

# DEBT TRANSPARENCY REPORT SUMMARY

Vol. 7, No. 6

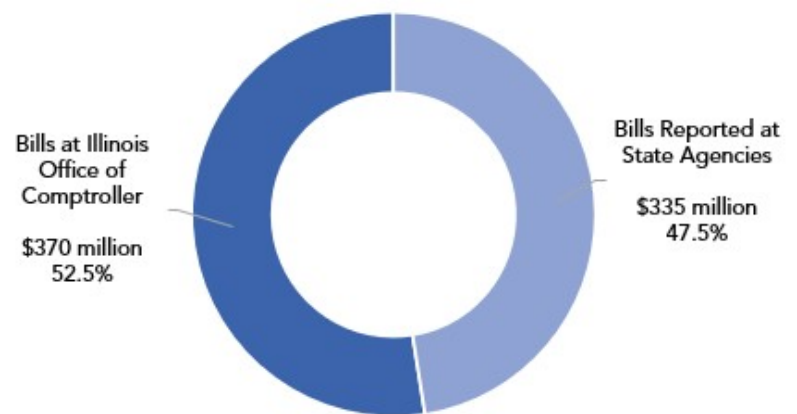
Period Ending May 31, 2024

## SUMMARY

- Estimated 5/31/2024 accounts payable totaled \$706 million for General Funds and Health Insurance Reserve Fund (HIRF)<sup>1,2</sup>
- Agencies reported \$335 million in net General Funds and HIRF liabilities<sup>1</sup>
- Net pending vouchers and transfers at the Illinois Office of Comptroller totaled \$370 million<sup>1</sup>
- Identifies approximately \$66 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 5/31/2024 was 14 business days

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

as of May 31, 2024  
Total = \$706 million



Debt Transparency Report Summary Vol. 7, No. 6 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).

Sixty-four state agencies and universities responded for the May 2024 reporting period in time for their data to be included in this publication. Seven 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: \$335 Million**

Agencies reported \$927 million in General Funds and Health Insurance Reserve Fund liabilities and late payment interest penalties as of May 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 \$335 million. The four state agencies with the largest liabilities reported \$324 million in General Funds liabilities, making up 96.7% of the total reported amount of net liabilities at agencies.

The Department of Central Management Services (CMS) reported more than \$4 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 \$109 million in HIRF liabilities have been or will be submitted to the IOC.

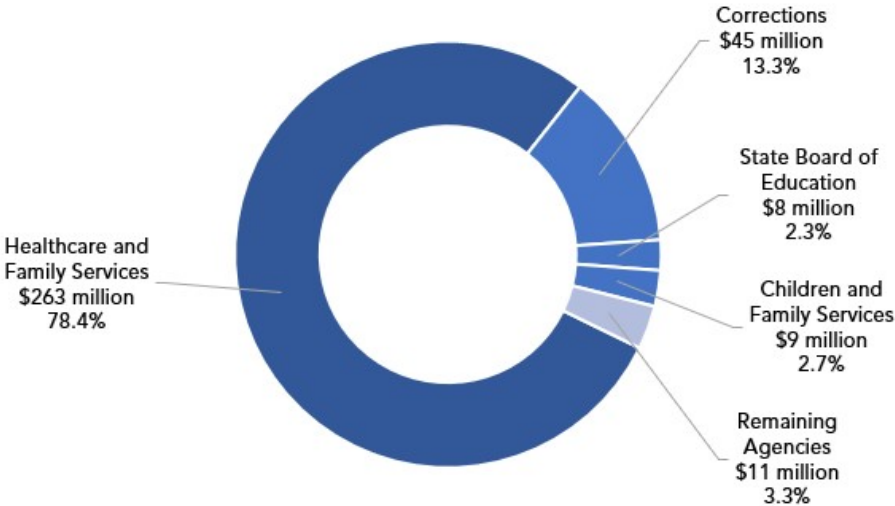
Reporting agencies’ net liabilities, based on their net General Funds and HIRF liabilities, including late payment interest penalties owed on bills released for payment by the Illinois Office of Comptroller, totaled \$335 million for the May 2024 period.<sup>3</sup> This amount has been incorporated 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 \$335 million with the \$370 million in General Funds and HIRF payables at the Illinois Office of Comptroller, the total estimated General Funds and HIRF accounts payable for May 31, 2024 was \$706 million.<sup>4</sup>

**Insufficient Appropriations/Funding Shortfall**

At the end of May, the General Assembly approved a fiscal year 2025 budget, which included \$1.2 billion in General Funds supplemental appropriations for fiscal year 2024. Among the supplemental appropriations were \$183 million for the state’s group health insurance program, \$730 million for the Healthcare Provider Relief Fund for the payment of medical bills, and \$100 million for the Technology Management Revolving Fund for Department of Innovation and Technology bills.<sup>5</sup> These supplemental appropriations address the shortfalls included in agencies’ prior DTA submissions and in the Governor’s fiscal year 2025 operations budget proposal.

**Net Agency General Funds/HIRF Liabilities Breakout**  
Includes Late Payment Interest Penalties  
as of May 31, 2024  
Total = \$335 million  
*Amounts may not sum to total or to 100% due to rounding.*



<sup>3</sup>At the end of the day May 31, 2024, the cash balance in the HIRF was \$118 million.

<sup>4</sup>Amounts may not sum to total due to rounding.

<sup>5</sup>Public Act 103-0589.

## Interest Penalties: \$66 Million

For the May 2024 reporting period, state agencies reported more than \$14 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.

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 \$10 million, State Police with \$1 million, Corrections with \$788,000, and CMS with \$737,000. As of May 31, 2024, another \$62 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 \$66 million for the reporting period, with \$11 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*, \$62 million of the \$66 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 \$1 million in late payment interest penalties in May 2024.<sup>6</sup> Through May, the IOC has paid \$33 million in late payment interest penalties in fiscal year 2024.

## Estimated Pending Liabilities

Agencies reported \$1.610 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 May 2024, vouchers reflecting \$1.286 billion, or 98.6%, 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 and Western Illinois University each reported more than \$1 million in insufficient appropriations for the remainder of fiscal year 2024. More information may be found in each university's DTA submission.

At the end of May, \$4 million in General Funds payments for universities was pending at the IOC. No amounts for universities were included in state agency liability estimates.

<sup>6</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: \$370 Million

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

With no HIRF transfers from GRF pending at the IOC at the end of May, the net accounts payable and transfers on hold at the IOC totaled \$370 million.

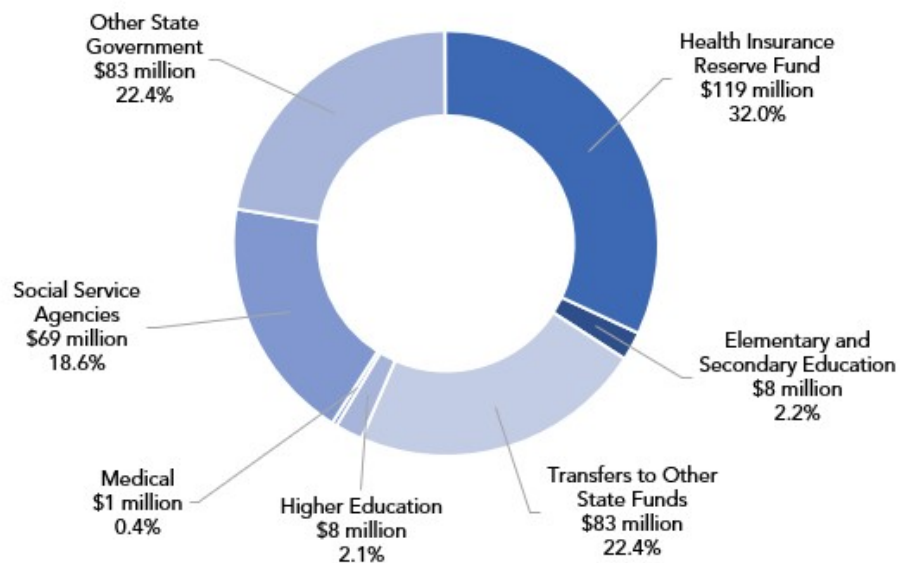
At the end of the day May 31, \$288 million in technology-related vouchers from the Department of Innovation and Technology was pending at the IOC, of which \$140 million in interest-generating principal payments was more than 90 days old, with another \$62 million owed in late payment interest penalties. The oldest voucher for late payment interest penalties goes back more than three years, and 10 months for vendor-related vouchers, at a time when GRF commercial vouchers are being paid by the IOC within 15 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.

### Composition of Bills at the Illinois Office of Comptroller

as of May 31, 2024

Total = \$370 million

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



Included in the newly enacted budget package is a \$100 million fiscal year 2024 supplemental appropriation from GRF to the Technology Management Revolving Fund.<sup>7</sup> Including this supplemental appropriation, over the past several years, the General Assembly approved supplemental appropriations totaling \$345 million in special transfers to the fund in efforts to match revenues to expenditures. Despite a \$100 million infusion in fiscal year 2023, the fund imbalance has deteriorated from a year ago, with fiscal year 2024 expenditures outpacing revenues by \$62 million at the end of May. This has led to the growing amount of unpaid bills resulting in as much as an estimated \$15 million in late payment interest penalties by the end of fiscal year 2024. However, even the \$100 million in supplemental appropriations for fiscal year 2024 does not fully address all the outstanding bills presently generating interest.

In addition, \$48 million in outstanding Community College Health Insurance Security Fund vouchers and transfers was pending at the IOC at the end of May, of which an estimated \$41 million was for vouchers more than 90 days old. The enacted fiscal year 2024 BIMP required community college employees to increase their contributions to the fund toward the cost of annuitant and survivor health care benefits, and required the IOC to transfer up to \$50 million from HIRF to assist with CCHISF cash flow needs.<sup>8</sup> The IOC transferred \$50 million on September 5, 2023.

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

<sup>7</sup>Public Act 103-0589.

<sup>8</sup>Public Act 103-0008.

### Oldest General Revenue Fund Voucher at IOC: 14 Business Days

At the end of the day May 31, the oldest GRF voucher at the Illinois Office of Comptroller was 14 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.

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 \$83 million, or 22.4%, of the IOC General Funds and HIRF payables as of May 31.

#### IOC General Revenue Fund Payment Cycle History

October 2017 through May 2024

Oldest GRF voucher at end of day 5/31/2024: 14 business days

