

DEBT TRANSPARENCY REPORT SUMMARY

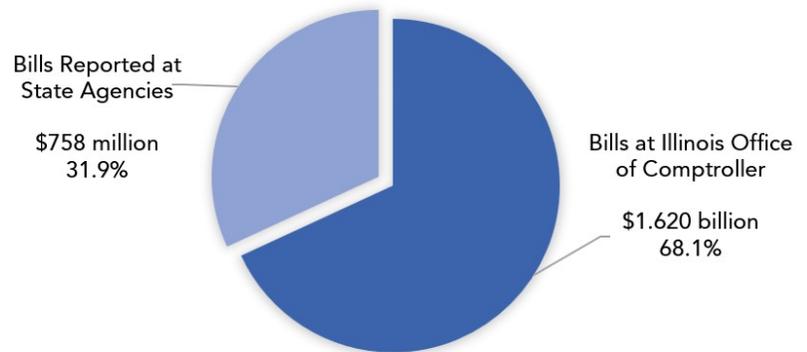
Vol. 5, No. 6

Period Ending May 31, 2022

SUMMARY

- Estimated 5/31/2022 accounts payable totaled \$2.378 billion for General Funds and Health Insurance Reserve Fund (HIRF) (\$417 million increase from prior month)^{1,2}
- Agencies reported \$758 million in General Funds and HIRF bills on hand (\$429 million increase from prior month)¹
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$1.620 billion (\$12 million decrease from prior month)
- Identifies approximately \$47 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 5/31/2022 was 12 business days

Estimated General Funds Accounts Payable¹
as of May 31, 2022
Total = \$2.378 billion



Debt Transparency Report Summary Vol. 5, No. 6 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 May 2022 reporting period in time for their data to be included in this publication. Twenty-five 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: \$758 Million

Agencies reported \$750 million in General Funds liabilities and late payment interest penalties as of May 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 five state agencies with the largest liabilities reported \$736 million in General Funds liabilities and HIRF liabilities, making up 97.0% of the total reported amount of bills pending at agencies.

The Department of Central Management Services (CMS) reported \$8 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 increase compared to combined HIRF liabilities and HIRF late payment interest penalties from April 2022.

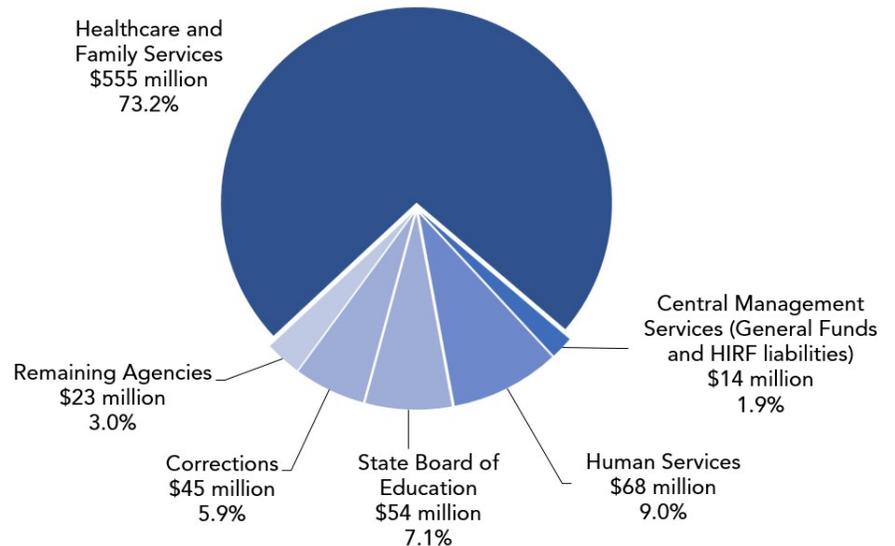
Reporting agencies’ total liabilities, based on their General Funds and HIRF liabilities, including late payment interest penalties owed on bills released for payment by the Illinois Office of Comptroller, were \$758 million for the May 2022 period, representing a \$429 million increase compared to agencies’ April 2022 liabilities.^{3,4} This \$758 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 \$758 million with the \$1.620 billion in General Funds and HIRF payables at the Illinois Office of Comptroller, the total estimated General Funds and HIRF accounts payable for May 31, 2022 was \$2.378 billion, an increase of \$417 million from the end of April 2022.

Agency General Funds/HIRF Liabilities Breakout

Includes Late Payment Interest Penalties
as of May 31, 2022
Total = \$758 million

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



³ Compared to April 2022, liabilities and late payment interest penalties increased by \$350 million at the Department of Healthcare and Family Services, by \$45 million at the State Board of Education, by \$26 million at the Department of Human Services, by \$7 million at the Department of Central Management Services, and by \$3 million at the Department of Corrections.

⁴ At the end of the day May 31, 2022, the cash balance in the HIRF was \$176 million.

Interest Penalties: \$47 Million

For the May 2022 reporting period, state agencies reported nearly \$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 May 31. More than \$1 million in late payment interest penalties from the General Funds and HIRF was factored into the reported agency liabilities of \$758 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 Innovation and Technology with more than \$3 million, Corrections with \$1 million, CMS with \$700,000, and Natural Resources with \$690,000. As of May 31, 2022, another \$41 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 \$47 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 \$5 million in late payment interest penalties in May 2022.⁵ Through May, the IOC has paid \$148 million in late payment interest penalties in fiscal year 2022.

Estimated Pending Liabilities

Agencies reported \$1.110 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 Illinois Office of Comptroller's amount of bills pending or the agencies' estimated liabilities.

UNIVERSITY REPORTING

State universities reported that through May 2022, vouchers reflecting \$1.176 billion, or 97.0%, 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 May, more than \$1 million 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: \$1.620 Billion

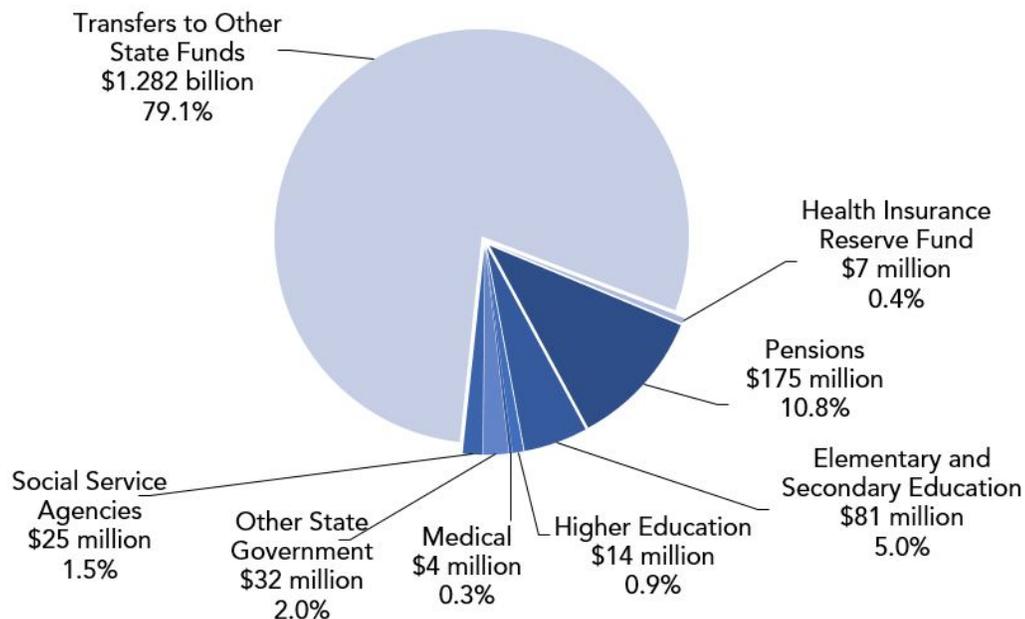
The amount of vouchers and transfers pending at the IOC changes every day as payments are made from the state's General Funds. The estimated vouchers and transfers pending at the IOC totaled \$1.620 billion on May 31, 2022, reflecting a net decrease of \$12 million compared to April 2022.

The largest decrease within the IOC payables was the amount of HIRF vouchers pending, which dropped from \$180 million at the end of April to \$7 million at the end of May. Transfers to other state funds decreased by \$70 million compared to April 2022.

Composition of Bills at the Illinois Office of Comptroller

as of May 31, 2022
Total = \$1.620 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 May. 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, \$209 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: 12 Business Days

At the end of the day May 31, the oldest General Revenue Fund voucher at the IOC was 12 business days. 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 \$1.282 billion, or 79.1%, of the IOC payables as of May 31.

IOC General Revenue Fund Payment Cycle History

October 2017 through May 2022
Dates noted as of 8 a.m.

