

# DEBT TRANSPARENCY REPORT SUMMARY

Vol. 6, No. 3

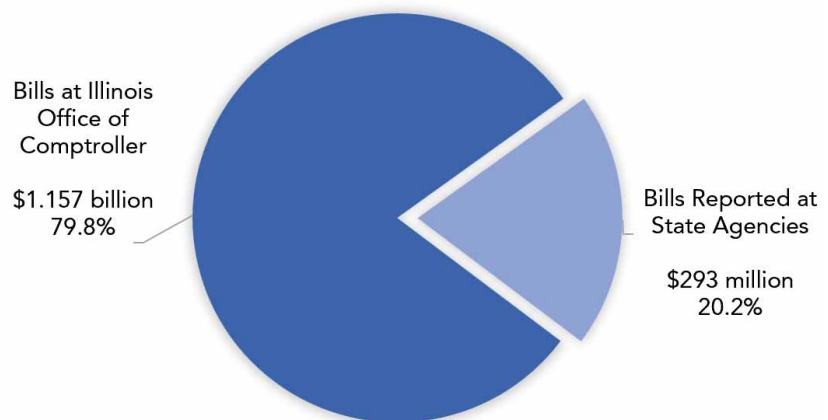
Period Ending February 28, 2023

## SUMMARY

- Estimated 2/28/2023 accounts payable totaled \$1.449 billion for General Funds and Health Insurance Reserve Fund (HIRF)<sup>1,2</sup>
- Agencies reported \$293 million in net General Funds and HIRF liabilities<sup>1</sup>
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$1.157 billion<sup>1</sup>
- Identifies approximately \$60 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 2/28/2023 was 17 business days

## Estimated General Funds Accounts Payable<sup>1</sup>

as of February 28, 2023  
Total = \$1.449 billion



Debt Transparency Report Summary Vol. 6, No. 3 identifies liabilities from General Funds and the Health Insurance Reserve Fund (HIRF) for the state's total 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 February 2023 reporting period in time for their data to be included in this publication. Twenty-six 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 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.

<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

### Net Liabilities at State Agencies: \$293 Million

Agencies reported \$463 million in General Funds liabilities and late payment interest penalties as of February 28, 2023. 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.

After adjusting for amounts the agencies report have been or will be submitted to the IOC, net agency liabilities totaled \$293 million. The two state agencies with the largest liabilities reported \$278 million in General Funds liabilities, making up 95.1% of the total reported amount of net liabilities at agencies.

The Department of Central Management Services (CMS) reported \$22 million in HIRF liabilities for bills related to the state’s Group Insurance Program and less than \$200 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 \$103 million in HIRF liabilities have been or will be submitted to the IOC, effectively zeroing out net HIRF liabilities for the reporting period.

Reporting agencies’ total 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, were \$293 million for the February 2023 period.<sup>3</sup> This \$293 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.

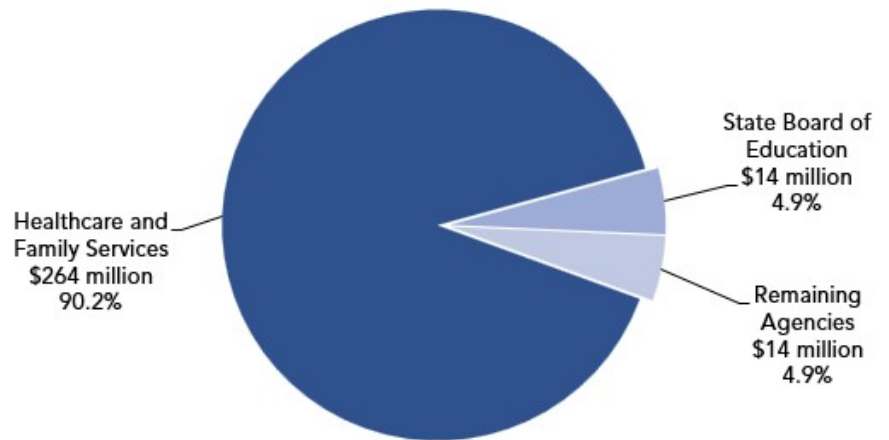
After combining this \$293 million with the \$1.157 billion in General Funds and HIRF payables at the Illinois Office of Comptroller, the total estimated General Funds and HIRF accounts payable for February 28, 2023 was \$1.449 billion.

### Net Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties  
as of February 28, 2023

Total = \$293 million

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



<sup>3</sup>At the end of the day February 28, 2023, the cash balance in the HIRF was \$123 million.

## Interest Penalties: \$60 Million

For the February 2023 reporting period, state agencies reported less than \$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 February 28.

Agencies reporting the largest late payment interest penalties, including estimated amounts on vouchers held by the agencies, were the departments of CMS with \$866,000, Natural Resources with \$747,000, Innovation and Technology with \$293,000, and Public Health with \$298,000. As of February 28, 2023, another \$58 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 \$60 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 \$51,000 in late payment interest penalties in February 2023. The IOC has paid almost \$15 million in late payment interest penalties during fiscal year 2023.<sup>4</sup>

## Estimated Pending Liabilities

Agencies reported \$1.701 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 February 2023, vouchers reflecting \$1.112 billion, or 91.0%, 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 February, \$216 million in General Funds payments for universities was pending at the IOC. No amounts for universities were included in state agency liability estimates.

<sup>4</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: \$1.157 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 General Funds and HIRF vouchers and transfers pending at the IOC totaled \$1.157 billion at the end of February 28, 2023.

The IOC reported \$97 million in outstanding Community College Health Insurance Security Fund vouchers and transfers pending at the end of February, of which \$88 million is 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. Additional resources are needed from community colleges and employee contributions to make up the shortfall.<sup>5</sup>

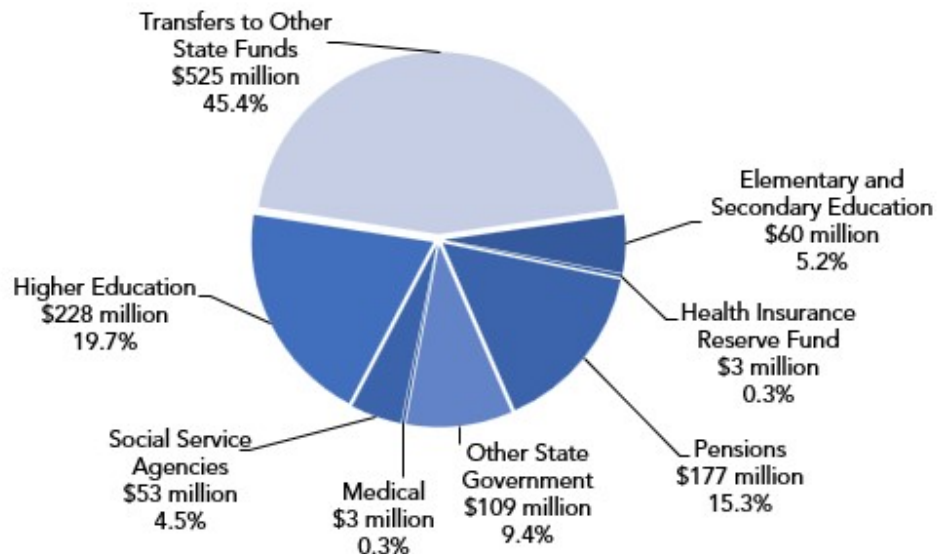
Also, \$155 million in technology-related vouchers from the Department of Innovation and Technology was pending at the IOC at the end of February, following the IOC's action to apply \$100 million toward more than 300 technology-related vouchers.

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 February 28, 2023  
Total = \$1.157 billion

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



<sup>5</sup>According 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: 17 Business Days

At the end of the day February 28, the oldest GRF voucher at the Illinois Office of Comptroller was 17 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 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 \$525 million, or 45.4%, of the IOC payables as of February 28.

**IOC General Revenue Fund Payment Cycle History**  
*October 2017 through February 2023*  
*Oldest GRF voucher at end of day 2/28/2023: 17 business days*

