

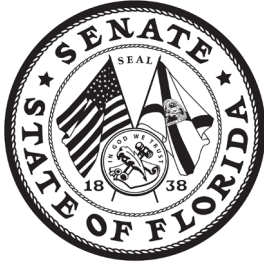
**LEGISLATIVE
BUDGET
COMMISSION**

Doug Broxson, Chair

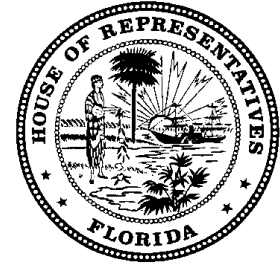
Thomas Leek, Vice-Chair

**MEETING PACKET
Friday, September 6, 2024
10:00 a.m.
412 Knott**

**(Please bring this packet to the committee meeting.
Duplicate materials will not be available.)**



LEGISLATIVE BUDGET COMMISSION AGENDA



Friday, September 6, 2024
10:00 a.m.
412 Knott

Members

Senator Doug Broxson
Senator Ben Albritton
Senator Lauren Book
Senator Travis Hutson
Senator Debbie Mayfield
Senator Keith Perry
Senator Bobby Powell

Representative Thomas Leek
Representative Alexander Andrade
Representative Robert Brannan
Representative Demi Busatta Cabrera
Representative Sam Garrison
Representative Christine Hunschofsky
Representative David Silvers

- I. Consideration of the following budget amendments:
 - A. Administered Funds p. 1
EOG #B2025-0161
 - B. Department of Commerce p. 3
EOG #B2025-0103
EOG #B2025-0112
EOG #B2025-0115
 - C. Department of Juvenile Justice p. 9
EOG #B2025-0133
 - D. Department of Corrections p. 11
EOG #B2025-0122
 - E. Department of Transportation p. 13
EOG #W2025-0022
EOG #W2025-0023
 - F. Department of Veterans' Affairs p. 24
EOG #B2025-0100
 - G. Agency for Health Care Administration p. 26
EOG #B2025-0097
EOG #B2025-0098
EOG #B2025-0147
 - H. Department of Highway Safety and Motor Vehicles p. 42
EOG #B2025-0108
EOG #B2025-0109
 - I. Department of Education p. 47
EOG #B2025-0120
- II. Consideration of the Long-Range Financial Outlook
- III. Other Business

Administered Funds

EOG Number: B2025-0161

Problem Statement:

The Executive Office of the Governor in coordination with the applicable state agencies have reconciled all appropriated State Fiscal Recovery Fund projects and have identified projects with a surplus of funds that can be realigned to maximize the use of federal funds. The State Fiscal Recovery Funds must be fully obligated by December 31, 2024. If the surplus funds are not realigned to active projects, the state will not be able to meet the federal obligation deadline and will forego the funding.

Agency Request:

Section 99 in Chapter 2024-228, Laws of Florida (Implementing Bill) authorizes the Executive Office of the Governor to submit a budget amendment, subject to the notice, review, and objection procedures of section 216.177, Florida Statutes, to realign funding, within and between agencies, in appropriation categories specifically authorized for the implementation of the state's award from the federal Coronavirus State Fiscal Recovery Fund, Pub. L. No. 117-2. The funding realignment shall address projected surpluses and deficits in existing programs and maximize the state's utilization of federal funds, which must be fully obligated by December 31, 2024.

The Executive Office of the Governor, in coordination with the applicable state agencies, have reconciled all appropriated State Fiscal Recovery Fund projects and have identified the following agencies/programs with surplus funds for realignment:

- Department of Military Affairs, New Armories - Zephyrhills: (\$863,811)
- Department of Military Affairs, New Armories - Immokalee: \$863,811
- Various Agencies, Deferred Maintenance, various projects: (\$1,576,618)
- Department of Management Services, Deferred Maintenance-Roof/Plaza leak mitigation for the Museum of Florida History: \$1,576,618

Governor's Recommendation:

Recommends the realignment of State Fiscal Recovery Funds in the amount of \$2,440,429 so that funds are obligated by December 31, 2024, for fixed capital outlay projects across state agencies.

Senate Committee: Appropriations Committee

Senate Analyst: John Shettle

House Committee: Appropriations Committee

House Analyst: Alicia Trexler

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
VARIOUS					
VAR	Various From General Revenue Fund From General Revenue Fund			(2,440,429) 2,440,429	

Department of Commerce

EOG Number: B2025-0103

Problem Statement:

The Florida Unique Abilities Partner Program (Program) was established to recognize businesses that employ individuals who have a disability, as well as businesses that establish or contribute to organizations that support the independence of individuals who have a disability. Businesses participating in the Program demonstrate their dedication to strengthening Florida’s communities and its economy by helping special needs individuals with untapped talents become more independent and fulfill their potential.

In Fiscal Year 2016-17, the Florida Department of Economic Opportunity (now the Department of Commerce) was appropriated \$200,000 for this Program, of which \$100,000 was nonrecurring leaving a recurring balance of \$100,000. Later, with the implementation of agency wide reductions the recurring budget for the Program was reduced by 18.5 percent, leaving a balance of \$81,470.

Chapter 2024-14, Laws of Florida (SB 1758) provided for a type two transfer, as described in s. 20.06(2), Florida Statutes, of the Florida Unique Abilities Partner Program. Effective July 1, 2024, this legislation transferred all powers, duties, functions, records, offices, personnel, associated administrative support positions, property, pending issues, existing contracts, administrative authority, administrative rules, and unexpended balances of appropriations, allocations, and any other funds relating to this Program from the Department of Commerce to the Agency for Persons with Disabilities.

Agency Request:

The Department of Commerce requests a transfer of \$81,470 from the Expenses appropriation category within the Special Employment Security Administration Trust Fund in the Workforce Development budget entity to the Expenses appropriation category within the Operations and Maintenance Trust Fund in the Home and Community Services budget entity at the Agency for Persons with Disabilities for the Florida Unique Abilities Partner Program, pursuant to ch. 2024-14, Laws of Florida.

Governor's Recommendation:

Recommends a transfer from the Expenses appropriation category within the Special Employment Security Administration Trust Fund in the Workforce Development budget entity to the Expenses appropriation category within the Operations and Maintenance Trust Fund in the Home and Community Services budget entity at the Agency for Persons with Disabilities for the Florida Unique Abilities Partner Program, pursuant to ch. 2024-14, Laws of Florida.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development
Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee
House Analyst: Anita Hicks; John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
COMMERCE					
2302	Program: Workforce Services <u>Workforce Development</u> Expenses From Special Employment Security Administration Trust Fund		(81,470)	(81,470)	
AGENCY FOR PERSONS WITH DISABILITIES					
241	Program: Services To Persons With Disabilities <u>Home And Community Services</u> Expenses From Operations And Maintenance Trust Fund		81,470	81,470	

Department of Commerce

EOG Number: B2025-0112

Problem Statement:

The Department of Commerce administers several federal programs designed to help low-income Floridians manage the ongoing costs of home utilities. The Low-Income Home Energy Assistance Program (LIHEAP) assists low-income households in meeting the costs of home heating and cooling needs and is funded annually by grants from the U.S. Department of Health and Human Services. The majority of the funds are used for utility payment assistance. Each category within LIHEAP has unique requirements and may fund needs such as utility bill payments, utility deposits, fees for restoring power, or the repair or replacement of heating or cooling equipment.

The department implements these programs through a network of 30 designated local governments and nonprofit agencies, or Community Action Agencies. The department has increased technical assistance and support to the state’s local LIHEAP network in recent years, which has resulted in increased services to households, and increased federal authority for the formula funding for the LIHEAP grant. Low-income Floridians across the state have experienced difficulties in recent years, including record inflation, hurricanes, wildfires, and tornadoes that have caused families to look for temporary help in their communities. To account for the increased technical assistance and support to the state’s local LIHEAP network, throughout the state fiscal year the department receives federal authority for additional disaster relief supplemental grants. These additional funds exceed current state spending authority.

Agency Request:

The department requests \$35,000,000 in additional budget authority from the Federal Grants Trust Fund in the G/A Home Energy Assistance appropriation category to be able to meet its obligations to pay invoices received for services rendered to low-income Floridians under the LIHEAP Program.

Governor's Recommendation:

Recommends additional budget authority from the Federal Grants Trust Fund in the G/A Home Energy Assistance appropriation category to be able to meet obligations to pay invoices received for services rendered to low-income Floridians under the Low-Income Home Energy Assistance Program for Fiscal Year 2024-2025.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Anita Hicks; John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
2337	COMMERCE Program: Community Development <u>Housing And Community Development</u> Special Categories Grants And Aids - Home Energy Assistance From Federal Grants Trust Fund				
			35,000,000	35,000,000	

Department of Commerce

EOG Number: B2025-0115

Problem Statement:

The Department of Commerce’s state headquarters is located in the Caldwell Building in Tallahassee, Florida. This is a 150,000 square foot facility that is occupied by over 600 full-time State of Florida employees, as well as numerous Other Personal Services staff and outside contractors. At present, the Caldwell Building’s primary source of air conditioning and ventilation is a Chiller that has reached the end of its useful life and has been experiencing major failures. Over the last several months, the department has spent approximately \$18,000 servicing the unit, and it ceased functioning during the tornadoes impacting Tallahassee in May 2024 and during Hurricane Debby in August 2024. Based on the manufacturer’s guidelines, the Chiller exceeded the recommended replacement schedules as it is 19 years old and has over 51,500 hours of run time with 61,000 starts.

At present, the department does not have sufficient budget authority to purchase a new Chiller.

Agency Request:

The department requests \$543,500 in budget authority in the Finance and Administration Budget Entity, Fixed Capital Outlay – Special Projects and Improvements Category within the Special Employment Security Administration Trust Fund to replace Chiller #1 in the Caldwell Building in Tallahassee, Florida.

Governor's Recommendation:

Recommends approval for the increased budget authority of \$543,500 in the Special Employment Security Administration Trust Fund to replace Chiller #1 in the Caldwell Building in Tallahassee, Florida.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Anita Hicks; John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
COMMERCE	Program: Executive Direction And Support Services <u>Finance And Administration</u>				
N/A	Fixed Capital Outlay Special Projects And Improvements - Administrative Services From Special Employment Security Administration Trust Fund		543,500	543,500	

Department of Juvenile Justice

EOG Number: B2025-0133

Problem Statement:

The Legislature has appropriated \$24.8 million in general revenue funding to the Department of Juvenile Justice (DJJ) for the department's newly established unified juvenile justice education system, the Florida Scholars Academy (FSA). The FSA provides youth in DJJ's residential care educational pathways to attain a high school or high school equivalency diploma, receive industry-recognized credentials, and enroll in a postsecondary program of study at a Florida college, university, or technical college. During the pre-operational year of the FSA, DJJ staff worked with the Florida Department of Education (DOE) to formally establish the FSA as an education system and prepare for the inaugural school year. Pursuant to s. 985.619 (5), F.S., the FSA may receive all federal funds for which it is eligible. The DOE has determined that the FSA is eligible for \$3,136,361 in education grant funding.

Agency Request:

The DJJ requests \$3,136,361 in Federal Grants Trust Fund authority in the G/A Contracted Services appropriation category to allow the department to expend federal awards related to the Florida Scholars Academy.

Governor's Recommendation:

Recommend approval of \$3,136,361 in additional Federal Grants Trust Fund budget authority to expend federal grant awards for the Florida Scholars Academy.

Senate Committee: Appropriations Committee on Criminal and Civil Justice

Senate Analyst: Kristen Atchley

House Committee: Justice Appropriations Subcommittee

House Analyst: Matthew Saag

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
1207	JUVENILE JUSTICE				
	Program: Residential Corrections Program <u>Non-Secure Residential Commitment</u> Special Categories Grants And Aids - Contracted Services From Federal Grants Trust Fund		3,136,361	3,136,361	

Department of Corrections

EOG Number: B2025-0122

Problem Statement:

The Department of Corrections (DOC) is responsible for maintaining all correctional facilities statewide with the goal of maximizing the service life of structures and associated equipment to ensure a safe and secure environment for incarcerated inmates and staff. Chapter 2024-231, Laws of Florida, the Fiscal Year 2024-2025 General Appropriations Act (GAA), appropriated \$1,500,000 in Privately Operated Institutions Inmate Welfare Trust Fund Fixed Capital Outlay (FCO) authority for reimbursement of maintenance and repairs costs of the seven contractor-operated correctional facilities. The DOC has planned to complete FCO projects that exceed the current appropriation and are requesting an additional \$3,702,926 in trust fund authority to address critical physical plant issues at contractor-operated correctional facilities throughout the state.

Agency Request:

The DOC requests an additional \$3,702,926 in Privately Operated Institutions Inmate Welfare Trust Fund Fixed Capital Outlay (FCO) authority for maintenance and repairs at six of the seven contractor-operated correctional facilities.

Pending FCO project requests total \$5,202,386 for the following contractor-operated correctional facilities:

- Blackwater - \$1,331,144
- Bay - \$98,756
- Moore Haven - \$353,278
- Graceville - \$1,305,473
- Lake City - \$12,000
- South Bay - \$2,101,734

Governor's Recommendation:

Recommend approval for an additional \$3,702,926 in Privately Operated Institutions Inmate Welfare Trust Fund Fixed Capital Outlay (FCO) authority for maintenance and repairs at six of the seven contractor-operated correctional facilities.

Senate Committee: Appropriations Committee on Criminal and Civil Justice

Senate Analyst: Kristen Atchley

House Committee: Justice Appropriations Subcommittee

House Analyst: Shane Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
721H	CORRECTIONS				
	Program: Security And Institutional Operations <u>Contractor-Operated Correctional Facilities</u> Special Categories Private Prisons - Maintenance And Repair Reimbursement From Privately Operated Institutions Inmate Welfare Trust Fund		3,702,926	3,702,926	

Department of Transportation

EOG Number: W2025-0022

Problem Statement:

Section 339.135(6)(c), F.S., authorizes the Department of Transportation to roll forward budget authority from the previous fiscal year into the next for project phases in the Adopted Work Program that are not certified forward or committed on June 30 of each fiscal year. This provision allows the department to roll forward projects and associated spending authority from the previous fiscal year into the current fiscal year so project phases which have not yet been committed can be let to contract with minimal delay. Unanticipated delays due to environmental issues, permitting problems, federal requirements, local government coordination, legal issues, bid protests, and other impacts can occur during the year. Without this statutory provision, projects or project phases would be deleted from the program and requested in the next budget cycle, resulting in delays of a year or more.

The roll forward process is similar to the certified forward process provided for in ch. 216, F.S., with the exception that it moves the budget authority for the project phase from one year to the next even though the contractual commitment has not yet been made. This process neither results in any new projects or in changes to previously funded projects, nor does it allow the department to increase its budget authority above what was previously appropriated. The amount of the prior year budget authority is never exceeded during the roll forward process.

Some of the major amounts and categories impacted are: \$513.5 million for Right of Way acquisition and support; \$1.4 billion for Intrastate, Arterial Highway Construction, Small County Programs and other associated construction inspection budget; \$183.1 million for Public Transportation Programs; \$199.4 million for Resurfacing; \$310 million for Preliminary Engineering and Traffic Engineering Consultants; \$191.2 million for Bridge Construction and Inspection; \$124.4 for Local Transportation Projects; \$2.4 million for Maintenance and Highway Beautification; \$165.5 million for Major Disasters; \$115.2 million for categories such as Planning Grants, County Transportation Programs, Safety Grants and Local Government Reimbursement; \$22.6 million for Toll/Turnpike Systems Equipment and Toll Operation Contracts; and \$920.9 million for the Central Florida Congestion Relief.

Agency Request:

The department requests \$4,114,051,930 in additional budget authority in several appropriations categories for Work Program phases in the Fiscal Year 2024-25 Adopted Work Program which qualify for roll forward pursuant to s. 339.135(6)(c), F.S. This includes \$37.2 million for the Turnpike Renewal and Replacement Trust Fund; \$473.4 million for the Turnpike General Reserve Trust Fund; \$3.16 billion for the State Transportation Trust Fund; \$212.6 million for the Right of Way Acquisition Bridge Construction Trust Fund; and \$234.8 million for the General Revenue Fund.

Governor's Recommendation:

Recommend the approval of \$4,114,051,930 of additional budget authority in several appropriation categories for Work Program phases in the Fiscal Year 2024-25 Adopted Work Program which qualify for roll forward pursuant to section 339.135(6)(c), F.S. This includes \$37.2 million for

the Turnpike Renewal and Replacement Trust Fund; \$473.4 million for the Turnpike General Reserve Trust Fund; \$3.16 billion for the State Transportation Trust Fund; \$212.6 million for the Right of Way Acquisition Bridge Construction Trust Fund; and \$234.8 million for the General Revenue Fund.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development
Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee
House Analyst: Anita Hicks; John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LASPBS Account Number		Appropriation	Appropriation	Appropriation
TRANSPORTATION					
	Transportation Systems Development <u>Program: Transportation Systems Development</u>				
N/A	Fixed Capital Outlay Transportation Planning Consultants				
	From General Revenue Fund		1,783,000	1,783,000	
2024	From State Transportation (Primary) Trust Fund		7,566,583	7,566,583	
2025	Fixed Capital Outlay Aviation Development/Grants				
	From State Transportation (Primary) Trust Fund		15,346,979	15,346,979	
2026	Fixed Capital Outlay Public Transit Development/Grants				
	From State Transportation (Primary) Trust Fund		37,038,816	37,038,816	
2027	Fixed Capital Outlay Right-Of-Way Land Acquisition				
	From State Transportation (Primary) Trust Fund		280,419,238	280,419,238	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		135,258,619	135,258,619	
2030	Fixed Capital Outlay Seaport Grants				
	From State Transportation (Primary) Trust Fund		3,736,354	3,736,354	
2031	Fixed Capital Outlay				

Budget Commission Meeting
September 6, 2024

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	Seaport Investment Program From State Transportation (Primary) Trust Fund		2,297,000	2,297,000	
2032	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		74,248,081	74,248,081	
2033	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		17,677,562	17,677,562	
N/A	Fixed Capital Outlay Preliminary Engineering Consultants From General Revenue Fund		22,164,997	22,164,997	
2034	From State Transportation (Primary) Trust Fund		213,962,011	213,962,011	
2035	Fixed Capital Outlay Right-Of-Way Support From State Transportation (Primary) Trust Fund		57,898,354	57,898,354	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		18,135,608	18,135,608	
N/A	Fixed Capital Outlay Transportation Planning Grants From General Revenue Fund		3,815,580	3,815,580	
2036	From State Transportation (Primary) Trust Fund		14,500,958	14,500,958	
	<u>Florida Rail Enterprise</u>				
2037F	Fixed Capital Outlay Public Transit Development/Grants				

Budget Commission Meeting
September 6, 2024

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			Appropriation	Appropriation	Appropriation
2037G	From State Transportation (Primary) Trust Fund Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		22,969,974	22,969,974	
N/A	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		9,795,998	9,795,998	
	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		3,282	3,282	
	<u>Transportation Systems Operations Program: Highway Operations</u>				
2050	Fixed Capital Outlay Small County Resurface Assistance Program (Scrap) From State Transportation (Primary) Trust Fund		1,663,378	1,663,378	
2051	Fixed Capital Outlay Small County Outreach Program (Scop) From State Transportation (Primary) Trust Fund		8,293,645	8,293,645	
2052	Fixed Capital Outlay Moving Florida Forward - Work Program From State Transportation (Primary) Trust Fund		920,866,421	920,866,421	
2053	Fixed Capital Outlay Grants And Aids - Major Disasters - Department Of Transportation Work Program From State Transportation (Primary) Trust Fund		165,481,753	165,481,753	

**Budget Commission Meeting
September 6, 2024**

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			Appropriation	Appropriation	Appropriation
2055	Fixed Capital Outlay County Transportation Programs From State Transportation (Primary) Trust Fund		39,576,975	39,576,975	
2058	Fixed Capital Outlay Bond Guarantee From State Transportation (Primary) Trust Fund		428,276	428,276	
2059	Fixed Capital Outlay Transportation Highway Maintenance Contracts From State Transportation (Primary) Trust Fund		906,031	906,031	
N/A	Fixed Capital Outlay Intrastate Highway Construction From General Revenue Fund		36,065,907	36,065,907	
2060	From State Transportation (Primary) Trust Fund		629,303,421	629,303,421	
N/A	Fixed Capital Outlay Arterial Highway Construction From General Revenue Fund		24,267,869	24,267,869	
2061	From State Transportation (Primary) Trust Fund		132,301,776	132,301,776	
N/A	Fixed Capital Outlay Construction Inspection Consultants From General Revenue Fund		13,182,709	13,182,709	
2062	From State Transportation (Primary) Trust Fund		107,716,961	107,716,961	
N/A	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		4,991,701	4,991,701	
2064	Fixed Capital Outlay Highway Safety Construction/Grants				

Budget Commission Meeting
September 6, 2024

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			Appropriation	Appropriation	Appropriation
	From State Transportation (Primary) Trust Fund		46,060,566	46,060,566	
2065	Fixed Capital Outlay Resurfacing From State Transportation (Primary) Trust Fund		188,329,156	188,329,156	
N/A	Fixed Capital Outlay Bridge Construction From General Revenue Fund		9,361,826	9,361,826	
2066	From State Transportation (Primary) Trust Fund From Right-Of-Way Acquisition And Bridge Construction Trust Fund		109,259,015 54,249,704	109,259,015 54,249,704	
2068	Fixed Capital Outlay Highway Beautification Grants From State Transportation (Primary) Trust Fund		1,538,547	1,538,547	
2069	Fixed Capital Outlay Materials And Research From State Transportation (Primary) Trust Fund		1,497,123	1,497,123	
2069A	Fixed Capital Outlay Local Transportation Projects From General Revenue Fund From State Transportation (Primary) Trust Fund		124,187,122 168,636	124,187,122 168,636	
2070	Fixed Capital Outlay Bridge Inspection From State Transportation (Primary) Trust Fund		4,561,701	4,561,701	
2071	Fixed Capital Outlay				

Budget Commission Meeting
September 6, 2024

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	Traffic Engineering Consultants From State Transportation (Primary) Trust Fund		32,528,076	32,528,076	
	Florida's Turnpike Systems <u>Florida's Turnpike Enterprise</u>				
2106	Fixed Capital Outlay Intrastate Highway Construction From Turnpike Renewal And Replacement Trust Fund		8,944,497	8,944,497	
	From Turnpike General Reserve Trust Fund		371,633,830	371,633,830	
N/A	From State Transportation (Primary) Trust Fund		120,845	120,845	
2107	Fixed Capital Outlay Construction Inspection Consultants From Turnpike Renewal And Replacement Trust Fund		3,142,520	3,142,520	
	From Turnpike General Reserve Trust Fund		18,203,917	18,203,917	
N/A	From State Transportation (Primary) Trust Fund		98,400	98,400	
2108	Fixed Capital Outlay Right-Of-Way Land Acquisition From Turnpike General Reserve Trust Fund		21,251,663	21,251,663	
N/A	From State Transportation (Primary) Trust Fund		454,901	454,901	
2109	Fixed Capital Outlay Resurfacing From Turnpike Renewal And Replacement Trust Fund		11,067,459	11,067,459	
2110	Fixed Capital Outlay				

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
N/A	Bridge Construction From Turnpike Renewal And Replacement Trust Fund		10,000,000	10,000,000	
	From Turnpike General Reserve Trust Fund		3,770,228	3,770,228	
2111	Fixed Capital Outlay Preliminary Engineering Consultants From Turnpike Renewal And Replacement Trust Fund		4,091,010	4,091,010	
	From Turnpike General Reserve Trust Fund		36,493,721	36,493,721	
	From State Transportation (Primary) Trust Fund		668,596	668,596	
2112	Fixed Capital Outlay Right-Of-Way Support From Turnpike General Reserve Trust Fund		71,482	71,482	
2113	Fixed Capital Outlay Traffic Engineering Consultants From State Transportation (Primary) Trust Fund		50,074	50,074	
2114	Fixed Capital Outlay Toll Operation Contracts From State Transportation (Primary) Trust Fund		9,301	9,301	
2115	Fixed Capital Outlay Turnpike System Equipment And Development From Turnpike General Reserve Trust Fund		21,983,757	21,983,757	
	From State Transportation (Primary) Trust Fund		1,000	1,000	
2116	Fixed Capital Outlay Tolls System Equipment And Development				

Budget Commission Meeting
September 6, 2024

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			Appropriation	Appropriation	Appropriation
N/A	From State Transportation (Primary) Trust Fund		616,795	616,795	
	Transportation Systems Operations <u>Program: Highway Operations</u> Fixed Capital Outlay American Rescue Plan - State Highway System Projects From State Transportation (Primary) Trust Fund		5,970,645	5,970,645	

Department of Transportation

EOG Number: W2025-0023

Problem Statement:

Section 339.135(7)(h), Florida Statutes, requires the Department of Transportation (DOT) to seek approval from the Legislative Budget Commission to add a new project, or phase thereof, to the Adopted Work Program that is in excess of \$3 million. The DOT proposes to add five aggregate projects to the Adopted Work Program for Fiscal Year 2024-2025. These projects will mitigate supply-chain demands for construction aggregates, facilitate the cost-effective and efficient movement and storage of construction aggregates, and efficiently interact with and support the transportation network, pursuant to section 339.651(3), Florida Statutes. The following five projects with a total budgeted cost of \$18,059,312 have been identified:

1. New Aggregate Facility – Lake City has a budgeted cost of \$3,760,319
2. JAXPORT Rail Expansion for Aggregate Distribution has a budgeted cost of \$2,625,000
3. Port Tampa Bay – Hookers Point Improvements has a budgeted cost of \$6,200,000
4. New Aggregate Facility – Plant City has a budgeted cost of \$3,973,993
5. New Aggregate Facility – Tallahassee has a budgeted cost of \$1,500,000

Agency Request:

Pursuant to sections 339.135(7)(h) and 339.651(3), Florida Statutes, the department requests the addition of five new projects to the Adopted Work Program for Fiscal Year 2024-2025. These projects provide for increased capacity and enhanced capabilities to move and store construction aggregate. No new budget authority is required as existing budget will be realigned from within the Adopted Work Program.

Governor's Recommendation:

Recommends approval of amending the Adopted Work Program as authorized in s. 339.135(7)(h), F.S., to add five aggregate projects to the Fiscal Year 2024-2025. These projects include the JAXPORT Rail expansion for aggregate distribution, Port Tampa Bay – Hookers Point Improvement, and new aggregate facilities in Lake City, Plant City, and Tallahassee.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Anita Hicks; John McAuliffe

Department of Veterans' Affairs

EOG Number: B2025-0100

Problem Statement:

The Florida Department of Veterans' Affairs (department) operates eight skilled nursing facilities (nursing homes) and one assisted living facility. In Fiscal Year 2023-2024, the average occupancy rate in the nursing homes was 70 percent. Currently, the occupancy rate is 96 percent, an increase of 26 percent over the previous year.

Due to the increase in occupancy at nursing homes, compounded by rising costs for food products, therapy, and annual contract increases of the pharmacy, housekeeping contracts, and medical contractual services, the department lacks sufficient budget authority in the Food Products and Contracted Services appropriation categories to cover projected expenditures through June 30, 2025.

Agency Request:

The department requests to transfer budget authority between categories in the amount of \$3,522,409, from the Salaries and Benefits appropriation category to the Food Products and Contracted Services appropriation categories, within the Operations and Maintenance Trust Fund, in the Veterans' nursing facilities budget entity, to support obligations and address projected shortfalls.

Governor's Recommendation:

Recommend approval to transfer budget authority in the amount of \$3,522,409, from the Salaries and Benefits appropriation category to the Food Products (\$829,508) and Contracted Services (\$2,692,901) appropriation categories from the Operations and Maintenance Trust Fund within the Veterans' nursing facilities budget entity to support obligations and address projected shortfalls.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Diane Sneed; Jay Howard

House Committee: Health Care Appropriations Subcommittee

House Analyst: Adeniyi Aderibigbe

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
VETERANS' AFFAIRS					
	Program: Services To Veterans' Program <u>Veterans' Homes</u>				
579	Salaries And Benefits From Operations And Maintenance Trust Fund		(3,522,409)	(3,522,409)	
583	Food Products From Operations And Maintenance Trust Fund		829,508	829,508	
584	Special Categories Contracted Services From Operations And Maintenance Trust Fund		2,692,901	2,692,901	

Agency for Health Care Administration

EOG Number: B2025-0097

Problem Statement:

Florida KidCare is the state's health insurance program for uninsured, low-income children under the age of 19 with family incomes up to 200 percent of the federal poverty level (FPL). The caseload and expenditures for the Florida KidCare program are forecasted through a consensus process by the principals of the Social Services Estimating Conference (SSEC). Based upon the final forecast of the July 2024 SSEC, total expenditures for the program for Fiscal Year 2024-2025 are estimated to be \$687,994,154 with a projected overall surplus of \$98,947,192. In order to conform the appropriations to the projected expenditures as agreed upon by the July 2024 SSEC, the Agency for Health Care Administration must place the \$100,702,681 surplus in reserve: \$30,040,416 from the General Revenue Fund and \$70,662,264 from the Medical Care Trust Fund; and requests additional budget authority in the amount of \$1,755,488 in the Grants and Donations Trust Fund.

Agency Request:

The Agency for Health Care Administration requests a realignment of the General Revenue Fund and Trust Fund budget to address projected surpluses and deficits based on the July 2024 Social Services Estimating Conference for the Florida KidCare Program in the Children's Special Health Care budget entity. The budget amendment realigns projected surpluses between various appropriation categories and places budget into unbudgeted reserve in the General Revenue Fund and Medical Care Trust Fund, and requests additional budget authority in the Grants and Donations Trust Fund.

Governor's Recommendation:

Recommend approval to place \$100,702,681 into unbudgeted reserve and realign budget authority in the General Revenue Fund, Grants and Donations Trust Fund, and in the Medical Care Trust Fund to conform to the July 2024 Social Services Estimating Conference for the Florida KidCare Program.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Cynthia Barr

House Committee: Health Care Appropriations Subcommittee

House Analyst: Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
181	AGENCY FOR HEALTH CARE ADMINISTRATION Program: Health Care Services <u>Children's Special Health Care</u> Special Categories Grants And Aids - Florida Healthy Kids Corporation From General Revenue Fund From Medical Care Trust Fund										
			840,943		210,236	840,943		210,236			
			1,942,853		1,942,853	1,942,853		1,942,853			
182	Special Categories Contracted Services										

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
183	From General Revenue Fund			267,668	(267,668)		267,668	(66,917)			
	From Grants And Donations Trust Fund		260,735		260,735	260,735		260,735			
	From Medical Care Trust Fund			629,260	(629,260)		629,260	(629,260)			
	Special Categories Grants And Aids - Contracted Services - Florida Healthy Kids Administration										
	From General Revenue Fund			231,749	(231,749)		231,749	(57,937)			
184	From Medical Care Trust Fund			502,104	(502,104)		502,104	(502,104)			
	Special Categories Grants And Aids - Florida Healthy Kids Corporation										

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
185	Dental Services From General Revenue Fund			2,229,594	(2,229,594)		2,229,594	(557,399)			
	From Medical Care Trust Fund			5,241,498	(5,241,498)		5,241,498	(5,241,498)			
	Special Categories Medikids From General Revenue Fund			5,423,278	(5,423,278)		5,423,278	(1,355,820)			
	From Grants And Donations Trust Fund		1,755,488		1,755,488	1,755,488		1,755,488			
	From Grants And Donations Trust Fund		345,086		345,086	345,086		345,086			
186	From Medical Care Trust Fund			12,737,488	(12,737,488)		12,737,488	(12,737,488)			
	Special Categories Children's Medical Services Network From General Revenue Fund		(840,943)		(210,236)	(840,943)		(210,236)			

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	From General Revenue Fund			21,888,127	(21,888,127)		21,888,127	(5,472,032)			
	From Grants And Donations Trust Fund		(605,821)		(605,821)	(605,821)		(605,821)			
	From Medical Care Trust Fund			51,551,915	(51,551,915)		51,551,915	(51,551,915)			
	From Medical Care Trust Fund		(1,942,853)		(1,942,853)	(1,942,853)		(1,942,853)			

Agency for Health Care Administration

EOG Number: B2025-0098

Problem Statement:

The Agency for Health Care Administration (Agency) is responsible for the administration of the Medicaid program, which is jointly financed with state and federal funds. The caseload and expenditures for the Medicaid program are forecasted through a formal consensus process by the principals of the Social Services Estimating Conference (SSEC) for Medicaid Services Expenditures. The forecasts are based on historical information, trends, and anticipated events and assume that current law and current administrative practices are in effect unless otherwise decided by law.

The SSEC for Medicaid Services Expenditures met on July 25, 2024, to develop a new estimate of expenditures for Fiscal Year 2024-2025. Based on the final forecast of the July 2024 SSEC, the total expenditures related to Medicaid Services for Fiscal Year 2024-2025 are estimated to be \$33,224,709,591 with a projected overall surplus of \$583,823,156. Surpluses and deficits are projected in various appropriation categories and funds. In order to conform the appropriations to the projected expenditures as agreed upon during the July 2024 SSEC, the agency must realign and request additional spending authority in various Medicaid Services appropriation categories. In addition, the agency must place the \$613,891,084 surplus in reserve: \$166,049,303 from the General Revenue Fund, \$15,482,150 from the Public Medical Assistance Trust Fund, and \$432,359,631 from the Medical Care Trust Fund; and requests additional budget authority in the amount of \$29,669,455 in the Refugee Assistance Trust Fund.

Agency Request:

The Agency for Health Care Administration requests a realignment of the General Revenue and trust fund budget to address projected surpluses and deficits based on the July 2024 Social Services Estimating Conference for Medicaid Services Expenditures in the Medicaid Services to Individuals and Medicaid Long Term Care budget entities. The request places \$613,891,084 into unbudgeted reserve, realigns projected surpluses between various appropriation categories, and increases budget authority in the Refugee Assistance Trust Fund.

Governor's Recommendation:

Recommend approval to place \$613,891,084 into unbudgeted reserve and align budget authority in multiple appropriation categories in the General Revenue Fund and trust funds within the Medicaid Services to Individuals and Medicaid Long Term Care budget entities in order to address projected surpluses and deficits based on the Social Services Estimating Conference for Medicaid Services Expenditures held in July 2024.

Senate Committee: Appropriations Committee on Health and Human Services
Senate Analyst: Cynthia Barr

House Committee: Health Care Appropriations Subcommittee
House Analyst: Sean Smith

Budget Commission Meeting
September 6, 2024

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
AGENCY FOR HEALTH CARE ADMINISTRATION											
	Program: Health Care Services <u>Medicaid Services To Individuals</u>										
202	Special Categories Case Management From General Revenue Fund		5,533		1,383	5,533		5,533			
	From Medical Care Trust Fund		7,354		7,354	7,354		7,354			
	From Refugee Assistance Trust Fund		(701)		(701)	(701)		(701)			
203	Special Categories Community Mental Health Services From General Revenue Fund		231,374,473		57,843,618	231,374,473		57,843,618			
	From Medical Care Trust Fund		321,656,009		321,656,009	321,656,009		321,656,009			
	From Refugee Assistance Trust Fund		70,916		70,916	70,916		70,916			
204	Special Categories Developmental Evaluation And Intervention/Part C										

Budget Commission Meeting
September 6, 2024

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	From General Revenue Fund		25,284		6,321	25,284		6,321			
	From Medical Care Trust Fund		34,025		34,025	34,025		34,025			
	From Refugee Assistance Trust Fund		(860)		(860)	(860)		(860)			
207	Special Categories Graduate Medical Education										
	From General Revenue Fund			331,993	(331,993)		331,993	(82,998)			
	From Medical Care Trust Fund		331,993		331,993	331,993		331,993			
208	Special Categories Hospital Inpatient Services										
	From General Revenue Fund			8,953,980	(8,953,980)		8,953,980	(2,238,495)			
	From Medical Care Trust Fund			12,285,855	(12,285,855)		12,285,855	(12,285,855)			
	From Refugee Assistance Trust Fund		4,923,099		4,923,099	4,923,099		4,923,099			
210	Special Categories Hospital Insurance Benefits										
	From General Revenue Fund			187,090	(187,090)		187,090	(46,772)			
	From Medical Care Trust Fund			251,778	(251,778)		251,778	(251,778)			

Budget Commission Meeting
September 6, 2024

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
211	Special Categories Hospital Outpatient Services From General Revenue Fund From Medical Care Trust Fund From Refugee Assistance Trust Fund			11,940,537	(11,940,537)		11,940,537	(2,985,134)			
				15,872,198	(15,872,198)		15,872,198	(15,872,198)			
			1,382,208		1,382,208	1,382,208		1,382,208			
212	Special Categories Other Fee For Service From General Revenue Fund From Medical Care Trust Fund From Refugee Assistance Trust Fund From Refugee Assistance Trust Fund From Refugee Assistance Trust Fund				2,921,789	11,687,156		2,921,789			
			11,687,156			11,687,156					
			17,119,175		17,119,175	17,119,175		17,119,175			
			14,783,375		14,783,375	14,783,375		14,783,375			
			1,561		1,561	1,561		1,561			
			20,869,548		20,869,548	20,869,548		20,869,548			
213	Special Categories Personal Care Services From General Revenue Fund From Medical Care Trust Fund				1,084,890	4,339,559		1,084,890			
			4,339,559			4,339,559					
			5,962,867		5,962,867	5,962,867		5,962,867			
N/A	From Refugee Assistance Trust Fund		40,256		40,256	40,256		40,256			
214	Special Categories										

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
215	Physician And Health Care Practitioner Services From General Revenue Fund			27,493,451	(27,493,451)		27,493,451	(6,873,363)			
	From Medical Care Trust Fund			36,923,067	(36,923,067)		36,923,067	(36,923,067)			
	From Refugee Assistance Trust Fund		2,409,714		2,409,714	2,409,714		2,409,714			
	Special Categories Prepaid Health Plans From General Revenue Fund			102,216,870	(102,216,870)		102,216,870	(25,554,218)			
	From General Revenue Fund		(321,331,558)		(80,332,890)	(321,331,558)		(80,332,890)			
	From Medical Care Trust Fund			343,478,672	(343,478,672)		343,478,672	(343,478,672)			
	From Medical Care Trust Fund		(403,485)		(403,485)	(403,485)		(403,485)			
	From Medical Care Trust Fund		(344,738,051)		(344,738,051)	(344,738,051)		(344,738,051)			
	From Public Medical Assistance Trust Fund			15,482,150	(15,482,150)		15,482,150	(15,482,150)			
	From Refugee Assistance Trust Fund		(20,869,548)		(20,869,548)	(20,869,548)		(20,869,548)			
216	Special Categories Prescribed Medicine/Drugs From General Revenue Fund			12,673,977	(12,673,977)		12,673,977	(3,168,494)			
	From Medical Care Trust Fund			15,759,745	(15,759,745)		15,759,745	(15,759,745)			

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
217	From Refugee Assistance Trust Fund		6,059,887		6,059,887	6,059,887		6,059,887			
	Special Categories Medicare Part D Payment From General Revenue Fund		64,570,143		16,142,536	64,570,143		16,142,536			
218	Special Categories Statewide Inpatient Psychiatric Services From General Revenue Fund		27,017		6,754	27,017		6,754			
	From Medical Care Trust Fund		30,113		30,113	30,113		30,113			
219	Special Categories Supplemental Medical Insurance From General Revenue Fund		9,302,393		2,325,598	9,302,393		2,325,598			
	From Medical Care Trust Fund			7,788,316	(7,788,316)		7,788,316	(7,788,316)			
221	<u>Medicaid Long Term Care</u>										
	Special Categories Assistive Care Services From General Revenue Fund		373,300		93,325	373,300		93,325			
	From Medical Care Trust Fund		398,473		398,473	398,473		398,473			

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
223	From Medical Care Trust Fund		103,901		103,901	103,901		103,901			
	Special Categories Home And Community Based Services From General Revenue Fund		1		1	1		1			
224	Special Categories Intermediate Care Facilities/Intellectually Disabled - Sunland Center From Medical Care Trust Fund		(46,321)		(46,321)	(46,321)		(46,321)			
225	Special Categories Intermediate Care Facilities/Developmentally Disabled Community From General Revenue Fund		1,442,638		360,660	1,442,638		360,660			
	From Medical Care Trust Fund		1,941,454		1,941,454	1,941,454		1,941,454			
226	Special Categories Nursing Home Care From General Revenue Fund		15,964,046		3,991,012	15,964,046		3,991,012			
	From Medical Care Trust Fund		21,483,869		21,483,869	21,483,869		21,483,869			

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
227	Special Categories Prepaid Health Plan/Long Term Care From General Revenue Fund From General Revenue Fund From Medical Care Trust Fund From Medical Care Trust Fund			2,251,404	(2,251,404)		2,251,404	(562,851)			
			(17,779,985)		(4,444,996)	(17,779,985)		(4,444,996)			
			(57,581)		(57,581)	(57,581)		(57,581)			
			(26,899,955)		(26,899,955)	(26,899,955)		(26,899,955)			
228	Special Categories State Mental Health Hospital Program From Medical Care Trust Fund		3,474,632		3,474,632	3,474,632		3,474,632			
229	Special Categories Program Of All-Inclusive Care For The Elderly (Pace) From General Revenue Fund From Medical Care Trust Fund			1	(1)		1	(1)			
			1		1	1		1			

Agency for Health Care Administration

EOG Number: B2025-0147

Problem Statement:

The State Fiscal Year 2024-2025 General Appropriations Act and Chapter 2024-228, Laws of Florida, authorized the Agency for Health Care Administration (agency) to submit a budget amendment requesting budget authority to implement the Hospital Directed Payment Program (DPP). DPP provides funding for hospitals that provide inpatient and outpatient services to Medicaid Managed Care enrollees. The program provides directed payment to hospitals in an amount up to the Medicaid shortfall, which is the difference between the cost of providing care to Medicaid-eligible patients and the payments received for those services.

Participating hospitals must meet the following criteria:

1. Fall into one of the following three mutually exclusive provider classes
 - a. Private Hospitals
 - b. Public Hospitals (including state and non-state governmental hospitals)
 - c. Cancer Hospitals that meet the criteria in 42 U.S.C. subsection 1395ww(d)(1)(B)(v)
2. Operate in one of Florida's eleven Statewide Medicaid Managed Care (SMMC) regions; and
3. Provide inpatient and outpatient hospital services to Florida Medicaid managed care enrollees.

The DPP funding is contingent on Local Provider Participation Funds (LPPFs) and intergovernmental transfers (IGTs) being provided as the non-federal match for federal funds. Private hospitals must be partnered with a governmental entity in order to participate in the DPP.

For the 2023-2024 Rate Year, it is anticipated that all public hospitals will participate. The cancer hospitals (i.e. University of Miami and Moffitt) have elected to not participate in the program based on their participation in the Florida Cancer Hospital Program for this year. Several counties established LPPF and are expected to fund the IGTs needed. Private hospitals within every region were able to find at least one government partner to fund the region's non-federal share.

The agency has submitted to the Centers for Medicare and Medicaid Services the DPP delivery system and payment model for Rate Year 2023-2024 and received approval on July 9, 2024. However, the agency will require \$3,363,756,651 in budget authority to make the payments for Rate Year 2023-2024.

Additionally, the agency has received the final invoice from the Department of Health in the amount of \$4,572,010 for Rate Year 2022-2023 DPP payments made through the Children's Medical Services Plan. The agency has insufficient trust fund budget authority to settle this final invoice.

Agency Request:

The Agency for Health Care Administration requests additional budget authority in the amount of \$1,467,085,267 in the Grants and Donations Trust Fund and \$1,901,243,394 in the Medical Care Trust Fund in the Prepaid Health Plan - Hospital Directed Payment Program appropriation category in the Medicaid Services to Individuals budget entity to implement the Directed Payment Program. The budget authority will be placed in reserve pending the execution of the Letters of Agreement with the IGT providers.

Governor's Recommendation:

Recommend approval of additional budget authority, to be placed in reserve pending the execution of the Letters of Agreement with the IGT providers, in the amount of \$3,368,328,661 in the Prepaid Health Plan - Hospital Directed Payment Program appropriation category within the Medicaid Services to Individuals budget entity, for hospitals providing inpatient and outpatient services to Medicaid Managed Care enrollees.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Cynthia Barr

House Committee: Health Care Appropriations Subcommittee

House Analyst: Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
N/A	AGENCY FOR HEALTH CARE ADMINISTRATION							
	Program: Health Care Services <u>Medicaid Services To Individuals</u>							
	Special Categories Prepaid Health Plan - Hospital Directed Payment Program From Grants And Donations Trust Fund		1,467,085,267	1,467,085,267	1,467,085,267	1,467,085,267		
	From Medical Care Trust Fund		1,901,243,394	1,901,243,394	1,901,243,394	1,901,243,394		

Department of Highway Safety and Motor Vehicles

EOG Number: B2025-0108

Problem Statement:

In Fiscal Year 2022-23, the Department of Highway Safety and Motor Vehicles (department), was appropriated \$1,393,521 in the Special Projects and Improvements - Administrative Services Fixed Capital Outlay appropriation category to renovate the B-Wing 4th Floor North of the department's Neil Kirkman Building (NKB) and replace the original HVAC and electrical systems. However, due to overall inflation in the construction industry, the original amount appropriated is no longer adequate to cover the current estimated project cost of \$1,876,021, leaving a project deficit of \$482,500.

In Fiscal Year 2023-24, DAS was appropriated \$5,780,510 in the Special Projects and Improvements - Administrative Services Fixed Capital Outlay appropriation category for Roof Replacement of the NKB A & B-Wings and Pavement of the NKB Parking Lot. Current estimates indicate that only \$3,647,520 will be required to complete these two projects, leaving a surplus appropriation of \$2,132,990. The department proposes to utilize \$482,500 from the surplus to address the deficit in the B-Wing 4th Floor North project.

Agency Request:

The Department requests to realign \$482,500 in surplus Fixed Capital Outlay funds in the Special Projects and Improvements - Administrative Services Fixed Capital Outlay appropriation category between Fiscal Years 2022-2023 and 2023-2024 for the 4th Floor B-Wing renovation project.

Governor's Recommendation:

Requests to realign surplus Fixed Capital Outlay funds in the Special Projects and Improvements - Administrative Services Fixed Capital Outlay appropriation category within the Highway Safety Operating Trust Fund between Fiscal Years 2023 and 2024.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development

Senate Analyst: Elizabeth Wells

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Anita Hicks

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	HIGHWAY SAFETY AND MOTOR VEHICLES										
	Program: Administrative Services <u>Executive Direction And Support Services</u>										
2649A	Fixed Capital Outlay Special Projects And Improvements - Administrative Services From Highway Safety Operating Trust Fund		482,500		96,500	482,500		96,500			
2715	From Highway Safety Operating Trust Fund		(482,500)		(96,500)	(482,500)		(96,500)			

Department of Highway Safety and Motor Vehicles

EOG Number: B2025-0109

Problem Statement:

Since FY 2022-23, a salary rate deficit has existed within the Department of Highway Safety and Motor Vehicles (DHSMV). In order to restore proper order to its finances, the department was required by the Executive Office of the Governor to minimize hiring, only filling the most essential positions, while realigning existing salary and benefits resources to fully meet payroll obligations for the 2023-24 fiscal year. Positions, department-wide, have been held vacant and these actions resulted in a salary surplus for the year ending June 30, 2024.

For FY 2024-25, the department has identified key positions it feels are necessary to more adequately carry out its public missions. This plan includes:

1. Surge 84 new staff members into the Division of Motorist Services;
2. Stand up two Florida Highway Patrol academy classes resulting in 70 new troopers to complement the existing force; and
3. Hire 54 new staff members to include law enforcement dispatchers and support staff in critical back-of-office programs that provide support agency wide.

There is insufficient salary and salary rate available to implement this plan without seeking release of resources from reserve as prescribed by the Legislature in the FY 2024-25 General Appropriations Act. According to DHSMV, implementation of this plan with the release of salary rate and salary funds will in no way contribute to further shortfalls throughout the fiscal year or create a deficit in the next fiscal year.

Agency Request:

The DHSMV requests the release of \$7,608,793 in the Salaries and Benefits appropriation category in the Highway Safety Operating Trust Fund, and the salary rate of 3,422,662, currently being held in reserve in order to implement its hiring plans without causing additional budget shortfalls during the fiscal year.

Governor's Recommendation:

Recommends the release of appropriation and salary rate currently held in reserve, pursuant to proviso in Specific Appropriation 2736 of Chapter 2024-231.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development

Senate Analyst: Elizabeth Wells

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Anita Hicks

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
2736	HIGHWAY SAFETY AND MOTOR VEHICLES										
	Program: Florida Highway Patrol <u>Highway Safety</u>										
	<i>Salary Rate Positions</i>										
	Salaries And Benefits From Highway Safety Operating Trust Fund										
	<u>Commercial Vehicle Enforcement</u>										
	<i>Salary Rate</i>										
	Program: Motorist Services										

**Budget Commission Meeting
September 6, 2024**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	<u>Motorist Services</u> <i>Salary Rate</i>		<i>1,300,000</i>		<i>1,300,000</i>	<i>1,300,000</i>		<i>1,300,000</i>			
	Program: Information Services Administration <u>Information Services Administration</u> <i>Salary Rate</i>		<i>110,000</i>		<i>110,000</i>	<i>110,000</i>		<i>110,000</i>			

Department of Education

EOG Number: B2025-0120

Problem Statement:

In September 2023, the Florida Department of Education was awarded \$2,250,000 from the federal Child Care and Development Fund (CCDF) to address the impact of Hurricane Ian on child care in Florida. These funds are phase one of a planned federal distribution of two phases from the U.S. Department of Health and Human Services. The phase one funds were made available to Florida to research and plan for implementation of disaster recovery activities for child care in the state. Additional funding will be available in Federal Fiscal Year (FFY) 2024 for implementation of the activities and plans developed during phase one. The department does not have sufficient budget authority to administer this program.

Agency Request:

The department is requesting \$2,250,000 in additional budget authority within the Early Learning Services Program (48220400) in the Child Care and Development Trust Fund (2098) from the Grants and Aids - Contracted Services category (100778) to plan for implementation of disaster recovery activities for child care in the state as a result of Hurricane Ian.

Governor's Recommendation:

Recommend providing the department \$2,250,000 in additional budget authority within the Early Learning Services Program (48220400) in the Child Care and Development (CCDF) Trust Fund (2098) from the Grants and Aids - Contracted Services category (100778) to plan for implementation of disaster recovery activities for child care in the state as a result of Hurricane Ian.

Senate Committee: Appropriations Committee on Education
Senate Analyst: Jessica Grace

House Committee: PreK-12 Appropriations Subcommittee
House Analyst: Ryan Bailey

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
79	EDUCATION Early Learning <u>Program: Early Learning Services</u> Special Categories Grants And Aids - Contracted Services From Child Care And Development Block Grant Trust Fund				
			2,250,000	2,250,000	



State of Florida

Long-Range Financial Outlook

FISCAL YEARS 2025-26 THROUGH 2027-28

Draft Fall 2024 Report
As Presented to the Legislative Budget Commission
September 6, 2024

Jointly prepared by the following:
The Senate Committee on Appropriations
The House Appropriations Committee
The Legislative Office of Economic and Demographic Research

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
REVENUE PROJECTIONS	5
General Revenue Fund.....	5
Major Revenues for Education	7
Tobacco-Related Revenues.....	8
EXPENDITURE PROJECTIONS.....	10
Critical Needs	12
Other High Priority Needs.....	22
REVENUE ADJUSTMENTS	33
Tax and Significant Fee Changes.....	33
Trust Fund Transfers to General Revenue	35
STATE RESERVES	36
ECONOMIC AND DEMOGRAPHIC TRENDS.....	38
Key Economic Trends.....	38
Key Demographic Trends.....	41
SIGNIFICANT RISKS TO THE FORECAST	43
FISCAL STRATEGIES	46
APPENDIX A – SUMMER REVENUE ESTIMATING CONFERENCE RESULTS	49
APPENDIX B – PROJECTED ENDING BALANCE CALCULATIONS.....	51
APPENDIX C – HISTORICAL TABLES	53

EXECUTIVE SUMMARY

KEY POINTS

- ❖ The State of Florida’s General Revenue Fund collections have tracked closer to official estimates as the forecasting environment has greatly stabilized over the past year.
- ❖ Historic General Revenue Fund balances available for the last three years allowed for significant investments in the environment, education, and state infrastructure.
- ❖ The Outlook projects future expenditures based on recent history, resulting in expenditure projections that outpace the General Revenue funds expected to be available beginning in Year 2 of the Outlook.
- ❖ A minimum reserve equivalent to 3.9 percent of the revenue estimate is maintained in the General Revenue Fund for each year of the Outlook.
- ❖ The Outlook does not account for any new or expanded programs or potential risks such as hurricanes or other natural disasters.

The Long-Range Financial Outlook (Outlook) is issued annually by the Legislative Budget Commission as required by article III, section 19(c)(1) of the Florida Constitution. The Outlook provides a longer-range picture of the state’s fiscal position that integrates expenditure projections for the major programs driving Florida’s annual budget requirements with the latest official revenue estimates. The 2024 Outlook includes projections for Fiscal Years 2025-26, 2026-27, and 2027-28. The estimates included in the Outlook are based upon the summer 2024 estimating conference results and recent historical experience. The Outlook does not predict the overall funding levels of future state budgets or the final amount of funds to be allocated to the respective budget areas—it simply presents a reasonable baseline to help the Legislature avoid future budget difficulties and maintain financial stability between fiscal years.

Expenditure projections, or budget drivers, are grouped into two categories: (1) Critical Needs, which are generally mandatory increases based on estimating conferences and other essential needs; and (2) Other High Priority Needs, which are issues that have been funded in most, if not all, recent budgets. This year’s Outlook identifies 14 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers, with total General Revenue needs of \$7.5 billion in Fiscal Year 2025-26; \$6.9 billion in Fiscal Year 2026-27; and \$6.6 billion in Fiscal Year 2027-28. The combined cost for both the Critical Needs and Other High Priority Needs budget drivers shows the impact of continuing the programs and priorities funded in recent years into the three years included in the Outlook. Notably, the three-year cost for the budget drivers included in this year’s Outlook is over \$21.0 billion—\$6.1 billion more than projected in the 2023 Outlook, and nearly triple the \$7.2 billion contemplated in the 2022 Outlook.

The revenue projections directly included in the Outlook are primarily focused on the General Revenue Fund, the Educational Enhancement Trust Fund, the State School Trust Fund, and the Tobacco Settlement Trust Fund, but the latest forecasts for many of the other revenues were also used to develop the expenditure projections. While the latest estimates for the three major trust funds show mixed results relative to prior forecasts, the estimates for General Revenue collections were increased for each year of the Outlook. A sizable reserve balance is projected to remain at the end of Fiscal Year 2024-25 in the General Revenue Fund and will be available for use in Fiscal Year 2025-26. Similar to the budget drivers,

two types of revenue adjustments affecting the General Revenue Fund are included in the Outlook: (1) tax and fee adjustments; and (2) trust fund transfers. The Outlook assumes similar adjustments will be made in future years as have been made in the recent past. In this year’s Outlook, the net impact of these adjustments to the General Revenue Fund is -\$865.2 million in Fiscal Year 2025-26; -\$1.0 billion in Fiscal Year 2026-27; and -\$1.1 billion in Fiscal Year 2027-28. Similar to the budget drivers, this year’s revenue adjustments are significantly larger than those included in the 2023 Outlook.

The revenue and expenditures estimates included in the Outlook reflect current law requirements. The budget drivers do not include any assumptions regarding the creation of new programs or expansion of current programs. Further, the Outlook does not make any discrete adjustments for potential risks, such as major hurricanes or other natural disasters.

Within the Outlook, the estimated revenues are compared to the expenditure projections and revenue adjustments to yield either a surplus or deficit for each of year of the Outlook. A minimum reserve of 3.9 percent of estimated revenue is maintained in the General Revenue Fund for each year of the Outlook. The 2024 Outlook projects a surplus for Year 1; however, deficits are projected for Years 2 and 3 as shown in the following table. The projected deficits indicate that expenditures are outpacing available revenues.

2024 Long-Range Financial Outlook Summary General Revenue Fund (\$Millions)		Year 1 FY 2025-26	Year 2 FY 2026-27	Year 3 FY 2027-28
Revenues Available		49,858	51,992	53,163
Unused Reserve from Prior Year		7,728	4,036	2,028
Expenditures	Minimum Reserve	(1,945)	(2,028)	(2,073)
	Recurring Base Budget	(45,139)	(48,942)	(52,303)
	Critical Needs Budget Drivers	(2,927)	(2,443)	(2,205)
	Other High Priority Needs Budget Drivers	(4,619)	(4,438)	(4,409)
	Ending Balance After Expenditures	2,957	(1,822)	(5,799)
Revenue Adjustments	Tax and Fee Changes	(865)	(1,003)	(1,142)
	Trust Fund Transfers	-	-	-
	Revenue Adjustments	(865)	(1,003)	(1,142)
Projected Surplus / (Deficit)		2,092	(2,825)	(6,941)

Note: totals may not add due to rounding.

The out-year projected deficits are primarily driven by the higher total cost of the budget drivers and revenue adjustments. Consistent with the methodology used in prior Outlooks, many of the budget drivers and revenue adjustments included in the 2024 Outlook are based on three-year averages. Over the past three fiscal years, the Legislature has used historic General Revenue Fund balances to make significant investments in the environment, education, and infrastructure while also providing substantial tax and fee reductions. As the state’s revenue forecasting environment continues to stabilize, future spending levels should more closely align with projected revenue increases. The Fiscal Strategies section of the Outlook provides an analysis of the levels of expenditures and revenue adjustments that would avoid the projected deficits.

REVENUE PROJECTIONS

KEY POINTS

- ❖ The new revenue forecast for General Revenue had comparatively modest changes given the size of the General Revenue Fund. Collectively, these revenue sources grow from \$49.7 billion in Fiscal Year 2025-26 to \$53.0 billion in Fiscal Year 2027-28. Growth over the three-year Outlook period averages 3.0 percent per year.
- ❖ The major education revenues (including associated transfers) show mixed results relative to prior forecasts.
- ❖ The outlook for tobacco-related revenues has worsened as the reduction in consumption continues.

The revenue projections directly included in the Outlook are primarily focused on the General Revenue Fund, the Educational Enhancement Trust Fund, the State School Trust Fund, and the Tobacco Settlement Trust Fund. While many of the other projections are not described in detail in the Outlook, the latest forecasts for those sources were also used to develop the expenditure projections. A summary table of all revenue estimates adopted during the summer, including links to the official forecasts, is provided in Appendix A. For the purposes of this Outlook, prior expenditures from depleted trust funds have been redirected to the General Revenue Fund when the underlying activities are ongoing in nature.

General Revenue Fund

Overall, the forecasting environment has greatly stabilized with improving conditions expected over the forecast horizon. While total revenue collections exceeded expectations since the last conference by \$1,085.7 million (or 2.3 percent), nearly 60 percent of the revenue gain was related to two sources: Corporate Income Tax and Earnings on Investments. Had those sources come in on estimate, the error for the remaining sources would have been less than 1 percent. Considerable economic uncertainty, however, still exists. For this reason, the forecast changes were comparatively modest given the size of the \$50+ billion General Revenue Fund expected during the Outlook period.

After accounting for the year-to-date gain by source, the Conference added \$934.3 million to the estimate for Fiscal Year 2024-25 and \$1.1 billion to the estimate for Fiscal Year 2025-26, yielding a two-year combined increase of just over \$2.0 billion. These changes reflect increases over the previous estimates of 2.0 percent in Fiscal Year 2024-25 and 2.3 percent in Fiscal Year 2025-26.

More than one-half of the adjustment to the prior forecast relates to Earnings on Investments. Investment earnings were increased by \$546.4 million in Fiscal Year 2024-25 and by \$478.1 million in Fiscal Year 2025-26, for a combined total of over \$1.0 billion for the two years. These gains can be attributed to favorable interest rates, as well as historically high balances in state accounts.

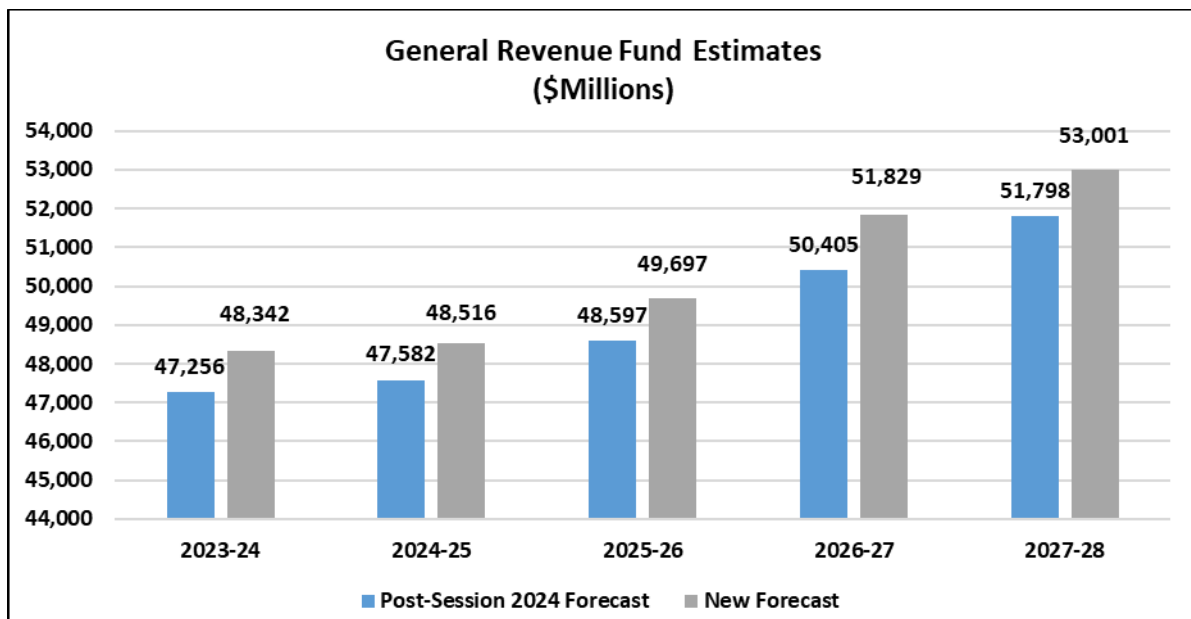
Apart from Earnings on Investments, the largest adjustment was to Sales Tax. At the end of Fiscal Year 2023-24, Sales Tax was 0.7 percent above the estimate for the year, well within a range the Conference normally considers immaterial. As a result, only \$96.6 million was added to Fiscal Year 2024-25. While a relatively small 1.1 percent adjustment was made to Fiscal Year 2025-26, this percentage against the size

of this source translates to \$408.1 million. Combined, the two-year change (\$504.7 million) explains nearly 25 percent of the total adjustment to this period.

Just below Sales Tax, Corporate Income Tax had the third largest increase. Largely on the strength of still high corporate profits, the Conference increased the forecast by \$283.0 million in Fiscal Year 2024-25 and by \$179.5 million in Fiscal Year 2025-26. Combined, the two-year change (\$462.5 million) explains nearly 23 percent of the total adjustment to this period.

In January 2024, the Seminole Tribe of Florida resumed revenue sharing with the State of Florida. Because payments resumed after the January 2024 Revenue Estimating Conference, the Conference adopted a separate forecast on February 20, 2024. Those projections were added to the General Revenue Financial Outlook Statement as a discrete item. On April 4, 2024, the Governor signed CS/SB 1638 (Chapter 2024-58, Laws of Florida), which changed the distribution from 100 percent going to General Revenue to 4 percent going to General Revenue and 96 percent to various trust funds—effective upon becoming law. Because this change did not occur until late in the 2023-24 fiscal year, \$179.3 million went to General Revenue and \$177.7 million went to the various trust funds. Beginning with Fiscal Year 2024-25, the 4 percent distribution to General Revenue is included within the overall revenue forecast for General Revenue.

The following chart shows the new forecast compared to the post-session forecast.



After all revenue and appropriation changes were incorporated, the projected ending balance on the state’s official Financial Outlook Statement for Fiscal Year 2024-25 is \$7.75 billion. The Fiscal Year 2025-26 starting point for the Long-Range Financial Outlook, however, also includes \$26.7 million in additional adjustments to address current year projected deficits and shortfalls identified during the various summer conferences, including \$20.1 million for the Tobacco Settlement Trust Fund; \$0.8 million for Bright Futures; \$0.6 million for Effective Access to Student Education (EASE); \$0.4 million for Benacquisto Scholarships; \$0.2 million for Children and Spouses of Deceased/Disabled Veterans awards; and \$4.6 million for fiscally constrained counties. The adjusted \$7.73 billion balance is assumed to be available for expenditure in Fiscal Year 2025-26 as nonrecurring funds.

Major Revenues for Education

The major revenue sources for education expenditure, including Ad Valorem Assessments; Unclaimed Property Transfers to the State School Trust Fund (SSTF); and transfers to the Educational Enhancement Trust Fund (EETF) from Lottery Ticket Sales and the Slot Machines Tax, have mixed results and are treated separately below.

Ad Valorem Assessments

Estimates of the statewide property tax roll are primarily used in the appropriations process to calculate the Required Local Effort (RLE) millage rates, which are the expected rates local school districts must levy to generate the required local funding for participation in the Florida Education Finance Program.

The 2024 certified school taxable value came in at \$3,633.7 billion or \$106.63 billion (3.02 percent) higher than expected. Based largely on this new information and updated economic forecasts, the new projection for 2025 is \$3,823.4 billion, which is \$114.7 billion (3.09 percent) higher than the previous estimate adopted in January 2024. Using the statutorily required 96 percent, the value of one mill is now projected to be \$3,670.5 million.¹ Most directly relevant to the Outlook period, the new estimate for 2025 is \$3,823.4 billion (based on 5.22 percent growth), for 2026 is \$4,047.1 billion (based on 5.85 percent growth), and for 2027 is \$4,271.4 billion (based on 5.54 percent growth). Thereafter, growth continues to slow modestly.

Unclaimed Property

Estimates of receipts and refunds to owners from unclaimed property are used to determine the distribution into the State School Trust Fund (SSTF). For the 2023-24 fiscal year, the State of Florida received \$766.6 million in receipts, which was \$82.9 million above the December 2023 estimate. Refunds were \$17.8 million over the prior estimate, leading to total claim payments of \$428.7 million for the year and offsetting part of the gain in receipts. At the end of Fiscal Year 2023-24, \$395.0 million had been transferred to the trust fund, which was \$48.5 million above the December 2023 estimate. The Conference believes that receipts and refunds will grow modestly throughout the forecast period. The new forecast projects that transfers to the SSTF will be \$312.5 million for Fiscal Year 2024-25, \$303.9 million for Fiscal Year 2025-26, \$310.9 million for Fiscal Year 2026-27, and \$316.9 million for Fiscal Year 2027-28.

After all revenue and appropriation changes were incorporated, the projected ending balance on the Financial Outlook Statement for Fiscal Year 2024-25 is \$113.9 million. This balance is assumed to be available for expenditure in Fiscal Year 2025-26 as nonrecurring funds.

Lottery Ticket Sales and Slot Machine Revenues

Both lottery ticket sales and slot machine revenues support the Educational Enhancement Trust Fund (EETF).

Final Lottery ticket sales for Fiscal Year 2023-24 came in below the estimate for the year by \$132.5 million or 1.4 percent. This loss was primarily caused by declining scratch-off sales. Conversely, the associated transfers to EETF were \$28.2 million or 1.2 percent above estimate. This seeming discrepancy is explained in large part by transfers to the EETF from other income (particularly earnings on investments) and unclaimed prizes that were higher than expected. In addition to the ticket sales history, the Conference

¹ Sec. 1011.62(4), F.S.

reviews factors that affect transfers to the EETF. One notable change was the 6.06 percent retailer commission rate for Fiscal Year 2024-25—an increase from the 5.6 percent that retailers had been expected to receive.

As a result of the new forecast, expected transfers to the EETF are reduced by \$112.2 million in Fiscal Year 2024-25. Thereafter, the losses to the prior forecast stabilize at \$106.8 million to \$110.7 million for each of the subsequent years. For the period most directly affecting this Outlook, the new estimates for EETF transfers are \$2.09 billion for Fiscal Year 2024-25, \$2.16 billion for Fiscal Year 2025-26, \$2.18 billion for Fiscal Year 2026-27, and \$2.19 billion for Fiscal Year 2027-28.

Slot machine tax collections for Fiscal Year 2023-24 were \$243.6 million, or \$0.7 million above the forecast adopted at the last conference. The percentage error (0.3 percent) is below the rate that the Conference typically attributes to noise. Given the relatively small size of the gain and with some reason to believe even that was overstated, the Conference mostly maintained the previously adopted forecast for the current year and all out years but realigned the estimates for individual facilities to come back to similar—albeit slightly lower—totals. The new estimates for the period directly affecting the Outlook are \$244.8 million for Fiscal Year 2024-25, \$247.5 million for Fiscal Year 2025-26, \$250.2 million for Fiscal Year 2026-27, and \$252.8 million for Fiscal Year 2027-28.

After all revenue and appropriation changes were incorporated, the projected ending balance on the Financial Outlook Statement for Fiscal Year 2024-25 is \$34.6 million. This balance is assumed to be available for expenditure in Fiscal Year 2025-26 as nonrecurring funds.

Tobacco-Related Revenues

Tobacco-related revenues affect expenditures in the Health and Human Services area, particularly those sources supporting the Tobacco Settlement Trust Fund and the Health Care Trust Fund in the Medicaid program. The Revenue Estimating Conference met over the summer to adopt new forecasts for both Tobacco Tax and Surcharge revenues and the Tobacco Settlement payments.

Total Tobacco Tax and Surcharge collections are derived from two different types of sources: the Cigarette Tax and Surcharge and the Other Tobacco Products (OTP) Tax and Surcharge. For the Cigarette Tax and Surcharge, the Conference expects the sale of cigarette packs will show a decline of 4.75 percent for Fiscal Year 2024-25. The Conference assumes that annual losses will persist across the forecast horizon, but drop in Fiscal Year 2025-26 to 3.75 percent, and then steady at the same percentage decline for each of the outer years. The combined forecast for Cigarette Tax and Surcharge is lower than the prior forecast in each year, producing losses during the period relevant to the Outlook of \$35.5 million in Fiscal Year 2024-25, \$34.3 million in Fiscal Year 2025-26, \$33.0 million in Fiscal Year 2026-27, and \$31.7 million in Fiscal Year 2027-28. For OTP, the Conference reduced the Fiscal Year 2024-25 tax base by 2.00 percent relative to the prior year. For subsequent years, the Conference assumes the Fiscal Year 2024-25 level will remain constant across the forecast horizon with no additional growth. As a result, the combined forecast for OTP Tax and Surcharge is lower than the prior forecast in each of those years, producing losses of \$7.0 million in Fiscal Year 2024-25, \$9.7 million in Fiscal Year 2025-26, \$12.4 million in Fiscal Year 2026-27, and \$15.2 million in Fiscal Year 2027-28. The distribution most affected by these changes is made to the Health Care Trust Fund. After correcting for a distribution error from Fiscal Year 2023-24 in the current fiscal year, the transfers are estimated to be lower than previously expected by \$29.0 million in Fiscal Year 2024-25, by \$30.1 million in Fiscal Year 2025-26, by \$30.9 million in Fiscal Year 2026-27, and by \$31.8 million in Fiscal Year 2027-28.

Tobacco settlement payments accrue to the state from a formal settlement agreement entered on August 25, 1997, in response to a lawsuit between the State of Florida and several major tobacco companies. An annual payment is due by December 31 of each year, and a profit adjustment payment is made following the end of each participating company's fiscal year. Several updates shaped the new forecast. First, a lower-than-expected profit adjustment payment was received in April 2024—\$27.0 million below the adopted January 2024 estimate. In addition, two forecast components were updated by other conferences held in July: a revised Consumer Price Index series based on the latest forecast from the National Economic Estimating Conference and new estimates for the percent change in domestic cigarette units sold based on the Tobacco Tax and Surcharge Conference results. After a round of inflation-related price changes, the Conference assumes that the original settling manufacturers will be able to break two consecutive year-over-year profit declines with a 6 percent increase in Fiscal Year 2024-25. Thereafter, the Conference believes that the projected annual declines in cigarette consumption will make it progressively more challenging to defend profits, prompting it to drop future projected growth by 0.1 percentage point each year throughout the remaining forecast. After incorporating the new information, annual payments are reduced by \$33.9 million in Fiscal Year 2024-25, \$37.7 million in Fiscal Year 2025-26, \$40.7 million in Fiscal Year 2026-27, and by \$43.1 million in Fiscal Year 2027-28. After all revenue and appropriation changes were incorporated, the projected ending balance on the Financial Outlook Statement for Fiscal Year 2024-25 is -\$20.1 million. By law, the negative balance must be cleared prior to the end of the fiscal year.

EXPENDITURE PROJECTIONS

KEY POINTS

- ❖ There are 14 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers included in the Outlook.
- ❖ The projected General Revenue need is \$7.5 billion in Fiscal Year 2025-26; \$6.9 billion in Fiscal Year 2026-27; and \$6.6 billion in Fiscal Year 2027-28.
- ❖ Across the three years of the Outlook, the largest General Revenue needs are in the Human Services, Pre K-12 Education, and Natural Resources policy areas.

To develop the expenditure projections included in the Outlook, referred to as budget drivers, all major programs that have historically driven significant increases in the state’s budget were analyzed. Forecasts of future workload increases were developed for each of the major cost drivers using a variety of methods, including the most recent projections from estimating conferences held during the summer, as well as historical funding averages. Exceptional funding needs—the fiscal impact of special issues outside of normal workload and caseload requirements—are identified and addressed when necessary for state operations. When historical funding averages are used, the Outlook relies on three-year averages of pre-veto appropriations, unless otherwise noted. Although emphasis is placed on recurring budget programs that the state is expected or required to continue from year to year, estimates for ongoing programs traditionally funded with nonrecurring funds are also included in the Outlook.

The budget drivers are grouped by policy areas and are categorized as either Critical Needs or Other High Priority Needs. Critical Needs are issues that can generally be thought of as the minimum funding requirements for core government functions within the current policy framework, absent significant law or structural changes. Other High Priority Needs are issues that have been funded in most, if not all, recent budgets. The budget drivers do not include any assumptions regarding the creation of new programs or expansion of current programs.

This year’s Outlook identifies 14 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers, with total General Revenue needs of \$7.5 billion in Fiscal Year 2025-26; \$6.9 billion in Fiscal Year 2026-27; and \$6.6 billion in Fiscal Year 2027-28. Combining both types of budget drivers provides a more complete approach to estimating future expenditures. Essentially, the total projected cost for the Critical Needs and Other High Priority Needs shows the impact of continuing the programs and priorities funded in recent years into the three years included in the Outlook.

General Revenue Fund Dollar Value of Critical Needs and Other High Priority Needs (\$Millions)	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Critical Needs	2,927.1	2,443.1	2,205.3
Other High Priority Needs	4,618.6	4,437.5	4,408.6
Critical Needs and Other High Priority Needs	7,545.7	6,880.6	6,613.9

Note: totals may not add due to rounding.

Across the three years included in the Outlook, the total projected need for new General Revenue spending is over \$21 billion, with six of the eight policy areas exceeding \$2 billion in need. The top three policy areas in terms of General Revenue budget drivers are the Human Services, Pre K-12 Education, and Natural Resources policy areas, which together represent 58 percent of the three-year total need.

General Revenue Fund Total Critical Needs and Other High Priority Needs by Policy Area (\$Millions)	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28	Three- Year Total	% of Three- Year Total
Pre K-12 Education	1,276.0	1,179.8	1,381.5	3,837.3	18.2%
Higher Education	988.8	911.5	913.2	2,813.5	13.4%
Human Services	1,966.3	1,693.4	1,266.3	4,926.1	23.4%
Criminal Justice & Judicial Branch	64.6	64.6	64.6	193.9	0.9%
Transportation & Economic Development	707.0	708.8	707.0	2,122.7	10.1%
Natural Resources	1,284.9	1,100.2	1,066.1	3,451.1	16.4%
General Government	191.4	187.6	187.7	566.8	2.7%
Administered Funds & Statewide Issues	<u>1,066.7</u>	<u>1,034.6</u>	<u>1,027.5</u>	<u>3,128.8</u>	<u>14.9%</u>
Total New Issues	7,545.7	6,880.6	6,613.9	21,040.2	100.0%

Note: totals may not add due to rounding.

The policy areas differ in their General Revenue needs by year. These differences are largely driven by two factors: workload estimates and available trust fund balances that fluctuate by year. Within the Human Services policy area, the Social Services Estimating Conference adjusts the amount needed from the General Revenue Fund for the Medicaid program based on projected trust fund revenues. The General Revenue need for the Medicaid program for Fiscal Year 2025-26 is elevated due to the use of essentially the entire cash balances for the Grants and Donations Trust Fund and the Public Medical Assistance Trust Fund in the current year, as well as material declines in available tobacco-related revenues in the Tobacco Settlement Trust Fund and the Health Care Trust Fund over the relevant forecast years. For both Education policy areas and the Natural Resources policy area, the Outlook maximizes the use of state trust funds prior to using General Revenue. To accomplish this, adjustments are made to the General Revenue Fund, the Educational Enhancement Trust Fund, the State School Trust Fund, and the Land Acquisition Trust Fund based on projected balances forward and revenue changes in the trust funds over the three-year forecast period. For Fiscal Year 2025-26, the combined trust fund adjustments to the Education policy areas resulted in an overall increased need for General Revenue. For a more detailed discussion related to the Natural Resources policy area, see Drivers #37 and #38.

Focusing solely on the total General Revenue increases needed each year does not present a complete picture of the expenditure impacts on the state's long-term budget. Over the entire three-year period, 66.5 percent of the new General Revenue funding must be recurring to support the ongoing nature of the expenditure. Those recurring expenditures accumulate, or stack on top of each other, in the subsequent years. Of the \$7.5 billion needed for the budget drivers in Fiscal Year 2025-26, \$3.8 billion will also be needed in Fiscal Year 2026-27 (and again in Fiscal Year 2027-28) to continue those programs. In effect, the \$21.0 billion in new funding over the Outlook period ultimately results in \$32.0 billion in additional costs over the three-year forecast period. Both effects are accounted for in the Outlook and are illustrated in the table on the following page.

General Revenue Fund Recurring and Nonrecurring Budget Driver Impact (\$Millions)	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28	Three- Year Total	% of Three- Year Total
New Recurring Drivers for Each Year	3,803.2	3,360.7	3,147.4	10,311.3	
Continuation of Year 1 Recurring Drivers		3,803.2	3,803.2	7,606.3	
Continuation of Year 2 Recurring Drivers			3,360.7	3,360.7	
Cumulative Impact of Recurring Drivers	3,803.2	7,163.9	10,311.3	21,278.3	66.5%
Nonrecurring Drivers for Each Year	3,742.5	3,519.9	3,466.6	10,728.9	33.5%
Grand Total	7,545.7	10,683.8	13,777.8	32,007.3	

Note: totals may not add due to rounding.

On the following pages, the Critical Needs and Other High Priority Needs budget drivers with the largest General Revenue needs are discussed, and all of the drivers are listed in a table format, along with a brief description of the assumptions behind the projections.

Critical Needs

Within Critical Needs, the most significant General Revenue budget drivers across the three years of the Outlook are in the Pre K-12 Education, Human Services, and Administered Funds and Statewide Issues policy areas. The four largest General Revenue budget drivers are shown in the following table.

General Revenue Fund Significant Critical Needs Budget Drivers (\$Millions)	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28	Three- Year Total
Driver #2 – Workload and Enrollment - Florida Education Finance Program	994.1	820.9	1,054.7	2,869.7
Driver #6 – Medicaid Program	1,201.0	892.1	466.9	2,559.9
Driver #12 – State Match for Federal Emergency Management Agency (FEMA) Funding	238.1	160.0	142.9	541.0
Driver #14 – Increases in Employer-Paid Benefits for State Employees	421.2	467.2	477.3	1,365.6
Grand Total	2,854.3	2,340.2	2,141.7	7,336.2

Note: totals may not add due to rounding.

Workload and Enrollment – Florida Education Finance Program

The Florida Education Finance Program (FEFP) is the state’s funding model that is aligned with the state’s school choice policy and appropriates funding to school districts for K-12 public school operations, including charter schools, and Family Empowerment Scholarship students. The FEFP is composed of state and local funds and considers various factors such as the individual educational needs of students, the local property tax base, the costs of educational programs, and a comparable wage factor. The FEFP is

forecasted to serve nearly 3.2 million students in Fiscal Year 2024-25, including both public school students and Family Empowerment Scholarship students.

Within the Outlook, Critical Needs funding is provided in Driver #2 to fund projected enrollment growth; increase the total funds per full-time-equivalent (FTE) student; and maintain the prior year millage rate for the Required Local Effort (RLE). Over the three-year forecast period, enrollment for funding purposes is estimated to increase by 138,171.41 FTE over the Fiscal Year 2024-25 FEFP 2nd Calculation,² as adopted by the Education Estimating Conference in July 2024.³ This forecasted increase includes the estimated number of both public school students and Family Empowerment Scholarships. The Outlook includes a total funds per FTE student increase of 4.21 percent annually to reflect historical funding trends. State funding projections are based on maintaining the prior year RLE millage rate of 3.087 mills, thus allowing the RLE to increase by its full value, and maintaining the nonvoted discretionary millage of 0.748 mills; both are consistent with the policy adopted by the Legislature for Fiscal Year 2024-25. The tax rolls for Fiscal Years 2025-26 through 2027-28, as projected by the Revenue Estimating Conference in July 2024, provide increased taxable value, which offsets the amount of state funding needed throughout the three-year forecast period.⁴ The following table shows the calculations used to develop the FEFP state funding projections.

Florida Education Finance Program⁵	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
FTE Student Enrollment Growth	51,423.38	35,534.83	51,213.20
Total Funds per FTE Student Increased by Three-Year Average	\$9,360.97	\$9,755.06	\$10,165.75
Enrollment Growth Funding	\$461.9 million	\$319.2 million	\$460.0 million
Total Funds per FTE Student Increase Funding	\$1,218.4 million	\$1,297.1 million	\$1,398.3 million
State Funding Offset for Total Local Funds Increase	(\$686.2) million	(\$795.4) million	(\$803.7) million
State Funds Included in Driver #2	\$994.1 million	\$820.9 million	\$1,054.7 million

Note: totals may not add due to rounding.

Medicaid Program

The Medicaid program (Title XIX of the Social Security Act) provides health care coverage to certain persons who qualify as low-income children, elderly, disabled, or families with dependent children. Medicaid is a federal and state matching program. It is the largest single program in the state budget, representing 28.5 percent of the total state budget, and is also the largest source of federal funding for the state.

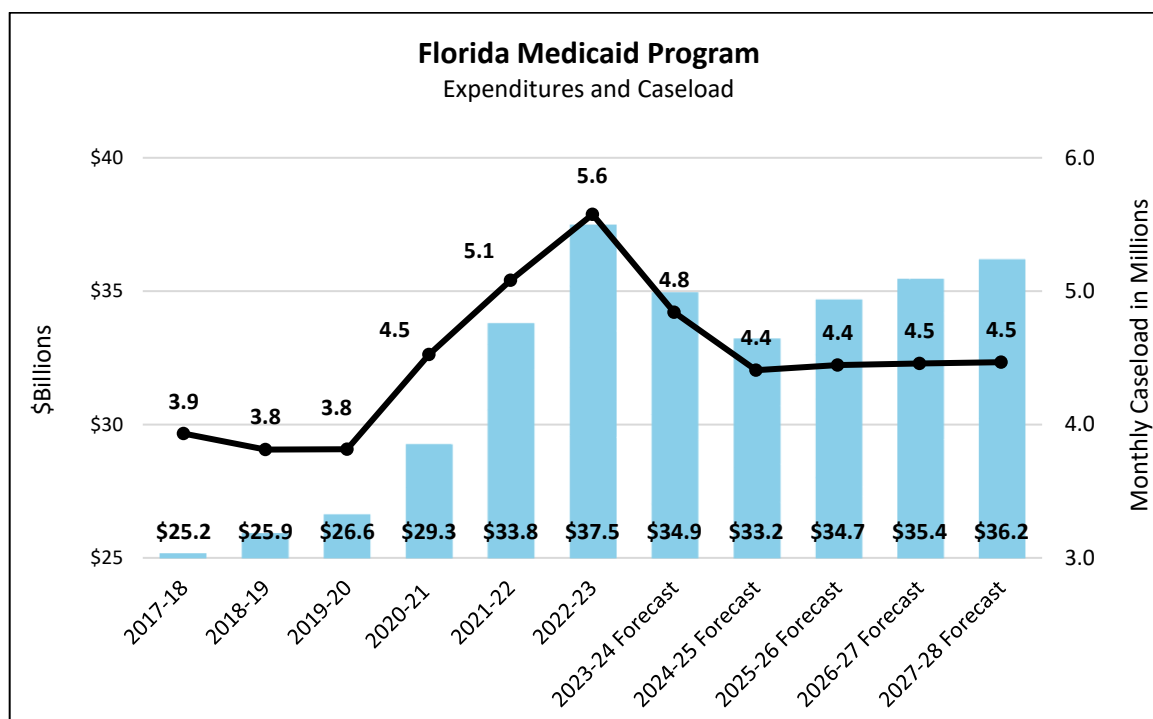
² The 2024-25 FEFP 2nd Calculation is available at <https://www.fldoe.org/core/fileparse.php/7507/urlt/24-25FEFP2ndCalc.pdf>

³ The forecast for full-time student membership is available at <http://edr.state.fl.us/Content/conferences/publicschools/index.cfm>.

⁴ The forecast for Ad Valorem assessments is available at <http://edr.state.fl.us/Content/conferences/advalorem/index.cfm>.

⁵ The enrollment growth and increase in total funds per FTE student are calculated based on the Fiscal Year 2024-25 FEFP 2nd calculation, which includes total enrollment of 3,170,301.01 FTE and total funds per student of \$8,982.79 per FTE.

Within the Outlook, Critical Needs funding is provided in Driver #6 to fund caseloads and expenditures as projected by the Social Services Estimating Conferences held in July 2024.⁶ The Consolidated Appropriations Act of 2023 decoupled the Medicaid continuous enrollment provision from the federal COVID-19 Public Health Emergency (PHE) effective March 31, 2023. As a result, Florida began performing Medicaid redeterminations in April 2023. After more than a year, total caseload for Fiscal Year 2023-24 dropped to 4.8 million from 5.6 million in the prior year. Medicaid enrollment is expected to decrease by 433,796 to approximately 4.4 million beneficiaries in Fiscal Year 2024-25, a decrease of 8.96 percent below Fiscal Year 2023-24. The caseload estimate still remains higher than the pre-pandemic peak of 4.0 million beneficiaries in Fiscal Year 2016-17. Despite the end of the redetermination process, caseloads are projected to exhibit modest growth each year of the forecast, increasing by 59,319 beneficiaries (1.35 percent) over the three-year period.



In Fiscal Year 2024-25, Medicaid service expenditures are expected to be \$33.2 billion. Total Medicaid expenditures for Fiscal Year 2025-26 are expected to be \$34.7 billion, an increase of \$1.5 billion. The Outlook includes an increase in recurring General Revenue funds of \$1.18 billion to meet the state’s share of the total need in Fiscal Year 2025-26. While the Social Services Estimating Conference incorporated the need for additional funding for the Agency for Health Care Administration, other state agencies will also need additional funding. The Outlook includes increases of recurring General Revenue of \$24.2 million in Fiscal Year 2025-26, \$20.3 million in Fiscal Year 2026-27, and \$9.9 million in Fiscal Year 2027-28 to fund the state’s share for these agencies. When the Medicaid state matching funds that are budgeted in other Health and Human Services departments are included, the recurring General Revenue needs are approximately \$1.2 billion in Fiscal Year 2025-26, \$892.1 million in Fiscal Year 2026-27, and \$466.9 million in Fiscal Year 2027-28.

⁶ The forecast for Medicaid is available at <http://edr.state.fl.us/Content/conferences/medicaid/index.cfm>.

State Match for Federal Emergency Management Agency Funding - State Disaster Funding (Declared Disasters)

When a federal disaster declaration is issued, the federal government often provides funds in the form of reimbursements and grants for emergency response activities, repairing damage, and protecting areas from future potential disasters. Florida is generally required to provide up to 25 percent of the total cost of the grant as state match, depending on the size and severity of the event. The amount of General Revenue funds required in any given year is dependent on the number and severity of prior disasters, the federally required percentage of state match, and the timing of the required match. This driver includes funding for the state match for hurricanes and other natural disasters or emergencies.

Within the Outlook, Critical Needs funding is provided in Driver #12 to meet the outstanding state obligation for all open federally declared disasters. Based on the most recent quarterly estimate from the Division of Emergency Management, the Outlook includes nonrecurring General Revenue funds of \$238.1 million in Fiscal Year 2025-26, \$160.0 million in Fiscal Year 2026-27, and \$142.9 million in Fiscal Year 2027-28. The Outlook does not contemplate any cost estimates for natural disasters or other declared emergencies yet to occur or for which damage assessments are ongoing and have not been completed as of the date this Outlook was prepared.

Increases in Employer-Paid Benefits for State Employees

Health Insurance – The State Group Health Insurance Program is a \$3.4 billion program that provides health insurance for over 350,000 state and university employees, retirees, and their families. The program is projected to add another 19,000 subscribers based on the inclusion of the Florida College System.⁷ The State Employees' Health Insurance Trust Fund (health insurance trust fund) is projected to have a surplus of \$224.2 million at the end of Fiscal Year 2024-25. However, due to rising projected expenditures that outpace estimated revenues, the health insurance trust fund has estimated deficits of \$421.9 million in Fiscal Year 2025-26, \$901.6 million in Fiscal Year 2026-27, and \$1,219.6 million in Fiscal Year 2027-28.⁸

Funds are included in Driver #14 based on continuing the funding policy utilized for Fiscal Year 2024-25, which includes a 10 percent increase to employer-paid premiums, as well as a \$350 million transfer from the General Revenue Fund for each year of the Outlook period. This results in the following total amounts (General Revenue and trust funds) included in this driver: \$451.0 million for Fiscal Year 2025-26; \$540.7 million for Fiscal Year 2026-27; and \$560.4 million for Fiscal Year 2027-28. The enhancements to projected revenues for the health insurance trust fund included in this driver leaves the program with a modest surplus for each year of the Outlook period.

Florida Retirement System (FRS) – Since Fiscal Year 2013-14, the Legislature has provided full funding for the normal cost and amortization of unfunded actuarial liabilities of the FRS. As a result, if the assumptions used during the FRS Annual Actuarial Valuation are achieved and remain unchanged and no additional benefits are enacted, no additional expenditures would be needed. The results of the 2024 FRS Actuarial Assumption Conference and the Fiscal Year 2023-24 Annual Actuarial Valuation were not available when this Outlook was prepared. Therefore, the Outlook assumes a three-year average of the increase in appropriations made to fund the actuarially calculated contribution rates. Within the Outlook, Critical Needs funding of approximately \$19.3 million from the General Revenue Fund and \$12.4 million from trust funds is provided each year of the three-year forecast period.

⁷ Ch. 2024-230, L.O.F., provides for inclusion of Florida College System employees in the State Group Insurance Program.

⁸ The forecast for the State Employees' Health Insurance Trust Fund is available at <http://edr.state.fl.us/Content/conferences/healthinsurance/index.cfm>.

Critical Needs Driver Number and Title		FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
PRE K - 12 EDUCATION								
#1	Maintain Current Budget - Florida Education Finance Program	(52.8)	52.8	(13.1)	13.1	(14.3)	14.3	Driver #1 maximizes the use of state trust funds prior to using General Revenue to fund the Florida Education Finance Program. Adjustments are made to the General Revenue Fund, the Educational Enhancement Trust Fund, and the State School Trust Fund based on projected balances forward and revenue changes in the trust funds over the three-year forecast period, as adopted by the August 2024 Revenue Estimating Conference. ⁹
#2	Workload and Enrollment - Florida Education Finance Program	994.1	0.0	820.9	0.0	1,054.7	0.0	Driver #2 funds enrollment growth of 138,171.41 full-time-equivalent students, including both public school students and Family Empowerment Scholarship students, over the three-year forecast period, as projected by the July 2024 Education Estimating Conference, and increases the total funds per student based on a three-year average increase of 4.21 percent. State funding projections are based on maintaining the prior year millage rate for the Required Local Effort at 3.087 mills and maintaining the nonvoted discretionary millage of 0.748 mills; both are consistent with the policy adopted by the Legislature for Fiscal Year 2024-25. The program is expected to serve 3.2 million students in Fiscal Year 2024-25.

Table continues on the following page.

⁹ The Financial Outlook Statements are available for the Educational Enhancement Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/educational-enhancement-tf/index.cfm> and the State School Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/state-school-tf/index.cfm>.

Critical Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#3 Workload and Enrollment - Voluntary Prekindergarten Education Program	(2.4)	0.0	28.7	0.0	(2.1)	0.0	Driver #3 adjusts funding to reflect the forecast adopted by the August 2024 Early Learning Programs Estimating Conference. ¹⁰ Enrollment is projected to increase by 6,961.83 FTE over the three-year period. Funding per student is maintained at the Fiscal Year 2024-25 base student allocation amount of \$3,029 for the school year program and \$2,586 for the summer program. The program is expected to serve 137,367.52 students in Fiscal Year 2024-25.
HIGHER EDUCATION							
#4 Workload and Enrollment - Bright Futures and Children and Spouses of Deceased/ Disabled Veterans	3.7	15.4	3.7	15.0	2.8	5.7	Driver #4 funds changes in the number of eligible recipients, as projected by the August 2024 Education Estimating Conference. ¹¹ Over the three-year period, there are projected to be 6,989 additional eligible students for a Bright Futures award and 1,987 additional eligible students for a Children and Spouses of Deceased/ Disabled Veterans (CSDDV) award. In Fiscal Year 2024-25, there are projected to be 126,780 Bright Futures awards and 4,983 CSDDV awards.
#5 Educational Enhancement Trust Fund Adjustment	68.5	(68.5)	(4.2)	4.2	(7.4)	7.4	Driver #5 maximizes the use of state trust funds prior to using General Revenue to fund higher education programs. Adjustments are made to the General Revenue Fund and the Educational Enhancement Trust Fund based on projected balances forward and revenue changes in the trust funds over the three-year forecast period, as adopted by the August 2024 Revenue Estimating Conference. ¹²

¹⁰ The forecast for Early Learning Programs is available at <http://edr.state.fl.us/Content/conferences/vpk/index.cfm>

¹¹ The forecast for Postsecondary Student Financial Aid is available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>

¹² The Financial Outlook Statements are available for the Educational Enhancement Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/educational-enhancement-tf/index.cfm> and the State School Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/state-school-tf/index.cfm>.

Critical Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
HUMAN SERVICES							
#6 Medicaid Program	1,201.0	(433.2)	892.1	(125.6)	466.9	272.5	Driver #6 funds the caseload and expenditures estimates adopted by the July 2024 Social Services Estimating Conferences. ¹³ Caseloads are expected to be 4.44 million in Fiscal Year 2025-26; 4.46 million in Fiscal Year 2026-27; and 4.47 million in Fiscal Year 2027-28. The program is expected to serve 4.41 million eligible Floridians in Fiscal Year 2024-25. The estimated costs for caseload, service utilization, Federal Medical Assistance Percentage, and medical inflation are projected based on historical trends and other forecasting methodologies.
#7 Kidcare Program	0.3	(15.1)	25.0	40.8	23.4	43.7	Driver #7 funds the caseload and expenditures estimates adopted by the July 2024 Social Services Estimating Conferences. ¹⁴ June 30 caseloads are projected to be 211,117 in 2026; 219,013 in 2027; and 227,101 in 2028. The program is expected to serve 202,489 eligible children in 2025. The estimated costs for caseload, service utilization, Federal Medical Assistance Percentage, and medical inflation are projected based on historical trends and other forecasting methodologies.
#8 Temporary Assistance for Needy Families Cash Assistance	(18.4)	0.0	(7.1)	0.0	(7.4)	0.0	Driver #8 funds the caseload and expenditure estimates adopted by the July 2024 Social Services Estimating Conference. ¹⁵ Caseloads are projected to decrease by 5,666 over the three-year period. The program is expected to serve 29,124 eligible cases during Fiscal Year 2024-25.

¹³ The forecast for Medicaid is available at <http://edr.state.fl.us/Content/conferences/medicaid/index.cfm>.

¹⁴ The forecast for Kidcare is available at <http://edr.state.fl.us/Content/conferences/kidcare/index.cfm>.

¹⁵ The forecast for Temporary Assistance for Needy Families Cash Assistance is available at <http://edr.state.fl.us/Content/conferences/tanf/index.cfm>.

Critical Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#9 Tobacco Awareness Education Program	0.0	2.6	0.0	1.9	0.0	2.4	Driver #9 provides the constitutionally-required levels of funding for the tobacco education and prevention program. The amounts are based on the calculated constitutional funding requirements as shown on the Tobacco Settlement Trust Fund Financial Outlook Statement. The calculation uses the Consumer Price Index adopted by the July 2024 National Economic Estimating Conference. ¹⁶
GENERAL GOVERNMENT							
#10 Non-Florida Retirement System (FRS) Pensions and Benefits	0.1	0.0	0.3	0.0	0.3	0.0	Driver #10 provides funds for the non-FRS pension and benefit programs based on estimates provided by the Division of Retirement. Funding is provided for the Florida National Guard and is based upon changes to the federal military pay scales, cost-of-living adjustments to federal retirement benefits, and growth in the number of participants.
#11 Fiscally Constrained Counties - Property Tax	73.5	0.0	69.2	0.0	67.9	0.0	Driver #11 funds the estimates adopted by the August 2024 Revenue Estimating Conference to offset reductions in ad valorem tax revenue in fiscally constrained counties that resulted from constitutional amendments approved in 2008. ¹⁷

Table continues on the following page.

¹⁶ The forecast of the National Economic Estimating Conference is available at <http://edr.state.fl.us/Content/conferences/useconomic/index.cfm>.

¹⁷ The forecast for Fiscally Constrained Counties is available at <http://edr.state.fl.us/Content/conferences/advalorem/FiscallyConstrainedCountiesTable.pdf>. See also sections 218.12 and 218.125, Florida Statutes.

Critical Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
ADMINISTERED FUNDS AND STATEWIDE ISSUES¹⁸							
#12 State Match for Federal Emergency Management Agency Funding - State Disaster Funding (Declared Disasters)	238.1	0.0	160.0	0.0	142.9	0.0	Driver #12 funds the state matching requirement for all open federally declared disasters and is based on the most recent quarterly estimate from the Division of Emergency Management. The state match covers previous hurricanes and natural disasters or other emergencies. These amounts do not contemplate any change in cost share adjustments or include cost estimates for emergencies yet to occur or for which damage assessments are ongoing.
#13 Division of Administrative Hearings Assessments	0.4	0.4	0.4	0.4	0.4	0.4	Driver #13 provides funding to support the Division's operations based on the three-year average of actual appropriations. Agencies pay assessments with trust funds, General Revenue, or a blend of both funding sources.

Table continues on the following page.

¹⁸ The 2022 Outlook included a Critical Needs budget driver for Risk Management Insurance to resolve expected shortfalls in the State Risk Management Trust Fund. The Fiscal Year 2023-24 General Appropriations Act transfers \$70 million from the General Revenue Fund to the trust fund and provides \$24 million in recurring funding to resolve deficits resulting from Hurricanes Ian and Nicole, as well as other insurance claims. The Self-Insurance Estimating Conference held in August 2024 projects positive ending balances in the trust fund for each year of the Outlook; therefore, no additional funds are provided.

Critical Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#14 Increases in Employer-Paid Benefits for State Employees	421.2	61.6	467.2	105.3	477.3	114.8	Driver #14 funds increases for the state employee health insurance program and the Florida Retirement System (FRS). For the state group health insurance program, ¹⁹ funds are included for the impact to state agencies of a ten percent increase to employer-paid premiums and a \$350 million transfer from the General Revenue Fund for each year of the Outlook period. This methodology reflects the most recent funding policy and maintains a positive trust fund balance throughout the Outlook period. Funds are also included to fund the normal cost and amortization of unfunded actuarial liabilities of the FRS based on a three-year average increase of appropriations. The historical average is used because the results of the 2024 FRS Actuarial Assumption Conference and the Fiscal Year 2023-24 Annual Actuarial Valuation were not available at the time of this Outlook. ²⁰
Total Critical Needs	2,927.1	(384.1)	2,443.1	55.0	2,205.3	461.1	

¹⁹ The forecast for the State Employees' Health Insurance Trust Fund is available at <http://edr.state.fl.us/Content/conferences/healthinsurance/index.cfm>.

²⁰ The results of the most recent Actuarial Assumption Conference are available at <http://edr.state.fl.us/Content/conferences/actuarial/index.cfm>. This Conference is held annually in the fall.

Other High Priority Needs

While the Critical Needs expenditure projections are largely associated with the results of estimating conferences, the projections for Other High Priority Needs generally reflect the Legislature’s most recent budget decisions and funding priorities. The majority of these budget drivers are calculated using three-year averages of appropriations. In this year’s Outlook, the largest General Revenue Other High Priority Needs drivers are in the Natural Resources, Higher Education, Human Services, and Transportation and Economic Development policy areas as shown in the following table.

General Revenue Fund Significant Other High Priority Needs By Policy Area (\$Millions)	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28	Three-Year Total
Natural Resources – Driver #s 37,38	1,284.9	1,100.2	1,066.1	3,451.1
Higher Education – Driver #s 17-20	916.6	912.0	917.8	2,746.5
Human Services – Driver #s 21-27	783.5	783.5	783.5	2,350.4
Transportation and Economic Development – Driver #s 33-36	707.0	708.8	707.0	2,122.7
Grand Total	3,691.9	3,504.5	3,474.3	10,670.7

Note: totals may not add due to rounding.

Natural Resources – Other High Priority Needs

The policy area with the greatest Other High Priority Needs, totaling nearly \$3.5 billion over the Outlook period, is related to Florida’s natural resources and includes two budget drivers: Water and Land Conservation (Driver #37) and Other Agricultural and Environmental Programs (Driver #38). The funding projections for these two drivers are primarily based on the projected balances and expected revenues in the Land Acquisition Trust Fund (LATF), as well as three-year averages of appropriations. Based on the August 2024 Revenue Estimating Conference results, the revenue to be distributed to the LATF over the three years of the Outlook has increased moderately to \$1,280.3 million for Fiscal Year 2025-26; \$1,321.6 million for Fiscal Year 2026-27; and \$1,363.5 million for Fiscal Year 2027-28.²¹ The Outlook assumes a reserve within the LATF similar to reserves established for the other trust funds included in the Outlook.

In the 2024 Regular Session, the Legislature dedicated 96 percent of revenue from the Indian Gaming Compact for environmental resource management programs including land acquisition and management, flooding and sea level rise resiliency, and water quality improvements.²² The Outlook does not include any adjustments to account for the expenditure of these funds, which may impact General Revenue funding needs in future years. The expected distributions to the affected trust funds range from a total of \$770.7 million in Fiscal Year 2025-26 to \$854.7 million in Fiscal Year 2027-28.

For the Water and Land Conservation budget driver, the Outlook includes \$606.1 million in General Revenue funds for Fiscal Year 2025-26 and \$421.2 million in Fiscal Years 2026-27 and 2027-28. The

²¹ The forecast for Documentary Stamp Tax collections and distributions is available at <http://edr.state.fl.us/Content/conferences/docstamp/index.cfm>.

²² Ch. 2024-58, L.O.F.

components included in the calculation of this driver are the Florida Forever land acquisition programs; Everglades Restoration; Land Management; Lake Apopka Restoration; various Water Quality Improvement Programs; Total Maximum Daily Loads; Nonpoint Source Pollution Prevention; Innovative Technologies to combat or cleanup harmful algal blooms and provide grants for red tide response; Water Quality Enhancements and Accountability, including water quality monitoring, development and maintenance of the water quality information portal, and support for the Blue-Green Algae Task Force; and Alternative Water Supply.

For the Other Agriculture and Environmental Programs budget driver, the Outlook includes recurring General Revenue funds of \$1.3 million in each year of the forecast period, as well as nonrecurring General Revenue funds of \$677.5 million in Fiscal Year 2025-26, \$677.8 million in Fiscal Year 2026-27, and \$643.7 million in Fiscal Year 2027-28. The initiatives included in the calculation of this driver are the following: Water Projects; state match for Drinking Water and Wastewater Revolving Loan Programs; Florida Keys Area of Critical State Concern; Resilient Florida Program; Agricultural Programs, including Florida Forest Service equipment, Farm Share and Food Banks, aircraft acquisition and maintenance, Agriculture Education and Promotion Facilities, the Florida State Fair, Citrus Research, Citrus Recovery, and the transfer of General Revenue funding to the Agricultural Emergency Eradication Trust Fund; and Fish and Wildlife Conservation Programs, including vehicles and vessels replacement, aircraft acquisition and maintenance, artificial reef construction, derelict vessels removal, and nonnative species management.

Higher Education – Other High Priority Needs

The Outlook includes more than \$2.7 billion over the Outlook period for Other High Priority Needs in Higher Education. The Outlook includes nonrecurring workload funding for key programs funded with nonrecurring appropriations in the Higher Education budget based on the three-year average of nonrecurring appropriations provided for these issues. Specifically, for each forecasted year, the Outlook includes \$388.3 million for State University System Performance Based Incentive Funds and University Performance Based Excellence Funds (Driver #19) and \$66.7 million for Workforce Capitalization Incentive funds (Driver #17).

The Outlook also includes recurring workload funding for Florida’s public higher education delivery systems based on the three-year average increase of appropriations for each system, excluding funded appropriations projects and issues funded with nonrecurring workload funding in the Outlook. Specifically, for each forecasted year, the Outlook includes \$26.3 million for school district workforce education programs (Driver #17), \$101.0 million for Florida College System institutions (Driver #18), and \$331.3 million for State University System Education and General Activities (E&G) and the Institute for Food and Agricultural Sciences (IFAS) (Driver #19). Additionally, this policy area includes funding adjustments for students estimated to be eligible for the Effective Access to Student Education (EASE) grant program and Benacquisto Scholarship program (Driver #20).²³

Human Services – Other High Priority Needs

The Outlook includes nearly \$2.4 billion in General Revenue funding over the Outlook period for Other High Priority Needs associated with health and human services provided to Florida’s families. The most significant budget driver in this policy area is Children and Family Services (Driver #22), totaling \$942.2 million in General Revenue funding over the Outlook period. This driver includes funding for Community-Based Care lead agency core services operations to keep families together and safe; child welfare

²³ The forecasts for each financial assistance program are available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>

initiatives aimed at reducing the number of children in out of home care; adoption maintenance subsidies to families that adopt a child from the child welfare system; resources for foster families to support the care of foster children; and funding needs resulting from recent federal changes. Funding is also included for mental health and substance abuse services provided through community providers with a focus on Opioid crisis response; mental health treatment facility needs and operating contracts; and forensic treatment beds.

The Outlook also includes General Revenue and federal matching funds to assist individuals on the waiting list for home and community-based services for persons with intellectual and developmental disabilities (Driver #24). These funds are provided to ensure those most vulnerable can live productive and fulfilling lives in their community. Additionally, this policy area includes funding based on three-year averages for Medicaid provider rate increases, public health programs, Veterans' services, services for the elderly, and information technology (Driver #s 21, 23, 25-27).

Transportation and Economic Development – Other High Priority Needs

Finally, more than \$2.1 billion in General Revenue funding is provided over the Outlook period for Other High Priority Needs related to transportation infrastructure and economic development programs. The most significant budget driver in this policy area is the Department of Transportation Adopted Work Program and Local Transportation Projects (Driver #33), totaling \$1.0 billion from the General Revenue Fund over the three-year forecast period. Although the Adopted Work Program is primarily funded with state and federal trust funds, the Legislature has appropriated significant amounts of General Revenue funding for local transportation projects over the previous three fiscal years. This driver includes \$345.7 million each year from the General Revenue Fund for local transportation projects based on the three-year average of appropriations.

Additionally, the Outlook includes General Revenue funding based on three-year averages for economic development and workforce programs (Driver #34); National Guard armories, military affairs, and Florida State Guard priorities (Driver #35); and library, cultural, historical, and election priorities (Driver #36).

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
PRE K - 12 EDUCATION							
#15 Workload and Enrollment - Other Pre K-12 Programs	87.2	0.0	93.3	0.0	93.1	0.0	Driver #15 provides funding for: (a) the Florida School for the Deaf and the Blind based on the three-year average increase of appropriations; (b) the VPK program based on the additional funds needed to achieve a three-year average increase of 6.89 percent in the VPK BSA; and (c) other K-12 education statutory programs funded in the Non-FEFP section of the budget based on the three-year average of nonrecurring appropriations provided for the programs.
#16 Education Stabilization	250.0	0.0	250.0	0.0	250.0	0.0	Driver #16 provides funding for the Educational Enrollment Stabilization Program which was established in law to provide supplemental state funds, as needed, to maintain the stability for the operations of public schools in each school district and to protect districts, including charter schools, from financial instability as a result of changes in FTE enrollment throughout the school year. The law requires an annual appropriation in an amount necessary to maintain a minimum balance of \$250 million at the beginning of the upcoming fiscal year. ²⁴
HIGHER EDUCATION							
#17 Workload - District Workforce	92.9	0.0	92.9	0.0	92.9	0.0	Driver #17 provides funding for: (a) school district workforce education programs based on the three-year average increase of appropriations for Workforce Development, excluding funded appropriations projects; and (b) Workforce Capitalization Incentive Grants based on the three-year average of nonrecurring appropriations.

²⁴ Ch. 2024-230, L.O.F.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#18 Workload - Florida Colleges	101.0	0.0	101.0	0.0	101.0	0.0	Driver #18 funds increases for the Florida College System institutions based on the three-year average increase of appropriations, excluding funded appropriations projects.
#19 Workload - State Universities	719.7	0.0	719.7	0.0	719.7	0.0	Driver #19 provides funding for: (a) State University System Education and General Activities (E&G) and the Institute for Food and Agricultural Sciences (IFAS) based on the three-year average increase of appropriations, excluding funded appropriations projects; and (b) State University System Performance Based Incentive and Excellence funds based on the three-year average of nonrecurring appropriations.
#20 Workload and Adjustments - Other Higher Education Programs	3.0	0.0	(1.5)	0.0	4.2	0.0	Driver #20 funds changes in the number of eligible recipients, as projected by the August 2024 Education Estimating Conference, ²⁵ for the Effective Access to Student Education (EASE) grant program and the Benacquisto Scholarship program. Over the three-year period, there are projected to be 143 additional eligible students for an EASE grant and 225 additional eligible students for a Benacquisto Scholarship. In Fiscal Year 2024-25, there are projected to be 35,942 EASE grants and 2,063 Benacquisto Scholarships.
HUMAN SERVICES							
#21 Medicaid Services	260.3	411.3	260.3	411.3	260.3	411.3	Driver #21 provides additional funding for Graduate Medical Education, Medicaid Waiver slots for the elderly, and for Medicaid provider rate increases based on the three-year average of appropriations.

²⁵ The forecasts for each financial assistance program are available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#22 Children and Family Services	314.1	205.1	314.1	205.1	314.1	205.1	Driver #22 uses three-year averages of appropriations to determine funding needs for the anticipated growth of the following issues: maintenance adoption subsidies; Community-Based Care lead agencies that provide child welfare services; foster care room and board rates; state mental health treatment facility operations contracts; opioid and other substance use treatment and prevention; mental health services administered through community-based providers; and personnel resources to assist individuals with public assistance eligibility determination.
#23 Health Services	82.1	27.4	82.1	27.4	82.1	27.4	Driver #23 provides additional funding for the Early Steps program, Minority Health Initiatives, Biomedical Research, and Health Care Loan Repayment Programs based on three-year averages of appropriations.
#24 Developmental Disabilities	70.1	95.6	70.1	95.6	70.1	95.6	Driver #24 uses three-year averages of appropriations to determine funding needs for reducing the waitlist for Developmental Disabilities Waiver services, additional client needs, replacement of motor vehicles, and rate increases for Medicaid Waiver providers.
#25 Veterans' Services	3.3	0.7	3.3	0.7	3.3	0.7	Driver #25 provides funding for Florida is for Veterans, Inc., for the Entrepreneurship Program and the Veterans Workforce Training Grant Program, veterans' home resident equipment, and routine maintenance and repair at the State Veteran Nursing Homes. The amounts are based on three-year averages of appropriations.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#26 Elderly Services	20.8	0.3	20.8	0.3	20.8	0.3	Driver #26 provides funding for reducing the waitlists for the Community Care for the Elderly program, the Home Care for the Elderly program, and to provide respite services for the Alzheimer's clients based on the three-year averages of appropriations. Funding also includes the Public Guardianship program and the Aging Resource Centers based on three-year averages of appropriations.
#27 Human Services Information Technology/ Infrastructure	32.8	155.8	32.8	155.8	32.8	155.8	Driver #27 provides funding for the completion of the Agency for Persons with Disabilities' Client Data Management System; the various Department of Veterans' Affairs Information Technology enhancements, the Florida Medicaid Management Information System (FMMIS) transition, facility regulation issues in the Agency for Health Care Administration; initiatives to modernize, the Department of Children and Families' Florida System (ACCESS) and Florida Safe Families Network (FSFN), and improvements to the Department of Health Centralized Online Reporting, Tracking, and Notification Enterprise (CORTNE) Accounting and Budgeting System, and Tracking System (eCIRTS) Project in the Department of Elder Affairs.
CRIMINAL JUSTICE AND JUDICIAL BRANCH							
#28 Justice Administration Entities	1.5	0.0	1.5	0.0	1.5	0.0	Driver #28 funds increases for workload for the Justice Administration entities, including the Criminal Conflict and Civil Regional Counsels and Capital Collateral Regional Counsels. The amounts are based on three-year averages of appropriations, including supplemental appropriations.
#29 Department of Corrections Education and Training Programs	10.4	6.8	10.4	6.8	10.4	6.8	Driver #29 provides funding related to inmate and officer education and training programs. The amounts are based on the three-year average increase of appropriations.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#30 Department of Juvenile Justice Programs	10.9	1.8	10.9	1.8	10.9	1.8	Driver #30 funds community supervision and prevention programs based on the three-year average increase of appropriations.
#31 Other Criminal and Civil Justice Programs and Operations	36.8	11.8	36.8	11.8	36.8	11.8	Driver #31 provides funding based on the three-year average increase of appropriations for safety equipment and security cameras at correctional and juvenile justice facilities; motor vehicle fleet replacements; and information technology projects.
#32 Judicial Branch	4.9	0.0	4.9	0.0	4.9	0.0	Driver #32 provides funding for problem-solving courts and the certification of additional judgeships based on the three-year average increase of appropriations.
TRANSPORTATION AND ECONOMIC DEVELOPMENT							
#33 Department of Transportation Adopted Work Program and Local Transportation Projects	345.7	13,500.1	345.7	11,275.2	345.7	10,184.8	Driver #33 funds the list of transportation projects included in the Adopted Five Year Work Program, which uses estimates from the January 2024 Revenue Estimating Conference. Changes in project commitments and revenue estimates after July 1, 2024, will be incorporated into the Tentative Work Program in March 2025. The driver additionally provides funding for local transportation projects based on the three-year average of appropriations.
#34 Economic Development and Workforce Programs	194.0	0.0	194.0	0.0	194.0	0.0	Driver #34 provides funding for various programs and activities including the Job Growth Grant Fund, the Hometown Heroes Housing Program, and contract payments for traditional economic development programs. The amounts are based on the three-year average of appropriations for each program.

Table continues on the following page.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#35 National Guard Armories, Military Affairs, and Florida State Guard Priorities	100.8	0.0	100.8	0.0	100.8	0.0	Driver #35 provides funding based on the three-year average of appropriations for Camp Blanding improvements, ongoing maintenance and repairs to Florida armories as well as workers compensation claims for national guard troops who become injured while on state active duty. Additionally, the driver provides funding for Florida State Guard resources based on the three-year average of appropriations.
#36 Library, Cultural, Historical, and Election Priorities	66.4	0.0	68.2	0.0	66.4	0.0	Driver #36 uses three-year averages of appropriations to fund a variety of programs including state aid to libraries; public library construction grants; cultural grants programs; cultural facility grants; historical resources grants; and elections costs for statewide litigation and special elections. In addition, funding is provided in Fiscal Year 2026-27 for advertising constitutional amendments based on the average funding in the two most recent general election years.
NATURAL RESOURCES							
#37 Water and Land Conservation	606.1	365.0	421.2	549.9	421.2	549.9	Driver #37 provides funding for a variety of conservation programs including the Florida Forever Program, Everglades Restoration, Lake Apopka, Water Quality Improvements, Alternative Water Supply, and Land Management. Funding levels are based on revenues available in the Land Acquisition Trust Fund (LATF), as projected by the August 2024 Revenue Estimating Conference, ²⁶ and three-year averages of appropriations.

²⁶ The forecast for Documentary Stamp Tax collections and distributions is available at <http://edr.state.fl.us/Content/conferences/docstamp/index.cfm>.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#38 Other Agricultural and Environmental Programs	678.8	35.2	679.0	35.2	644.9	35.2	Driver #38 uses three-year averages of appropriations to fund a variety of programs including Resilient Florida Grant Program; Water Projects; Florida Keys Restoration Projects; Florida State Fair; Citrus Recovery Program; Agricultural Programs; and Fish and Wildlife Conservation Programs. This driver also provides funding for Drinking Water and Wastewater Revolving Loan Programs based on three-year projections provided by the Department of Environmental Protection.
GENERAL GOVERNMENT							
#39 Other General Government Priorities	56.3	54.0	56.6	37.5	58.0	39.1	Driver #39 provides cybersecurity funding through the Department of Management Services for state agencies and local governments based on the three-year average of appropriations. Funding is also provided for the Statewide Law Enforcement Radio System, as estimated by the Department of Management Services, as well as contract costs for the Florida Accounting Information Resource replacement as estimated by the Department of Financial Services. In addition, funding is provided for aerial photography for small counties based on estimates from the Department of Revenue.
#40 State Building Pool - General Repairs and Maintenance	61.6	11.9	61.6	11.9	61.6	11.9	Driver #40 funds general repairs and maintenance for the Florida Facilities Pool (state-owned facilities located throughout Florida) based on the three-year average of appropriations.
ADMINISTERED FUNDS AND STATEWIDE ISSUES							
#41 State Employee Pay Issues	263.5	218.4	263.5	218.4	263.5	218.4	Driver #41 provides funding for state employees pay issues based upon the three-year average funding levels for competitive pay adjustments and merit and retention pay adjustments.

Other High Priority Needs Driver Number and Title	FY 2025-26		FY 2026-27		FY 2027-28		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#42 Maintenance, Repairs, and Capital Improvements - Statewide Buildings - Critical	143.5	25.1	143.5	25.1	143.5	25.1	Driver #42 provides funding based on three-year appropriations averages for critical maintenance and repair projects at state-owned facilities throughout the state, including health services facilities, justice and judicial branch facilities, agricultural and wildlife conservation infrastructure, transportation facilities, and highway safety facilities. Funds are also provided for life safety and ADA repairs of facilities in the Florida Facilities Pool based on three-year averages of appropriations.
Total Other High Priority Needs	4,618.6	15,126.4	4,437.5	13,069.9	4,408.6	11,981.1	

REVENUE ADJUSTMENTS

KEY POINTS

- ❖ The Outlook includes tax and fee adjustments to the General Revenue Fund totaling -\$865.2 million in Fiscal Year 2025-26; -\$1,003.4 million in Fiscal Year 2026-27; and -\$1,141.6 million in Fiscal Year 2027-28.
- ❖ The increasingly negative impact is a result of the cumulative effect of continuing the adjustments that are recurring in nature.
- ❖ Because the three-year average for trust transfers is negative (more transfers out of than into the General Revenue Fund), trust fund transfers in the three years of the Outlook period are expected to be zero.

The Outlook includes revenue adjustments to the General Revenue Fund that reflect recent legislative actions which alter the revenue-side of the state's fiscal picture. These adjustments are based on specific tax and fee changes and trust fund transfers that have occurred over the past three years, but the numbers used in the Outlook are merely representative of future levels and do not refer to specific initiatives or plans.

Note that legislation passed during the 2024 Session (Chapter 2024-58, Laws of Florida) significantly changed the expected distribution of Indian Gaming receipts. Instead of entirely benefiting the General Revenue Fund, 96 percent of future distributions will go to trust funds that provide funding for environmental resource management. Since this is a unique action that cannot be replicated in the future, the impact of this legislation has been excluded from the analyses described below.

Tax and Significant Fee Changes

Every year, the Legislature adopts a variety of statutory changes that affect state and local government revenues. Some increase or reduce revenues, while others transfer moneys between different funds or levels of government without affecting state revenue receipts. After the Legislature adjourns each year, the Revenue Estimating Conference produces a final impact for each revenue change. These impacts are compiled into the *Measures Affecting Revenues*.²⁷ The Outlook includes a three-year average of the state tax and fee changes that affect the General Revenue Fund.

Some of the impacts included in the measures are time-limited, nonrecurring changes that only affect a single year (e.g., Sales Tax holidays), while others are continuing, recurring changes that affect all future years. Because continuing changes to taxes often have delayed effective dates or other implementation issues, the effect of the changes in the first fiscal year of implementation can be less than a full year's effect. To distinguish between the two types of revenue adjustments, the tax and fee changes are grouped into two categories: continuing and time-limited. The continuing tax and fee changes are recurring adjustments to the funds that are otherwise available and build over time. The time-limited tax and fee changes are confined to each year and are held constant in the Outlook.

²⁷ <http://edr.state.fl.us/Content/conferences/measures-affecting-revenues/index.cfm>

Typically, only a small percentage of the measures are positive. By far the greater share results in savings to the affected payers and a reduction in state revenues. The total for each fiscal year is a net number and—after averaging across the three years—is used in the Outlook to reflect the overall level of expected annual change.

Across the years used to calculate the three-year average, the largest time-limited impacts were associated with the property insurance discount to policyholders in Fiscal Years 2024-25 and 2025-26; the interim business rent tax rate reduction to 4.5 percent that began December 1, 2023; and the various Sales Tax holidays, including items such as back-to-school clothing, supplies and computers; Energy Star appliances; disaster preparedness supplies; and natural gas ranges and cooktops. The largest continuing impacts were related to distributions from beverage taxes to specified medical centers beginning Fiscal Year 2024-25; building materials used in affordable housing units; baby and toddler products, diapers and incontinence products, and oral hygiene products beginning in Fiscal Year 2023-24; and the Corporate Income Tax research and experimentation amortization schedule beginning in Fiscal Year 2022-23. With the introduction each year of new tax and fee impacts that are recurring, the impacts stack as the years continue. The following table shows how the cumulative impact of the continuing items is calculated.

(\$Millions)	Fiscal Year 2025-26			Fiscal Year 2026-27			Fiscal Year 2027-28		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
Year 1	(138.2)	26.5	(111.7)	(138.2)	-	(138.2)	(138.2)	-	(138.2)
Year 2	-	-	-	(138.2)	26.5	(111.7)	(138.2)	-	(138.2)
Year 3	-	-	-	-	-	-	(138.2)	26.5	(111.7)
TOTAL	(138.2)	26.5	(111.7)	(276.4)	26.5	(249.9)	(414.6)	26.5	(388.1)

After adding the time-limited changes, the final revenue adjustments included in the Outlook are shown on the table below. In magnitude, the continuing tax changes are slightly larger than the adjustments used in last year's Outlook; however, the time-limited adjustments are significantly larger, increasing by \$212 million or 39 percent. Some of the holidays span multiple fiscal years, and the calculation used for this Outlook sums the entire amount committed across years to produce a single representative cost for the measure.

(\$Millions)	Fiscal Year 2025-26			Fiscal Year 2026-27			Fiscal Year 2027-28		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
Continuing Tax/ Fee Changes	(138.2)	26.5	(111.7)	(276.4)	26.5	(249.9)	(414.6)	26.5	(388.1)
Time-Limited Tax/ Fee Changes	-	(753.5)	(753.5)	-	(753.5)	(753.5)	-	(753.5)	(753.5)
TOTAL	(138.2)	(727.0)	(865.2)	(276.4)	(727.0)	(1,003.4)	(414.6)	(727.0)	(1,141.6)

Trust Fund Transfers to General Revenue

For various reasons, trust funds are created to set aside or earmark a portion of state revenue for specific uses. For Fiscal Year 2024-25, appropriations were made from 171 different trust funds, totaling \$68.8 billion. Approximately \$38.3 billion was appropriated from federal revenue sources and \$30.6 billion from state revenue sources.

The annual General Appropriations Act typically includes transfers of unobligated fund balances from trust funds to the General Revenue Fund. This year’s Outlook again relies on a three-year average of trust fund transfers to General Revenue to produce a representative level for the future. The average is calculated using pre-veto levels and is exclusive of transfers related to constitutional amendments, transfers associated with estimating conferences, and transfers related to permanent law changes significantly affecting one or more trust funds and producing related sweeps.

In addition, the three-year average removes redirections of General Revenue funds to state trust funds such as occurred with the Highway Safety and Motor Vehicles Operating Trust Fund in 2022 (Chapter 2022-155, Laws of Florida); the State Housing Trust Fund (Chapter 2023-17, Laws of Florida) and the Inmate Welfare Trust Fund in 2023 (Chapter 2023-244, Laws of Florida); and the redirect of various fees to the Clerks of Court (Chapter 2024-153, Laws of Florida) in 2024. Trust fund transfers in prior years that were subsequently prohibited are not included. An example includes the statutory change that prohibits certain transfers from the housing trust funds to the General Revenue Fund (Chapter 2021-039, Laws of Florida). The table below shows the calculation for this year’s Outlook.

Calculation of Trust Fund Transfers to the General Revenue Fund (\$Millions)	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Three-Year Average*
Total Transfers to General Revenue	40.0	45.0	117.0	67.3
<i>Adjustment for Excluded Transfers</i>	---	---	---	
<i>Adjustment for Redirect to State Trust Funds</i>	(30.0)	(192.8)	(29.0)	
<i>Adjustment for Prohibited Transfers</i>	---	---	---	
NET TRANSFER TO GENERAL REVENUE	10.0	(147.8)	88.0	(16.6)

*Excluded transfers and adjustments are not averaged; they are deducted in their entirety from the respective year.

For Fiscal Year 2023-24, the negative net transfer to General Revenue means that there were more transfers out of the General Revenue Fund than there were into it—effectively the opposite of a sweep. In combination with the smaller numbers in the immediately preceding and succeeding years, the size of this number results in a negative three-year average. Because of this, the expected average trust fund transfer for the Outlook period is shown as zero.

STATE RESERVES

KEY POINTS

- ❖ The state’s reserves for Fiscal Year 2024-25 are estimated to be \$12.7 billion, including \$7.8 billion of unallocated General Revenue.
- ❖ An unallocated reserve equal to 3.9 percent of the estimated revenue is maintained in the General Revenue Fund for each year of the Outlook. This equals approximately \$2.0 billion each year.

The Budget Stabilization Fund (BSF), the Emergency Preparedness and Response Fund, and unallocated General Revenue compose the state’s reserves.²⁸ The constitutionally-required BSF is the state’s structural reserve that must contain an amount equal to at least 5 percent but no more than 10 percent of General Revenue collections in the last completed fiscal year.²⁹ The Emergency Preparedness and Response Fund was created in the 2022 Session to be used as a primary source of funding for preparing or responding to a disaster declared by the Governor as a state of emergency.³⁰ Unallocated General Revenue is the working capital balance of the state and consists of moneys in the General Revenue Fund that are in excess of the amount needed to meet General Revenue Fund appropriations for the current fiscal year.³¹ The funds remain available for the Legislature to respond to revenue shortfalls, program deficits, or other expenditures of the state.

Based on the state’s accounting records at the time of this Outlook, total reserves for Fiscal Year 2024-25 are projected to be \$12.7 billion. The anticipated reserves reflect the unallocated funds that are expected to remain on June 30, assuming revenues meet the estimates and all authorized expenditures are made before the end of the fiscal year. The following table shows a 10-year history of anticipated state reserves at the time each year’s Outlook was developed.

Reserves (\$Millions) Outlook Year	Baseline Fiscal Year	Unallocated General Revenue	Budget Stabilization Fund	Lawton Chiles Endowment Fund	Emergency Preparedness & Response Fund	Total Anticipated Reserves	General Revenue Estimate	% of GR Estimate
2015	2015-16	1,709.1	1,353.7	590.2	-	3,653.0	28,414.1	12.9%
2016	2016-17	1,414.2	1,384.4	637.5	-	3,436.1	29,332.8	11.7%
2017	2017-18	1,458.5	1,416.5	713.4	-	3,588.4	30,926.0	11.6%
2018	2018-19	1,226.1	1,483.0	763.1	-	3,472.2	32,243.8	10.8%
2019	2019-20	1,452.9	1,574.2	773.6	-	3,800.7	32,943.3	11.5%
2020	2020-21	1,366.6	1,674.2	867.2	-	3,908.0	30,990.1	12.6%
2021	2021-22	7,324.0	2,723.5	-	-	10,047.5	36,901.0	27.2%
2022	2022-23	13,719.4	3,140.2	-	499.0	17,358.6	41,998.2	41.3%
2023	2023-24	8,800.9	4,140.2	-	681.2	13,622.3	45,664.4	29.8%
2024	2024-25	7,754.6	4,440.5	-	497.1	12,692.3	48,515.9	26.2%

²⁸ Ch. 2021-43, L.O.F., terminated the Lawton Chiles Endowment Fund, which previously functioned as part of the state’s reserves. The legislation directed the State Board of Administration to liquidate the fund’s assets and transfer them to the BSF.

²⁹ Art. III, s. 19(g), Fla. Const., and s. 215.32, F.S.

³⁰ Ch. 2022-2, L.O.F.

³¹ Sec. 215.32(2)(a), F.S.

For Fiscal Year 2024-25, the unallocated General Revenue reserve is estimated to be \$7.8 billion, as shown on the Financial Outlook Statement adopted by the Revenue Estimating Conference in August 2024.³² This positive ending balance accounts for all available funds, including the Fiscal Year 2023-24 actual revenue collections and the revised forecast for Fiscal Year 2024-25, as well as authorized expenditures.

Consistent with the assumptions used for recent Long-Range Financial Outlooks, a minimum General Revenue reserve equivalent to 3.9 percent of the revenue estimate is maintained for each year of the forecast period. This equals about \$2.0 billion each year. The Outlook also accounts for reserves that have been created for each of the three major trust funds (i.e., Educational Enhancement, State School, and Tobacco Settlement). The amounts for these trust funds are calculated by applying the same 3.9 percent minimum reserve to each fund's revenue estimate as is done for the General Revenue Fund.

Finally, the Outlook provides for transfers, if necessary, to the Budget Stabilization Fund to achieve the constitutionally required balance of 5 percent of General Revenue collections. Nearly \$2.8 billion has been transferred to the Budget Stabilization Fund over the last four fiscal years leaving the balance well above the 5 percent minimum; therefore, no transfers are required during the three-year forecast period.

³² The General Revenue Fund Financial Outlook Statement is available at <http://edr.state.fl.us/Content/revenues/outlook-statements/general-revenue/index.cfm>.

ECONOMIC AND DEMOGRAPHIC TRENDS

KEY POINTS

- ❖ Most of the key economic variables decelerated in Fiscal Year 2023-24, an anticipated result finally materializing after several years of persistent inflation and tight monetary policy.
- ❖ In the future, results are somewhat sector dependent, with mostly weaker growth rates across the housing sector and the income categories in Fiscal Year 2024-25 and mostly higher growth rates in the employment sector.
- ❖ While considerable uncertainty exists regarding the impact on Florida from current geopolitical events and future Federal Reserve actions, the forecasting environment has greatly stabilized, with patterns that are typical of a moderately expanding economy.
- ❖ The peak economic influence of the Baby Boomer cycle (positive and negative) will run from 2011 to 2050. Florida's unique demographics will present challenging issues for the state's policy makers between now and then.

Key Economic Trends

The Florida Economic Estimating Conference met on July 19, 2024, to adopt a new forecast for the state's economy. Except for Gross Domestic Product (GDP) and housing starts, key economic variables decelerated last year (Fiscal Year 2023-24) relative to the prior year, an anticipated result finally materializing after several years of persistent inflation and tight monetary policy. In the future, results are somewhat sector dependent, with mostly weaker growth rates across the housing sector and the income categories in Fiscal Year 2024-25 and mostly higher growth rates in the employment sector. The new forecast follows—but generally exceeds—the long-term growth path from the pre-pandemic conference held in December 2019. Notable exceptions occur within the series for existing home sales, light vehicles, and tourism.

While economic disruption is still evident with the reduction of household savings, the elevated use of credit, and continuing inflationary pressure on households, the forecasting environment has greatly stabilized. That said, considerable uncertainty exists regarding the impact on Florida from current geopolitical events and future Federal Reserve actions. How these economic challenges ultimately unfold will be pivotal to the actual performance of Florida's economy over the next few years. In tandem with the release of the new Florida forecast, the Conference also highlighted the risk arising from the continued price pressure caused by inflation—as well as the timing of the Federal Reserve's actions—on its outlook for consumer spending.

One measure for assessing the economic health of states is the year-to-year change in real GDP (that is, all goods and services produced or exchanged within a state). Buffeted by a series of economic shocks, the state's GDP dipped to near zero (0.4 percent) in Fiscal Year 2019-20, bounced back to 4.7 percent in Fiscal Year 2020-21, and surged to 7.0 percent in Fiscal Year 2021-22, more than double the pre-pandemic-year growth rate and exceeding the prior peak growth rate of 6.6 percent in Fiscal Year 2004-05. The

state's economy expanded by a strong 4.4 percent in Fiscal Year 2022-23 and 4.5 percent in Fiscal Year 2023-24, but the Conference expects growth to decelerate to 2.1 percent and 1.9 percent over the current and next fiscal year as the Federal Reserve transitions from a high inflation / high interest rate environment to more normal conditions. Beginning in Fiscal Year 2026-27, economic growth will stabilize at a more characteristic 2.0 to 2.1 percent per year.

Normally, personal income growth is another important gauge of the state's economic health; however, its changes have been in stark contrast to GDP. Buttressed during the pandemic by an infusion of federal dollars into Florida's households, the final growth rate for the state's 2020-21 fiscal year was 10.3 percent and for the 2021-22 fiscal year was 6.6 percent. Personal income growth then accelerated to 7.7 percent in Fiscal Year 2022-23 as workers and employers chased historic levels of inflation and leveraged the tight labor market into better paying opportunities. Largely on the continuing strength of wage growth, Florida still had high growth of 5.3 percent in Fiscal Year 2023-24, with the current year expected to slightly exceed that percentage at 5.6 percent. After five additional years at or above 5 percent growth (Fiscal Year 2025-26 through Fiscal Year 2029-30), annual growth rates begin to stabilize at 4.9 percent.

Typically, Florida wages comprise about 45 percent of personal income. In the first two decades of this century, the state's average annual wage was below the U.S. average. The most recent data shows that the ratio of the state's average wage to the national level fell from 2016 when it was 87.7 percent to 87.3 percent in 2020. This picture began to change in 2021 when Florida moved above its longer run average of 88.7 percent to 89.2 percent. The state's percentage rose again in 2022 to 91.1 percent. Preliminary data for 2023 suggests that the ratio continues to converge with Florida moving to 91.8 percent, the highest ratio over the past two decades. Based on Conference projections of average annual wage growth of 3.8 percent or above each year—following a 3.9 percent increase in the current year and 4.1 percent in Fiscal Year 2025-26—the higher wages are likely here to stay.

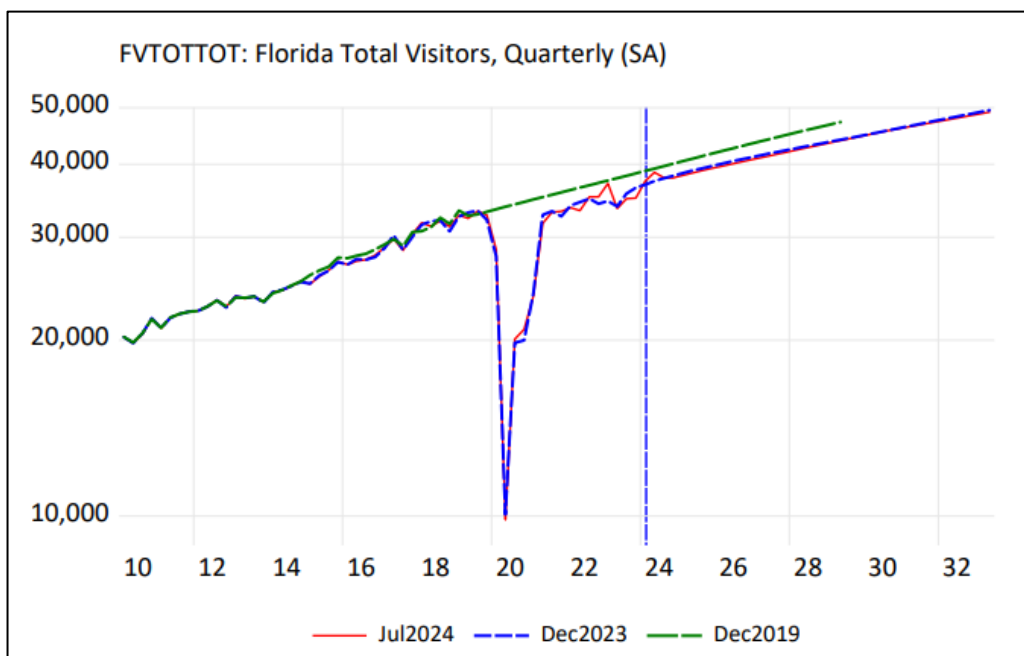
The key measures of employment are job growth and the unemployment rate. At the onset of the pandemic, employment dropped by almost 1.3 million jobs from February 2020 to April 2020, a decline of 14.1 percent. In July 2024, Florida exceeded the pre-pandemic level (February 2020) by 902,700 jobs, a gain of 9.9 percent. The Conference expects growth to decelerate from 2.5 percent in Fiscal Year 2023-24 to 1.9 percent in Fiscal Year 2024-25 and 1.2 percent in Fiscal Year 2025-26 as the nation's economy softens due to the Federal Reserve's efforts to contain inflation. Job growth essentially stabilizes at this percentage level through Fiscal Year 2033-34.

The Economic Estimating Conference assumes that the "full employment" unemployment rate is about 4.0 percent. Florida's unemployment rate dropped to 2.8 percent for the entire 2022-23 fiscal year, not far from the lowest recorded rate in modern times (the first half of 2006 when it was 2.4 percent). Given the Federal Reserve's actions to cool off the economy through higher interest rates, the annual unemployment rate drifted up to 3.1 percent in Fiscal Year 2023-24. The Conference expects the rate to peak at 4.6 percent in Fiscal Year 2026-27 and Fiscal Year 2027-28, after which it slightly retreats and then plateaus at 4.0 percent.

Two areas of the state's economy indirectly benefited from the Federal Reserve's early actions to protect the wider economy from the worst of the pandemic effects, but that benefit came with a future payback. Throughout the worst of the crisis, the real estate and construction sectors thrived as the federal funds rate neared zero and pushed interest rates to historic lows. Growing by almost 24.0 percent, total private housing starts reached a 16-year high of 251,000 units in Fiscal Year 2021-22, yet they were still far from the housing boom peak of over 272,000 units in Fiscal Year 2004-05. Late in that fiscal year, the Federal

Reserve began a series of interest rate hikes to tame inflation (March 2022) that continued through July 2023. At that point, the Federal Reserve entered a holding pattern on rates. As reported by the Mortgage Bankers Association, the 30-Year fixed rate mortgage reached 7.3 percent in the fourth quarter of the 2023 calendar year and was 6.8 percent in the first quarter of the 2024 calendar year. Moving in step, housing starts contracted by 22.5 percent in Fiscal Year 2022-23, but bounced back 13.5 percent in Fiscal Year 2023-24. The Conference expects growth rates will slide into negative territory again with a decline of 8.6 percent in Fiscal Year 2024-25 and another of 0.7 percent in Fiscal Year 2025-26. After leveling off in Fiscal Year 2026-27, housing starts show anemic growth for several more years before they start losing ground again. At the end of the ten-year forecast period, total private housing starts are only 75.8 percent of the peak in Fiscal Year 2004-05. Affected by many of the same factors, the existing home market completed its third year of contraction in Fiscal Year 2023-24. Among other issues, homeowners found it increasingly difficult to give up lower-interest mortgages on their current homes with the purpose of purchasing new homes in the high-interest environment.

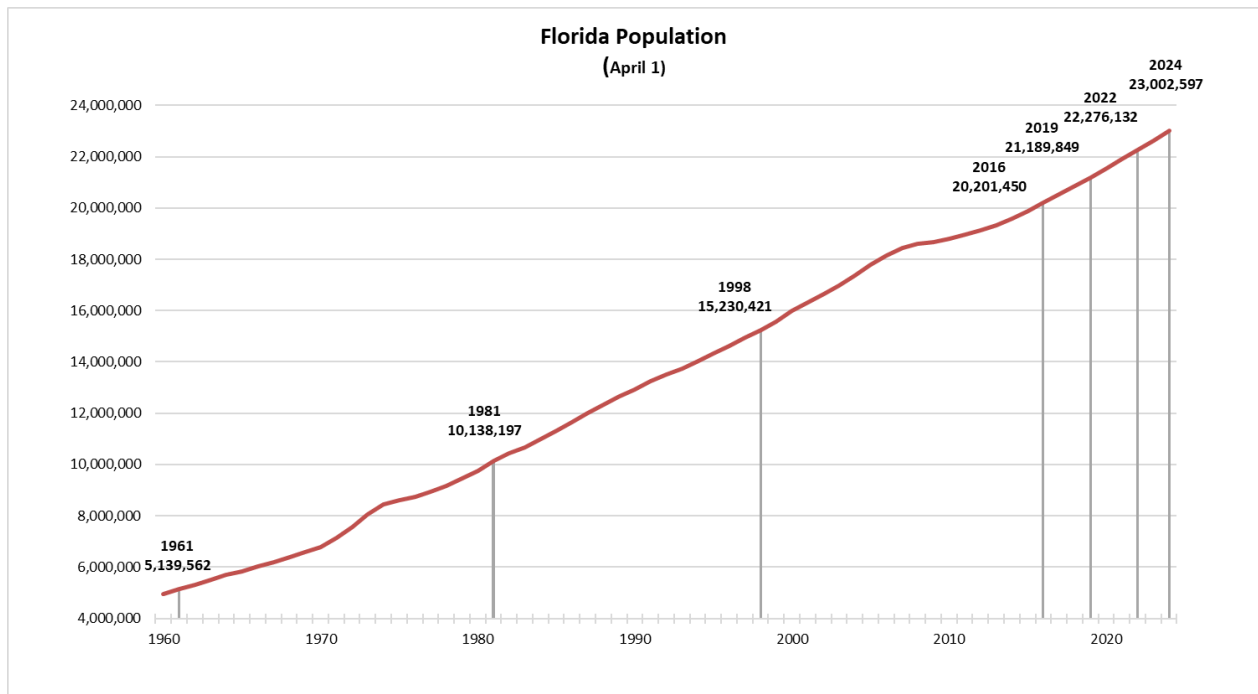
Finally, Florida’s tourism-sensitive economy is particularly vulnerable to the longer-term effects of a pandemic. The total number of tourists declined nearly 70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism recovered gradually, buttressed by the increased number of domestic visitors travelling to Florida by air or car. It took two years to reach recovery from this pandemic in domestic visitors and longer for Canadian visitors, with overseas visitors still at sub-peak levels. Total visitors, growing by 38.3 percent, surpassed the pre-pandemic peak by the end of Fiscal Year 2021-22, albeit with a different composition. After posting 3.6 percent growth in Fiscal Year 2023-24, the Conference expects another strong period of growth (4.6 percent) during Fiscal Year 2024-25, after which the annual growth rate moderates from 3.3 percent in Fiscal Year 2025-26 to 2.7 percent at the end of the forecast period. The expected 152.8 million visitors in Fiscal Year 2024-25 will have a collective effect on Florida’s infrastructure of an additional 2.38 million residents. While the new forecast levels never exceed the pre-pandemic forecast levels for the overlapping years, they come close.



Key Demographic Trends

Population growth is the state’s primary engine of economic growth, fueling both employment and income growth. Between 2024 and 2030, the Demographic Estimating Conference forecasts growth to average 1.24 percent per year. Nationally, average annual growth is expected to be about one-third of that level — averaging 0.42 percent per year between 2024 and 2030.

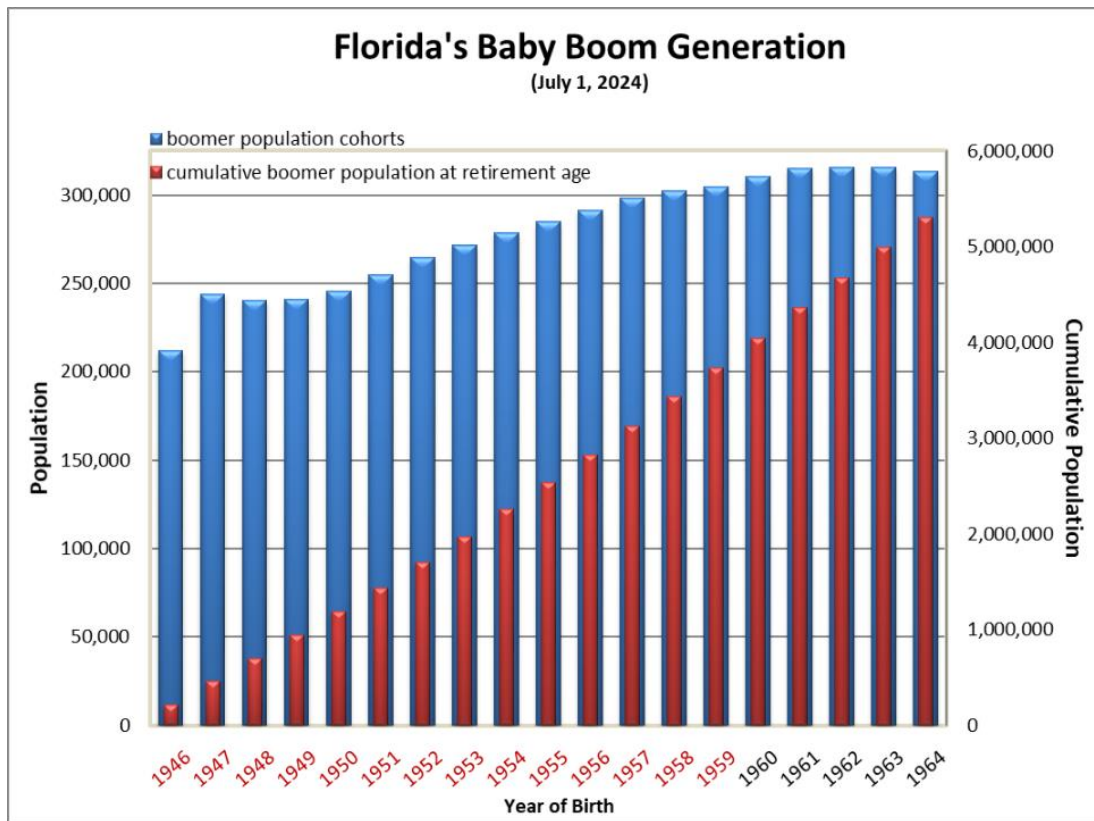
Florida’s strongest April-over-April growth rate in this century occurred in the year 2000 which logged 2.58 percent, but the largest numerical change occurred in 2005 (+403,332), immediately prior to the collapse of the housing boom and the beginning of the Great Recession. Just before and during the pandemic era, the April 1st growth rates were: 1.64 percent (+348,338) for 2020, 1.67 percent (+360,758) for 2021, and 1.72 percent (+377,187) for 2022. Since then, growth has slowed slightly, averaging 1.61 percent (+358,735) between April 1, 2022 and April 1, 2023. This brings Florida’s total population to just over 23 million in 2024, as shown in the following graph.



In the past, Florida’s population growth has largely been from net migration. Going forward, this will produce all of Florida’s population growth, as natural increase is anticipated to remain negative throughout the forecast horizon with deaths outnumbering births.

The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Fourteen of nineteen cohorts have now entered the retirement phase. This represents slightly over 70 percent of all Baby Boomers. Population aged 65 and over will represent about one quarter of Florida’s total population in 2030, compared with 21.2 percent in 2020 and 17.3 percent in 2010. The sheer size of this aging population will have knock-on effects for Florida’s future economy, as well as implications for the labor force, health care services, housing, modes of service delivery, and overall tax collections. As this cohort

continues to age, the effects will vary over time, with the positive benefits nearing their end over this decade and the challenges still ahead.



Most of the estimating conferences held during the summer either added the 2029-30 fiscal year to their forecast horizon (5-year forecasts) or had already included it (10-year forecasts). Since the end of the decade continues to be a population inflection point with the entry of the final Baby Boomer cohorts into retirement, this brings the expected future changes into the immediate planning horizon. About the same time (starting in 2031), the oldest Baby Boomers will begin to turn 85.

Altogether, the peak economic influence of the Baby Boomer cycle (positive and negative) will run from 2011 to 2050. Florida's unique demographics will present challenging issues for the state's policy makers between now and then.

SIGNIFICANT RISKS TO THE FORECAST

KEY POINTS

- ❖ There are risks to the Outlook which could alter the results (both positively and negatively).
- ❖ These risks include hurricanes, federal funding for Medicaid, litigation against the state, and potential constitutional amendments.

While the Long-Range Financial Outlook uses the most current estimates and data available, there are risks that have the potential of altering key assumptions (both positively and negatively) were they to come to pass. Some of the more significant issues are described below.

State Costs for Hurricanes, the Florida Hurricane Catastrophe Fund, and Citizens Property Insurance Corporation

Florida's economic stability is vulnerable to the potential impacts of natural disasters, especially major hurricanes. This vulnerability can take several different forms, but one of the most immediate is to the state's long-term financial health. Although there is a widespread misconception that hurricanes are somehow beneficial to the state from an economic perspective, state government typically has expenditures greater than any incremental increase in the revenue estimate.³³ The Outlook does not account for any financial impacts related to any future hurricanes in 2024 or thereafter.

In addition to the budgetary and revenue effects associated with hurricanes, there is an impact on state debt. Besides the direct debt normally undertaken by the state, Florida has indirect debt that represents debt either secured by revenues not appropriated by the state or debt obligations of a legal entity other than the state. A major component of the state's current indirect debt is associated with the Florida Hurricane Catastrophe Fund (FHCF) and the Citizens Property Insurance Corporation's (Citizens) ability to cover possible future hurricane-related losses.

The FHCF is a tax-exempt state trust fund that provides reimbursements to residential property insurance companies for a portion of their catastrophic hurricane losses in Florida. For the 2024 storm season, the FHCF's maximum statutory obligation for mandatory coverage is \$17.0 billion. However, the FHCF's obligation by law is limited to its actual claims-paying capacity. The FHCF currently projects liquidity of \$10.6 billion, primarily consisting of \$6.9 billion in projected cash by December 31, 2024, and \$3.3 billion in pre-event bonds. The projected fund balance has been reduced to account for existing hurricane loss reserves for which the FHCF is currently paying claims. It is estimated the FHCF would be able to bond approximately \$7.8 billion during the next 12 months if a large event occurs during the contract year. This estimated claims-paying capacity of \$18.0 billion (\$6.9 billion cash, \$3.3 billion pre-event bond proceeds, and \$7.8 billion bonding capacity) is \$1.0 billion above the total potential statutory maximum claims paying obligation of \$17.0 billion. The \$17.0 billion amount translates to an approximate 1-in-250 year event (0.40 percent probability) or an event that causes \$110 billion in FHCF covered industry residential losses for the 2024 storm season.

³³ Legislative Office of Economic and Demographic Research analysis of the 2004 and 2005 hurricanes.

Citizens is the largest property insurer in Florida and as of June 30, 2024, has 1.21 million policies. For the 2024 storm season, Citizens' probable maximum loss for a 100-year storm event is \$17.8 billion. Citizens currently has claims paying ability of approximately \$14.7 billion consisting of a cash surplus of \$6.6 billion, as well as \$8.2 billion from private market reinsurance and FHCF reimbursements. In addition, Citizens can levy broad-based assessments to support debt financing. However, Citizens could withstand a 1-in-73 year event before it would need to levy assessments on its own policyholders and on most property and casualty insurance policies.³⁴

The ability of these quasi-governmental insurance entities to fulfill their financial responsibilities in the event of major hurricanes is highly dependent upon market conditions at the time that bonds would need to be issued. Though the FHCF and Citizens serve significant roles in Florida's property insurance market, their ultimate dependence on public assessments and access to credit markets may expose the state to a much greater potential financial liability for hurricane-related costs.

Disproportionate Share Hospital Program

Medicaid Disproportionate Share Hospital (DSH) payments are intended to provide additional reimbursement to hospitals serving disproportionate shares of Medicaid and uninsured individuals. While most federal Medicaid funding is provided on an open-ended basis, DSH allotments are capped and represent the maximum federal matching payments a state is permitted to claim. For Fiscal Year 2024-25, Florida's total DSH allotment established by the Centers for Medicare and Medicaid Services (CMS) is \$479.8 million, with \$285.3 million representing Florida's federal DSH allotment and the remaining balance being the required state matching funds.

The federal Patient Protection and Affordable Care Act of 2010 (PPACA) addressed DSH allotments, requiring the Secretary of the U.S. Department of Health and Human Services to develop a methodology to reduce the state allotments. The aggregate reduction amounts were originally scheduled to begin in Federal Fiscal Year 2014 and run through Federal Fiscal Year 2020. After subsequent legislation delayed the start date, federal CMS released a final rule in September 2019 to delineate the DSH Health Reform methodology (DHRM) that will be used to implement the annual Medicaid allotment reductions identified in section 1923(f)(7) of the Social Security Act. The DHRM relies on statutorily identified factors to determine the state-specific DSH allotment reductions and limits the reduction to be applied to each state to 90 percent of its original unreduced allotment.

No adjustments have been included in the Outlook to reduce the DSH funding allocated to Florida because it is unknown how the final CMS rule will ultimately affect Florida, nor how the Legislature will respond to any loss of these federal funds. Florida has also implemented other federal matching programs that may offset DSH losses, including the Directed Payment Program (DPP) and the Indirect Medical Education (IME) Program. Under current law, the Medicaid DSH reductions are scheduled to occur from Federal Fiscal Year 2025 through Federal Fiscal Year 2027, with an established start date of January 1, 2025. The aggregate reductions to the Medicaid DSH allotments nationwide equal \$8.0 billion for each of those years.

Litigation Against the State

Numerous lawsuits against the state exist at any point in time. Some have the capacity to disrupt specific programs and services and to force changes and adjustments to the Outlook. These lawsuits relate to a

³⁴ Citizens Property Insurance Corporation analysis of ability to cover possible future hurricane-related losses (e-mail on file).

broad cross-section of the state's activities including, but not limited to, education funding, environmental matters, Medicaid, agricultural programs, and state revenue sources. The state's Annual Comprehensive Financial Report (Note 19) contains a list of those legal matters which have significant associated loss contingencies.³⁵

In addition, summaries of the claimed fiscal impacts of significant litigation filed against the state are annually reported by the agencies in their legislative budget requests (LBR). In the LBRs, significant litigation includes only those cases where the amount claimed is more than \$1.0 million or where a significant statutory policy is challenged. In some instances, those summaries are based on the amount claimed by the plaintiffs, which is typically higher than the amount to which the plaintiffs would actually be entitled if they were successful in the litigation.

Potential Constitutional Amendments

There are six proposed amendments to the Florida Constitution on the ballot for the 2024 General Election, which may alter key assumptions of this Outlook. Four proposals were made by joint resolution of the Legislature and two were made by petition. All proposed amendments require at least 60 percent approval from electors voting on the measure to pass. The Department of State maintains an online database of proposed constitutional amendments, including financial impact statements for initiative petitions.³⁶

³⁵ Florida's Annual Comprehensive Financial Report is available at <https://www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR>.

³⁶ The database is available at <https://dos.elections.myflorida.com/initiatives/>.

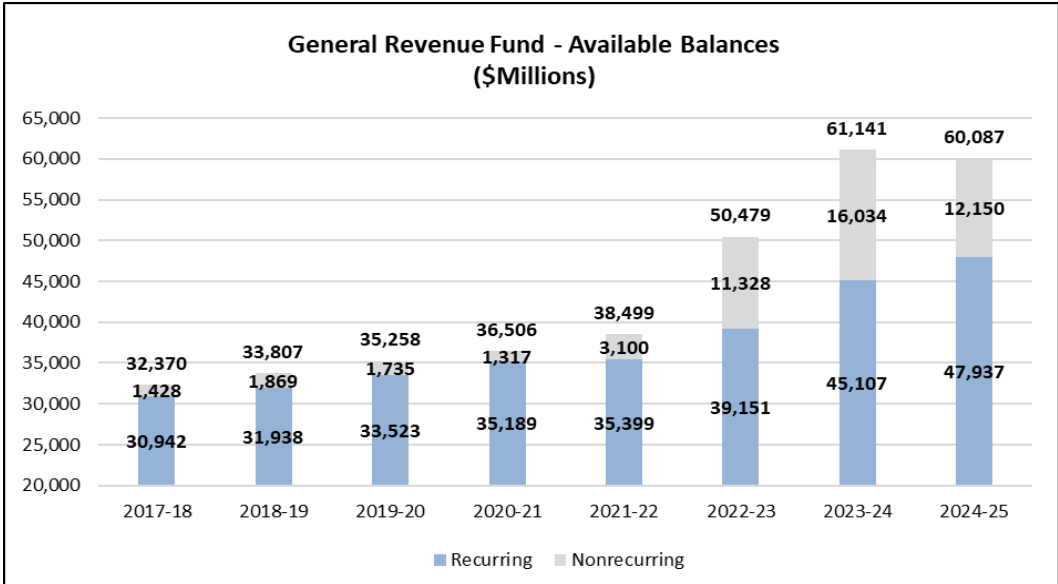
FISCAL STRATEGIES

While the Long-Range Financial Outlook does not predict the overall funding levels of future state budgets, or the final amount of funds to be allocated to the respective policy areas, it does present a reasonable baseline that identifies issues facing the Legislature in developing the next fiscal year’s budget.

Overall, the forecasted General Revenue growth (*recurring* and *nonrecurring*) is insufficient to support anticipated spending and a minimum reserve for the entire Outlook period; therefore, fiscal strategies to resolve projected deficits must be considered. The Outlook projects a significant surplus for each year of the forecast period based on funding Critical Needs drivers only. However, when the Other High Priority Needs drivers along with Tax and Fee changes are included, the Outlook projects a surplus for Year 1 and deficits for Years 2 and 3 of the Outlook period as shown in the following table.³⁷

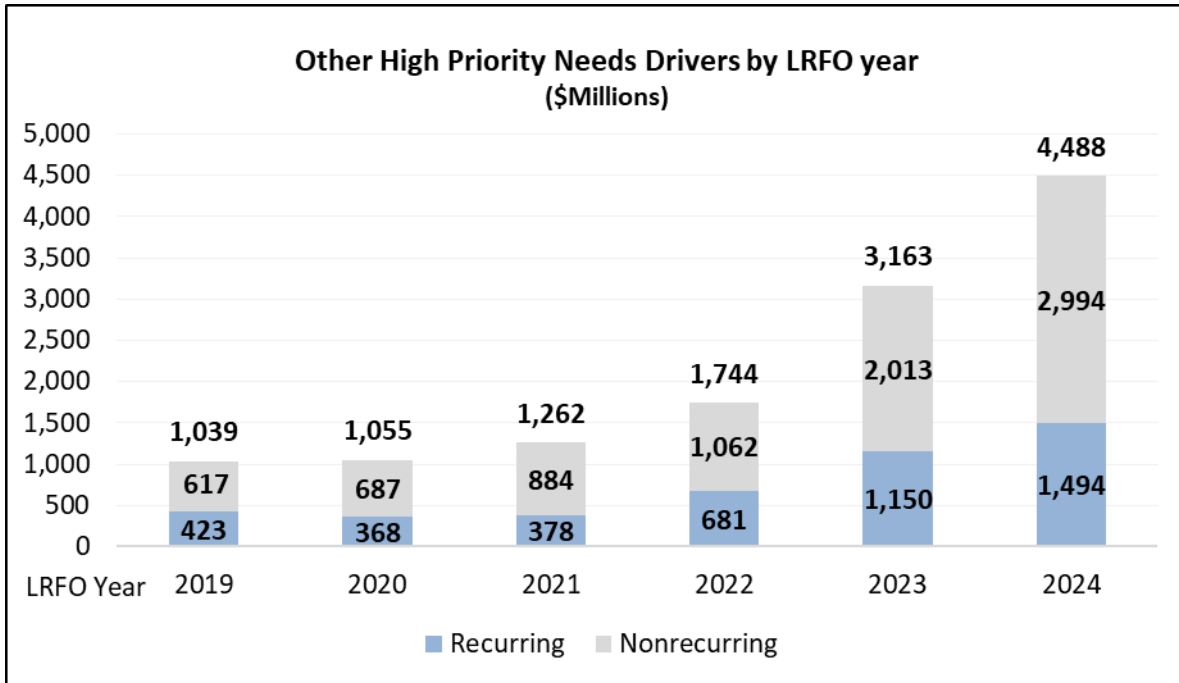
2024 Outlook - General Revenue Fund Projected Ending Balances (\$Millions)	Fiscal Year 2025-26			Fiscal Year 2026-27			Fiscal Year 2027-28		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Critical Needs	\$2,383	\$5,193	\$7,575	\$2,472	\$7,118	\$9,590	\$2,034	\$9,149	\$11,184
Critical Needs + Other High Priority Needs + Revenue Adjustments	\$753	\$1,338	\$2,092	(\$788)	(\$2,038)	(\$2,826)	(\$2,863)	(\$4,078)	(\$6,941)

For the 2024 Outlook, special consideration must be given to the historic General Revenue fund balances available during the previous three fiscal years. The elevated fund balances allowed for the Legislature to make significant investments in several policy areas, including the environment, education, and state infrastructure. The following chart illustrates available recurring and nonrecurring General Revenue funds based on the estimates adopted for the legislative session in which each year’s budget was developed.



³⁷ Detailed projected ending balance calculations can be found in Appendix B of this document.

The Long-Range Financial Outlook has traditionally been developed using averages of recent funding levels to project future expenditures; the 2024 Outlook is consistent with this methodology. As a result, the budget drivers that are based on three-year averages included in this forecast are considerably higher than previous Outlooks. Over the three-year forecast period of this Outlook, an average of over \$4.4 billion per year is included for Other High Priority Needs budget drivers, which are largely based on three-year averages of appropriations. The following chart displays the overall cost of these budget drivers compared to the previous five Outlooks.



Traditionally, the Long-Range Financial Outlook has identified several options to eliminate a proposed budget gap in any given year of the Outlook. These options include but are not limited to:

- Reduced Program Growth and/or Budget Reductions
- Reduction or Elimination of the Revenue Adjustments Affecting Taxes and Fees
- Revenue Enhancements and Redirections
- Trust Fund Transfers
- Reserve Reductions

A key factor in determining the total level of adjustments needed to this Outlook to avoid projected deficits is whether adjustments are made on a recurring or nonrecurring basis. With the exception of trust fund transfers and reserve reductions, the options previously listed can be deployed on either a recurring or nonrecurring basis. When used to bring about a recurring change, they also have a positive impact on ending balances for the following fiscal years.

Additionally, the timing of implementation is significant when calculating the total level of adjustments needed. For the 2024 Outlook, there is a projected surplus for Fiscal Year 2025-26; however, implementing fiscal strategies beginning in Year 1 would reduce the impact of adjustments needed in the following two years. For example, adjustments totaling \$2.3 billion (\$1.0 billion recurring; \$1.3 billion nonrecurring) made in each year of the Outlook period would resolve both recurring and nonrecurring projected deficits for all three years.

In the alternative, fiscal strategies could be deferred until Year 2, when the first projected deficit appears in the Outlook. Delaying implementation of any mitigating strategies until Fiscal Year 2026-27 would result in greater total adjustments needed in each of the two out years. Adjustments totaling nearly \$4.2 billion (\$1.4 billion recurring; \$2.7 billion nonrecurring) per year would be needed in both out years to resolve the projected deficits.

Another key concern is that the Outlook assumes a relatively modest level of unallocated General Revenue reserves (approximately \$2.0 billion each year), which is well below the planned reserves for the previous three fiscal years.³⁸ Finally, it is also important to consider the Significant Risks outlined in this Outlook, which have the potential to alter key assumptions and, therefore, the level of revenues and/or expenditures used to make these projections.

³⁸ The planned unallocated General Revenue reserve was \$6.1 billion for Fiscal Year 2022-23, \$6.2 billion for Fiscal Year 2023-24, and \$5.8 billion for Fiscal Year 2024-25 as shown on the Post-Session Financial Outlook Statements adopted by the Revenue Estimating Conference.

APPENDIX A – SUMMER REVENUE ESTIMATING CONFERENCE RESULTS

Revenue Estimating Conference – Summer 2024 Forecasts (\$Millions)	Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26		Fiscal Year 2026-27		Fiscal Year 2027-28		Link to Forecast
	Previous Forecast	Actual	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	
Article V Fees & Transfers	661.4	669.7	657.3	672.9	664.7	681.4	670.0	687.7	672.9	693.6	http://edr.state.fl.us/Content/conferences/articleV/index.cfm
Documentary Stamp Tax Collections	3,453.3	3,577.4	3,670.6	3,728.7	3,828.4	3,889.4	3,951.3	4,014.7	4,073.7	4,141.5	http://edr.state.fl.us/Content/conferences/docstamp/index.cfm
General Revenue Fund	47,256.3	48,342.0	47,581.6	48,515.9	48,596.9	49,697.1	50,405.0	51,829.0	51,797.9	53,000.5	http://edr.state.fl.us/Content/conferences/generalrevenue/index.cfm
Gross Receipts Tax	1,487.0	1,404.4	1,446.9	1,363.4	1,347.5	1,315.5	1,340.3	1,319.6	1,353.5	1,336.1	http://edr.state.fl.us/Content/conferences/grossreceipts/index.cfm
Highway Safety Licenses and Fees	2,870.5	2,852.8	2,915.9	2,909.2	2,954.8	2,958.4	2,982.9	2,977.7	2,998.9	2,999.6	http://edr.state.fl.us/Content/conferences/highwaysafetyfees/index.cfm
Indian Gaming Revenues	343.9	357.0	749.3	759.4	780.6	802.8	814.6	845.2	851.5	890.4	http://edr.state.fl.us/Content/conferences/Indian-gaming/index.cfm
Lottery Revenues - Transfer to Educational Enhancement Trust Fund	2,374.8	2,403.0	2,207.0	2,094.8	2,264.4	2,157.6	2,285.0	2,177.0	2,299.7	2,191.1	http://edr.state.fl.us/Content/conferences/lottery/index.cfm

Revenue Estimating Conference – Summer 2024 Forecasts (\$Millions)	Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26		Fiscal Year 2026-27		Fiscal Year 2027-28		Link to Forecast
	Previous Forecast	Actual	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	
Pari-Mutuel Revenues	24.4	25.2	25.5	26.1	25.7	25.7	26.3	26.3	26.8	26.8	http://edr.state.fl.us/Content/conferences/parimutuels/index.cfm
Public Education Capital Outlay and Debt Service (PECO) Trust Fund - No Bonding	1,146.0	1,404.4	933.9	963.9	873.7	795.5	891.8	870.8	929.6	914.2	http://edr.state.fl.us/Content/conferences/peco/index.cfm
Revenues Flowing to State Transportation Trust Fund	4,685.8	4,658.6	4,854.6	4,823.5	4,959.6	4,935.2	5,057.7	5,031.6	5,156.1	5,144.3	http://edr.state.fl.us/Content/conferences/transportation/index.cfm
School Taxable Value	-	3,367,187	3,527,100	3,633,728	3,708,744	3,823,422	3,905,558	4,047,118	4,122,218	4,271,380	http://edr.state.fl.us/Content/conferences/advalorem/index.cfm
Slot Machine Revenues - Transfer to Educational Enhancement Trust Fund	242.9	243.6	245.5	244.8	248.1	247.5	250.8	250.2	253.5	252.8	http://edr.state.fl.us/Content/conferences/slotmachines/index.cfm
Tobacco Settlement Payments	379.3	352.2	388.3	354.4	397.3	359.6	406.0	365.3	414.4	371.3	http://edr.state.fl.us/Content/conferences/tobaccosettlement/index.cfm
Tobacco Tax and Surcharge	949.7	920.0	921.0	878.5	894.2	850.2	868.4	823.0	843.8	796.9	http://edr.state.fl.us/Content/conferences/tobaccotaxsurcharge/index.cfm
Unclaimed Property - Transfer to State School Trust Fund	346.5	395.0	258.4	312.5	267.5	303.9	273.8	310.9	278.5	316.9	http://edr.state.fl.us/Content/conferences/stateschooltrustfund/index.cfm

APPENDIX B – PROJECTED ENDING BALANCE CALCULATIONS

General Revenue Funds Available Projection – Critical Needs + Other High Priority Needs + Revenue Adjustments (\$ in millions)

	Fiscal Year 2025-26			Fiscal Year 2026-27			Fiscal Year 2027-28		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1 Funds Available:									
2 Balance Forward [1]	0.0	7,727.8	7,727.8	0.0	2,091.7	2,091.7	0.0	0.0	0.0
3 Unused Reserve from Prior Year	0.0	0.0	0.0	0.0	1,944.5	1,944.5	0.0	2,027.7	2,027.7
4 Revenue Estimate	49,833.4	24.6	49,858.0	51,791.0	200.9	51,991.9	53,001.7	161.1	53,162.8
5 <i>Revenue Adjustments</i>									
6 Tax and Fee Changes [2]	(138.2)	(727.0)	(865.2)	(276.4)	(727.0)	(1,003.4)	(414.6)	(727.0)	(1,141.6)
7 Trust Fund Transfers (GAA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Total Funds Available	<u>49,695.2</u>	<u>7,025.4</u>	<u>56,720.6</u>	<u>51,514.6</u>	<u>3,510.1</u>	<u>55,024.7</u>	<u>52,587.1</u>	<u>1,461.8</u>	<u>54,048.9</u>
9									
10 Estimated Expenditures:									
11 Recurring Base Budget	45,138.7	0.0	45,138.7	48,941.9	0.0	48,941.9	52,302.6	0.0	52,302.6
12									
13 New Issues by GAA Section:									
14 Pre K-12 Education	1,019.0	257.0	1,276.0	880.2	299.7	1,179.8	1,082.1	299.4	1,381.5
15 Higher Education	533.8	455.0	988.8	456.5	455.0	911.5	458.2	455.0	913.2
16 Education Fixed Capital Outlay [3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17 Human Services	1,831.7	134.6	1,966.3	1,558.8	134.6	1,693.4	1,131.7	134.6	1,266.3
18 Criminal Justice & Judicial Branch	35.5	29.1	64.6	35.5	29.1	64.6	35.5	29.1	64.6
19 Transportation & Economic Development	0.0	707.0	707.0	0.0	708.8	708.8	0.0	707.0	707.0
20 Natural Resources	2.4	1,282.4	1,284.9	2.4	1,097.7	1,100.2	2.4	1,063.6	1,066.1
21 General Government	11.7	179.7	191.4	12.3	175.4	187.6	12.4	175.4	187.7
22 Administered Funds & Statewide Issues	<u>368.9</u>	<u>697.7</u>	<u>1,066.7</u>	<u>415.0</u>	<u>619.6</u>	<u>1,034.6</u>	<u>425.0</u>	<u>602.5</u>	<u>1,027.5</u>
23 Total New Issues	3,803.2	3,742.5	7,545.7	3,360.7	3,519.9	6,880.6	3,147.4	3,466.6	6,613.9
24									
25 Transfer to Budget Stabilization Fund [4]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26									
27 Total Estimated Expenditures	<u>48,941.9</u>	<u>3,742.5</u>	<u>52,684.4</u>	<u>52,302.6</u>	<u>3,519.9</u>	<u>55,822.5</u>	<u>55,450.0</u>	<u>3,466.6</u>	<u>58,916.5</u>
28 Reserves	0.0	1,944.5	1,944.5	0.0	2,027.7	2,027.7	0.0	2,073.3	2,073.3
29 Ending Balance	753.3	1,338.4	2,091.7	(788.0)	(2,037.5)	(2,825.5)	(2,862.9)	(4,078.1)	(6,940.9)

[1] The balance forward for Fiscal Year 2025-26 is adjusted to account for \$26.7 M of General Revenue needed to cover estimated Fiscal Year 2024-25 deficits for Tobacco Settlement Trust Fund (\$20.1 M), Distribution to Fiscally Constrained Counties (\$4.6 M), and Student Financial Aid Programs (\$2.0 M).

[2] The continuing impact of the recurring tax and fee changes result in a cumulative effect for Fiscal Years 2026-27 and 2027-28.

[3] Previous Long-Range Financial Outlooks included a budget driver for Education Fixed Capital Outlay. The current forecast for the Public Education Capital Outlay (PECO) Trust Fund projects sufficient revenues to support the three-year average of appropriations for fixed capital outlay projects. Thus, no General Revenue need was identified for this year's Outlook.

[4] Based on the August 2024 General Revenue Fund estimates, no transfers to the Budget Stabilization Fund are required during the three-year forecast period.

General Revenue Funds Available Projection – Critical Needs
(\$ in millions)

	Fiscal Year 2025-26			Fiscal Year 2026-27			Fiscal Year 2027-28		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1 Funds Available:									
2 Balance Forward [1]	0.0	7,727.8	7,727.8	0.0	7,575.4	7,575.4	0.0	9,590.2	9,590.2
3 Unused Reserve from Prior Year	0.0	0.0	0.0	0.0	1,944.5	1,944.5	0.0	2,027.7	2,027.7
4 Revenue Estimate	49,833.4	24.6	49,858.0	51,791.0	200.9	51,991.9	53,001.7	161.1	53,162.8
5 <i>Revenue Adjustments</i>									
6 Tax and Fee Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Trust Fund Transfers (GAA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Total Funds Available	<u>49,833.4</u>	<u>7,752.4</u>	<u>57,585.7</u>	<u>51,791.0</u>	<u>9,720.8</u>	<u>61,511.8</u>	<u>53,001.7</u>	<u>11,779.0</u>	<u>64,780.7</u>
9									
10 Estimated Expenditures:									
11 Recurring Base Budget	45,138.7	0.0	45,138.7	47,450.8	0.0	47,450.8	49,318.6	0.0	49,318.6
12									
13 New Issues by GAA Section:									
14 Pre K-12 Education	985.4	(46.6)	938.8	840.5	(4.0)	836.5	1,042.7	(4.3)	1,038.4
15 Higher Education	72.2	0.0	72.2	(0.5)	0.0	(0.5)	(4.7)	0.0	(4.7)
16 Education Fixed Capital Outlay [2]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17 Human Services	1,182.9	0.0	1,182.9	909.9	0.0	909.9	482.9	0.0	482.9
18 Criminal Justice & Judicial Branch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19 Transportation & Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 Natural Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21 General Government	0.1	73.5	73.6	0.3	69.2	69.5	0.3	67.9	68.2
22 Administered Funds & Statewide Issues	<u>71.6</u>	<u>588.1</u>	<u>659.7</u>	<u>117.6</u>	<u>510.0</u>	<u>627.6</u>	<u>127.7</u>	<u>492.9</u>	<u>620.6</u>
23 Total New Issues	2,312.1	614.9	2,927.1	1,867.8	575.3	2,443.1	1,648.8	556.5	2,205.3
24									
25 Transfer to Budget Stabilization Fund [3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26									
27 Total Estimated Expenditures	<u>47,450.8</u>	<u>614.9</u>	<u>48,065.8</u>	<u>49,318.6</u>	<u>575.3</u>	<u>49,893.9</u>	<u>50,967.4</u>	<u>556.5</u>	<u>51,523.9</u>
28 Reserves	0.0	1,944.5	1,944.5	0.0	2,027.7	2,027.7	0.0	2,073.3	2,073.3
29 Ending Balance	<u>2,382.6</u>	<u>5,193.0</u>	<u>7,575.4</u>	<u>2,472.4</u>	<u>7,117.8</u>	<u>9,590.2</u>	<u>2,034.3</u>	<u>9,149.2</u>	<u>11,183.5</u>

[1] The balance forward for Fiscal Year 2025-26 is adjusted to account for \$26.7 M of General Revenue needed to cover estimated Fiscal Year 2024-25 deficits for Tobacco Settlement Trust Fund (\$20.1 M), Distribution to Fiscally Constrained Counties (\$4.6 M), and Student Financial Aid Programs (\$2.0 M).

[2] Previous Long-Range Financial Outlooks included a budget driver for Education Fixed Capital Outlay. The current forecast for the Public Education Capital Outlay (PECO) Trust Fund projects sufficient revenues to support the three-year average of appropriations for fixed capital outlay projects. Thus, no General Revenue need was identified for this year's Outlook.

[3] Based on the August 2024 General Revenue Fund estimates, no transfers to the Budget Stabilization Fund are required during the three-year forecast period.

APPENDIX C – HISTORICAL TABLES

General Revenue Fund Collections

10-Year History (\$ Millions)

Fiscal Year	Post-Session Forecast	August Forecast	Difference (Aug - PS)	Incremental Growth	Percent Growth
2014-15	27,681.1				5.7%
2015-16	28,325.4				2.3%
2016-17	29,594.5				4.5%
2017-18	31,218.2				5.5%
2018-19	33,413.8				7.0%
2019-20	31,366.2				-6.1%
2020-21	36,280.9				15.7%
2021-22	44,035.7				21.4%
2022-23	47,327.8				7.5%
2023-24	47,256.3	48,342.0	1,085.7	1,014.2	2.1%
2024-25	47,581.6	48,515.9	934.3	173.9	0.4%
2025-26	48,596.9	49,697.1	1,100.2	1,181.2	2.4%
2026-27	50,405.0	51,829.0	1,424.0	2,131.9	4.3%
2027-28	51,797.9	53,000.5	1,202.6	1,171.5	2.3%

Long-Range Financial Outlook Results

10-Year History (\$ Millions)

Outlook	For the Period Beginning	General Revenue Ending Balance			Level of Reserves ^[1]
		Year 1	Year 2	Year 3	
2014	Fiscal Year 2015-16	336.2	1,004.5	2,156.1	1,000.0
2015	Fiscal Year 2016-17	635.4	583.7	222.2	1,000.0
2016	Fiscal Year 2017-18	7.5	(1,300.9)	(1,897.7)	1,000.0
2017	Fiscal Year 2018-19	52.0	(1,146.2)	(1,639.6)	1,000.0
2018	Fiscal Year 2019-20	223.4	(47.8)	(456.7)	1,000.0
2019	Fiscal Year 2020-21	289.3	(486.0)	(366.7)	1,000.0
2020	Fiscal Year 2021-22	(2,749.9)	(1,899.1)	(926.8)	1,000.0
2021	Fiscal Year 2022-23	6,990.3	8,237.6	10,275.3	1,500.6
2022	Fiscal Year 2023-24	13,534.4	14,618.9	15,502.1	1,663.3
2023	Fiscal Year 2024-25	7,027.8	5,359.9	2,718.0	1,854.7
2024	Fiscal Year 2025-26	2,091.7	(2,825.5)	(6,940.9)	1,944.5

[1] Beginning with the 2021 Outlook, reserve amounts vary for each year of the forecast as they are based on a percentage of the General Revenue estimate, the reserve amount for Year 1 of the forecast period is displayed.