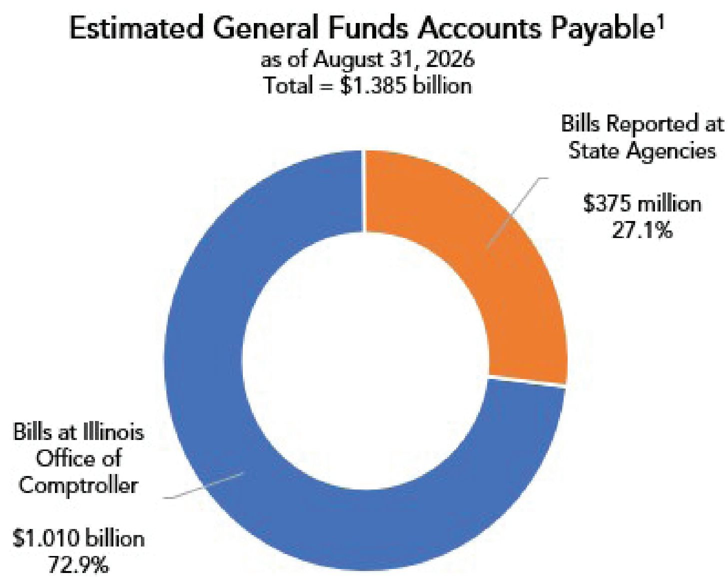
DEBT TRANSPARENCY REPORT SUMMARY

Vol. 9, No. 9

Period Ending August 31, 2026

SUMMARY

- Estimated 8/31/2026 General Funds and Health Insurance Reserve Fund (HIRF) accounts payable totaled $1.385 billion[1, 2]
- Agencies reported $375 million in net General Funds and HIRF liabilities[1]
- Net pending General Funds and HIRF vouchers and transfers at the Illinois Office of Comptroller totaled $1.010 billion[1]
- Identifies approximately $2 million in reported pending late payment interest penalties
- Oldest General Revenue Fund voucher pending at the Illinois Office of Comptroller at end of 8/31/2026 was 14 business days



Debt Transparency Report Summary Vol. 9, 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-eight state agencies and universities responded for the August 2026 reporting period in time for their data to be included in this publication. Due to the timeliness required of this monthly report, agencies not filing timely are not included. Five agencies reported zero liabilities.

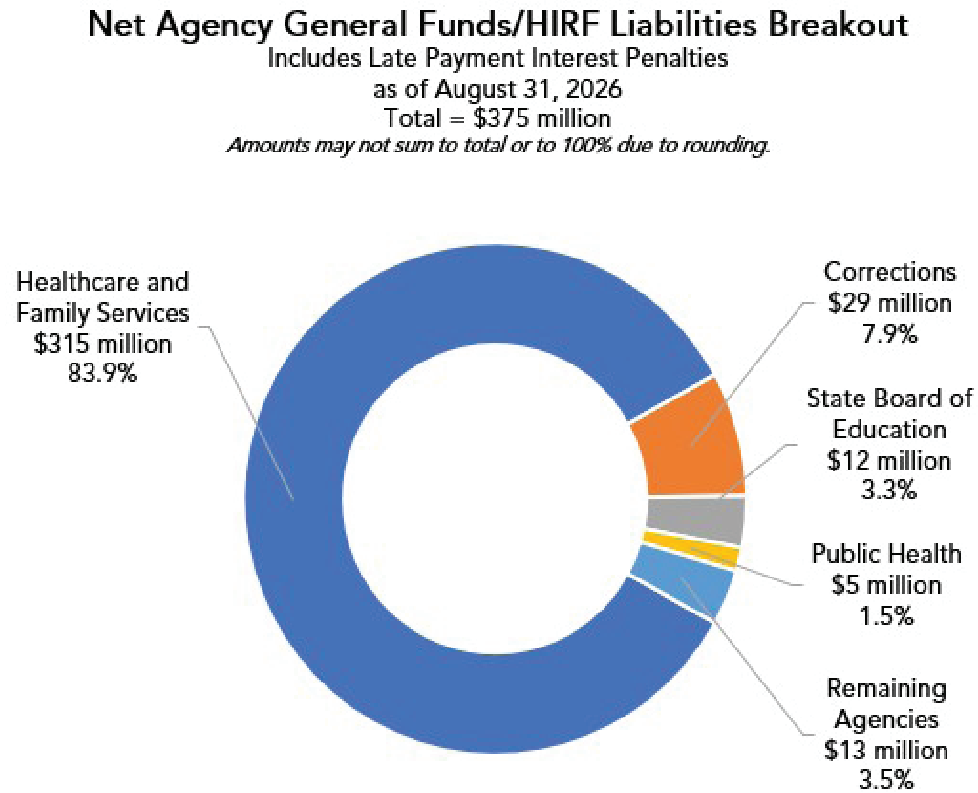
---

[1] 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.

[2] 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.

Net Liabilities at State Agencies: $375 Million

Agencies reported $574 million in General Funds and HIRF liabilities and late payment interest penalties as of August 31, 2026. This amount reflects liabilities not sent to the Illinois Office of Comptroller (IOC) 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 after the reporting period, net agency liabilities totaled $375 million. The four state agencies with the largest net liabilities reported $362 million in General Funds and HIRF liabilities, making up 96.5% of the total reported amount of net liabilities at agencies.

The Department of Central Management Services (CMS) reported more than $3 million in HIRF liabilities for bills related to the state's Group Insurance Program and no obligations pending at the agency for late payment interest penalties from principal payments on HIRF bills that have already been made, while reporting that $82 million in HIRF liabilities has been or will be submitted to the IOC.[3]

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 IOC, have 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 $375 million in net agency liabilities with $1.010 billion in General Funds and HIRF payables at the IOC, the total estimated General Funds and HIRF accounts payable for August 31, 2026 was $1.385 billion.[4]

[3] At the end of the day August 31, 2026, the cash balance in the HIRF was $63 million.

[4] Amounts may not sum to total due to rounding.

Interest Penalties: $2 Million

For the August 2026 period, state agencies reported $4 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 Healthcare and Family Services with more than $1 million, Natural Resources with $913,000, Military Affairs with $502,000, and Juvenile Justice with $457,000. As of August 31, 2026, just $400,000 in late payment interest penalty vouchers from all funds was pending at the IOC, with $300,000 in GRF and no HIRF late payment interest penalties.

UNIVERSITY REPORTING

State universities reported that through August 2026, vouchers reflecting $226 million, or 16.4%, of the $1.381 billion in fiscal year 2027 General Funds university appropriations had been sent to the IOC.

Northeastern Illinois University reported more than $1 million in insufficient appropriations for fiscal year 2027. More information may be found in its submission.

At the end of August, $21 million in General Funds payments for universities was pending at the IOC. No amounts for universities were included in state agency liability estimates.

The aggregate of outstanding accrued and pending late payment interest penalties at agencies and the IOC totaled $2 million for the reporting period, a decrease of $9 million from the end of July, plus $2 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*, the IOC had no late payment interest penalties owed from the Technology Management Revolving Fund (TMRF).

The IOC paid more than $1 million in late payment interest penalties in August, with Community College Health Insurance Security Fund interest vouchers accounting for 82.8% of the total.[5]

Estimated Pending Liabilities

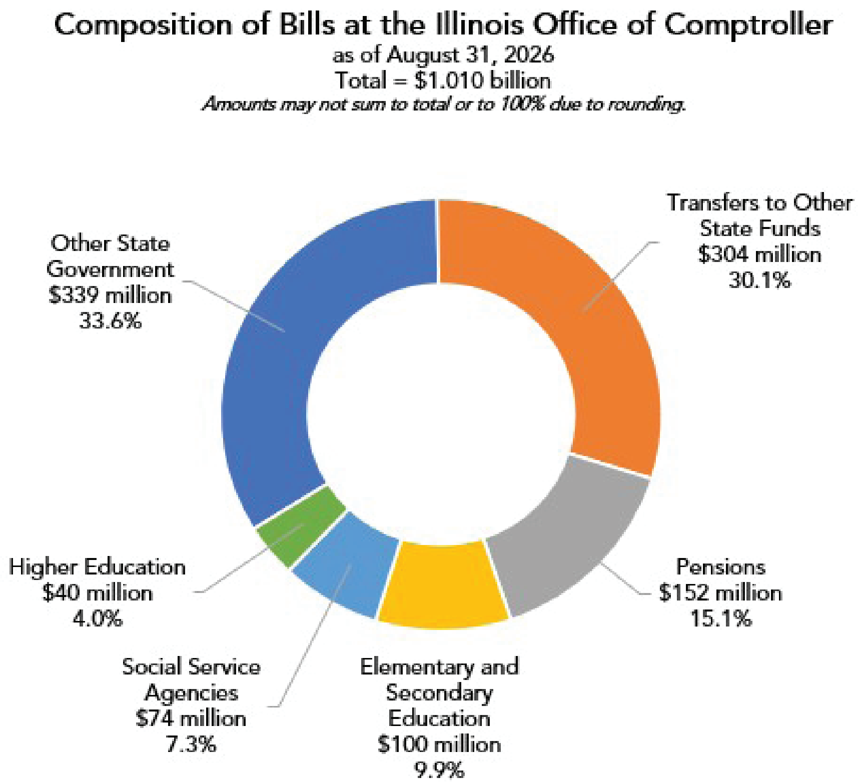
Agencies reported $1.501 billion in liabilities incurred by the state for the General Funds and HIRF but not yet invoiced. These are estimates, not actual bills, so they are not reported in the IOC's amount of bills pending or in the agencies' estimated liabilities.

[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: $1.010 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 $125 million in pending transfers from GRF included in the IOC accounts payable, the net accounts payable and transfers on hold at the IOC totaled $1.010 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, $106 million in technology-related vouchers and transfers was pending at the IOC, an increase of 32.6% from July. The IOC had no interest-generating principal vouchers in TMRF and no late payment interest penalties in the fund at the end of August, the first time since at least 2017, when the IOC began tracking late payment interest penalties. The oldest vendor-related voucher in TMRF is two months, at a time when GRF commercial vouchers are being paid by the IOC within 30 days.[6] Since payment for these technology-related vouchers is made from TMRF, a non-GRF fund with limited cash availability, the fund depends on revenue receipts from user agencies and/or special transfers enacted by the legislature.

Because uncertainty remains regarding cash availability in the fund to adequately support agency expenditures, the IOC and the Department of Innovation and Technology (DoIT) must continue to manage the fund to pay vendor bills, address any potential future late payment interest penalties, and sustain overall DoIT operations.

In addition, less than $38 million in outstanding Community College Health Insurance Security Fund (CCHIS) vouchers and transfers was pending at the IOC at the end of August, of which an estimated $29 million was for vouchers more than 90 days old. The 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 CCHIS cash-flow needs. The repayment schedule under the law requires the $50 million the IOC transferred on September 5, 2023, to be repaid by September 5, 2032.[7]

[6] Interest-generating principal payments based on voucher date, when the agency has officially submitted the bill to the IOC in voucher form.
[7] Public Act 103-0008.

Of the $304 million in transfers pending at the IOC at the end of August, $36 million was owed to the Teachers Health Insurance Security Fund from GRF. With an end-of-month cash balance of $847 million, sufficient revenues exist in the CCHIS fund with no immediate need for a transfer of additional funds.

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

Oldest GRF Voucher at IOC: 14 Business Days

At the end of the day August 31, the oldest GRF voucher at the IOC was 14 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 period of 736 days without a budget, which 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 $304 million, or 30.1%, of the IOC General Funds and HIRF payables as of August.