginning with fiscal year 2017, when the state was mired in what would become a 736-day budget impasse that ended July 6, 2017.

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 pending interfund transfers, which made up \$372 million, or 34.4%, of the IOC General Funds and HIRF payables as of August 31.

IOC General Revenue Fund Payment Cycle History
Oldest GRF voucher at end of day 8/31/2024: 15 business days

