

DEBT TRANSPARENCY REPORT SUMMARY

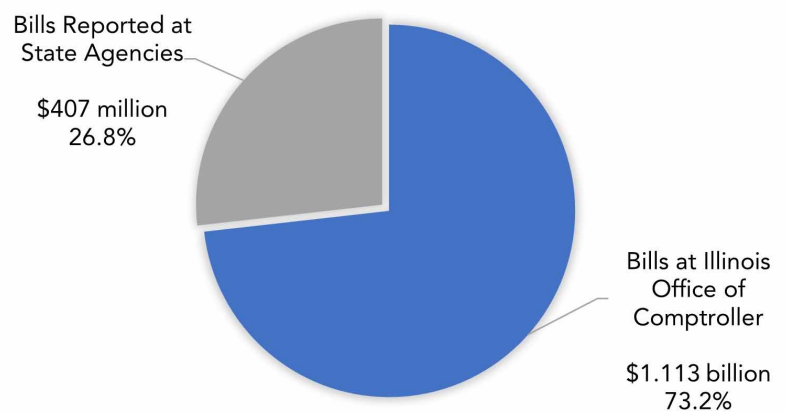
Vol. 5, No. 7

Period Ending June 30, 2022

SUMMARY

- Estimated 6/30/2022 accounts payable totaled \$1.520 billion for General Funds and Health Insurance Reserve Fund (HIRF) (\$858 million decrease from prior month)^{1,2}
- Agencies reported \$407 million in General Funds and HIRF bills on hand (\$351 million decrease from prior month)¹
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$1.113 billion (\$507 million decrease from prior month)
- Identifies approximately \$49 million in reported pending late payment interest penalties
- The Illinois Office of Comptroller had no General Revenue Fund vouchers pending at end of 6/30/2022

Estimated General Funds Accounts Payable¹
as of June 30, 2022
Total = \$1.520 billion



Debt Transparency Report Summary Vol. 5, No. 7 identifies liabilities from General Funds and the Health Insurance Reserve Fund (HIRF) for the state's total estimated 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-two state agencies and universities responded for the June 2022 reporting period in time for their data to be included in this publication. Twenty-four agencies reported zero liabilities.

¹The estimated 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 interest payments 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

Bills Held at State Agencies: \$407 Million

Agencies reported \$401 million in General Funds liabilities and late payment interest penalties as of June 30, 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 six state agencies with the largest liabilities reported \$392 million in General Funds liabilities and HIRF liabilities, making up 96.4% of the total reported amount of bills pending at agencies.

The Department of Central Management Services (CMS) reported \$6 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 \$2 million decrease compared to combined HIRF liabilities and HIRF late payment interest penalties from May 2022.

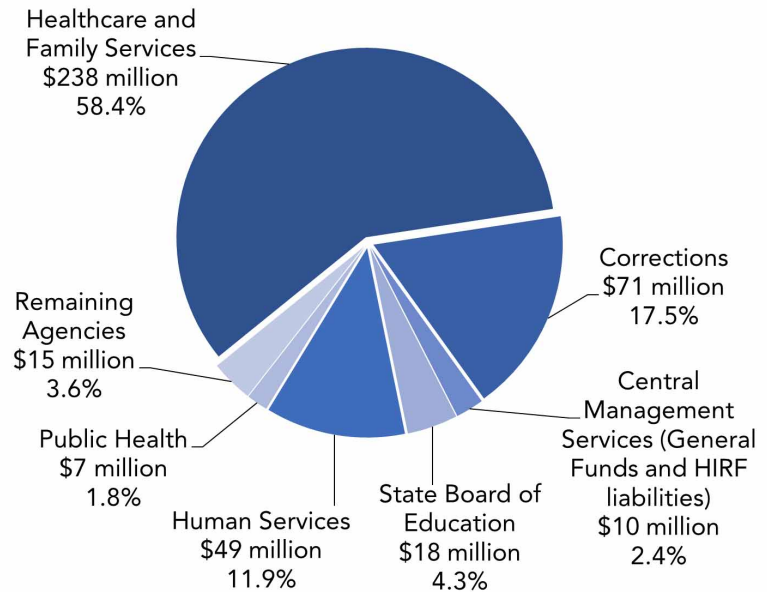
Reporting agencies' total liabilities, based on their General Funds and HIRF liabilities, including late payment interest penalties owed on bills released for payment by the Illinois Office of Comptroller, were \$407 million for the June 2022 period, representing a \$351 million decrease compared to agencies' May 2022 liabilities.^{3,4} This \$407 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 \$407 million with the \$1.113 billion in General Funds and HIRF payables at the Illinois Office of Comptroller, the total estimated General Funds and HIRF accounts payable for June 30, 2022 was \$1.520 billion, a decrease of \$858 million from the end of May 2022.

Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties
as of June 30, 2022
Total = \$407 million

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



³ Compared to May 2022, liabilities and late payment interest penalties increased by \$27 million at the Department of Corrections and by \$1 million at the Department of Public Health; they decreased by \$317 million at the Department of Healthcare and Family Services, by \$36 million at the Department of Human Services, by \$20 million at the State Board of Education, and by \$4 million at the Department of Central Management Services.

⁴ At the end of the day June 30, 2022, the cash balance in the HIRF was \$18 million.

Interest Penalties: \$49 Million

For the June 2022 reporting period, state agencies reported nearly \$5 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 June 30. More than \$2 million in late payment interest penalties from the General Funds and HIRF was factored into the reported agency liabilities of \$407 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 Corrections with nearly \$3 million, CMS with \$835,000, and Natural Resources with \$690,000. As of June 30, 2022, another \$46 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 \$49 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 \$400,000 in late payment interest penalties in June 2022.⁵ For fiscal year 2022, the IOC has paid about \$149 million in late payment interest penalties.

Estimated Pending Liabilities

Agencies reported \$959 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 June 2022, vouchers reflecting \$1.210 billion, or 99.8%, of the more than \$1.213 billion in fiscal year 2022 General Funds university appropriations (including supplemental 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 2022 and Western Illinois University reported almost \$2 million in insufficient appropriations. More information may be found in each university's DTA submission.

At the end of June, \$300,000 in General Funds payments for universities was pending at the Illinois Office of Comptroller. No amounts for universities were included in state agency liability estimates.

⁵ 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: \$1.113 Billion

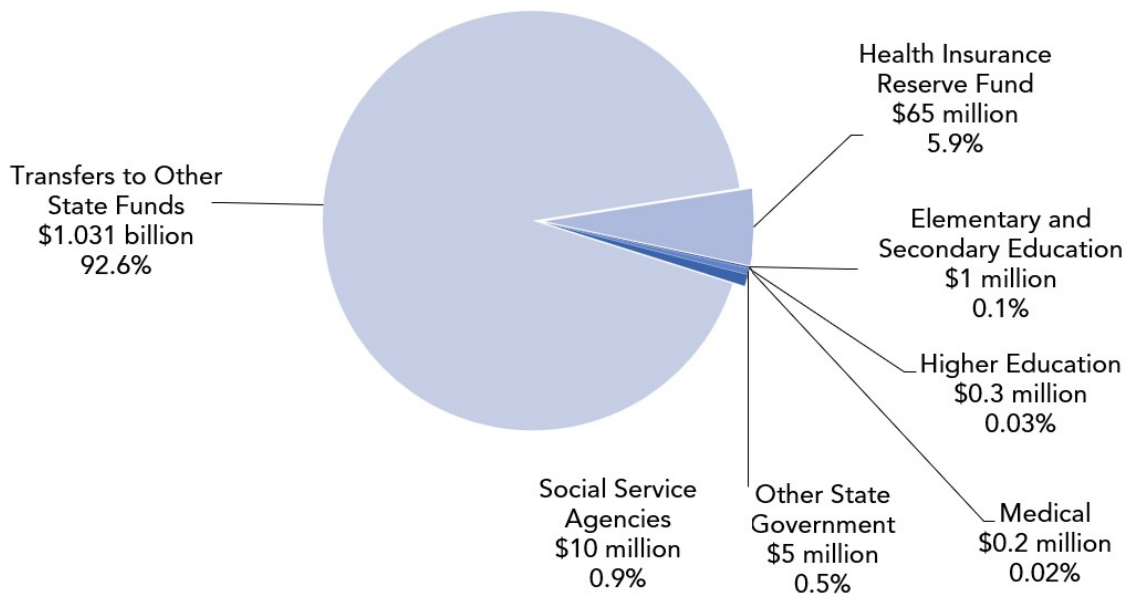
The amount of vouchers and transfers pending at the IOC changes every day as payments are made from the state's General Funds. The estimated vouchers and transfers pending at the IOC totaled \$1.113 billion on June 30, 2022, reflecting a net decrease of \$507 million compared to May 2022.

The largest decrease within the IOC payables was the amount of transfers to other state funds, which dropped from \$1.282 billion at the end of May to \$1.031 billion at the end of June.

Composition of Bills at the Illinois Office of Comptroller

as of June 30, 2022
Total = \$1.113 billion

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



The IOC reported \$113 million in outstanding Community College Health Insurance Security Fund vouchers and transfers pending at the end of June. The fiscal year 2023 budget includes a \$25 million GRF appropriation for the Community College Insurance Program. However, additional resources are needed from community colleges and employee contributions to make up the shortfall.⁶ Additionally, \$183 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.

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

⁶According 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: 0 Business Days

At the end of the day June 30, the Illinois Office of Comptroller had no General Revenue Fund vouchers. The *IOC General Revenue Fund Payment Cycle History* 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 \$16.675 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 \$1.031 billion, or 92.6%, of the IOC payables as of June 30.

IOC General Revenue Fund Payment Cycle History
October 2017 through June 2022
Oldest GRF voucher at end of day 6/30/2022: 0 business days

