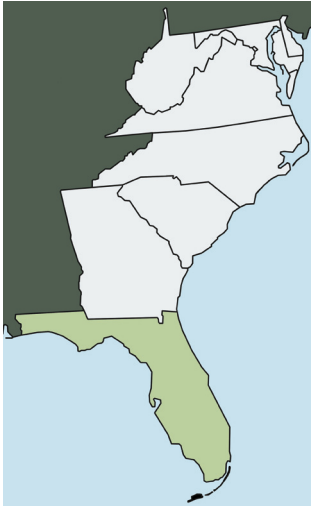


## FLORIDA Budget Report Card



FLORIDA COULD BE DUBBED the Consistency State. From fiscal 2017 through 2019, as in the previous three years, its average grades remained the same in all five areas covered: a top A in budget forecasting; Bs in budget maneuvers, reserve funds, and transparency; and a C in legacy costs, which cover public worker pensions and other postemployment benefits (OPEB), principally health care.

The state is among only twelve to average an A in budget forecasting for the latest evaluation period. Florida has a consensus revenue estimating process that includes representatives of the governor, both legislative chambers, and the Office of Economic and Demographic Research. In addition, a 2006 constitutional amendment required the Joint Legislative Budget Commission to produce long-range financial projections, including critical needs, risks to forecast accuracy, and key budget drivers.

Florida's weakest grade was in management of legacy costs. Though pensions were 80 percent funded in 2018, 10 percentage points above the total for all states, the level was under the 90 percent needed to get full credit in our evaluation. The state also does not provide annual OPEB funding in line with actuaries' recommendations.

### SOUTH ATLANTIC STATES SIDE BY SIDE: Three-Year Average Grades, 2017-19


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Delaware	A	A	C	B	B
Florida	A	B	C	B	B
Georgia	C	A	A	B	B
Maryland	A	C	B	C	B
North Carolina	A	B	C	B	B
South Carolina	A	A	D	B	C
Virginia	A	C	C	A	C
West Virginia	B	B	B	B	B
US AVERAGE	B	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: The Balancing Act* at [VolckerAlliance.org](http://VolckerAlliance.org).


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BUDGET FORECASTING				
	2017	2018	2019	
	CATEGORY GRADE	<b>A</b>	<b>A</b>	<b>A</b>
	Consensus Revenue Forecasts	✓	✓	✓
	Multiyear Expenditure Forecasts	✓	✓	✓
	Multiyear Revenue Forecasts	✓	✓	✓
	Revenue Growth Projections	✓	✓	✓
<b>3-YEAR AVERAGE</b>		<b>A</b>	<b>3-YEAR TREND</b> —	

BUDGET MANEUVERS				
	2017	2018	2019	
	CATEGORY GRADE	<b>B</b>	<b>B</b>	<b>B</b>
	Deferring Recurring Expenditures	✓	✓	✓
	Revenue and Cost Shifting	<b>X</b>	<b>X</b>	<b>X</b>
	Funding Recurring Expenditures with Debt	✓	✓	✓
	Using Asset Sales and Upfront Revenues	✓	✓	✓
<b>3-YEAR AVERAGE</b>		<b>B</b>	<b>3-YEAR TREND</b> —	

LEGACY COSTS				
	2017	2018	2019	
	CATEGORY GRADE	<b>C</b>	<b>C</b>	<b>C</b>
	Public Employee OPEB Funding	<b>X</b>	<b>X</b>	<b>X</b>
	Public Employee Pension Funding	✓	✓	✓
	Public Employee Pension Funded Ratio*	79%	80%	80%
<b>3-YEAR AVERAGE</b>		<b>C</b>	<b>3-YEAR TREND</b> —	

RESERVE FUNDS				
	2017	2018	2019	
	CATEGORY GRADE	<b>B</b>	<b>B</b>	<b>B</b>
	Positive Reserve or General Fund Balance	✓	✓	✓
	Reserve Funds Disbursement Policy	✓	✓	✓
	Reserve Funds Replenishment Policy	✓	✓	✓
	Reserves Tied to Revenue Volatility	<b>X</b>	<b>X</b>	<b>X</b>
<b>3-YEAR AVERAGE</b>		<b>B</b>	<b>3-YEAR TREND</b> —	

TRANSPARENCY				
	2017	2018	2019	
	CATEGORY GRADE	<b>B</b>	<b>B</b>	<b>B</b>
	Consolidated Budget Website	✓	✓	✓
	Provides Debt Tables	✓	✓	✓
	Discloses Deferred Infrastructure Replacement Costs	<b>X</b>	<b>X</b>	<b>X</b>
	Discloses Tax Expenditures	✓	✓	✓
<b>3-YEAR AVERAGE</b>		<b>B</b>	<b>3-YEAR TREND</b> —	

### KEY

✓	Followed best practice
<b>X</b>	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; 2018 data also used for 2019.

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