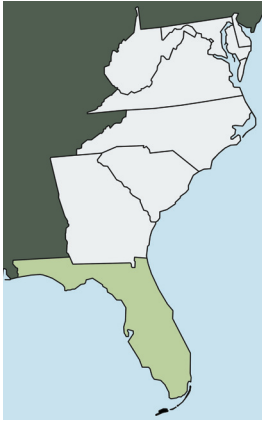


FLORIDA Budget Report Card



FLORIDA, THE THIRD-MOST POPULOUS STATE, stands out for exemplary budget forecasting procedures. The Sunshine State was one of only ten states to win a top average grade of A in forecasting for fiscal 2016 through 2018. Florida has a consensus revenue estimating process that includes representatives of the governor, both legislative chambers, and the Legislative Office of Economic and Demographic Research. To produce estimates, economists consider a variety of taxes and other revenue sources, such as the corporate income levy; lottery, slot machine, and transportation revenues; and communications services taxes.

In addition, a 2006 constitutional amendment requires the Joint Legislative Budget Commission to produce long-range financial projections, including critical needs, risks to forecast accuracy, and key budget drivers. The 2018 estimate covered fiscal 2019 through 2022.

The state's average B grade in budget maneuvers reflects its shifting of money from special funds into the general fund. According to the nonpartisan research group Florida TaxWatch, about \$320 million originally intended for other purposes was shifted to the general fund in fiscal 2018. Of that sum, the research group identified \$224 million from affordable housing trust funds.

Florida received a C average in legacy costs, largely because of a shortfall in funding of other postemployment benefits for public employees, mostly health care.


SOUTH ATLANTIC STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Delaware	B	A	C	B	B
Florida	A	B	C	B	B
Georgia	C	A	B	B	B
Maryland	A	C	D	C	B
North Carolina	A	B	B	B	B
South Carolina	A	A	D	B	C
Virginia	A	C	D	A	C
West Virginia	B	B	C	B	B
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at VolckerAlliance.org.


FLORIDA Budget Report Card

BUDGET FORECASTING					
		2016	2017	2018	
	CATEGORY GRADE	A	A	A	
	Consensus Revenue Forecasts	✓	✓	✓	
	Multiyear Expenditure Forecasts	✓	✓	✓	
	Multiyear Revenue Forecasts	✓	✓	✓	
	Revenue Growth Projections	✓	✓	✓	
3-YEAR AVERAGE A			3-YEAR TREND —		

BUDGET MANEUVERS					
		2016	2017	2018	
	CATEGORY GRADE	B	B	B	
	Deferring Recurring Expenditures	✓	✓	✓	
	Revenue and Cost Shifting	X	X	X	
	Funding Recurring Expenditures with Debt	✓	✓	✓	
	Using Asset Sales and Up-Front Revenues	✓	✓	✓	
3-YEAR AVERAGE B			3-YEAR TREND —		

LEGACY COSTS					
		2016	2017	2018	
	CATEGORY GRADE	C	C	C	
	Public Employee OPEB Funding	X	X	X	
	Public Employee Pension Funding	✓	✓	✓	
	Public Employee Pension Funded Ratio*	79%	79%	79%	
3-YEAR AVERAGE C			3-YEAR TREND —		

RESERVE FUNDS					
		2016	2017	2018	
	CATEGORY GRADE	B	B	B	
	Positive Reserve or General Fund Balance	✓	✓	✓	
	Reserve Funds Disbursement Policy	✓	✓	✓	
	Reserve Funds Replenishment Policy	✓	✓	✓	
	Reserves Tied to Revenue Volatility	X	X	X	
3-YEAR AVERAGE B			3-YEAR TREND —		

TRANSPARENCY					
		2016	2017	2018	
	CATEGORY GRADE	B	B	B	
	Consolidated Budget Website	✓	✓	✓	
	Provides Debt Tables	✓	✓	✓	
	Discloses Deferred Infrastructure Replacement Costs	X	X	X	
	Discloses Tax Expenditures	✓	✓	✓	
3-YEAR AVERAGE B			3-YEAR TREND —		

KEY

✓	Followed best practice
X	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* **SOURCE** Bloomberg; 2017 data also used for 2018.