



STATE OF FLORIDA

Annual Update on Economy, Budget, & Debt

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Overview

Florida Economy

- Economic activity remains strong driven by continued population growth and the return of tourism activity
- Unemployment rate of 3.1% remains below national level

Revenues and Budget

- General Revenues ("GR") in FY 2024 projected to remain at record levels at \$47.5 billion
- FY 2025 Budget priorities include educational support, environmental initiatives, transportation infrastructure and affordable housing
- Recurring revenues expected to exceed recurring expenditures

Reserves

- General Fund Reserves are expected to total \$16.2 billion or 34.2% of GR for FY 2024, and projected to be \$14.2 billion or 29.5% of GR for FY 2025; remaining at historic levels
- Total Reserves projected at \$19.4 billion or 41.0% of GR for FY 2024 and \$16.3 billion or 33.8% of GR for FY 2025
- BSF has increased to more than \$4.4 billion in FY 2025

Pension Funding

- Twelfth consecutive year that budget fully funds the actuarially determined contribution based on plan assumptions
- Funded ratio remains strong; 81.5% based on actuarial value of assets and 82.4% based on market value of assets

Debt

- Debt outstanding reduced by \$1 billion in FY 2024. Estimated debt outstanding of \$15.3 billion at end of FY 2024; debt per capita has decreased by 54% since 2011
- Benchmark debt ratio (debt service to revenues) decreased to 2.93% in FY 2023 and remained under the 6% target for the tenth consecutive year

Property Insurance

- The longstanding mechanisms to support the Florida insurance market are healthy and functioning as intended
- Florida's property insurance market is stabilizing, and private insurers are returning to the Florida market. Approximately 275,000 policies moved to the private market in 2023 and additional 337,000 policies expected to be removed in 2024

SECTION 1

Florida's Economy

Economy Highlights

Population

- Population growth remains strong, net migration surpassed 400,000 in FY 2022 and is projected to decrease slowly
- Through the end of the decade, population is expected to increase by 1.7 million (7.5%) - an annual addition of 287,000 (equivalent to the City of St. Petersburg) to reach 24.7 million by 2030

Tourism

- Tourism rebounded to above the pre-pandemic level in FY 2022 reaching 146.5 million visitors in FY 2024
- Domestic and Canadian tourism exceed pre-pandemic levels and are expected to grow at an average 3.5% through the end of the decade
- Overseas tourism is expected to remain below its pre-pandemic level through 2029
- Based on length of stay and spending patterns, tourist purchases of goods and services are equivalent to 2.2 million full time residents – adding nearly 10% to the economy

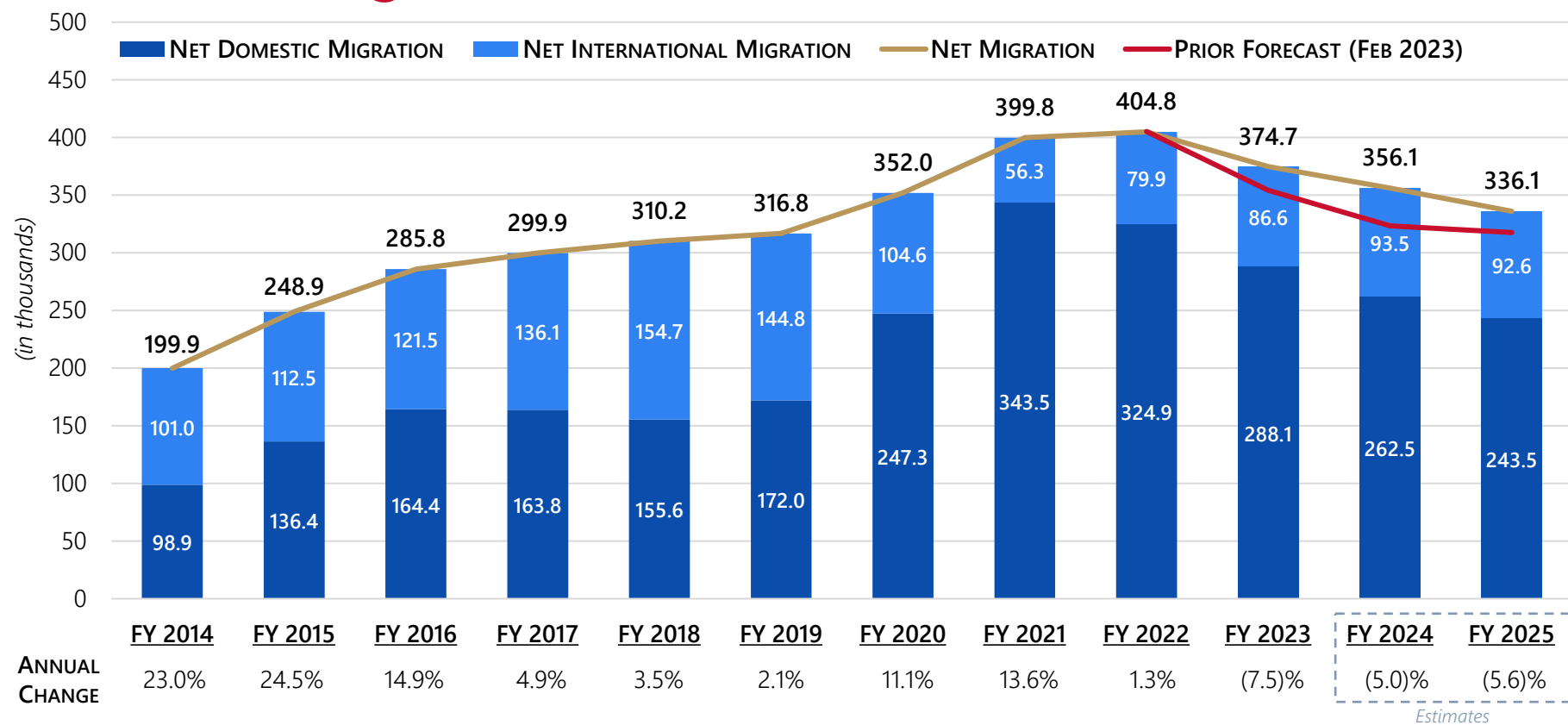
Employment

- Total employment exceeds the pre-pandemic peak by 9.7% and unemployment rate of 3.2% in March 2024 continues to be below the national level of 3.8%
- Leisure and hospitality was the final sector to surpass its pre-pandemic peak in Spring 2023

Housing

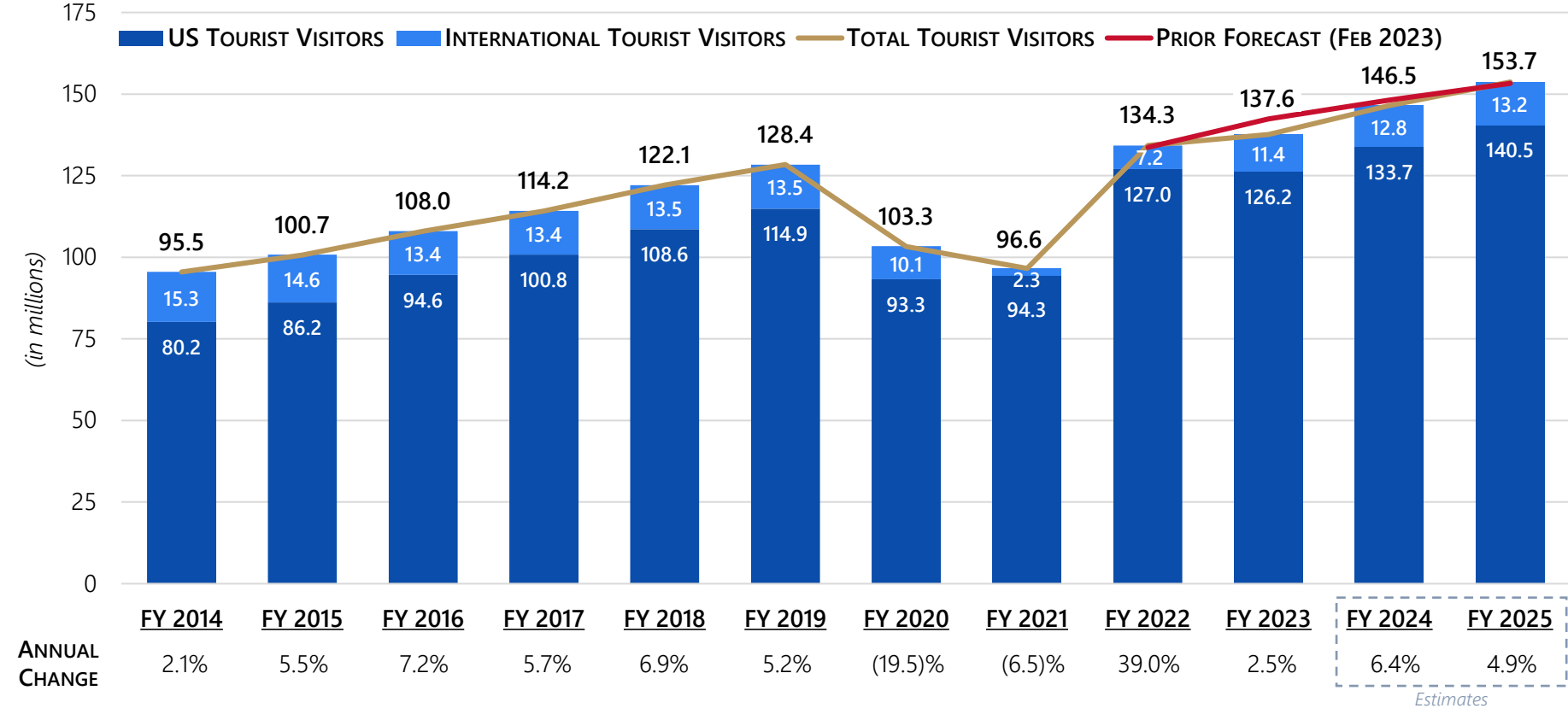
- Real estate values soared in 2022 and 2023, resulting in property tax roll growth of 20% and 15%, respectively, for a combined increase of 38%
- Home prices have stabilized over the past 24 months, and are expected to rise at a more modest pace throughout the forecast
- Housing starts have fallen back to the pre-pandemic levels and are expected to remain stable over the forecast horizon

Florida Net Migration



- Domestic net migration almost doubled between FY 2019 and FY 2021 due to a decrease in out-migration and increase in in-migration, more than offsetting the decline in international migration that began in FY 2019
- Net migration peaked at nearly 405,000 in FY 2022 (1,100 per day)
- Expected to remain in the mid 90,000 annually through 2030, international net migration accounts for 2 out of every 5 migrants as compared to the 1 out of 2 ratio experienced pre pandemic
- Decreasing gradually, net migration is expected to remain above 300,000 through the end of the decade, resulting in population growth at an average annual rate of 1.25% through 2030

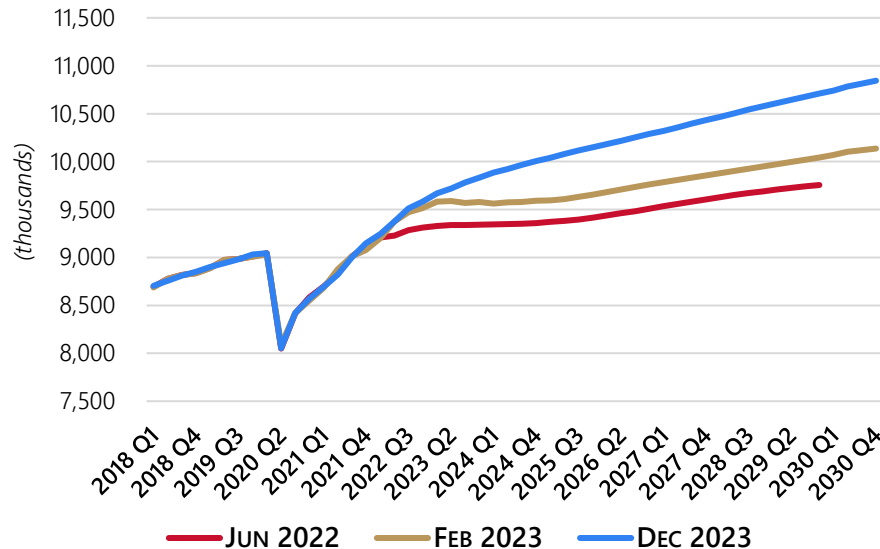
Florida Tourist Visitors



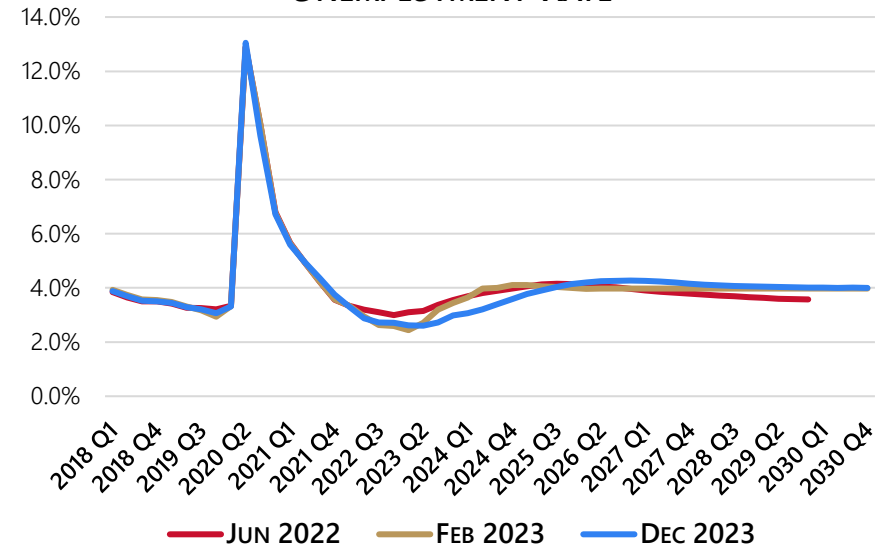
- Tourists in the 7 years prior to the pandemic grew at an average annual rate of 5.2%, peaking at 128.4 million visitors in FY 2019
- Pandemic-driven slowdown caused tourism drop of over 20% for 2 years before snapping back to exceed the pre-pandemic peak in FY 2022. Florida saw 137.6 million total tourists in FY 2023, 7.2% higher than FY 2019
- Domestic and Canadian visitors in FY 2024 projected to exceed pre-pandemic levels by 14% and 16%, respectively, overseas visitors are expected to remain below the 10 million pre-pandemic level through 2030
- Purchases of goods and services made by tourists are equivalent to 2.2 million additional Florida residents, adding about 10% to Florida's economy

Florida Economic Forecast

EMPLOYMENT



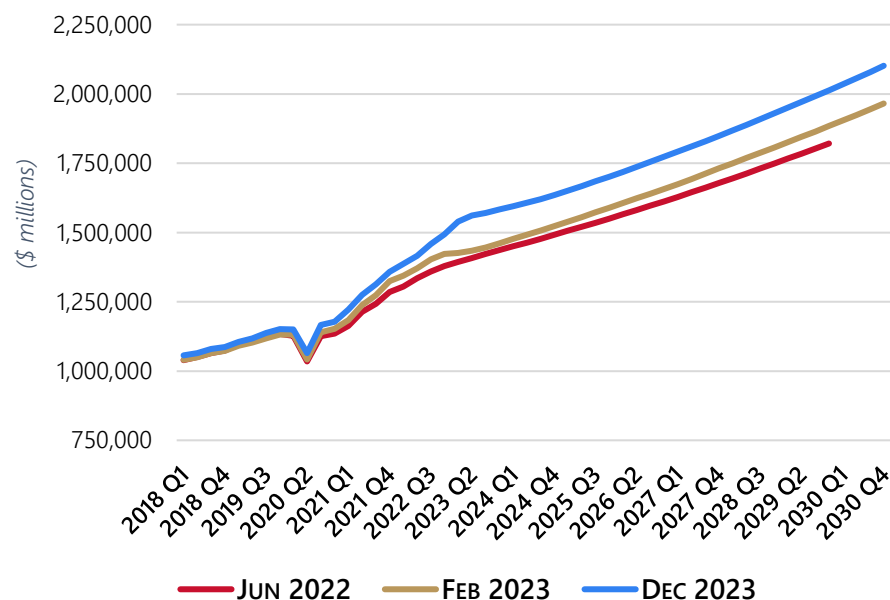
UNEMPLOYMENT RATE



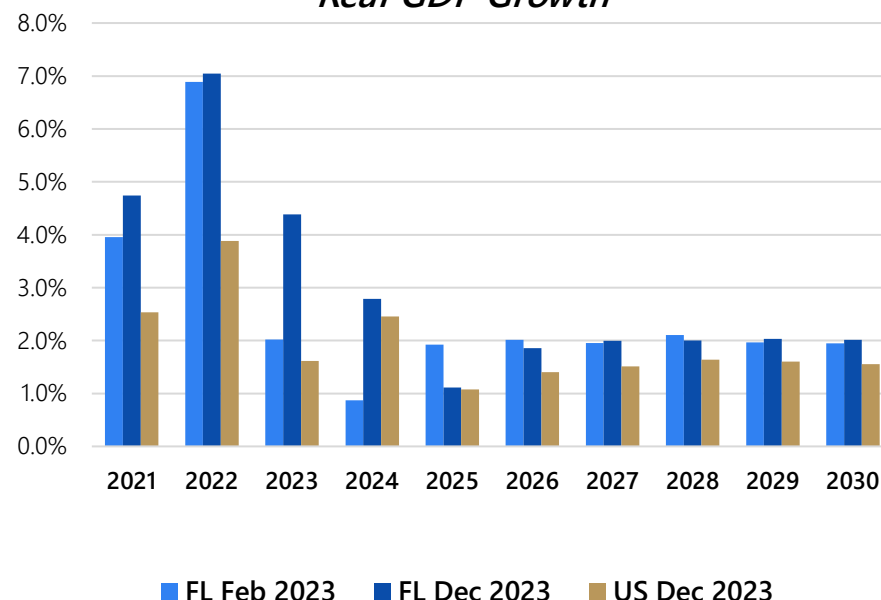
- Contrary to expectations, employment levels did not stagnate in 2023 but continued to grow due to stronger population growth and a slight uptick in labor force participation, adding an additional 350,000 by second quarter of 2024
- Employment is expected to grow at an average annual rate of 1.4% through 2030, 0.5% higher than previously estimated, increasing the overage to 670,000 by the end of the decade
- Florida's employment growth significantly exceeds the national average, Florida's spring 2024 employment is 9.7% above the spring 2020 peak versus the 3.7% growth experienced nationwide
- After 6 quarters at below 3%, bottoming out at 2.6% in first quarter 2023, Florida's unemployment rate rose to 3.2% in March 2024 and is expected to gradually increase to 4.3% in 2027 before retreating to a steady rate of 4%
- Since 2017, Florida's unemployment rate has been consistently below the national rate, which reached 3.8% in March 2024, and is expected to remain below throughout the forecast horizon

Florida GDP

FLORIDA GDP

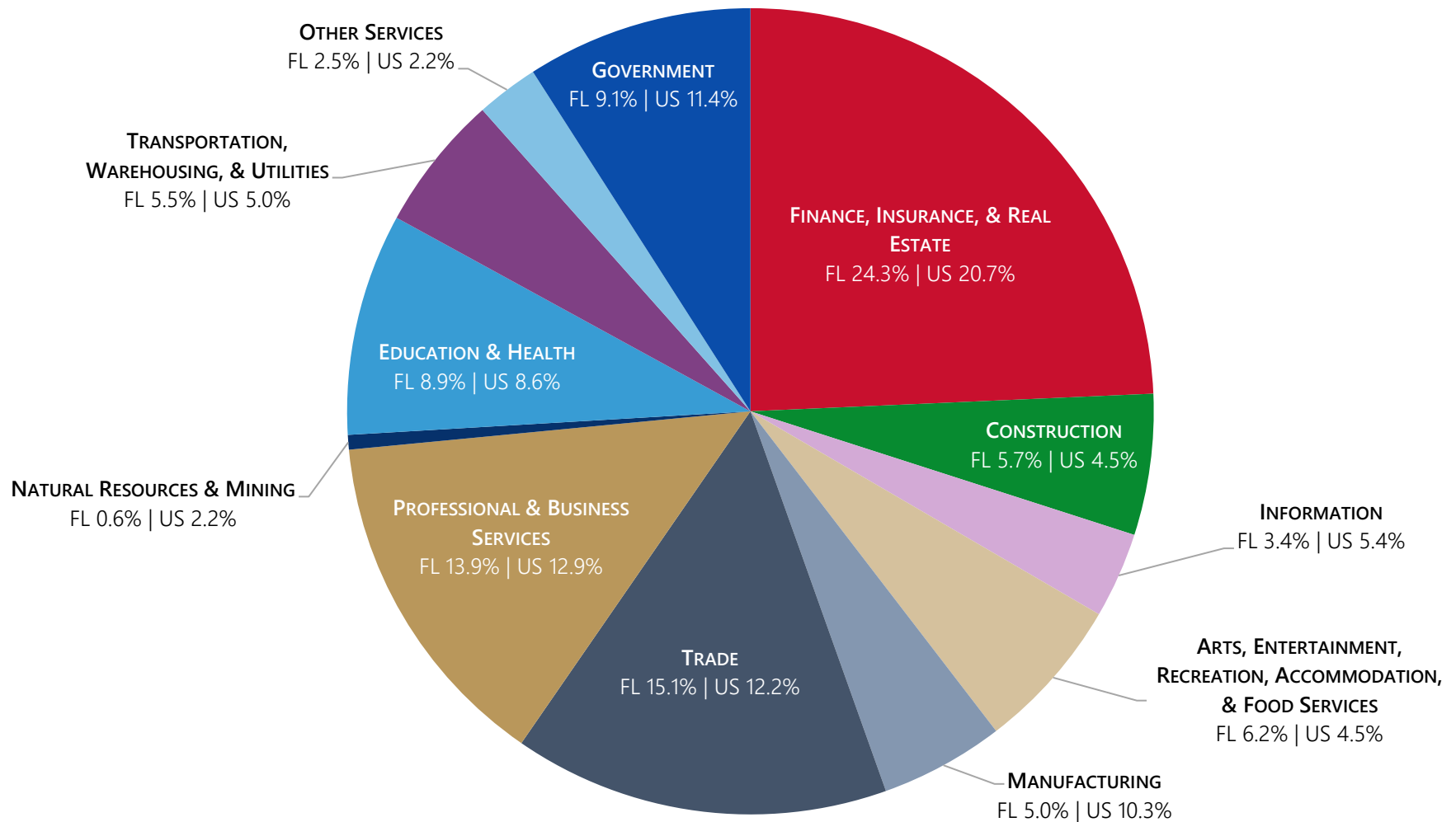


Real GDP Growth



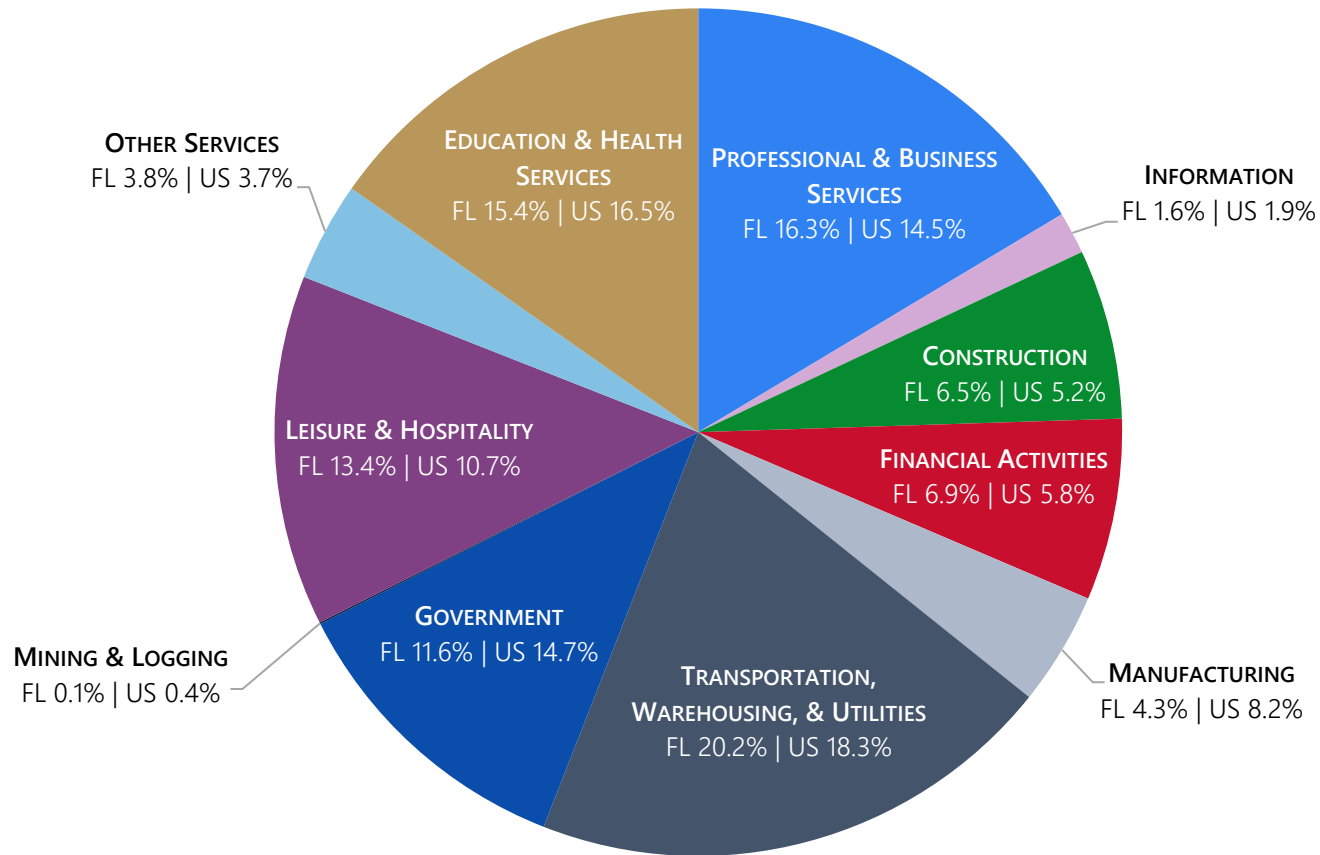
- Driven by inflation, nominal GDP continued to grow significantly above the prior forecast through the Summer of 2023, delaying the expected slowdown by one year, and is expected to settle in the low 4% range beginning Spring 2025
- Real GDP in FY 2023 and FY 2024 trended significantly above prior forecast, delaying the slowdown into FY 2025 before rebounding to 2% beginning in 2026
- Florida's growth in both nominal and real GDP consistently exceeds national growth during expansionary periods and is expected to outpace national growth by between 30 and 50 bps throughout the forecast horizon

Florida GDP – 2023 Q4



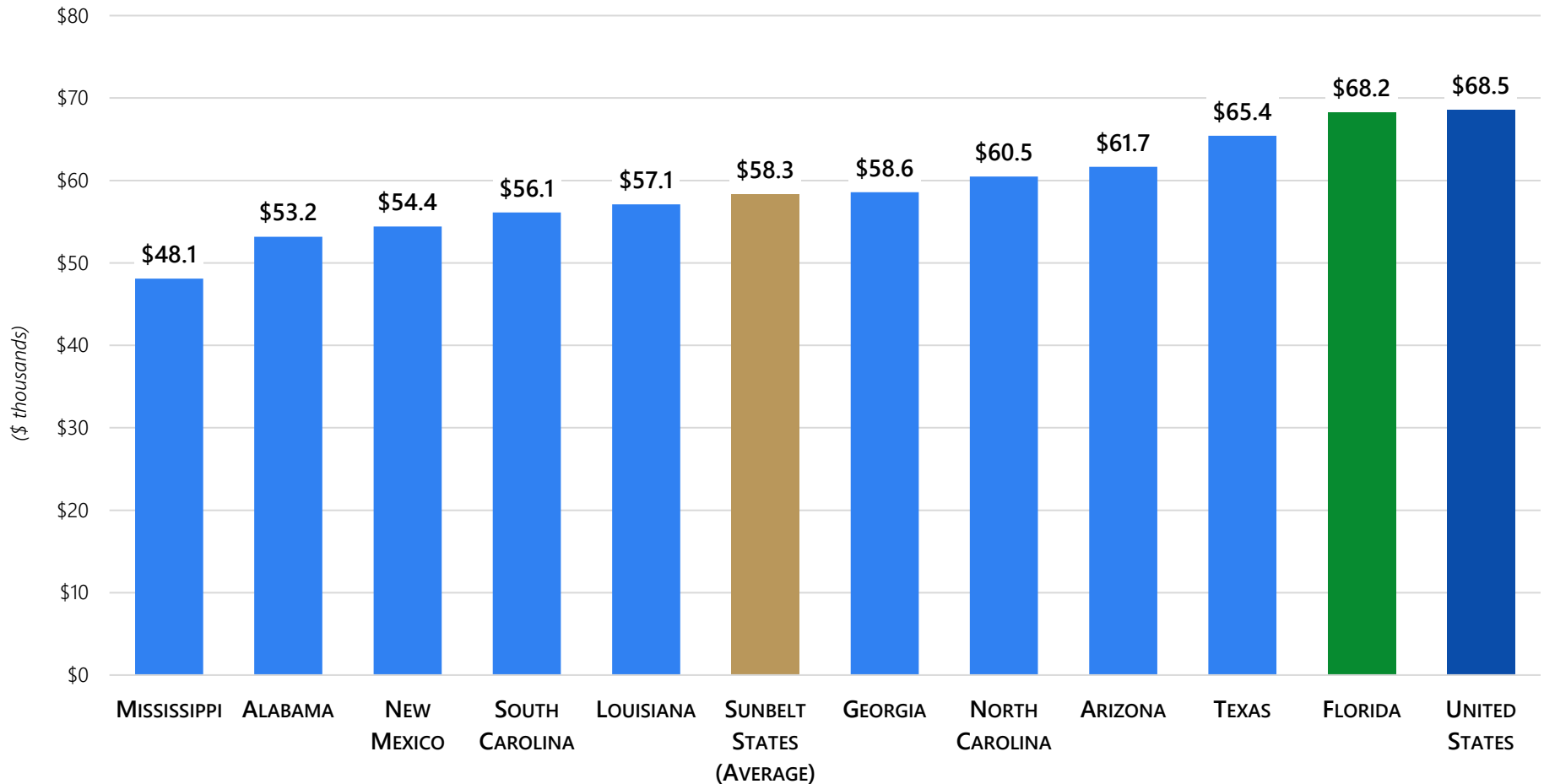
- Finance, Insurance, and Real Estate ("FIRE") at 24.3% is the largest sector
- FIRE, Trade, and Professional & Business Services make up more than half of Florida's GDP
- Arts, Entertainment, Recreation, Accommodation, and Food Services, a sector heavily impacted by tourism, accounts for just 6.2% of state GDP

Florida Employment – March 2024



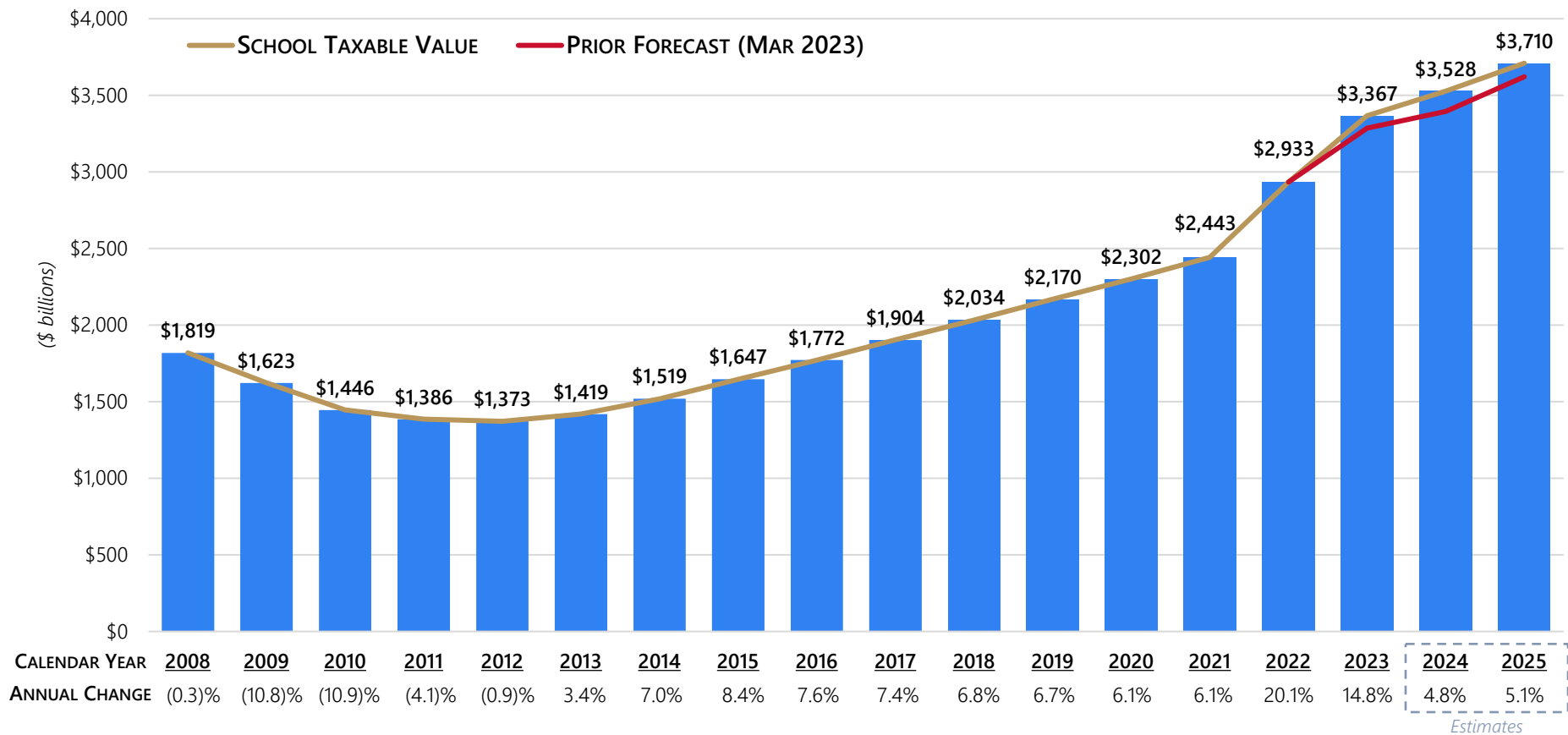
- Total non-farm employment of 9.9 million is about 10% above the Spring 2020 pre-pandemic peak, the labor force participation rate trends above the pre-pandemic trajectory, and the unemployment rate continues to persist at historical low levels
- In the 11 months between April 2023 and March 2024 Florida gained 161,300 private sector jobs, an increase of 1.9%
- Leisure and Hospitality sector – the 4th largest sector – employs fewer than 1 in 7 Floridians
- The share of employees in the Trade, Professional & Business Services, Leisure and Hospitality, FIRE, and Construction sectors exceeds the US average

Sunbelt State Per Capita Personal Income – 2023



- Florida personal income per capita of \$68,248 is the highest in the Sunbelt – 17.5% higher than the average of the other Sunbelt states
- Florida's per capita personal income growth has outpaced the US over the past decade, resulting in Florida's per capita personal income to be on par with that of the US
 - Since 2018, Florida's per capita income has increased by 38% while US has grown by 27%

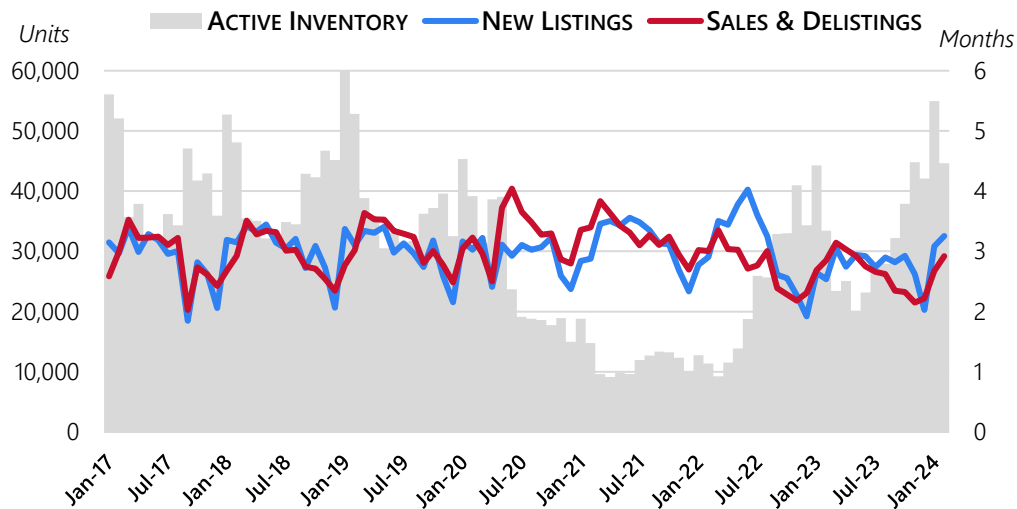
Statewide Property Tax Roll – School Taxable Value



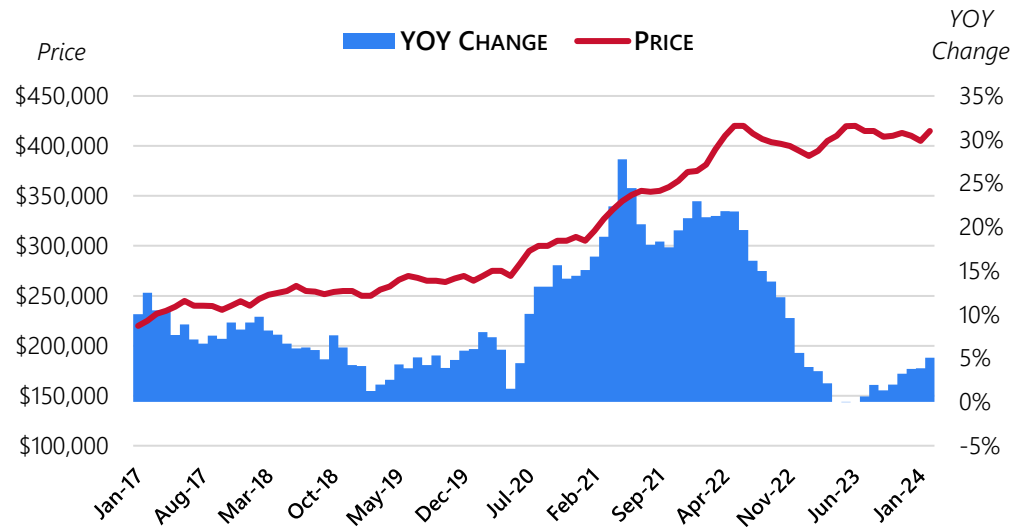
- The statewide property tax roll declined 25% between 2007 and 2012 and did not recover to the 2007 peak until 2017, 10 years later
- The 2022 tax roll growth of 20% is eclipsed only by the 2006 tax roll growth of 25%
- Starting with the 2024 tax roll, growth is expected to moderate to an average annual rate of 5.2% over the subsequent 5 years

Florida Real Estate Market

MARKET STATS SINGLE FAMILY

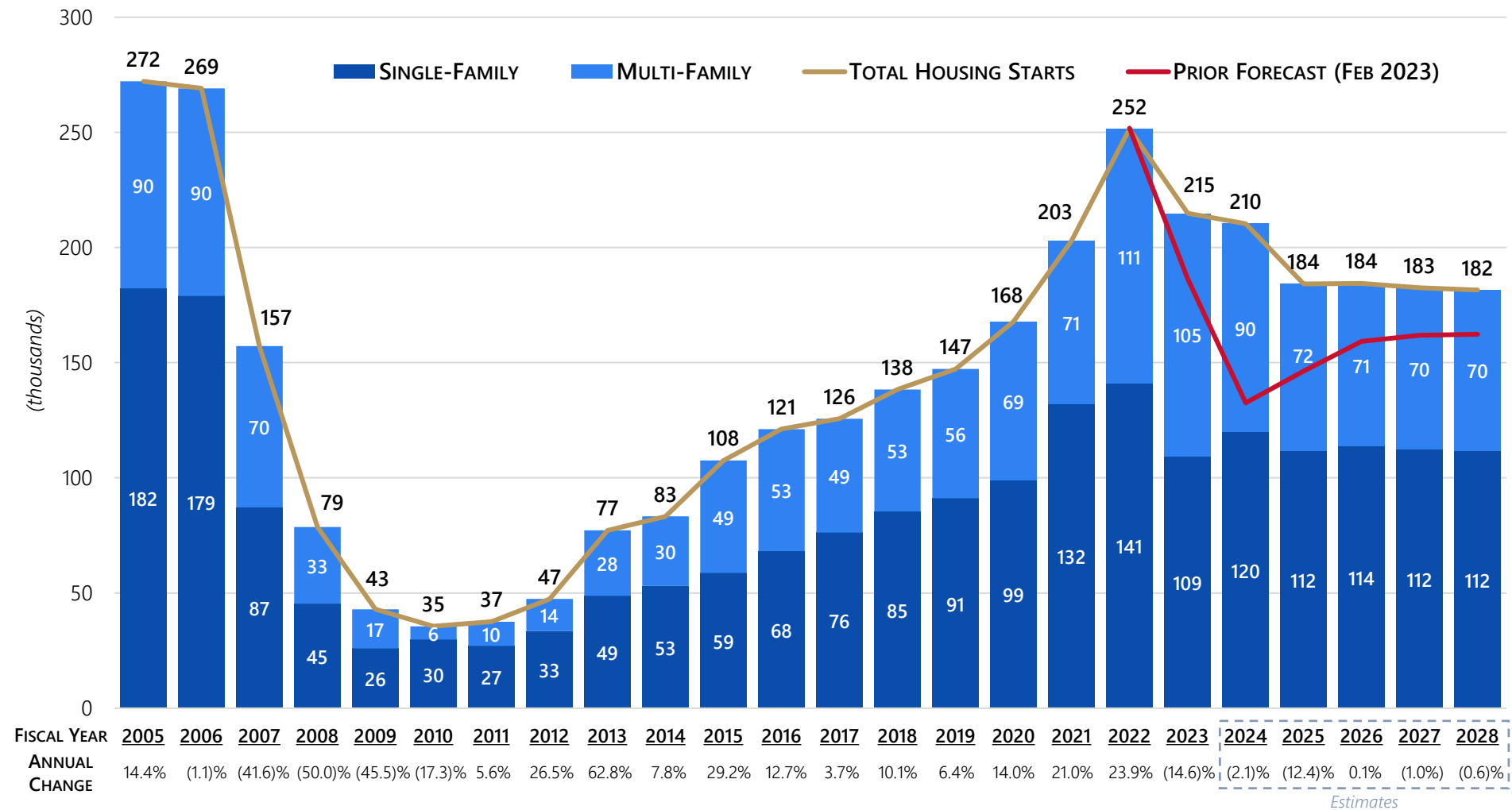


SF MEDIAN SALES PRICE



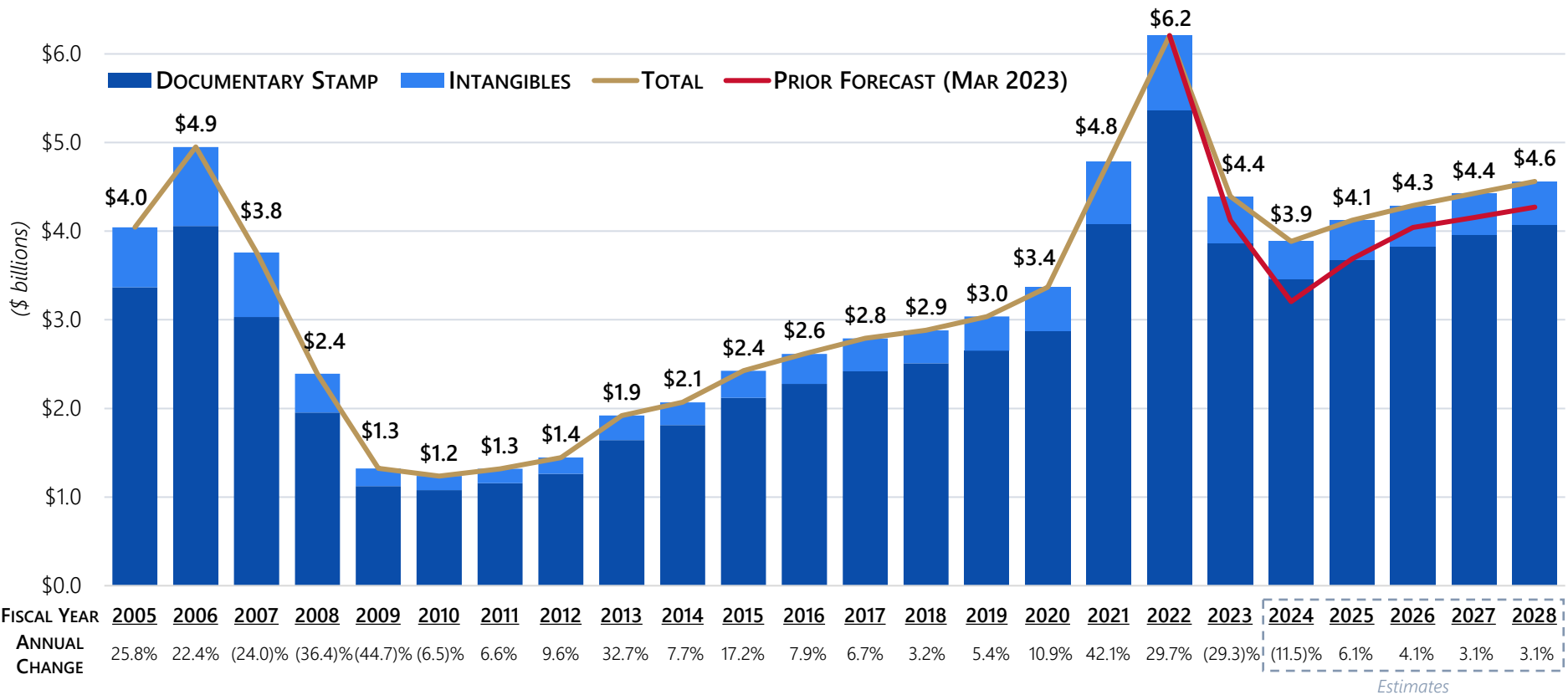
- In Spring 2020, sales of existing homes outpaced new listings, driving inventory from a healthy 3-5 months of sales volume to just about one month by March 2021 and remaining there until Spring 2022
- Consequently, Median sales prices for existing homes accelerated sharply, causing the average price to soar by 53% from \$275,000 in May 2020 to \$420,000 by May 2022
- Beginning in May 2022, a slowdown in sales brought on by rising borrowing costs led inventories to increase back to a 3-5 month level and prices to drop slightly to \$395,000 by December 2022
- The slow inventory build-up beginning in the spring of 2023 reduced price pressures resulting in median sales process to remain fairly stable in the \$405,000 to \$420,000 range

Florida Housing Starts



- Housing starts have retreated to the pre-pandemic trend and are expected to remain stable over the forecast horizon
- The 2022 pandemic peak almost equaled the 2006 peak in nominal terms. However taking into consideration population growth, the 2022 peak of 6,400 starts per 1 million residents equates to 62% of the 2006 peak of 10,300 starts per 1 million residents

Documentary Stamp & Intangibles Tax Collections

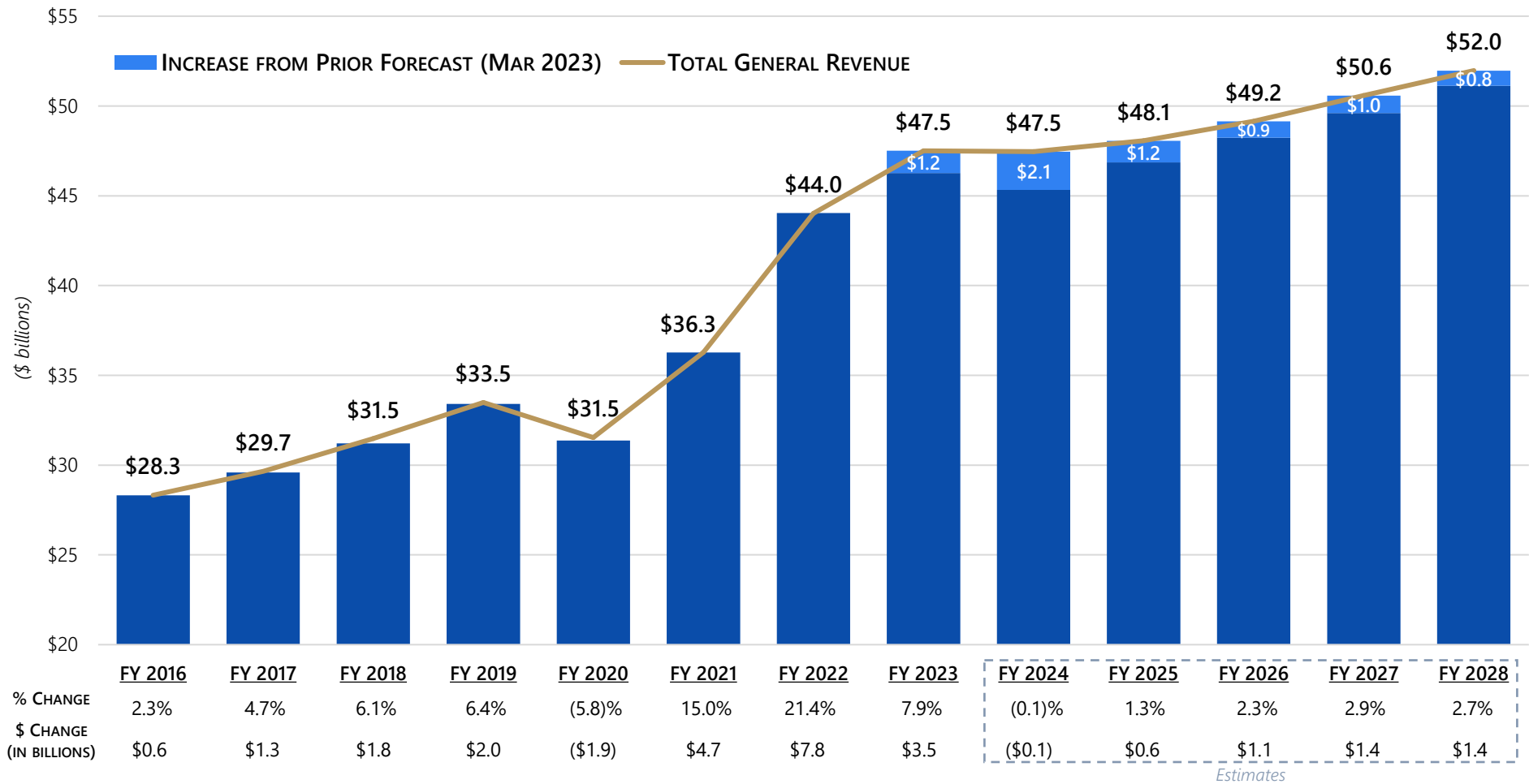


- Documentary Stamp tax collections are a proxy for the health of Florida’s real estate market
- Documentary Stamp and Intangibles tax collections of \$6.2 billion in FY 2022 exceeded the FY 2006 prior peak of \$4.9 billion by 25%, \$380,000 median sales price of a single-family home in 2022 was 53% higher than the 2006 price of \$248,000
- Low mortgage rates and a strong housing sector drove collections
- Collections dropped 29% in FY 2023 and 11% in FY 2024 as the real estate market adjusted to rising interest rates and are expected to grow modestly throughout the forecast horizon

SECTION 2 *State Revenues*

General Revenue Collections

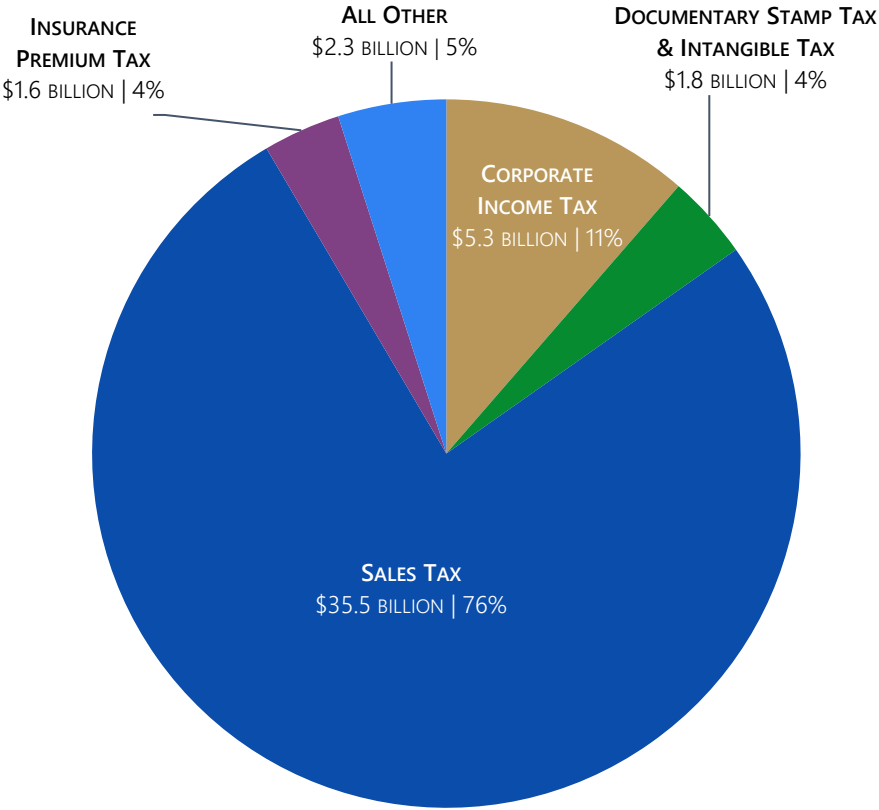
- Phenomenal growth in GR collections of 15.0% in FY 2021 and 21.4% in FY 2022
- Due to persistent high interest rates, FY 2024 GR collections were estimated change little from the \$47.5 billion level received in FY 2023. However, collections are \$850 million above forecast through April 2024, suggesting growth of at least 1.7% over the prior year
- Collections are expected to grow in the mid-to upper-2% range over the remainder of the forecast horizon



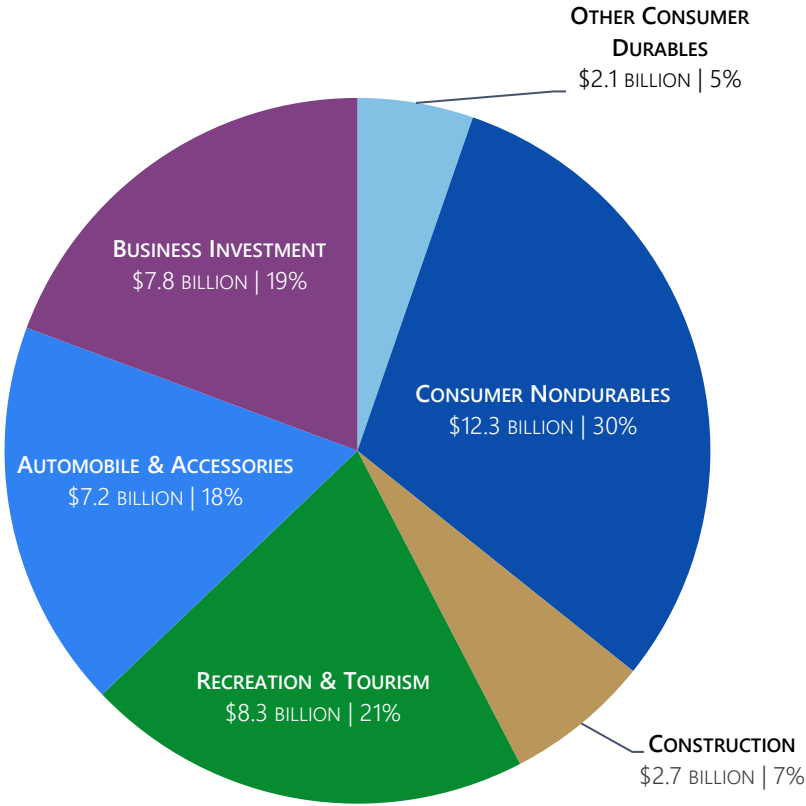
General Revenue Sources & Sales Tax Breakdown

- The four biggest drivers of the State's General Revenues are:
 1. Sales Tax
 2. Corporate Income Tax
 3. Documentary Stamp Tax & Intangibles Tax
 4. Insurance Premium Tax

FY 2024* GENERAL REVENUE SOURCES



FY 2024* SALES TAX BREAKDOWN



SECTION 3

Fiscal Year 2025 Budget

Fiscal Year 2025 Budget Highlights

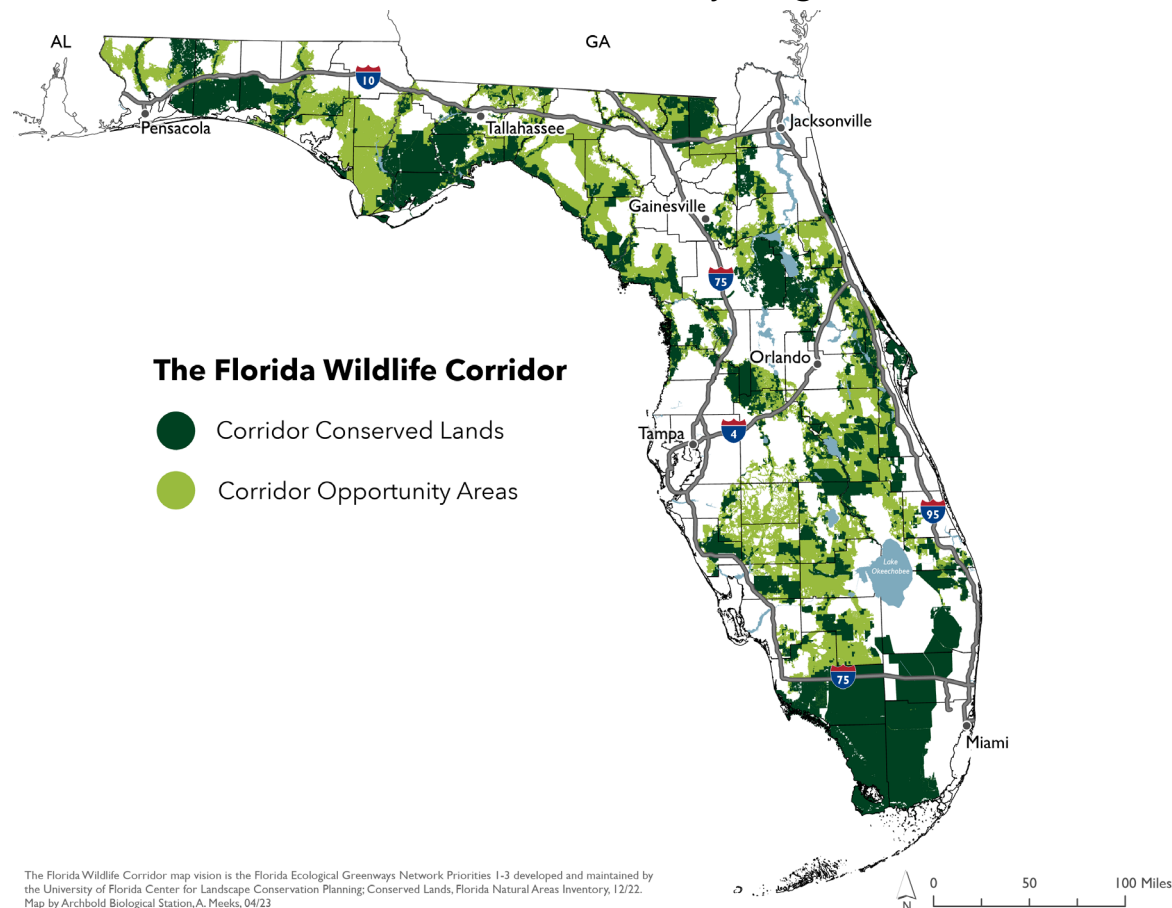
Under Governor DeSantis' leadership, Florida continues to practice conservative governance, making key investments in the state's future through Education, Environment, and Infrastructure initiatives, proactively paying down debt, and reducing the tax burden on Florida's families, all while maintaining historic reserves

The 2025 Budget:

- Maintains an overall increase in Education funding to support teachers and students
- Prioritizes Environmental investments by committing the Seminole Gaming Compact revenue to the acquisition of conservation lands and to critical clean water infrastructure
- Providing \$1.5 billion in funding for Everglades restoration and the protection of water resources, reaching 90% of the Governor's \$3.5 billion goal over his second term
- Investments in infrastructure, public safety, healthcare, and affordable housing:
 - Historic funding of \$14.7 billion for the State Transportation Work Program to complete critical infrastructure projects
 - A \$370 million investment building on the Moving Florida Forward Initiative to address congestion on Florida's highways and roads due to historic growth
 - Record investment of more than \$1 billion to grow Florida's healthcare workforce, increase patient access to care, and incentivize innovation through the Live Healthy Act
 - Full funding of \$508 million for Affordable Housing initiatives, including \$100 million for the third year of the Hometown Heroes Housing Program, providing down payment assistance for educators, first responders, and other public servants
 - \$500 million to the Emergency Preparedness and Response Fund for the Governor to access during declared states of emergencies
- Provides the third consecutive year of pay increases for State employees, with a 3% across the board raise
- Transfer of \$300 million to the Budget Stabilization Fund further enhancing structural reserves, bringing the balance to \$4.4 billion

Gaming Compact Funds to Support the Environment

- 96% of the revenues from the 2021 gaming compact with the Seminole Tribe of Florida will go to acquisition and management of conservation lands and the identification and prioritization of critical clean water infrastructure investments
 - \$100 million to support the wildlife corridor
 - \$100 million for the management of uplands and the removal of invasive species
 - \$100 million to the Resilient Florida Trust Fund
 - Remainder to the Water Protection and Sustainability Program Trust Fund



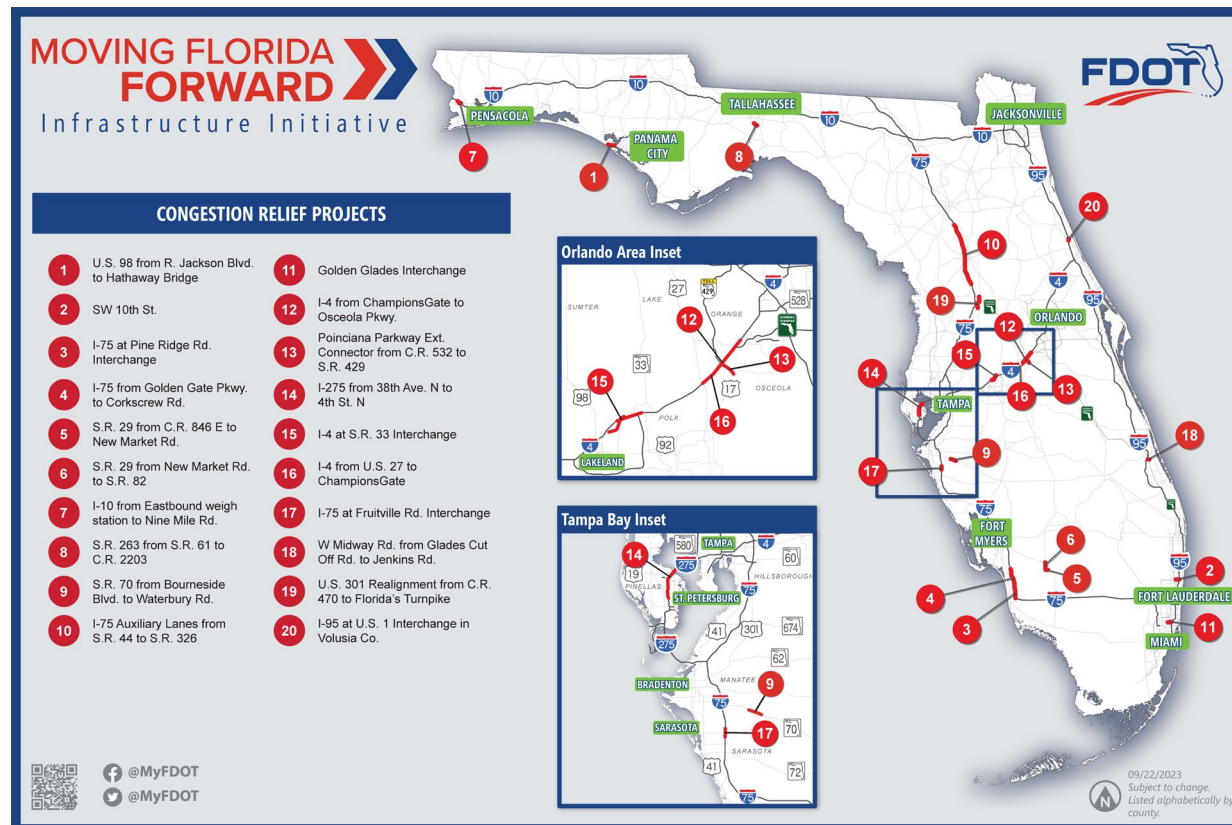
Florida's Environmental Priorities

- With over \$3.3 billion secured over Governor DeSantis' first term, this year's investment of \$1.5 billion for Everglades restoration and the protection of water resources brings the total funding for the protection of Florida's water resources to \$6.5 billion over 6 years

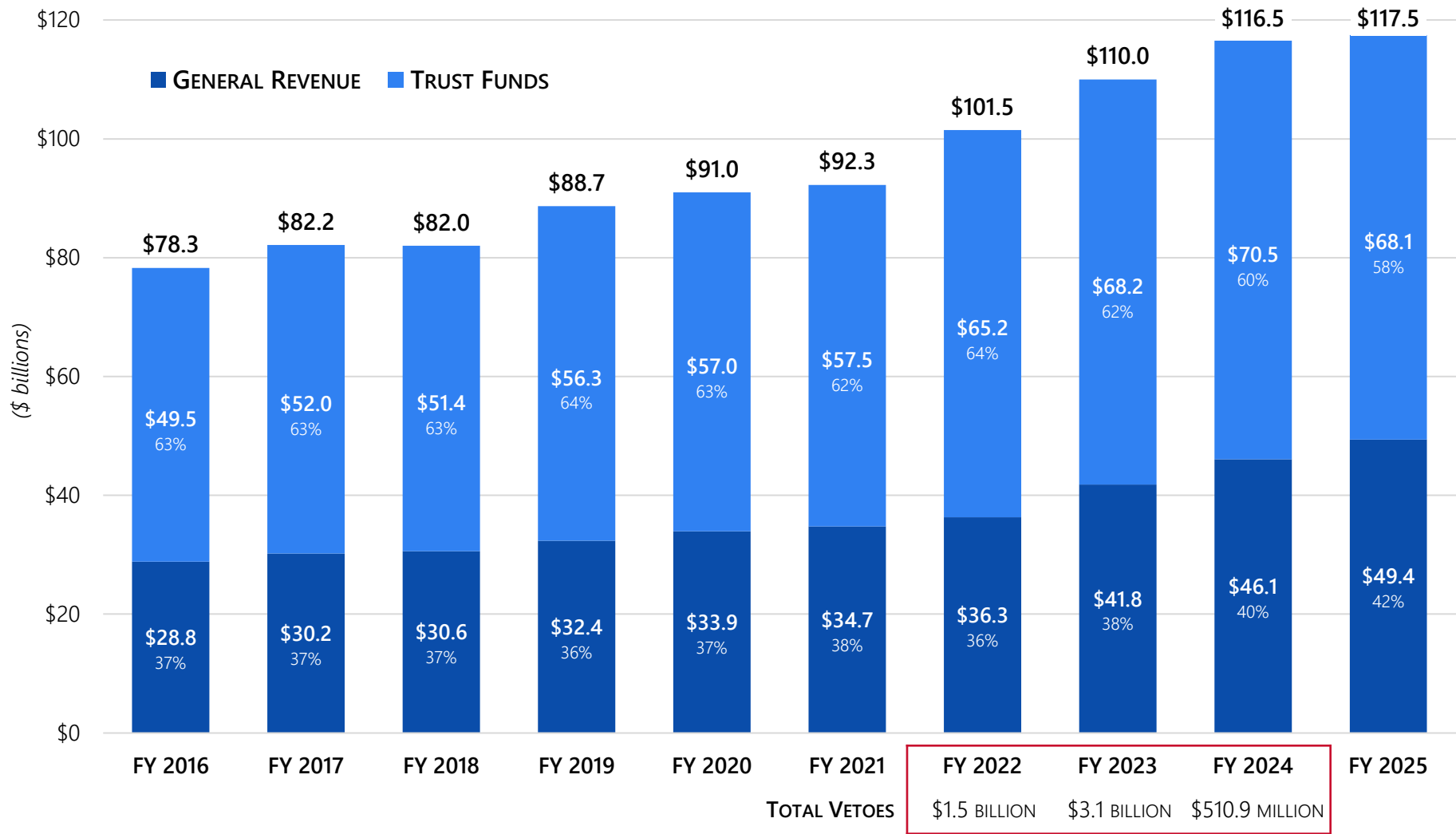
FISCAL YEAR 2025 ENVIRONMENTAL FUNDING	
MAJOR ISSUES FUNDED	AMOUNT (\$ MILLIONS)
Targeted Water Quality Improvements	\$535.3
<i>Indian River Lagoon</i>	100.0
Resilient Florida (Resiliency Infrastructure)	125.0
Everglades Restoration	850.7
Land Acquisition	229.3
Beaches	50.0
Springs Restoration	55.0
Innovative Solutions to Algae/Red Tide Response	10.0
FWC Center for Red Tide Research	4.2

Moving Florida Forward Infrastructure Initiative

- The 2023 Legislature transferred \$4 billion from the General Revenue to the State Transportation Trust Fund (STTF) for the Moving Florida Forward (MFF) plan to accelerate the completion of selected road projects and provide traffic congestion relief in the state
 - An additional \$370 million investment in FY 2025 building on the Moving Florida Forward Initiative to address congestion on Florida's highways and roads due to historic growth
- The 2024 Legislature approved the use of the Florida Transportation Financing Corporation to fund the 20 MFF projects
- Transportation Financing Corporation service contract payments now take priority over other STTF carveouts, immediately following debt service payments on bonds (HB 1301)



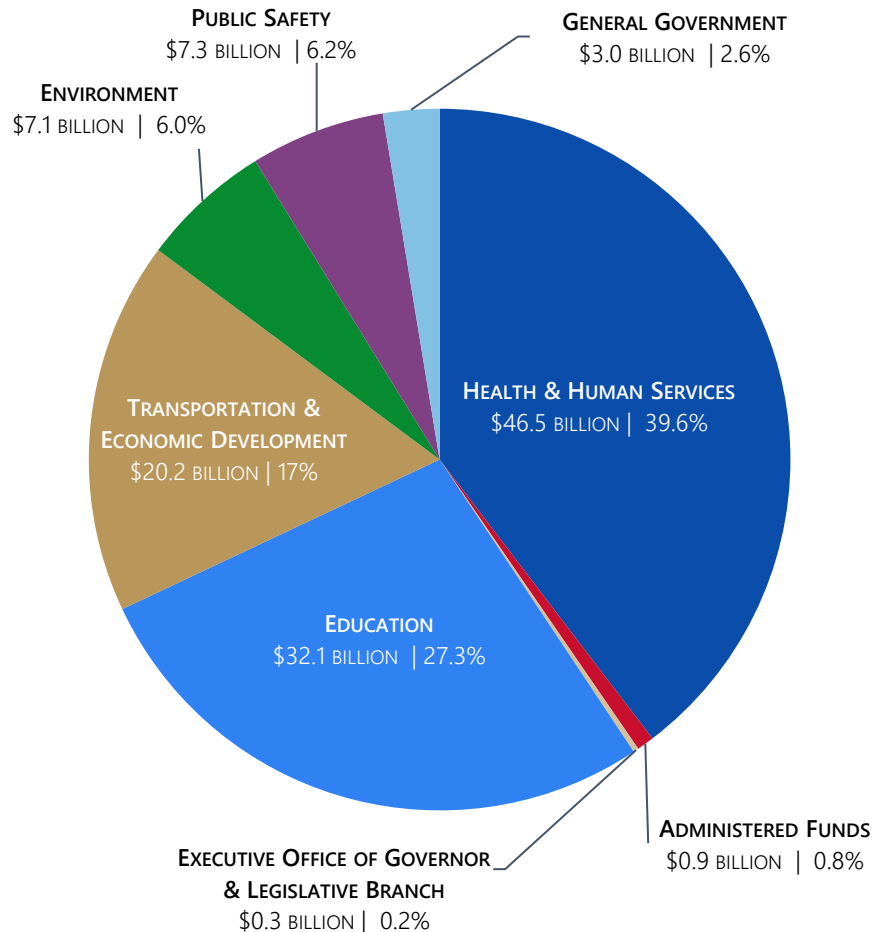
History of Total Appropriations



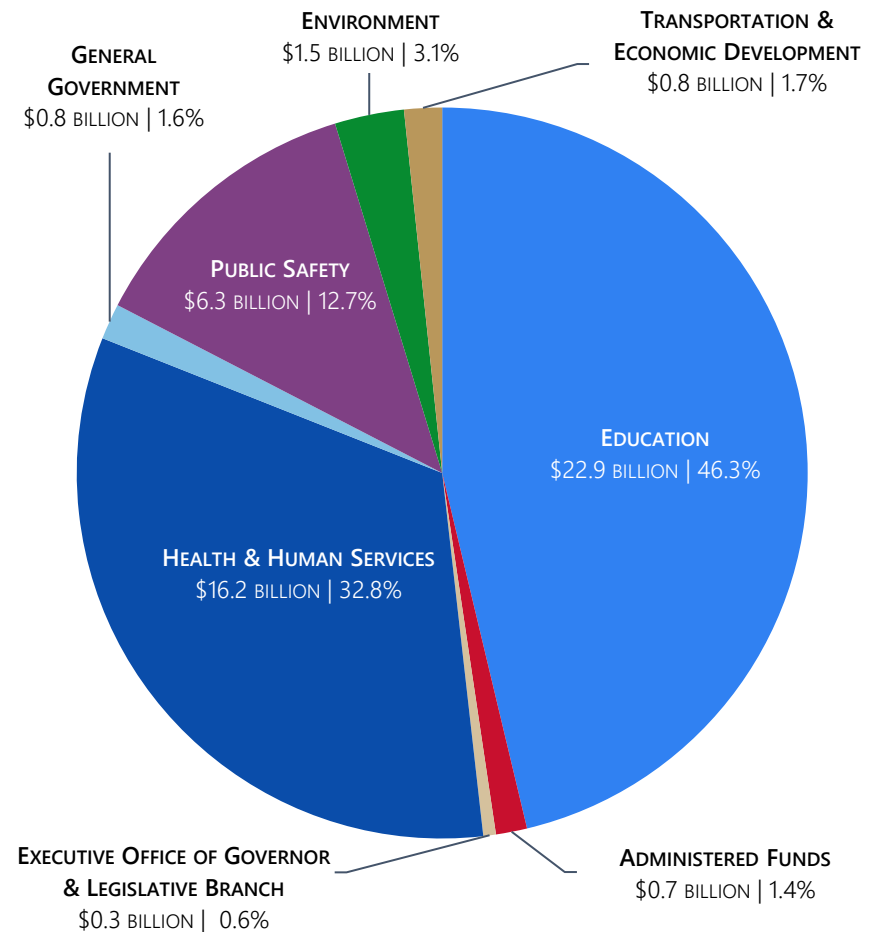
- FY 2025 appropriations total \$117.5 billion, representing a \$947.4 million or 0.8% increase from FY 2024 post vetoes
- Majority of total State budget funded from Trust Funds (58% in FY 2025)

Fiscal Year 2025 Budget

TOTAL BUDGET - \$117.5 BILLION*



GENERAL REVENUE - \$49.4 BILLION*

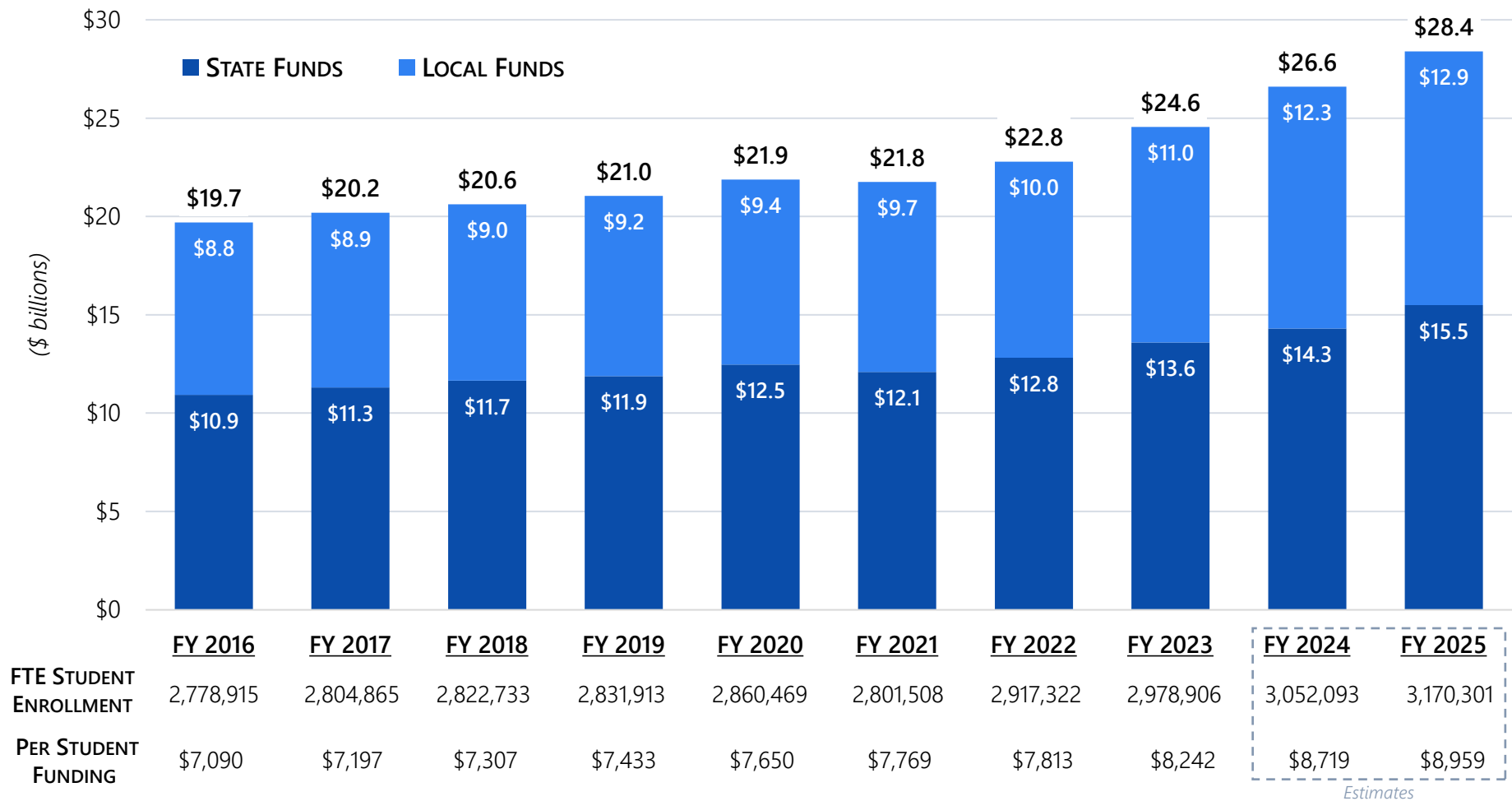


- Largest component of total budget is Health and Human Services (39.6%)
- Largest component of GR budget is Education (46.3%)

*Pre-Vetoes.

Source: Governor's Office of Policy and Budget. Totals may not add due to rounding.

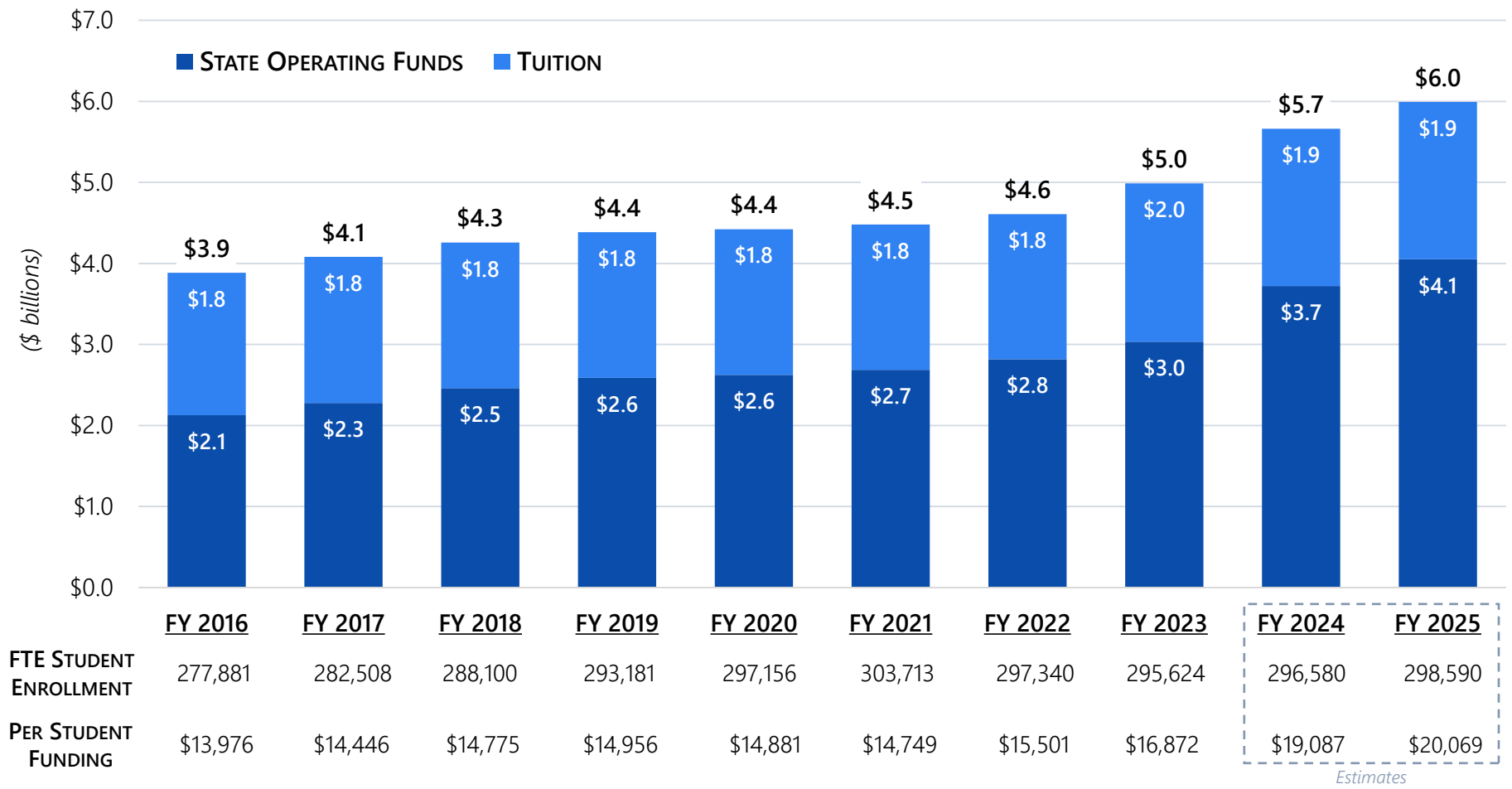
K-12 Schools – Funding & Enrollment



Key Investments in Education:

- Mental Health Initiatives: \$20 million increase, for a total of \$180 million
- Teacher Salary: \$200 million increase, for a total of \$1.25 billion for salary increases
- Safe School Initiatives: \$40 million increase for a historic total of \$290 million

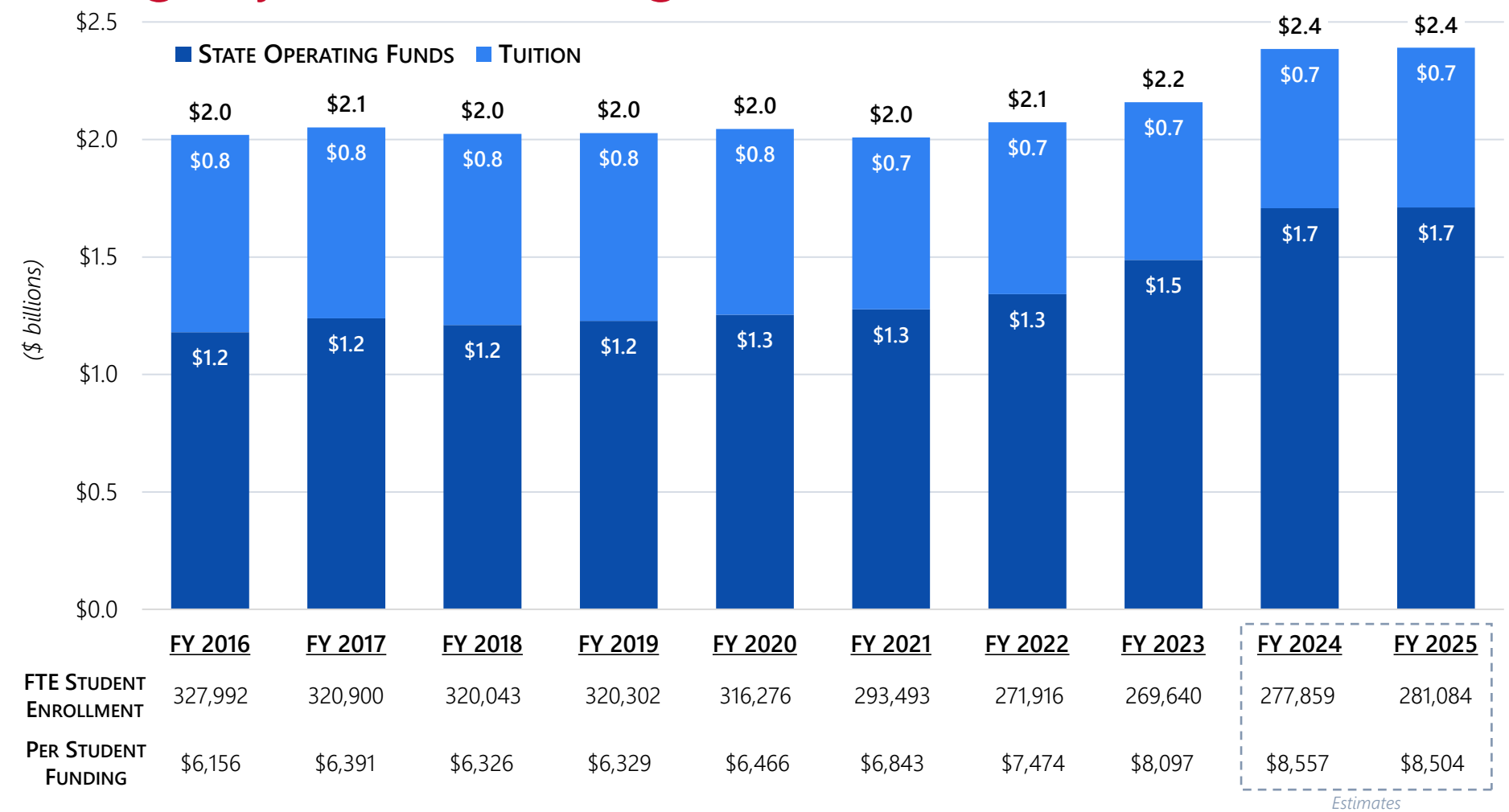
State University System – Funding & Enrollment



- Record level of \$4.1 billion in operating funding for State Universities in FY 2025
- State appropriations funding level continues to grow, while tuition is held constant to help keep higher education affordable
 - Florida public universities have the lowest tuition in the United States with average annual tuition and fees of \$6,364, which is 44% lower than national average
- University Performance Funding of \$645 million based on student-focused metrics

Source: Governor's Office of Policy and Budget. FTE based on U.S. definition; prior year FTEs have been updated from prior presentations. Excludes appropriations and FTE students for Moffitt, UF-IFAS, health science centers, and medical schools. Source for Tuition and Fee Comparisons: College Board, Annual Survey of Colleges, November 2023. Average tuition and fee prices are weighted by full-time enrollment. Totals may not add due to rounding.

College System – Funding & Enrollment

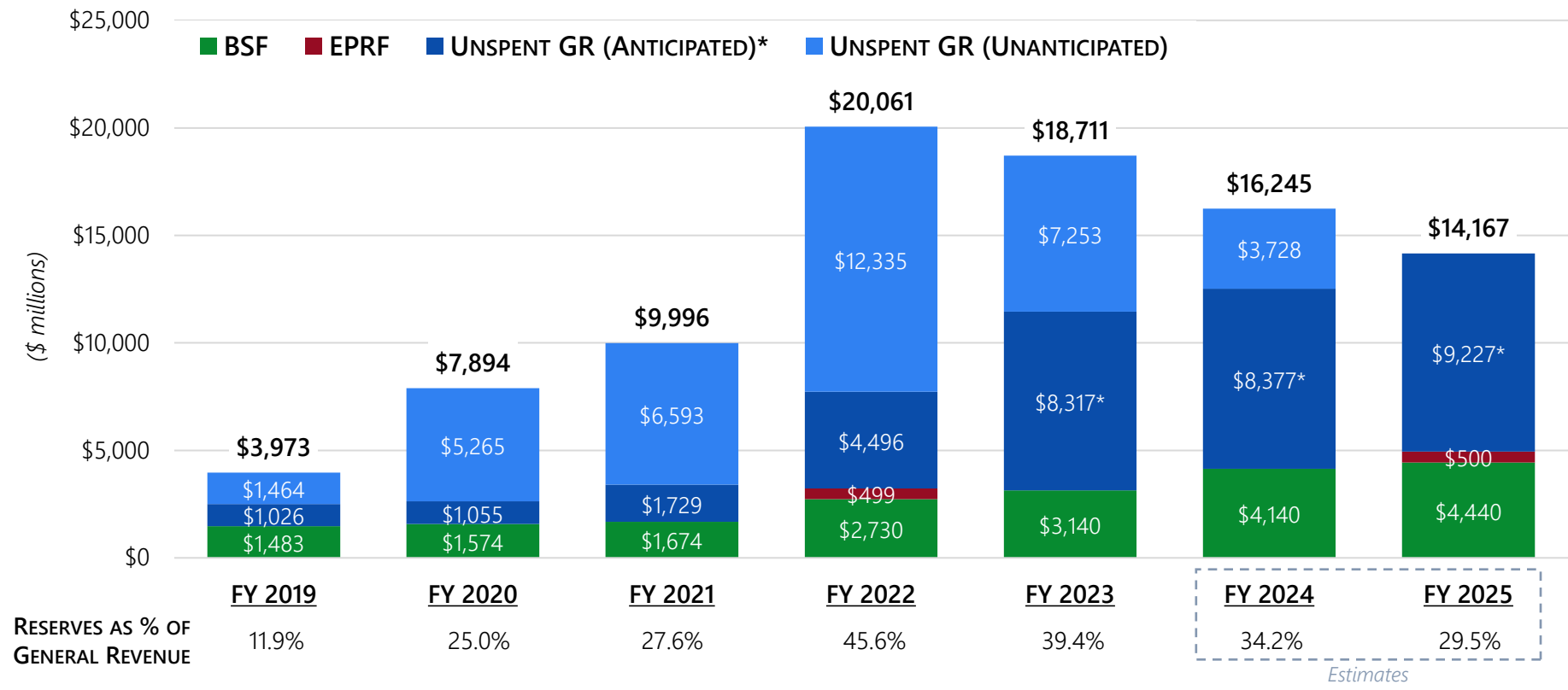


- \$1.7 billion in operating funding for State Colleges in FY 2025
- State appropriations funding level continues to grow, while tuition is held constant
- State colleges provide critical access for job training and higher education for Florida students

Fiscal Year 2025 General Revenue Outlook

FY 2025 GR OUTLOOK (\$ MILLIONS)	RECURRING	NON-RECURRING	TOTAL
Beginning Balance	-	\$11,176.2	\$11,176.2
Funds Available	\$47,936.9	\$973.9	\$48,910.8
Total General Revenue Available	\$47,936.9	\$12,150.1	\$60,087.0
Fiscal Year 2024 GR Revenue Over Estimates	-	\$1,000.0	\$1,000.0
Fiscal Year 2024 Actions (back of bill)	(\$0.2)	(2,261.7)	(2,261.9)
Fiscal Year 2025 GR Appropriations	(44,785.8)	(4,600.7)	(49,386.5)
Fiscal Year 2025 Transfer to BSF	-	(300.0)	(300.0)
Fiscal Year 2025 Debt Defeasance	-	(245.0)	(245.0)
Fiscal Year 2025 Supplemental Actions	(496.3)	(1,360.4)	(1,856.7)
Governor Veto Action TBD	-	-	TBD
Ending FY 2025 General Revenue Balance	\$2,654.6	\$4,382.3	\$7,036.9

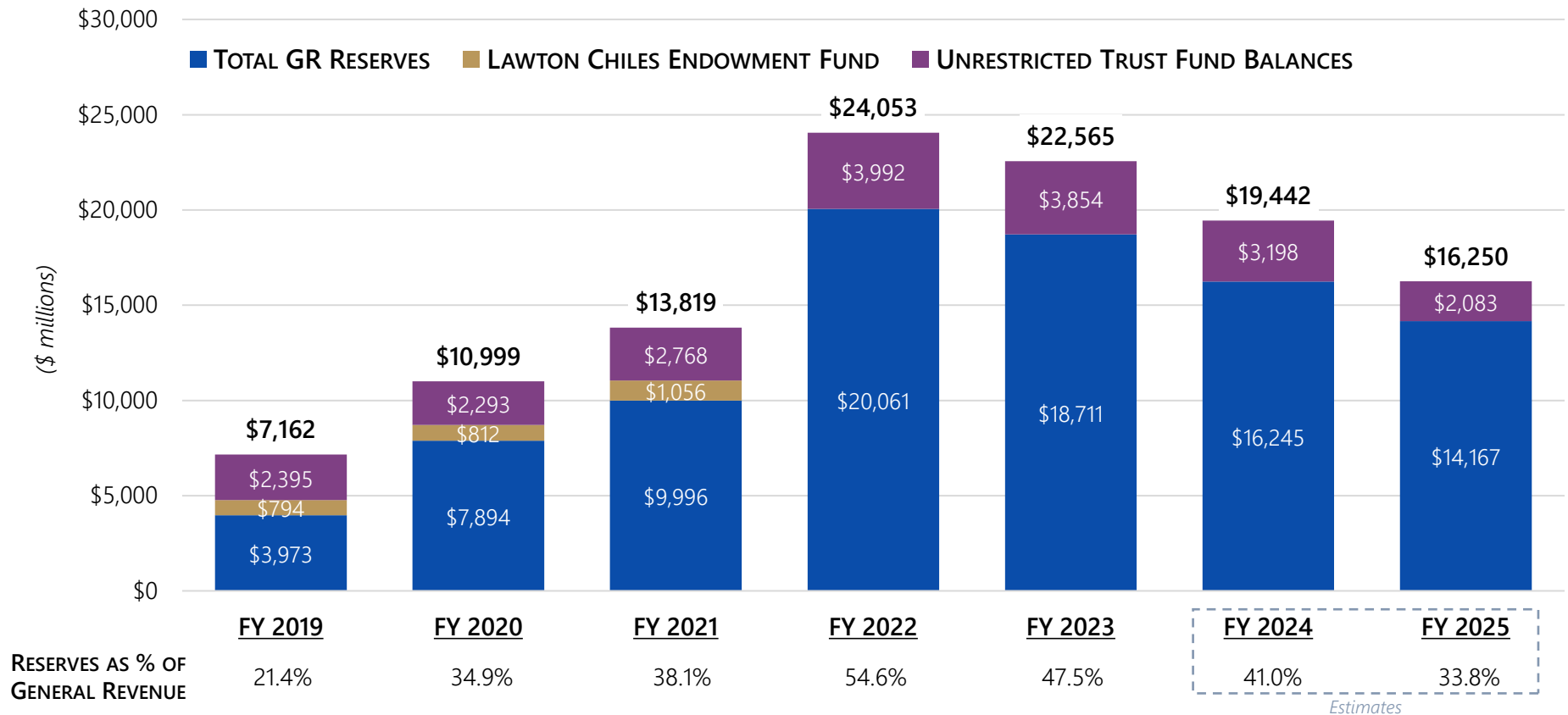
General Fund Reserves



- Aggregate General Fund reserves expected to total approximately \$16.2 billion or 34.2% of GR at end of FY 2024 and estimated at \$14.2 billion or 29.5% of GR at end of FY 2025
- Emergency Preparedness and Response Fund (“EPRF”) was created in FY 2022 to provide dedicated source of funding for Governor to respond to declared state of emergencies. The EPRF has been funded at \$500 million in each fiscal year since it was established but ending balance varies based on utilization of funds
- Florida continues to prioritize building reserves, transferring \$300 million into the Budget Stabilization Fund (“BSF”) in FY 2025, for a total of \$4.4 billion – equals over 9% of current FY 2025 projected GR collections

* Unspent GR balance Includes unspent RAP and FORA funds in FY 2023 to FY 2025. FY 2024 is preliminary and FY 2025 is estimated; subject to change. Source: General Revenue Fund Financial Outlook Statements and Retrospects. FY 2024 and FY 2025 estimates have been adjusted by Governor’s Office of Policy and Budget to reflect new information since latest General Revenue Estimating Conference. FY 2020 balance includes CRF moneys; FY 2021 through FY 2023 balances exclude ARP moneys. Totals may not add due to rounding.

Total State Reserves



- State expects to end FY 2025 with healthy balance of more than \$16.2 billion in total reserves (General Fund reserves plus unrestricted trust fund balances) – equal to 33.8% of GR collections
- Total General Fund reserves for FY 2025 will only increase when the Governor signs the budget, enacting line item vetoes to the benefit of General Revenue

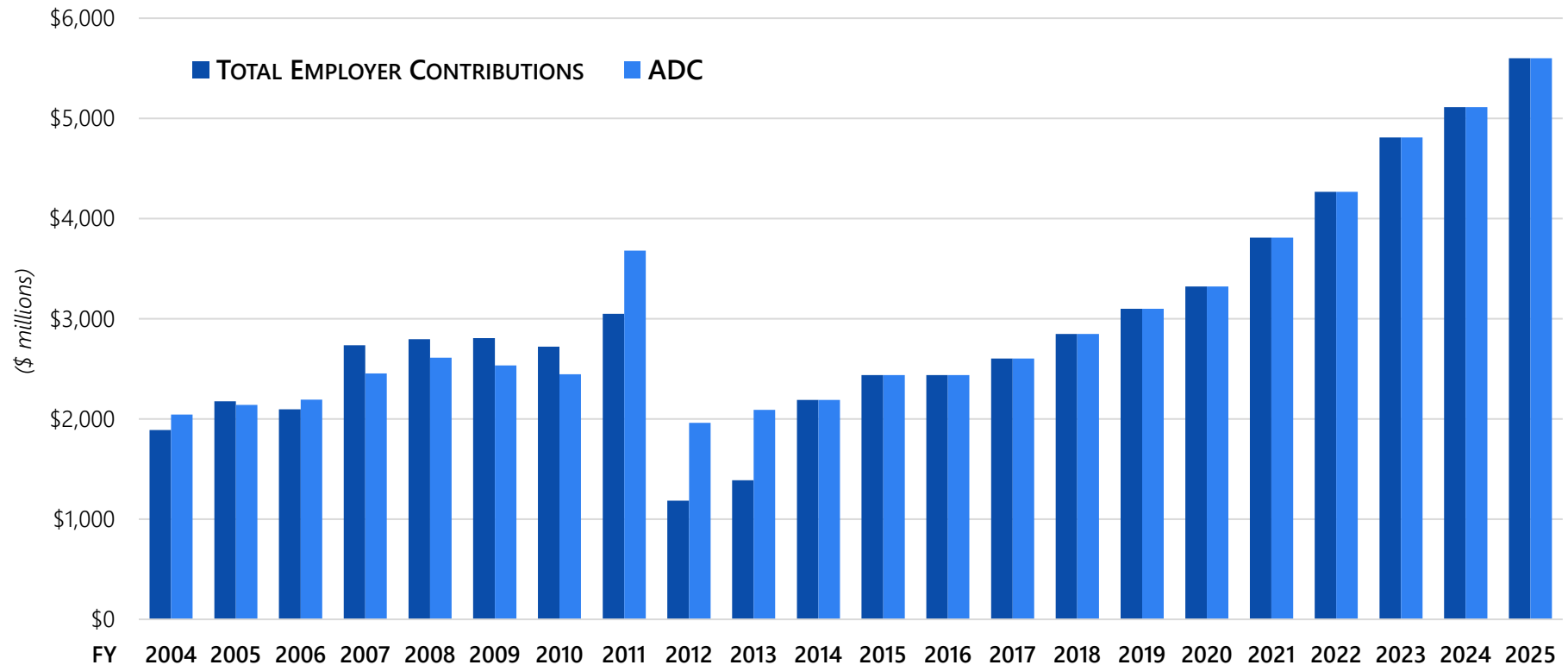
SECTION 4

Pension Funding & OPEB

Pension Funding & OPEB

- Pension liabilities remain manageable, funded ratio is strong, and underlying assumptions are reasonable
 - Fiscal Year 2023 Funded Ratios
 - Actuarial value of assets (\$184.2 billion) was 81.5%
 - Market value of assets (estimated \$186.4 billion) was 82.4%
 - State's share of the Net Pension Liability ("NPL") is approximately 16.4% based on percent of total employer contributions in FY 2023
 - State's allocable share of NPL totaled \$6.5 billion using actuarial value of assets
- State has made progress towards more conservative pension assumptions and methodologies
 - Over the past 10 years, the investment return assumption has been lowered from 7.75% to 6.70%. Investment return assumption of 6.70% both for calculating pension contribution (ADC) and financial reporting (ACFR)
 - In 2021, the State reduced the amortization period for unfunded liability from 25 years to 20 years
 - No changes to the assumptions in 2023
- Other Postemployment Benefits ("OPEB") liability totaled \$7 billion as of June 30, 2023 (State's share is approximately 70%); however, consists of implicit subsidy only with no legal entitlement or constitutional protection of health benefits

FRS Employer Contributions vs the ADC



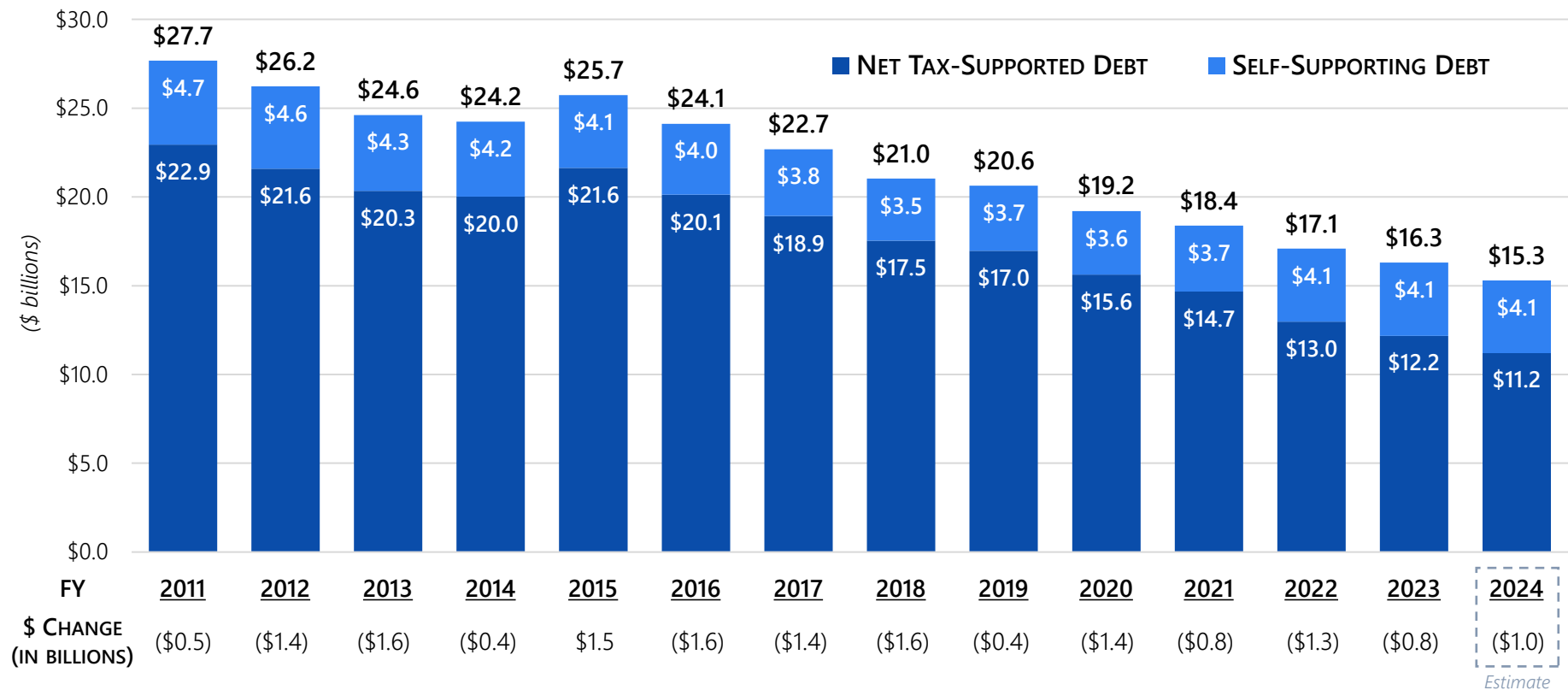
- Legislature again fully funded the Actuarially Determined Contribution (“ADC”) for FY 2025
- For the past twelve years (FY 2014 through FY 2025), the State has budgeted contributions sufficient to fully fund the ADC based on the FRS plan assumptions
- Pension reform effective July 1, 2011, included requiring employees to contribute 3% of salary, prospectively eliminating the Cost-of-Living Adjustment benefit, and extending vesting period
- Reforms helped constrain growing liability and pension cost, but ADC has been increasing as State implements more conservative actuarial assumptions

SECTION 5 *Debt Position*

Debt Position

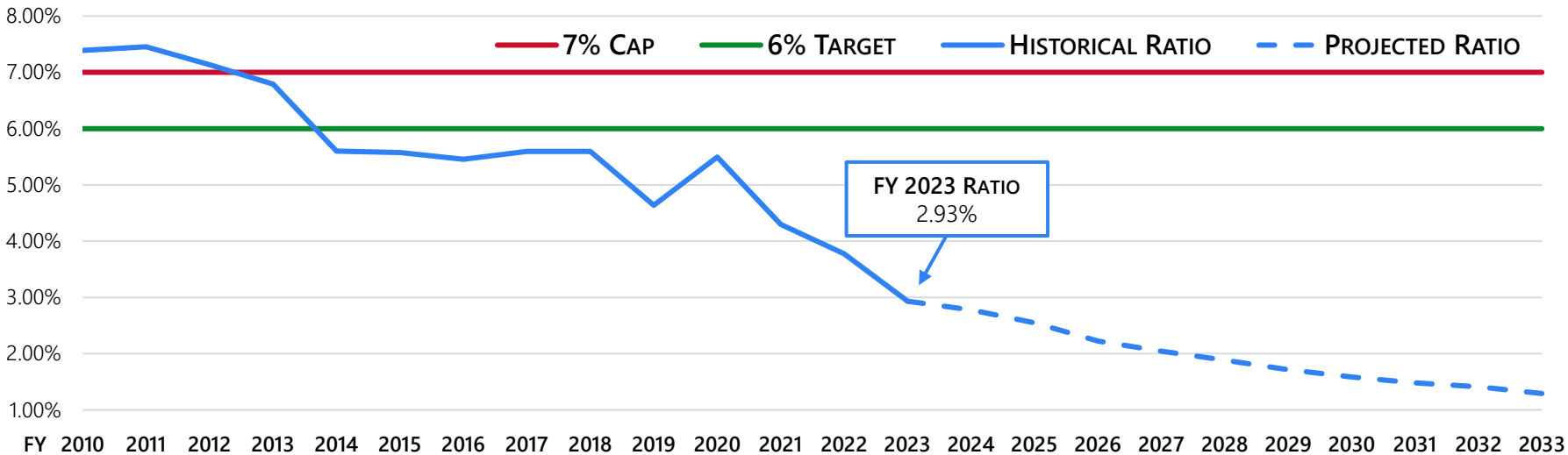
- Since 2011, outstanding debt has declined by more than \$12 billion, or nearly 45%. Tax-supported debt has decreased by \$11.7 billion, or over 51%
- Refundings over the past decade have resulted in gross debt service savings of approximately \$2.8 billion
- The State is deploying new strategies to reduce the State's debt burden with GR appropriated to pay down debt
- Benchmark debt ratio for 2023 was less than half of what it was in 2010
- Benchmark debt ratio remains well below 6% policy target; projected to remain below 6% target in FY 2024 and thereafter
- Pension remains well funded with State consistently fully funding the ADC and progress towards more conservative underlying assumptions (investment return) and methodologies (amortization period)
- Debt obligations remain manageable at a relatively low level and contingent liabilities pose less risk
- Insurance market is recovering; state-sponsored insurance entities are healthy and private insurance market is returning

History of Outstanding Debt



- Total direct debt outstanding is estimated to be \$15.3 billion at the end of FY 2024, representing a \$1 billion or 4.6% decrease from FY 2023
- Total direct debt is estimated to have decreased by over \$12.3 billion, or nearly 45%, since 2011, primarily a result of principal repayments on existing debt exceeding new money debt issuance
 - Net tax-supported debt has decreased by \$11.7 billion, or over 51%
- While State’s economy, revenues, and population have grown significantly over the past 25 years, the State has less debt outstanding than it did in FY 1999
- Florida’s debt per capita is estimated to have decreased from \$1,457 in FY 2011 to \$664 in FY 2024, representing a 54% reduction

Benchmark Debt Ratio



BENCHMARK DEBT RATIO												
	ACTUAL		PROJECTED									
Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Benchmark Debt Ratio	3.78%	2.93%	2.78%	2.55%	2.22%	2.04%	1.89%	1.72%	1.58%	1.48%	1.41%	1.29%

- State’s benchmark debt ratio is annual debt service to revenues available to pay
- Debt ratio has improved steadily since peaking in FY 2009 due to the combination of revenue growth and declining debt service
- The ratio substantially declined in FY 2014 following retirement of the Preservation 2000 bonds
- Benchmark debt ratio increased temporarily in FY 2020 due to combined effect of lower revenues and increasing annual debt service payments (due to variability in P3 payments), but has continued downward trend since
- Ratio is projected to continue to remain below 6% target throughout the projection period (FY 2032)

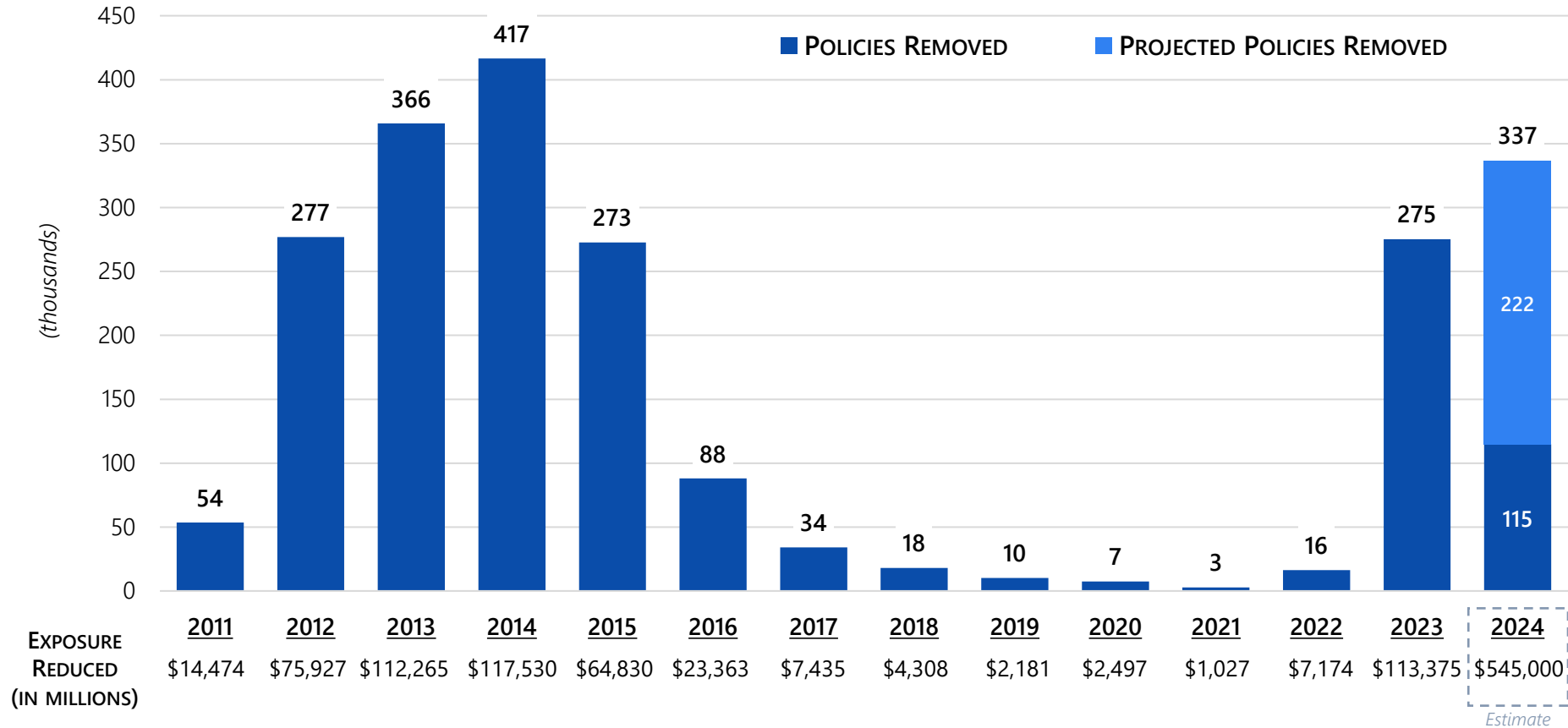
Insurance Market

- Florida has longstanding mechanisms in place to help stabilize the property insurance market during periods of volatility, and implemented temporary State programs to offer additional reinsurance coverage for 2022 and 2023 hurricane seasons
- The State has taken steps to address the challenges impacting the insurance industry, with a multi-prong legislative agenda enacted in recent years designed to eliminate abusive litigation practices, curtail insured losses, and promote long-term market stability
 - My Safe Florida Home
 - Provides homeowners with free wind mitigation inspections and matching grants to help reduce insurance premiums and strengthen homes against wind damage
 - \$200 million in the FY 2025 budget
 - \$30 million for a pilot program for condo association hardening
- Florida Hurricane Catastrophe Fund ("FHCF")
 - Maintains a strong financial position, with projected liquid resources of approximately \$11.4 billion for the 2024 hurricane season following the sale of \$1 billion in Pre-Event bonds in April (\$6.9 billion in accumulated cash and investments projected as of December 31, 2024, and \$3.5 billion* of existing Pre-Event bond proceeds) against a statutory maximum liability of \$17 billion
 - Total estimated losses for Hurricanes Michael, Ian, and Idalia were decreased on March 31, 2024, by a total of nearly \$650 million, which increased the FHCF's liquidity for the upcoming storm season
- Florida Insurance Guaranty Association ("FIGA")
 - At end of 2023, FIGA had paid \$1.5 billion out of total estimated \$1.9 billion of claims from insolvent insurers
 - FIGA issued \$590.3 million of bonds in 2023 secured by a 1% assessment to pay claims
 - FIGA anticipates accelerating payment of the variable rate bonds with \$100 million of unanticipated funds
- Citizens Property Insurance Corporation ("Citizens")
 - Has absorbed policies from insolvencies and other private market insurers reducing their exposure
 - Citizens' policies peaked at 1.4 million in September 2023 and policy count has decreased to 1.2 million as of March 2024 (estimated 16% market share)

*\$1.25 billion of pre-event bonds mature on July 1, 2025. These funds would be available as liquidity if needed but are expected to be used to pay the principal due on July 1, 2025.

Source: Information on claims of insolvent insurers paid by FIGA provided by FIGA and excludes estate distributions which reduce net amount of payments that FIGA is required to fund with assessments and other available resources. Information on Citizens policies provided by Citizens.. Citizens' market share estimate based on OIR residential policy count as of September 30, 2023.

Citizens Depopulation



- Citizens’ policy count is a proxy for the health of Florida’s Insurance market
- In 2011, Citizens was its largest at 1.5 million policies, depopulation push started 2012. Between 2017-2019, Citizens was more in line with a residual market policy level
- In 2023, depopulation looks like 2013 relative to the total policy count at approximately 24% of policies moved to the private market. Projecting approximately 337,000 policies to be removed in 2024
- Citizens’ policy count totaled 1.2 million as of March 31, 2024, and current estimated market share of 16% remains below the prior peak of 23% in 2011

Conclusions

- Florida's economy remains strong, continuing to outperform estimates
- General Revenue collections expected to remain steady in FY 2024 at \$47.5 billion
- Continued high levels of General Revenue collections have allowed the State extraordinary budget flexibility to address strategic investments in State infrastructure and other priorities while maintaining significant reserves
- General Fund reserves in FY 2024 estimated at \$16.2 billion or 34.2% of GR and total reserves estimated at \$19.4 billion or 41.0% of GR. Projected reserve levels beginning to normalize but remain historically high and at a healthy level
- Pension funded ratio remains strong as State continues to fund the ADC in FY 2025 and make prudent adjustments to actuarial assumptions and methodologies
- Outstanding debt decreased again in FY 2024 to \$15.3 billion, down nearly 45%, since 2011
- Mechanisms in place to stabilize the property insurance market are healthy and functioning as intended. State has passed several reforms designed to eliminate abusive litigation practices, curtail insured losses, and promote long-term market stability
- Strong revenue growth combined with conservative financial management has strengthened financial position and provided opportunity for State to continue funding strategically important investments like education, environment, and transportation

