LEGISLATIVE BUDGET COMMISSION

Ed Hooper, Chair

Lawrence McClure, Vice-Chair

MEETING PACKET
Friday, September 11, 2026
11:00 a.m.
110 Senate Office Building

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

LEGISLATIVE BUDGET COMMISSION
AGENDA

Friday, September 11, 2026
11:00 a.m.
110 Senate Office Building

Members

Senator Lori Berman	**Representative Alexander Andrade**
Senator Jim Boyd	**Representative Demi Busatta**
Senator Jason Brodeur	**Representative Lawrence McClure**
Senator Gayle Harrell	**Representative Jason Shoaf**
Senator Ed Hooper	**Representative John Snyder**
Senator Kathleen Passidomo	**Representative Allison Tant**
Senator Darryl Rouson	**Representative Marie Woodson**

I. Consideration of the Long-Range Financial Outlook

II. Consideration of the following budget amendments:

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B.	Fish and Wildlife Conservation Commission EOG #P2027-0023	13
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State of Florida

Long-Range Financial Outlook

FISCAL YEARS 2027-28 THROUGH 2029-30

Fall 2026 Report
As Presented to the Legislative Budget Commission
September 11, 2026

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

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EXECUTIVE SUMMARY

KEY POINTS

- ❖ The State of Florida's General Revenue Fund collections exceeded the January 2026 estimates for Fiscal Year 2025-26. While the August 2026 estimates are improved, they generally retain the previous forecast due to expected short-term weakness in key economic variables.
- ❖ Although actions taken by the Legislature in the 2026 Session significantly improved the state's financial position, expenditure projections are expected to outpace available General Revenue in Year 3 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.

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 2026 Outlook includes projections for Fiscal Years 2027-28, 2028-29, and 2029-30. The estimates included in the Outlook are based upon the summer 2026 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 15 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers, with total General Revenue needs of $5.2 billion in Fiscal Year 2027-28; $6.0 billion in Fiscal Year 2028-29; and $5.5 billion in Fiscal Year 2029-30. 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. The three-year cost for the budget drivers included in this year's Outlook is $16.8 billion. This year's Outlook total is over $3.5 billion less than last year's total cost of $20.3 billion, a 17.4 percent decrease.

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 are largely in line with previous estimates. A sizable reserve balance is projected to remain at the end of Fiscal Year 2026-27 in the General Revenue Fund and will be available for use in Fiscal Year 2027-28. 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 and redirects. 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 -$440.0 million in Fiscal Year 2027-28; -$855.1 million in Fiscal Year 2028-29; and nearly -$1.3 billion in Fiscal Year 2029-30. This year's revenue adjustments, while substantial, are considerably less than those included in the 2025 Outlook.

The revenue and expenditure 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, while the Outlook does not make any discrete adjustments for potential risks, such as major hurricanes or other natural disasters, the 2026 Outlook does include a Critical Needs driver associated with transfers of General Revenue to the Emergency Preparedness and Response Fund.

Within the Outlook, the estimated revenues are compared to the expenditure projections and revenue adjustments to yield either a surplus or deficit for each 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 2026 Outlook projects a surplus for Years 1 and 2; however, a deficit is projected for Year 3 as shown in the following table. The projected deficit indicates that expenditures exceed available revenues by the end of the forecast period.

2026 Long-Range Financial Outlook Summary General Revenue Fund ($Millions)		Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30
Revenues Available		**53,455**	**54,782**	**56,011**
Unused Reserve from Prior Year		**10,890**	**9,220**	**5,497**
Expenditures	Minimum Reserve	(2,085)	(2,137)	(2,184)
	Recurring Base Budget	(49,105)	(51,275)	(53,208)
	Previously Authorized Appropriations	(342)	(344)	(345)
	Critical Needs Budget Drivers	(1,906)	(2,728)	(2,271)
	Other High Priority Needs Budget Drivers	(3,333)	(3,304)	(3,254)
	Ending Balance After Expenditures	**7,575**	**4,215**	**246**
Revenue Adjustments	Tax and Fee Changes	(673)	(1,150)	(1,628)
	Trust Fund Transfers and Redirects	233	295	358
	Revenue Adjustments	**(440)**	**(855)**	**(1,270)**
Projected Surplus / (Deficit)		**7,135**	**3,360**	**(1,025)**

Note: totals may not add due to rounding.

Strategic actions taken by the Legislature in the 2026 Session significantly improved the state's near-term financial position relative to last year's Outlook. For Fiscal Year 2027-28, the 2026 Outlook shows a projected *surplus* of $7.1 billion compared to the projected *deficit* of $1.5 billion in the 2025 Outlook. Similarly, a *surplus* of $3.4 billion is projected for Fiscal Year 2028-29 compared to a projected *deficit* of $6.6 billion in the 2025 Outlook. Reduced spending levels combined with a modest level of revenue adjustments for Fiscal Year 2026-27 had ripple effects throughout the Outlook that led to the improved ending balances. Despite these gains, the 2026 Outlook projects a deficit of just over $1.0 billion in Fiscal Year 2029-30. The Fiscal Strategies section of the Outlook provides an analysis of the levels of expenditures and revenue adjustments that would avoid the projected deficit in Year 3.

REVENUE PROJECTIONS

KEY POINTS

- The new revenue forecast for General Revenue had minor changes given the size of the General Revenue Fund. Collectively, these revenue sources grow from $53.3 billion in Fiscal Year 2027-28 to $55.8 billion in Fiscal Year 2029-30.
- The forecasts for the major education revenues (including associated transfers) have mixed results relative to prior forecasts.
- The overall outlook for tobacco-related revenues has slightly worsened as the reduction in consumption continues and non-taxable products increasingly enter the market.

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 other revenue projections are not described in detail, 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

Selected output from other conferences is central to the development of the projections for the General Revenue Fund. For this year's Outlook, the results from the Economic Estimating Conference were particularly important (see section on *Economic and Demographic Trends* later in this document for details). Based on the uncertainty embedded in some of those results, the forecast changes were comparatively minor given the size of the General Revenue Fund, with the old forecast mostly retained as adopted at the prior two conferences despite the overage seen in Fiscal Year 2025-26.

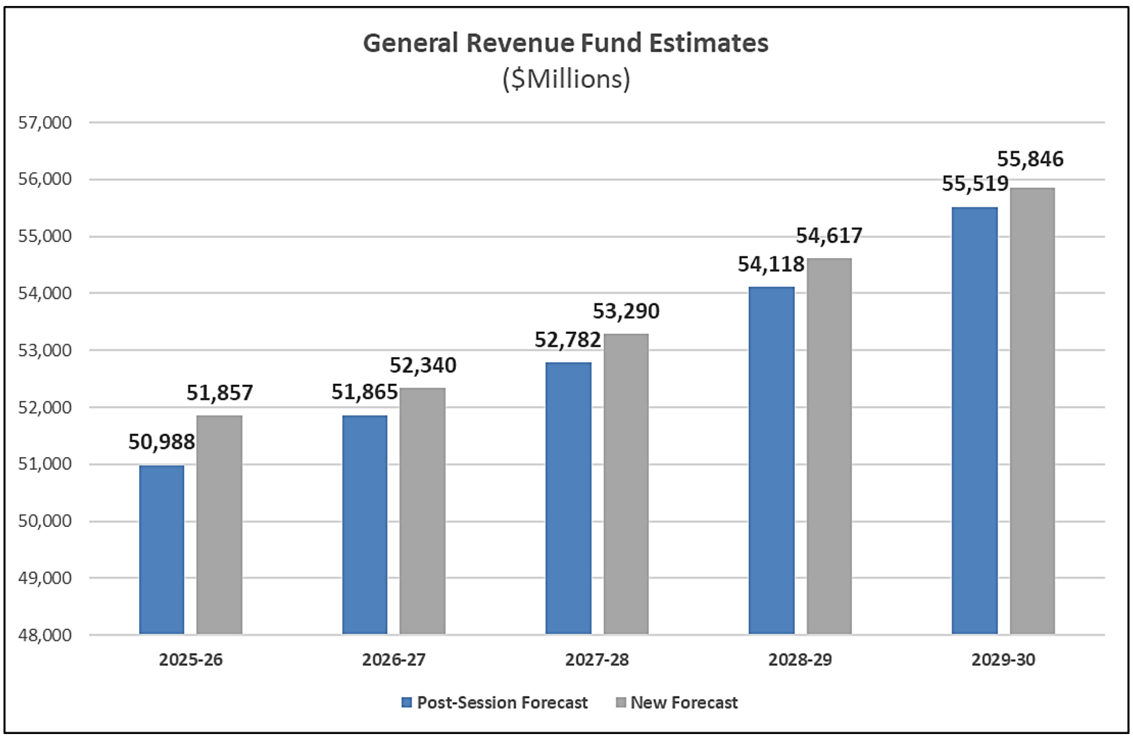
In total, collections for Fiscal Year 2025-26 exceeded expectations by $869.6 million or 1.7 percent. After analyzing the performance by source, the Revenue Estimating Conference increased the overall estimate for Fiscal Year 2026-27 by $475.1 million (less than 1 percent) and added $508.0 million to the estimate for Fiscal Year 2027-28, yielding a two-year combined increase of $983.1 million. Neither adjustment is a material change to the overall forecast, although a few of the individual adjustments by revenue source were substantial given the size of the underlying sources.

Corporate Income Tax had the largest adjustment to the forecast in both years and explains much of the forecast change. Based on collection strength in the latter half of the year but tempered by uncertainty about the economic outlook on profits, the Conference increased the forecast by $527.2 million in Fiscal Year 2026-27 (a smaller amount than the actual gain in Fiscal Year 2025-26) and by $439.0 million in Fiscal Year 2027-28. Combined, the two-year gain to the Corporate Income Tax forecast of $966.2 million was significant to the final results.

Rounding out the key positive adjustments, Sales Tax, Documentary Stamp Tax, and Earnings on Investments had individual two-year gains to the General Revenue Fund that each exceeded $230 million. The largest of these, Sales Tax, ended Fiscal Year 2025-26 virtually on estimate, but preliminary results for July indicate a significant overage for the month. The minor forecast adjustment for Fiscal Year 2026-27 focuses on that result. The revised estimates add $183.5 million to Fiscal Year 2026-27 and $93.8 million to Fiscal Year 2027-28.

Only one source produced a material reduction to the overall forecast: Insurance Premium Tax. Through June, collections were $76.9 million over the estimate for the year; however, just released data for the 2025 calendar year signals that premium growth will markedly slow relative to the prior calendar year. The new forecast incorporates the observed downward shift in premiums, particularly within the homeowners and auto insurance categories. The revenue reductions over the first two years of the new forecast total $594.9 million.

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 2026-27 is $11.05 billion. The Fiscal Year 2027-28 starting point for the Long-Range Financial Outlook, however, also includes $151.2 million in additional adjustments to address current year projected deficits and shortfalls identified during the various summer conferences, including $74.9 million for Medicaid services; $62.2 million for the State Employees' Group Health Insurance Program; $12.3 million for the Kidcare Program; and $1.8 million for Children and Spouses of Deceased/ Disabled Veterans awards. In addition, current year budget amendments totaling $3.4 million have been addressed. The adjusted $10.89 billion balance is assumed to be available for expenditure in Fiscal Year 2027-28 as nonrecurring funds.

Major Revenues for Education

The major revenue sources for education expenditure, including Ad Valorem Assessments; Abandoned 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.

<u>Ad Valorem Assessments</u>

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

The Revenue Estimating Conference met on July 31, 2026, and reconvened on August 3, 2026, to adopt a new forecast for the Florida property tax roll for schools. The 2026 preliminary tax roll now shows a value of $3,966.33 billion. This indicates that the statewide error in the prior forecast for 2026 school taxable value was only -0.1 percent. Incorporating those revisions to the underlying ad valorem data as well as updated national and state economic forecasts, the Conference adopted a revised ad valorem forecast for 2027. The new estimate for statewide school taxable value is $4,143.69 billion, which is $45.30 billion (1.08 percent) lower than the previous estimate. At 96 percent, the value of one mill is now projected to be $3,977.94 million.[1] The new estimate for 2028 is $4,364.66 billion (based on 5.33 percent growth), for 2029 is $4,627.32 billion (based on 6.02 percent growth), and for 2030 is $4,917.93 billion (based on 6.28 percent growth). Thereafter, the growth slightly strengthens as the housing market and new construction continue to improve and stabilize; however, the new estimates are lower throughout the forecast horizon.

<u>Abandoned Property</u>

Estimates of receipts and refunds to owners from abandoned property are used to determine the distribution into the State School Trust Fund (SSTF). For the 2025-26 fiscal year, receipts and refunds each ran over their prior estimates, in part due to the passage of Chapter 2024-140, Laws of Florida, which changed the dormancy period of certain types of securities before they are considered abandoned. A law change during the 2026 Session has required the temporary segregation of these atypical receipts—as well as their associated refunds—into a separate account which is exempt from the SSTF transfer requirement. Taking that change into account, $698.6 million was transferred to the SSTF by the end of Fiscal Year 2025-26.

Given a drop in expected receipts and the separate treatment of atypical receipts, the expected transfer in Fiscal Year 2026-27 falls to $413.9 million, before jumping to $602.1 million in Fiscal Year 2027-28 when the remaining atypical receipt balance is released back to the main account. Relative to the prior forecast, marginally higher transfers of $308.8 million and $362.2 million are projected for Fiscal Years 2028-29 and 2029-30, respectively.

After all revenue and appropriation changes were incorporated, the projected ending balance on the SSTF Financial Outlook Statement for Fiscal Year 2026-27 is $434.0 million. This balance is assumed to be available for expenditure in Fiscal Year 2027-28 as nonrecurring funds.

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[1] Sec. 1011.62(4), F.S.

Lottery Ticket Sales and Slot Machine Revenues

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

Lottery ticket sales for Fiscal Year 2025-26 totaled $9,713.1 million but were -$98.4 million below the estimate for the year. The 1.0 percent loss to the forecast was almost equally attributable to lower Scratch-Off sales and under-performing Powerball jackpots in the second half of the year. Based on this information, the Conference adopted a revised forecast that covers the 2026-27 through 2031-32 fiscal years.

Overall, the Conference decreased ticket sales in the current year by -$18.1 million to produce a 2.2 percent decline from the final sales level in Fiscal Year 2025-26. From there, the annual losses to the prior forecast expand from -$72.6 million to -$87.1 million per year. Last year's sales level of $9.713 billion is not surpassed in the new forecast until Fiscal Year 2029-30, even though positive growth resumes in Fiscal Year 2027-28.

After transfers for prizes, fees, administrative expenses, and unclaimed prizes, net transfers to the EETF equal approximately 37.04 percent of terminal game ticket sales and 17.71 percent of scratch-off ticket sales. As a result of the new forecast components, expected transfers to the EETF are increased by $118.8 million in Fiscal Year 2026-27. Thereafter, the forecast increases the EETF transfers between $100.1 million and $106.1 million for each of the subsequent years. For the period most directly affecting this Outlook, the new estimates for EETF transfers are $2.25 billion for Fiscal Year 2026-27, $2.28 billion for Fiscal Year 2027-28, $2.30 billion for Fiscal Year 2028-29, and $2.36 billion for Fiscal Year 2029-30.

The increase to EETF is partially enabled by a decrease in the scratch-off prize percentage from 75.57 percent to 74.39 percent. While the forecast decreases the number of scratch-off sales, the decrease in the prize percentage—which facilitates the increase to the EETF transfer rate—offsets much of the impact on EETF. Also in the new forecast, the relative shares of tickets between instant and terminal games shifts slightly to terminal games which have a higher EETF transfer rate.

The Conference met separately on Slot Machine Revenues. For Fiscal Year 2025-26, Slot Machine Tax receipts totaled $247.9 million, $3.2 million or 1.3 percent below the estimate for the year. Starting September 2026, The Big Easy Casino in Broward County is expected to reduce its machine count to 165 machines and maintain the reduced number throughout a two-year construction period. As a result, the forecast shows a loss in all forecast years, with the largest occurring in Fiscal Year 2027-28 with a -$10.0 million reduction from the prior forecast. Note that the previous forecast has been adjusted for the legislatively approved change in the tax rate from 35 percent to 34 percent.

For the period most directly affecting this Outlook, the new estimates for the transfers from the Slot Machine Tax are $237.6 million for Fiscal Year 2026-27, $238.9 million for Fiscal Year 2027-28, $246.4 million for Fiscal Year 2028-29, and $250.3 million for Fiscal Year 2029-30.

After all revenue and appropriation changes were incorporated, the projected ending balance on the EETF Financial Outlook Statement for Fiscal Year 2026-27 is $326.5 million. The Fiscal Year 2027-28 starting point for the Long-Range Financial Outlook, however, also includes an adjustment of $7.5 million to address a projected Fiscal Year 2026-27 deficit in the Bright Futures Scholarship Program, which was identified during the summer estimating conference.[2] The adjusted balance of $318.9 million is assumed to be available for expenditure in Fiscal Year 2027-28 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 multiple sources: the Cigarette Tax and Surcharge and the Other Tobacco Products (OTP) Tax and Surcharge. Before the payment of refunds, combined Cigarette Tax and Surcharge collections were $3.1 million (0.4 percent) over the estimate, and the combined Other Tobacco Products Tax and Surcharge collections were $1.7 million (-1.5 percent) under the estimate for Fiscal Year 2025-26.

For the Cigarette Tax and Surcharge, the Conference made relatively minor changes to its prior assumptions. The combined forecast for Cigarette Tax and Surcharge is higher than the prior forecast by $4.6 million in Fiscal Year 2026-27, $4.4 million in Fiscal Year 2027-28, $4.3 million in Fiscal Year 2028-29, and $4.1 million in Fiscal Year 2029-30.

For OTP, the Conference lowered the forecast, primarily to reflect the degree of consumer acceptance for non-taxable product offerings. The new forecast for OTP Tax and Surcharge is lower than the prior forecast by -$2.9 million in Fiscal Year 2026-27, -$3.6 million in Fiscal Year 2027-28, -$4.0 million in Fiscal Year 2028-29, and -$4.2 million in Fiscal Year 2029-30.

The distribution most affected by these changes is made to the Health Care Trust Fund. Since the changes by source were largely offsetting, the net transfers to the trust fund are only marginally different than the previous forecast. The positive adjustments include gains of $1.3 million in Fiscal Year 2026-27, $0.8 million in Fiscal Year 2027-28, $0.3 million in Fiscal Year 2028-29, and $0.1 million in Fiscal Year 2029-30.

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. When the Conference last convened in January 2026, the December 2025 payment had already been recorded in the state's books. Since then, the final payment for the 2025-26 fiscal year has been received which includes the profit adjustment, as well as other data revisions affecting the payments. Combined, all payments for the year are $10.1 million below the projection made in January. As a result, the Conference made several modifications to the forecast. Most importantly, the calculation of projected profit adjustments was revised to maintain a relatively flat level of adjustments throughout the forecast for the non-Liggett manufacturers. Expectations for the Liggett payments were unchanged.

[2] The Education Estimating Conference also identified a potential deficit of $11.7 million in funding for the Bright Futures Program for Fiscal Year 2025-26. To the extent this is realized, the reserves accounted for in the EETF would be further reduced.

After incorporating the new information, combined cash payments of $309.8 million are now expected for the 2026-27 fiscal year, a decrease of $2.8 million (-0.9 percent) from the January 2026 forecast. Thereafter, annual payments are reduced by -$1.8 million in Fiscal Year 2027-28, -$2.6 million in Fiscal Year 2028-29, and -$4.2 million in Fiscal Year 2029-30.

Including all revenue and appropriation changes, the projected ending balance on the Tobacco Settlement Trust Fund Financial Outlook Statement for Fiscal Year 2026-27 is $2.7 million. This balance is assumed to be available for expenditure in Fiscal Year 2027-28 as nonrecurring funds.

EXPENDITURE PROJECTIONS

KEY POINTS

- There are 15 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers included in the Outlook.
- The projected General Revenue need is $5.2 billion in Fiscal Year 2027-28; $6.0 billion in Fiscal Year 2028-29; and $5.5 billion in Fiscal Year 2029-30.
- Across the three years of the Outlook, the largest General Revenue needs are in the Administered Funds and Statewide Issues, Human Services, 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 15 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers, with total General Revenue needs of $5.2 billion in Fiscal Year 2027-28; $6.0 billion in Fiscal Year 2028-29; and $5.5 billion in Fiscal Year 2029-30. 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 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30	Three-Year Total	% of Three-Year Total
Critical Needs	1,905.7	2,727.6	2,270.9	6,904.2	41.1%
Other High Priority Needs	3,333.3	3,303.8	3,254.2	9,891.3	58.9%
Critical Needs and Other High Priority Needs	**5,239.0**	**6,031.4**	**5,525.1**	**16,795.5**	**100.0%**

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 nearly $16.8 billion, with three of the eight policy areas exceeding $2.7 billion in need. The top three policy areas in terms of General Revenue budget drivers are Administered Funds and Statewide Issues, Human Services, and Natural Resources, which together represent 83 percent of the three-year total need.

General Revenue Fund Total Critical Needs and Other High Priority Needs by Policy Area ($Millions)	Fiscal Year 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30	Three-Year Total	% of Three-Year Total
PreK-12 Education	(855.2)	190.1	(99.2)	(764.2)	-4.6%
Higher Education	628.5	647.2	633.9	1,909.6	11.4%
Human Services	1,963.1	1,537.4	1,190.8	4,691.4	27.9%
Criminal Justice & Judicial Branch	126.5	126.5	126.5	379.5	2.3%
Transportation & Economic Development	316.2	317.8	316.2	950.2	5.7%
Natural Resources	937.7	899.4	864.0	2,701.1	16.1%
General Government	145.8	141.4	143.1	430.2	2.6%
Administered Funds & Statewide Issues	1,976.4	2,171.6	2,349.8	6,497.8	38.7%
Total New Issues	**5,239.0**	**6,031.4**	**5,525.1**	**16,795.5**	**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. For a more detailed discussion of the Medicaid program see Driver #6. 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 2027-28, significant available trust fund balances in the Educational Enhancement Trust Fund and the State School Trust Fund allow for adjustments to both Education policy areas resulting in an overall decreased need for General Revenue of nearly $1 billion. For a more detailed discussion related to the Natural Resources policy area, see Drivers #38 and #39.

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, 50.6 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 $5.2 billion needed for the budget drivers in Fiscal Year 2027-28, $2.2 billion will also be needed in Fiscal Year 2028-29 (and again in Fiscal Year 2029-30) to continue those programs. In effect, the $16.8 billion in new funding over the Outlook period ultimately results in almost $23.1 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 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30	Three-Year Total	% of Three-Year Total
New Recurring Drivers for Each Year	2,170.3	1,932.8	1,286.7	5,389.7	
Continuation of Year 1 Recurring Drivers		2,170.3	2,170.3	4,340.5	
Continuation of Year 2 Recurring Drivers			1,932.8	1,932.8	
Cumulative Impact of Recurring Drivers	2,170.3	4,103.1	5,389.7	11,663.0	50.6%
Nonrecurring Drivers for Each Year	3,068.7	4,098.7	4,238.4	11,405.8	49.4%
Grand Total	**5,239.0**	**8,201.7**	**9,628.1**	**23,068.8**	

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 Administered Funds and Statewide Issues and the Human Services policy areas. The three largest General Revenue budget drivers are shown in the following table and have a combined total of over $7.4 billion across the three-year period. A detailed description of these drivers, along with a discussion of the drivers for the Florida Education Finance Program and Kidcare Program are provided in this section.

General Revenue Fund Significant Critical Needs Budget Drivers ($Millions)	Fiscal Year 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30	Three-Year Total
Driver #15 – Increases in Employer-Paid Benefits for State Employees	947.5	1,142.8	1,321.0	3,411.3
Driver #6 – Medicaid Program	1,210.0	789.3	438.0	2,437.4
Driver #13 – General Revenue Transfer to Emergency Preparedness and Response Fund	533.3	533.3	533.3	1,600.0
Grand Total	**2,690.9**	**2,465.4**	**2,292.4**	**7,448.7**

Note: totals may not add due to rounding.

<u>Increases in Employer-Paid Benefits for State Employees</u>
Health Insurance – The State Group Health Insurance Program is a $4.9 billion program that provides health insurance to over 390,000 state, university, and college employees, retirees, and their families. Despite a nonrecurring transfer of $375 million from the General Revenue Fund authorized in the 2026 General Appropriations Act, the State Employees' Health Insurance Trust Fund (health insurance trust

fund) is projected to have a deficit of $62.2 million at the end of Fiscal Year 2026-27.[3] Expenditures for the program are projected to increase by approximately 8.5 percent annually and will outpace estimated revenues for the health insurance trust fund resulting in significant estimated deficits for each year of the Outlook period, as shown in the following table.[4]

State Group Health Insurance Program Financial Outlook ($Millions)	Fiscal Year 2026-27	Fiscal Year 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30
Beginning Cash Balance	$607.1	$0.0	$0.0	$0.0
Total Revenues	$4,256.4	$4,329.0	$4,407.4	$4,504.6
Total Expenses	$4,925.7	$5,345.3	$5,799.7	$6,300.0
Projected Ending Cash Balance	**($62.2)**	**($1,016.3)**	**($1,392.4)**	**($1,795.4)**

The Legislature has taken a number of steps to address the operating deficit in the program, including increasing recurring revenue into the trust fund through back-to-back employer-paid premium increases of ten percent in Fiscal Year 2024-25 and nine percent in Fiscal Year 2025-26. Additionally, nonrecurring cash transfers from the General Revenue Fund totaling $1.4 billion over the last five years have been authorized to maintain solvency in the trust fund. To address one of the program's major cost drivers, the Legislature passed House Bill 5015 during the 2025 Regular Session. This bill would have initiated a process to begin formulary management for prescription drugs and supplies; however, it was vetoed by the Governor.

Funds are included in Driver #15 based on the costs for state agencies of a 6.33 percent increase to employer-paid premiums (the three-year average) for each year of the Outlook period. Additionally, nonrecurring General Revenue is included for each year of the Outlook period to resolve the remaining projected deficit in the health insurance trust fund. This results in the following total amounts (General Revenue and trust funds) included in this driver: $977.5 million for Fiscal Year 2027-28; $1,206.5 million for Fiscal Year 2028-29; and $1,389.8 million for Fiscal Year 2029-30.

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 2026 FRS Actuarial Assumption Conference and the Fiscal Year 2025-26 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 $10.7 million from the General Revenue Fund and $6.0 million from trust funds is provided each year of the three-year forecast period.

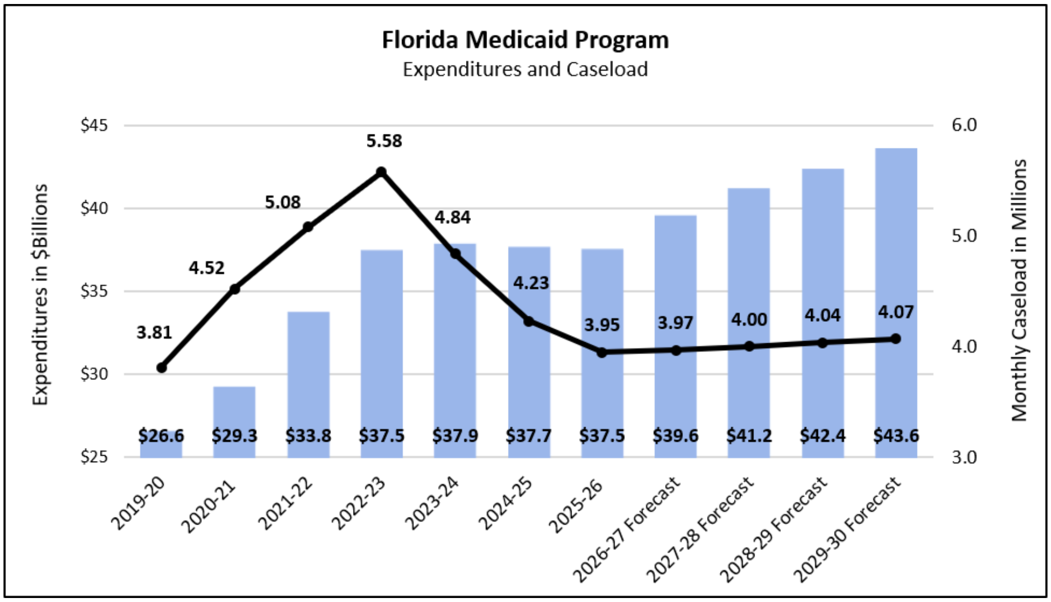
<u>Medicaid Program</u>

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 both the largest single program in the state budget and the largest source of federal funding for the state.

[3] The Outlook assumes the projected deficit in Fiscal Year 2026-27 will be covered with General Revenue. *See* Appendix B.

[4] The forecast for the State Employees' Health Insurance Trust Fund is available at https://edr.state.fl.us/Content/conferences/healthinsurance/index.cfm.

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 2026.[5] As shown in the chart below, Medicaid enrollment is expected to increase to nearly 4.0 million beneficiaries in Fiscal Year 2026-27, an increase of 0.5 percent above Fiscal Year 2025-26. The caseload is projected to be slightly less than the pre-pandemic peak of just over 4.0 million in Fiscal Year 2016-17. Subsequent years are projected to exhibit modest growth, increasing by approximately 2.5 percent over the three-year period.



In Fiscal Year 2026-27, Medicaid service expenditures are expected to be $39.6 billion. Total Medicaid expenditures for Fiscal Year 2027-28 are expected to be $41.2 billion, an increase of nearly $1.6 billion.[6] The Outlook includes an increase in recurring General Revenue funds of $1.2 billion to meet the state's share of the total need in Fiscal Year 2027-28. While the Social Services Estimating Conference incorporated the need for additional funding for the Agency for Health Care Administration, funding levels for other state agencies will also require adjustments. The Outlook includes an increase of recurring General Revenue of $18.6 million in Fiscal Year 2027-28, a decrease of $2.4 million in Fiscal Year 2028-29, and a decrease of $8.0 million in Fiscal Year 2029-30 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 2027-28, $789.3 million in Fiscal Year 2028-29, and $438.0 million in Fiscal Year 2029-30.

General Revenue Transfer to Emergency Preparedness and Response Fund

In 2022, the Legislature created the Emergency Preparedness and Response (EPR) Fund to be used as the state's primary source of funding for preparing or responding to a disaster declared by the Governor as a state of emergency.[7] The EPR Fund is a depository of moneys specifically transferred or appropriated to the fund. The Governor may request additional funds be transferred or appropriated to the EPR Fund by

[5] The forecast for Medicaid is available at http://edr.state.fl.us/Content/conferences/medicaid/index.cfm.

[6] For comparison purposes, beginning in Fiscal Year 2027-28 and continuing throughout the forecast period, the adopted consensus estimate for Medicaid services expenditures is adjusted upward to include the budget authority necessary to support the Home and Community-Based Services Medicaid waiver program (iBudget Waiver) at the Fiscal Year 2026-27 appropriated level of $2.3 billion.

[7] Ch. 2022-2, L.O.F., and sec. 252.3711, F.S.

budget amendment, subject to approval by the Legislative Budget Commission.[8] Currently, the EPR Fund contains funds transferred from the General Revenue Fund as well as funds received from the Federal Emergency Management Agency.

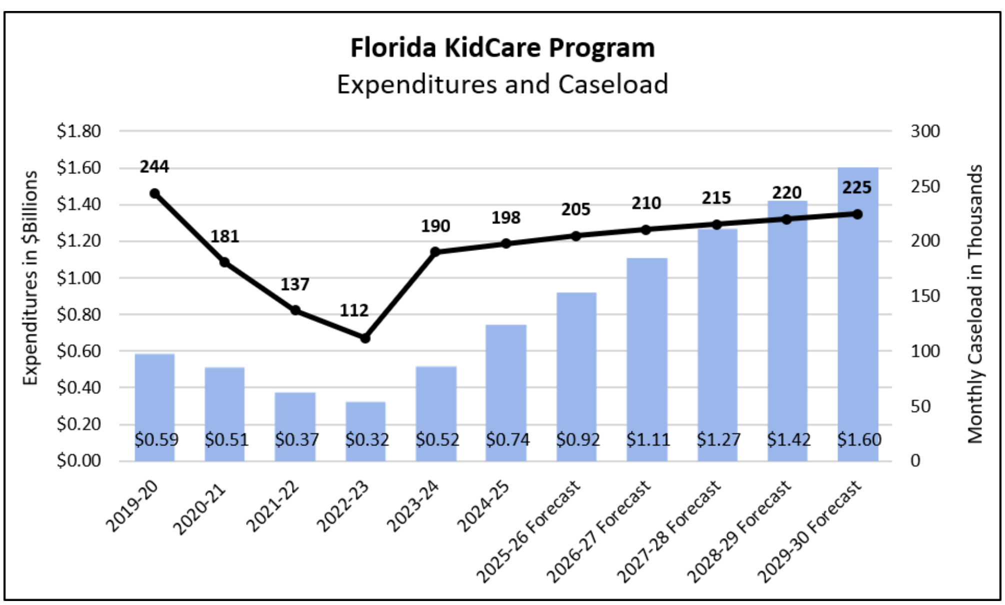
Over the past three fiscal years, the Legislature has provided a series of transfers from the General Revenue Fund to the EPR Fund totaling $1.6 billion. Driver #13 includes a transfer of $533.3 million from the General Revenue Fund to the EPR Fund for each year of the Outlook period, based on the three-year average of actual transfers. This driver does not account for financial impacts related to any specific emergencies but represents the average annual amount of General Revenue that has been transferred to the EPR Fund in the most recent three years. Although the Outlook accounts for these General Revenue Fund transfers as an expenditure, to the extent the funds held in the EPR Fund are not spent, they remain part of the state's reserves.

Although not included in the top three largest General Revenue cost drivers, the projected needs associated with the Florida Kidcare Program (Driver #7) and the Florida Education Finance Program (Driver #2) merit discussion.

Florida Kidcare

The federal Children's Health Insurance Program (CHIP – Title XXI of the Social Security Act), implemented in Florida as the Kidcare program, provides comprehensive medical and dental coverage for qualifying individuals. The program offers coverage on a subsidized or full-pay basis, depending on the covered individual's family income and household size.

Within the Outlook, Critical Needs funding is provided in Driver #7 for changes in caseloads and expenditures as projected by the Social Services Estimating Conferences held in July 2026. Kidcare enrollment is expected to increase by 5,734 to approximately 210,479 beneficiaries in Fiscal Year 2026-27, an increase of 2.8 percent above Fiscal Year 2025-26. This number is 4,171 beneficiaries lower than the pre-pandemic peak of 214,650 beneficiaries in Fiscal Year 2016-17. Caseloads are projected to exhibit modest growth each year of the forecast, increasing by 14,262 beneficiaries (6.8 percent) over the three-year period.



[8] Sec. 252.37(2)(b), F.S.

In Fiscal Year 2026-27, Kidcare expenditures are expected to be $1.1 billion and are projected to increase to $1.3 billion in Fiscal Year 2027-28. The Outlook includes an increase in recurring General Revenue funds of $67.8 million to meet the state's share of the total need in Fiscal Year 2027-28, an increase of $47.2 million in Fiscal Year 2028-29, and an increase of $51.9 million in Fiscal Year 2029-30.

Increased General Revenue needs are driven largely by the blended risk pool of subsidized and full-pay beneficiaries. Florida implemented a combined-risk premium model for these populations beginning in Fiscal Year 2020-21. The full-pay population receives a CHIP-like benefit package, and medical premiums reflect the combined claims experience of both groups.

The key factors affecting premiums under this model are the proportion of the pool represented by full-pay children and their relative health acuity. Historically, full-pay children have had higher acuity than subsidized children. Carriers receive separate premium rates for each population, with the full-pay premium set below the actuarial cost of coverage. This creates some cross-subsidization between the populations, although less than would occur under a single premium rate.[9]

As a result of blending, full-pay premiums have remained relatively flat, projected to increase from $242.50 in Fiscal Year 2026-27 to $257.50 in Fiscal Year 2029-30, or a $15 premium increase (approximately 6.2 percent) over the three-year period.[10] In contrast, subsidized premiums have increased to absorb a greater share of rising medical costs. Under the blended model, premiums are projected to increase from $289.34 in Fiscal Year 2026-27 to $442.40 in Fiscal Year 2029-30, or a $153.06 premium increase (approximately 52.9 percent) over the three-year period.[11] This difference in premium growth means that a greater portion of increasing medical costs is reflected in the subsidized premium, contributing to projected increased General Revenue needs of $166.9 million over the three-year period.

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 3.2 million students in Fiscal Year 2026-27, 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 36,534.27 FTE over the appropriated level for the Fiscal Year 2026-27 FEFP using the forecast adopted by the Education Estimating Conference in August 2026.[12] This forecasted increase includes the estimated number of both public school students and Family Empowerment Scholarship students. The Outlook includes a total funds per FTE student increase of 1.99 percent annually to reflect historical funding trends. State funding projections are based on maintaining the prior year RLE

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[9] Milliman, July 2026 Social Services Estimating Conference KidCare Expenditure Projections – Revised per Conference (July 24, 2026), (on file with the Senate Committee on Appropriations and House Budget Committee).

[10] Pursuant to section 624.91, Florida Statutes, the Florida Healthy Kids Corporation is responsible for establishing premiums.

[11] Milliman, July 2026 Social Services Estimating Conference KidCare Expenditure Projections – Revised per Conference (July 24, 2026), (on file with the Senate Committee on Appropriations and House Budget Committee).

[12] The forecast for full-time student membership is available at https://edr.state.fl.us/Content/conferences/publicschools/index.cfm.

millage rate of 3.057 mills, thus allowing the RLE to increase by its full value, and maintaining the nonvoted discretionary millage of 0.748 mills. The tax rolls for Fiscal Years 2027-28 through 2029-30, as projected by the Revenue Estimating Conference in August 2026, provide increased taxable value, which offsets the amount of state funding needed throughout the three-year forecast period.[13] The following table shows the calculations used to develop the FEFP state funding projections.

Florida Education Finance Program[14]	Fiscal Year 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30
FTE Student Enrollment Growth	3,908.04	21,339.80	11,286.43
Total Funds per FTE Student Increased by Three-Year Average	$9,520.91	$9,710.38	$9,903.61
Enrollment Growth Funding	$36.5 million	$199.2 million	$105.4 million
Increase Funding by Three-Year Average	$598.1 million	$618.1 million	$632.7 million
Total Funding Increase	$634.6 million	$817.3 million	$738.1 million
State Funding Offset for Total Local Funds Increase	($679.1) million	($762.0) million	($897.4) million
State Funds Included in Driver #2	**($44.5) million**	**$55.2 million**	**($159.3) million**

Note: totals may not add due to rounding.

[13] The forecast for Ad Valorem assessments is available at http://edr.state.fl.us/Content/conferences/advalorem/index.cfm.

[14] The enrollment growth and increase in total funds per FTE student are calculated based on the Fiscal Year 2026-27 FEFP 2nd calculation, which includes total enrollment of 3,215,929.85 FTE and total funds per student of $9,335.14 per FTE.

Critical Needs Driver Number and Title		FY 2027-28 Total GR	FY 2027-28 Total Major TF	FY 2028-29 Total GR	FY 2028-29 Total Major TF	FY 2029-30 Total GR	FY 2029-30 Total Major TF	Driver Description and Assumptions
PREK - 12 EDUCATION								
#1	Maintain Current Budget - Florida Education Finance Program	(938.5)	938.5	(9.2)	9.2	(75.6)	75.6	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 2026 Revenue Estimating Conferences.[15]
#2	Workload and Enrollment - Florida Education Finance Program	(44.5)	0.0	55.2	0.0	(159.3)	0.0	Driver #2 funds enrollment growth and provides an increase in funds per student for both public school students and Family Empowerment Scholarship students. Enrollment growth is based on the August 2026 Education Estimating Conference adopted forecast of an increase of 3,908.04 FTE for Fiscal Year 2027-28 over the Fiscal Year 2026-27 appropriated level for the FEFP. The increase in total funds per student is based on a three-year average increase of 1.99 percent. State funding projections are based on maintaining the prior year millage rate for the Required Local Effort at 3.057 mills and maintaining the nonvoted discretionary millage of 0.748 mills. The program is expected to serve 3.2 million students in Fiscal Year 2026-27.

Table continues on the following page.

[15] 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 2027-28 Total GR	FY 2027-28 Total Major TF	FY 2028-29 Total GR	FY 2028-29 Total Major TF	FY 2029-30 Total GR	FY 2029-30 Total Major TF	Driver Description and Assumptions
#3	Workload and Enrollment - Voluntary Prekindergarten Education Program	(0.2)	0.0	0.7	0.0	4.5	0.0	Driver #3 adjusts funding to reflect the forecast adopted by the August 2026 Early Learning Programs Estimating Conference.[16] Enrollment is projected to increase by 1608.20 FTE, over the three-year period. Funding per student is maintained at the Fiscal Year 2026-27 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 135,741.37 students in Fiscal Year 2026-27.
HIGHER EDUCATION								
#4	Workload and Enrollment - Bright Futures and Children and Spouses of Deceased/ Disabled Veterans	7.6	37.8	5.1	16.2	1.4	10.6	Driver #4 funds changes in the number of eligible recipients, as projected by the August 2026 Education Estimating Conference.[17] Over the three-year period, there are projected to be 13,120 additional eligible students for a Bright Futures award and 2,740 additional eligible students for a Children and Spouses of Deceased/ Disabled Veterans (CSDDV) award. In Fiscal Year 2026-27, there are projected to be 146,086 Bright Futures awards and 8,373 CSDDV awards.
#5	Educational Enhancement Trust Fund Adjustment	(58.6)	58.6	(30.8)	30.8	(39.9)	39.9	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 2026 Revenue Estimating Conference.[18]

[16] The forecast for Early Learning Programs is available at http://edr.state.fl.us/Content/conferences/vpk/index.cfm

[17] The forecast for Postsecondary Student Financial Aid is available at http://edr.state.fl.us/Content/conferences/financialaid/index.cfm

[18] 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 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
HUMAN SERVICES								
#6	Medicaid Program	1,210.0	1,121.8	789.3	406.3	438.0	793.1	Driver #6 funds the caseload and expenditures estimates adopted by the July 2026 Social Services Estimating Conferences.[19] Caseloads are expected to be 4.00 million in Fiscal Year 2027-28; 4.04 million in Fiscal Year 2028-29; and 4.07 million in Fiscal Year 2029-30. The program is expected to serve 3.97 million eligible Floridians in Fiscal Year 2026-27. 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	67.8	133.3	47.2	106.9	51.9	126.1	Driver #7 funds the caseload and expenditures estimates adopted by the July 2026 Social Services Estimating Conferences.[20] June 30 caseloads are projected to be 215,176 in 2028; 219,947 in 2029; and 224,741 in 2030. The program is expected to serve 210,479 eligible children in 2027. 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	(15.5)	0.0	0.0	0.0	0.0	0.0	Driver #8 funds the caseload and expenditure estimates adopted by the July 2026 TANF Social Services Estimating Conference.[21] The program is expected to serve 14,574 eligible cases during Fiscal Year 2027-2028, a decrease of 4,772 cases compared to the prior forecast.

[19] The forecast for Medicaid is available at http://edr.state.fl.us/Content/conferences/medicaid/index.cfm.
[20] The forecast for Kidcare is available at http://edr.state.fl.us/Content/conferences/kidcare/index.cfm.
[21] 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 2027-28		FY 2028-29		FY 2029-30		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	3.1	0.0	2.3	0.0	2.4	Driver #9 funds the constitutionally-required levels of funding for the tobacco education and prevention program. The amounts are based on the tobacco expenditures projected by the August 2026 Revenue Estimating Conference, adjusted by applying the Consumer Price Index adopted by the July 2026 National Economic Estimating Conference.[22]
GENERAL GOVERNMENT								
#10	Non-Florida Retirement System (FRS) Pensions and Benefits	4.1	0.0	1.7	0.0	2.1	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	67.0	0.0	66.4	0.0	67.6	0.0	Driver #11 funds the estimates adopted by the August 2026 Revenue Estimating Conference to offset reductions in ad valorem tax revenue in fiscally constrained counties that resulted from specified constitutional amendments.[23]

Table continues on the following page.

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

[23] The forecast for Fiscally Constrained Counties is available at https://edr.state.fl.us/Content/conferences/advalorem/adval_ForecastFiscallyConstrained.pdf. *See also* sections 218.12 and 218.125, Florida Statutes.

Critical Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
ADMINISTERED FUNDS AND STATEWIDE ISSUES								
#12	State Match for Federal Emergency Management Agency Funding - State Disaster Funding (Declared Disasters)	125.5	0.0	125.5	0.0	125.5	0.0	Driver #12 provides funding for the state matching requirement for all open federally declared disasters and is based on the three-year average of appropriations. 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	General Revenue Transfer to Emergency Preparedness and Response Fund	533.3	0.0	533.3	0.0	533.3	0.0	Driver #13 transfers funds from the General Revenue Fund to the Emergency Preparedness and Response (ERP) Fund, based on the three-year average of actual transfers. The ERP Fund is the state's primary source of funding for preparing or responding to a disaster declared by the Governor as a state of emergency.
#14	Division of Administrative Hearings Assessments	0.3	0.4	0.3	0.4	0.3	0.4	Driver #14 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.

Critical Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#15	Increases in Employer-Paid Benefits for State Employees	947.5	46.6	1,142.8	80.4	1,321.0	85.4	Driver #15 funds increases for the state employee health insurance program and the Florida Retirement System (FRS). For the health insurance program,[24] funds are included for the impact to state agencies of a 6.33 percent increase for each year of the plan to employer-paid premiums, based on a three-year average. Additionally, nonrecurring General Revenue is included for each year of the plan to resolve projected deficits for the program. 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 2026 FRS Actuarial Assumption Conference and the Fiscal Year 2025-26 Annual Actuarial Valuation were not available at the time of this Outlook.[25]
Total Critical Needs		**1,905.7**	**2,340.2**	**2,727.6**	**652.5**	**2,270.9**	**1,133.7**	

[24] The forecast for the State Employees' Health Insurance Trust Fund is available at http://edr.state.fl.us/Content/conferences/healthinsurance/index.cfm.
[25] 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, Human Services, and Higher Education policy areas as shown in the following table.

General Revenue Fund Significant Other High Priority Needs By Policy Area ($Millions)	Fiscal Year 2027-28	Fiscal Year 2028-29	Fiscal Year 2029-30	Three-Year Total
Natural Resources – Driver #s 38,39	937.7	899.4	864.0	2,701.1
Human Services – Driver #s 22-28	700.9	700.9	700.9	2,102.7
Higher Education – Driver #s 18-21	679.5	672.9	672.4	2,024.8
Grand Total	**2,318.1**	**2,273.2**	**2,237.2**	**6,828.5**

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 more than $2.7 billion over the Outlook period, is related to Florida's natural resources and includes two budget drivers: Water and Land Conservation (Driver #38) and Other Agricultural and Environmental Programs (Driver #39). The funding projections for these two drivers are primarily based on three-year averages of appropriations, as well as the projected balances and expected revenues in the Land Acquisition Trust Fund (LATF). Based on the August 2026 Revenue Estimating Conference results, the revenue distributed to the LATF is expected to grow modestly each year of the Outlook period, with annual distributions totaling $1.41 billion for Fiscal Year 2027-28; $1.44 billion for Fiscal Year 2028-29; and $1.48 billion for Fiscal Year 2029-30.[26] The Outlook assumes a reserve within the LATF similar to reserves established for the other trust funds included in the Outlook.

For the Water and Land Conservation budget driver, the Outlook includes General Revenue funds totaling $479.8 million for Fiscal Year 2027-28, $472.9 million for Fiscal Year 2028-29, and $436.8 million for Fiscal Year 2029-30. The components included in the calculation of this driver are the Florida Forever land acquisition programs; Everglades Restoration; Land Management; various Water Quality Improvement Programs; Total Maximum Daily Loads; Nonpoint Source Pollution Prevention; Innovative Technologies to combat or clean up 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 $3.3 million in each year of the forecast period, as well as nonrecurring General

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

Revenue funds of $454.6 million in Fiscal Year 2027-28, $423.1 million in Fiscal Year 2028-29, and $423.8 million in Fiscal Year 2029-30. 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, 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, artificial reef construction, derelict vessels removal, and nonnative species management.

Human Services – Other High Priority Needs

The Outlook includes over $2.1 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 Medicaid Services (Driver #22) totaling $740.6 million in General Revenue funding over the Outlook period. This driver includes funding for Medicaid provider rate increases including Nursing Homes; the Pilot Program for Individuals with Developmental Disabilities; and the Program of All-Inclusive Care for the Elderly.

The Outlook also includes General Revenue funding of $693.8 million over the Outlook period for Children and Family Services (Driver #23). This driver includes funding for Community-Based Care lead agency core services operations to keep families together and safe; child welfare 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; and resources for foster families to support the care of foster children. 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 pre-enrollment list for home and community-based services for persons with intellectual and developmental disabilities (Driver #25). 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 public health programs, HIV/AIDS programs, Veterans' services, services for the elderly, and information technology (Driver #s 24 and 26-28).

Higher Education – Other High Priority Needs

The Outlook includes more than $2.0 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 $383.3 million for State University System Performance Based Incentive Funds and University Performance Based Excellence Funds (a subset of Driver #20) and $60.0 million for Workforce Capitalization Incentive funds (Driver #18).

The Outlook also includes recurring and nonrecurring general 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 the specific issues funded with nonrecurring workload funding in the Outlook as listed in the prior paragraph. Specifically, for each forecasted year, the Outlook includes $15.6 million for school district workforce education programs (Driver #18), $39.9 million for

Florida College System institutions (Driver #19), and $169.4 million for State University System Education and General Activities (E&G) and special unit campuses (Driver #20). 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 #21).[27]

Transportation and Economic Development – Other High Priority Needs

Finally, just under $1.0 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 Economic Development and Workforce Programs (Driver #35), totaling $501.2 million from the General Revenue Fund over the three-year forecast period. This driver includes funding for various programs and activities such as the Job Growth Grant Fund, the Hometown Heroes Housing Program, contract payments for traditional economic development programs, defense and rural infrastructure programs, and the Law Enforcement Recruitment Bonus Program. The amounts are based on the three-year average of appropriations for each program.

The Outlook also includes funding for the Department of Transportation Adopted Work Program and Local Transportation Projects (Driver #34), totaling $156.7 million 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 $52.2 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 National Guard armories, military affairs, and Florida State Guard priorities (Driver #36); and library, cultural, historical, and election priorities (Driver #37).

[27] 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 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
PREK - 12 EDUCATION								
#16	Workload and Enrollment - Other PreK-12 Programs	62.2	0.0	62.4	0.0	62.5	0.0	Driver #16 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 over workload needed to achieve a 1.00% three-year average increase in the VPK BSA; and (c) other K-12 education programs funded in the Non-FEFP section of the budget with nonrecurring funds based on the three-year average of nonrecurring appropriations provided for the programs.
#17	Educational Enrollment Stabilization Program	65.8	0.0	81.0	0.0	68.7	0.0	Driver #17 provides funding for the Educational Enrollment Stabilization Program which is established in law to provide supplemental state funds, as needed, when certain conditions exist when the FEFP is recalculated. 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. [28]
HIGHER EDUCATION								
#18	Workload - District Workforce	75.6	0.0	75.6	0.0	75.6	0.0	Driver #18 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.
#19	Workload - Florida Colleges	39.9	0.0	39.9	0.0	39.9	0.0	Driver #19 funds increases for the Florida College System institutions based on the three-year average increase of appropriations, excluding funded appropriations projects.

[28] Sec. 1011.62(19), F.S.

Other High Priority Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#20	Workload - State Universities	552.8	0.0	552.8	0.0	552.8	0.0	Driver #20 provides funding for: (a) State University System Education and General Activities (E&G) and special unit campuses 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.
#21	Workload and Adjustments - Other Higher Education Programs	11.3	0.0	4.6	0.0	4.1	0.0	Driver #21 funds changes in the number of eligible recipients, as projected by the August 2026 Education Estimating Conference,[29] 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 4,522 additional eligible students for an EASE grant and 21 additional eligible students for a Benacquisto Scholarship. In Fiscal Year 2026-27, there are projected to be 39,888 EASE grants and 1,786 Benacquisto Scholarships.
HUMAN SERVICES								
#22	Medicaid Services	246.9	379.0	246.9	379.0	246.9	379.0	Driver #22 provides additional funding for Medicaid Waiver slots for the elderly, Graduate Medical Education residencies, the Intellectual and Developmental Disabilities Comprehensive Managed Care (ICMC) program, and for Medicaid provider rate increases based on the three-year average of appropriations.

[29] 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 2027-28 Total GR	FY 2027-28 Total Major TF	FY 2028-29 Total GR	FY 2028-29 Total Major TF	FY 2029-30 Total GR	FY 2029-30 Total Major TF	Driver Description and Assumptions
#23	Children and Family Services	231.3	132.0	231.3	132.0	231.3	132.0	Driver #23 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; child abuse investigations conducted by the department; 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; personnel resources to assist individuals with public assistance eligibility determination, and asset and income verification services.
#24	Health Services	97.8	74.2	97.8	74.2	97.8	74.2	Driver #24 provides additional funding for the Early Steps program, School Health Services, Florida, Medical Quality Assurance services, Minority Health Services, Biomedical Research, Healthy Start Coalitions, the Merlin system, increased workload for Data Centers, Public Health Initiatives, HIV/AIDS related resources, and Health Care Loan Repayment Programs based on three-year averages of appropriations.
#25	Developmental Disabilities	63.3	72.9	63.3	72.9	63.3	72.9	Driver #25 uses three-year averages of appropriations to determine funding needs for reducing the waitlist for Developmental Disabilities Waiver services, additional client needs, additional administrative resources to manage growth in Waiver services, replacement of motor vehicles, and rate increases for Medicaid Waiver providers.

Other High Priority Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#26	Veterans' Services	3.0	4.4	3.0	4.4	3.0	4.4	Driver #26 provides funding for Florida is for Veterans, Inc., for the Entrepreneurship Program and the Veterans Workforce Training Grant Program, veterans' homes resident equipment and operations, dental grant program, operational staffing increases, and routine maintenance and repair at the State Veteran Nursing Homes. The amounts are based on three-year averages of appropriations.
#27	Elderly Services	16.7	0.0	16.7	0.0	16.7	0.0	Driver #27 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.
#28	Human Services Information Technology/ Infrastructure	42.0	126.1	42.0	126.1	42.0	126.1	Driver #28 provides funding for information technology projects in the Human Services policy area based on the three-year averages of appropriations. Notably, funding is included for the Florida Medicaid Management Information System (FMMIS) transition in the Agency for Health Care Administration; the Department of Children and Families' Florida System (ACCESS) and Florida Safe Families Network (FSFN); and the Client Data Management System (iConnect) for the Agency for Persons with Disabilities.

Table continues on the following page.

Other High Priority Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
CRIMINAL JUSTICE AND JUDICIAL BRANCH								
#29	Justice Administration Entities	3.7	0.9	3.7	0.9	3.7	0.9	Driver #29 funds increases for workload and due process 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.
#30	Department of Corrections Programs and Operations	43.2	0.9	43.2	0.9	43.2	0.9	Driver #30 provides funding related to inmate health and food services operations, as well as inmate education and training programs. The amounts are based on the three-year average increase of appropriations.
#31	Department of Juvenile Justice Programs	18.0	4.0	18.0	4.0	18.0	4.0	Driver #31 funds residential commitment services as well as prevention programs based on the three-year average increase of appropriations.
#32	Other Criminal and Civil Justice Programs and Operations	54.1	8.1	54.1	8.1	54.1	8.1	Driver #32 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; rent; and information technology projects.
#33	Judicial Branch	7.5	0.4	7.5	0.4	7.5	0.4	Driver #33 provides funding for the certification of additional judgeships based on the three-year average increase of appropriations.

Table continues on the following page.

Other High Priority Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
TRANSPORTATION AND ECONOMIC DEVELOPMENT								
#34	Department of Transportation Adopted Work Program and Local Transportation Projects	52.2	11,535.9	52.2	10,040.5	52.2	9,704.7	Driver #34 funds the list of transportation projects included in the Adopted Five Year Work Program, which uses estimates from the January 2026 Revenue Estimating Conference. Changes in project commitments and revenue estimates after July 1, 2026, will be incorporated into the Tentative Work Program in March 2027. The driver additionally provides funding for local transportation projects based on the three-year average of appropriations.
#35	Economic Development and Workforce Programs	167.1	0.0	167.1	0.0	167.1	0.0	Driver #35 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.
#36	National Guard Armories, Military Affairs, and Florida State Guard Priorities	59.5	0.0	59.5	0.0	59.5	0.0	Driver #36 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.

Table continues on the following page.

Other High Priority Needs Driver Number and Title		FY 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#37	Library, Cultural, Historical, and Election Priorities	37.4	0.0	39.0	0.0	37.4	0.0	Driver #37 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 Years 2028-29 for advertising constitutional amendments based on the average funding in the two most recent general election years.
NATURAL RESOURCES								
#38	Water and Land Conservation	479.8	600.1	472.9	606.9	436.8	643.1	Driver #38 provides funding for a variety of conservation programs including the Florida Forever Program, Everglades Restoration, 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 2026 Revenue Estimating Conference,[30] and three-year averages of appropriations.
#39	Other Agricultural and Environmental Programs	457.9	16.6	426.5	16.6	427.2	16.6	Driver #39 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.

[30] 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 2027-28		FY 2028-29		FY 2029-30		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
GENERAL GOVERNMENT								
#40	Other General Government Priorities	13.3	51.7	11.9	25.2	12.0	24.0	Driver #40 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.
#41	State Building Pool - General Repairs and Maintenance	61.4	16.7	61.4	16.7	61.4	16.7	Driver #41 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								
#42	State Employee Pay Issues	133.3	96.0	133.3	96.0	133.3	96.0	Driver #42 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.
#43	Maintenance, Repairs, and Capital Improvements - Statewide Buildings - Critical	236.3	40.4	236.3	40.4	236.3	40.4	Driver #43 provides funding based on three-year appropriations averages for new construction, critical maintenance and repair projects, and life safety and ADA repairs of state-owned facilities.
Total Other High Priority Needs		**3,333.3**	**13,160.2**	**3,303.8**	**11,645.3**	**3,254.2**	**11,344.4**	

REVENUE ADJUSTMENTS

KEY POINTS

- ❖ The Outlook includes tax and fee adjustments to the General Revenue Fund that reduce available revenue by approximately $673 million in Fiscal Year 2027-28; $1.15 billion in Fiscal Year 2028-29; and $1.63 billion in Fiscal Year 2029-30.
- ❖ These negative adjustments are offset by net trust fund transfers and revenue redirects that are positive to the General Revenue Fund by $233 million in Fiscal Year 2027-28; $295 million in Fiscal Year 2028-29; and $358 million in Fiscal Year 2029-30.
- ❖ These estimates assume that the scope and scale of recent legislative actions continue over the three-year Outlook period.

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.

Tax and Significant Fee Changes

Every year, the Legislature adopts a variety of statutory changes that affect state and local government revenues. 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 Revenue*.[31] The Outlook includes a three-year average of the state tax and fee changes that affect the revenues supporting 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.

Typically, only a small percentage of the measures are positive. By far the greater share results in savings for 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.

[31] https://edr.state.fl.us/Content/conferences/measures-affecting-revenue/index.cfm

Across the years used to calculate the three-year average, the largest time-limited impact was associated with the property insurance discount to policyholders in Fiscal Year 2024-25. The largest continuing impact was related to the Business Rent Tax repeal in Fiscal Year 2025-26. Relative to the two prior years, Fiscal Year 2026-27 had the smallest number of either type of adjustment; however, with the introduction each year of new tax and fee impacts that are recurring, the impacts stack as the years progress. The following table shows how the cumulative impact of the continuing items is calculated.

	Fiscal Year 2027-28			Fiscal Year 2028-29			Fiscal Year 2029-30		
($Millions)	**Rec**	**NR**	**Total**	**Rec**	**NR**	**Total**	**Rec**	**NR**	**Total**
Year 1	(477.5)	113.1	(364.4)	(477.5)	-	(477.5)	(477.5)	-	(477.5)
Year 2	-	-	-	(477.5)	113.1	(364.4)	(477.5)	-	(477.5)
Year 3	-	-	-	-	-	-	(477.5)	113.1	(364.4)
TOTAL	**(477.5)**	**113.1**	**(364.4)**	**(955.0)**	**113.1**	**(841.9)**	**(1,432.5)**	**113.1**	**(1,319.4)**

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 lower than the adjustments used in last year's Outlook, as are the time-limited adjustments. Note that 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.

	Fiscal Year 2027-28			Fiscal Year 2028-29			Fiscal Year 2029-30		
($Millions)	**Rec**	**NR**	**Total**	**Rec**	**NR**	**Total**	**Rec**	**NR**	**Total**
Continuing Tax/ Fee Changes	(477.5)	113.1	(364.4)	(955.0)	113.1	(841.9)	(1,432.5)	113.1	(1,319.4)
Time-Limited Tax/ Fee Changes	-	(308.3)	(308.3)	-	(308.3)	(308.3)	-	(308.3)	(308.3)
TOTAL	**(477.5)**	**(195.2)**	**(672.7)**	**(955.0)**	**(195.2)**	**(1,150.2)**	**(1,432.5)**	**(195.2)**	**(1,627.7)**

Trust Fund Transfers and Redirects from and to the General Revenue Fund

For various reasons, trust funds are created to set aside or earmark a portion of state revenue for specific uses. For Fiscal Year 2026-27, appropriations were made from 171 different trust funds, totaling $62.0 billion, after adjustments for vetoes and supplementals. Approximately $35.2 billion was appropriated from federal revenue sources and $26.8 billion from state revenue sources.

The annual General Appropriations Act typically includes one-time transfers of unobligated fund balances from trust funds to the General Revenue Fund. In addition, some legislative actions permanently transfer moneys between different funds or levels of government without affecting state revenue receipts. As a starting point, this year's Outlook again includes a three-year average of the one-time 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.

Like last year, the three-year average also includes the full effect of recurring redirections of General Revenue funds into or out of state trust funds. These actions have become more commonplace, and their longer-run impact should be accounted for in the Outlook. Examples include the recurring redirections of General Revenue funds related to the Documentary Stamp Tax and Indian Gaming Revenues that occurred during the past three fiscal years.

Finally, 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 following table shows the component pieces that were used to calculate the numbers in this year's Outlook.

Calculation of Trust Fund Transfers and Redirects ($Millions)	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Three-Year Average*
One-Time Transfers to General Revenue	117.0	167.1	226.5	170.2
Permanent Redirects to State Trust Funds	(748.3)	---	(155.2)	(301.2)
Permanent Redirects to General Revenue	---	1,090.9	---	363.6
Adjustment for Excluded Transfers	---	---	---	
Adjustment for Prohibited Transfers	---	---	---	
NET TRANSFER TO GENERAL REVENUE	**(631.3)**	**1,258.0**	**71.3**	**232.7**

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

As opposed to the one-time actions that are nonrecurring in nature, the permanent redirects into and out of the General Revenue Fund affect all future years and build over time. In other words, the impact is recurring and stacks, just as it does for continuing tax and fee changes. After this effect is addressed, the totals shown in the following table become the final adjustments for trust fund transfers and redirects across the three years of the Outlook.

	Fiscal Year 2027-28			Fiscal Year 2028-29			Fiscal Year 2029-30		
($Millions)	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
Transfers to GR	---	170.2	170.2	---	170.2	170.2	---	170.2	170.2
Redirects from GR	(301.2)	---	(301.2)	(602.3)	---	(602.3)	(903.5)	---	(903.5)
Redirects to GR	363.6	---	363.6	727.3	---	727.3	1,090.9	---	1,090.9
TOTAL	**62.5**	**170.2**	**232.7**	**124.9**	**170.2**	**295.1**	**187.4**	**170.2**	**357.6**

Note: Component numbers may not add due to rounding.

STATE RESERVES

KEY POINTS

- The state's reserves for Fiscal Year 2026-27 are estimated to be nearly $16.2 billion, including $11.0 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 $2.1 billion each year.

The Budget Stabilization Fund (BSF), the Emergency Preparedness and Response Fund, and unallocated General Revenue compose the state's reserves.[32] The constitutionally required BSF is the state's structural reserve that must contain an amount equal to at least five percent but no more than ten percent of General Revenue collections in the last completed fiscal year.[33] The Emergency Preparedness and Response Fund is established in law 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.[34] 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.[35] These funds remain available for the Legislature to respond to revenue shortfalls, program deficits, or other expenditures of the state.

Based on the state's budget and accounting records at the time of this Outlook, total reserves for Fiscal Year 2026-27 are projected to be nearly $16.2 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 ten-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
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%
2025	2025-26	9,274.3	4,870.2	-	841.5	14,986.0	50,485.0	29.7%
2026	**2026-27**	**11,045.0**	**4,988.3**	**-**	**163.1**	**16,196.4**	**52,339.9**	**30.9%**

[32] 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.
[33] Art. III, s. 19(g), Fla. Const., and s. 215.32, F.S.
[34] Sec. 252.3711, F.S.
[35] Sec. 215.32(2)(a), F.S.

For Fiscal Year 2026-27, the unallocated General Revenue reserve is estimated to be $11.0 billion, as shown on the Financial Outlook Statement adopted by the Revenue Estimating Conference in August 2026.[36] This positive ending balance accounts for all available funds, including the Fiscal Year 2025-26 actual revenue collections and the revised forecast for Fiscal Year 2026-27, as well as authorized expenditures. The amount shown in Fiscal Year 2026-27 for the Emergency Preparedness and Response Fund is the balance as of September 1, 2026, which accounts for both a transfer of $250 million from the General Revenue Fund authorized in the General Appropriations Act and Fiscal Year 2026-27 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 $2.1 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, each Outlook provides for transfers, if necessary, to the Budget Stabilization Fund to achieve the constitutionally required balance of five percent of General Revenue collections. From Fiscal Years 2021-22 to 2025-26 the Legislature transferred almost $3.2 billion to the Budget Stabilization Fund to increase the fund balance from the minimum of five percent to the maximum of ten percent of General Revenue collections. Currently no additional transfers are required; however, the Legislature authorized a supplementary transfer of $118 million for Fiscal Year 2026-27 to maintain the maximum fund balance. While this transfer has yet to occur, the reserve balance for Fiscal Year 2026-27 assumes that it will.

During the 2025 Regular Session, the Legislature passed House Joint Resolution 5019, which proposes an amendment to the State Constitution that materially affects the Budget Stabilization Fund.[37] The amendment would increase the amount of funds that may be retained in the Budget Stabilization Fund from 10 percent to 25 percent of General Revenue collections; require the Legislature to transfer the lesser of $750 million or the amount required to reach 25 percent of the General Revenue collections each year unless certain conditions are met; and allow the Legislature to withdraw funds for critical state needs. The amendment has been submitted to Florida's electors for consideration during the 2026 General Election. If approved by at least 60 percent of the electors voting on the measure, the provisions take effect January 5, 2027.

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

[37] The text of HJR 5019 – Budget Stabilization Fund is available at https://www.flhouse.gov/Sections/Bills/billsdetail.aspx?BillId=82516&SessionId=105.

ECONOMIC AND DEMOGRAPHIC TRENDS

KEY POINTS

- Economic pressures are still evident in the reduction of household savings, the heightened use of consumer credit, and persistently elevated inflation.
- The new forecast is moderately weaker in the near term, especially in sectors dependent upon significant consumer debt such as residential construction, existing home sales, and motor vehicle sales, as well as in areas of substantial discretionary spending such as tourism.
- Uncertainty about the economic outlook remains elevated, with a number of downward risks.
- Population growth, the state's primary economic engine, is slowing.
- 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. Those effects will differ across counties.

Key Economic Trends

The Florida Economic Estimating Conference met on July 17, 2026, to adopt a new forecast for the state's economy.[38] While similar in many respects to the long run forecast adopted in December 2025, the more influential results for revenue forecasting purposes were moderately weaker in the near term. This was especially true in sectors dependent upon significant amounts of consumer debt such as residential construction, existing home sales, and motor vehicle sales, as well as in areas of substantial discretionary spending such as tourism.

The prior forecasts generally performed well over the past year. That said, uncertainty about the economic outlook remains elevated from this point forward. Economic pressures are still evident in the reduction of household savings, the heightened use of consumer credit, and persistently elevated inflation. 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 predominant risks—all downwards—to that forecast.

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 related to the pandemic, the state's GDP virtually flatlined (0.6 percent) in Fiscal Year 2019-20, bounced back with 4.5 percent growth in Fiscal Year 2020-21, and then surged by 8.3 percent in Fiscal Year 2021-22. This was followed by sequentially lower year-over-year growth rates of 5.5 percent in Fiscal Year 2022-23; 3.9 percent in Fiscal Year 2023-24; 3.3 percent in Fiscal Year 2024-25; and a projected 2.5 percent in Fiscal Year 2025-26. In the near-term, the Conference expects continued deceleration in the current year

[38] Results from the Florida Economic Estimating Conference are available at https://edr.state.fl.us/Content/conferences/fleconomic/index.cfm.

(2.0 percent) before a relatively stronger rate (2.7 percent) occurs in next fiscal year. Thereafter, a slow slide begins to a more characteristic growth rate for the state of 2.2 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 9.3 percent and for the 2021-22 fiscal year was 7.4 percent. Personal income growth then accelerated to 10.8 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 had still high growth of 7.3 percent in Fiscal Year 2023-24, with Fiscal Year 2024-25 dropping moderately to 5.6 percent and further to a preliminary 4.5 percent in Fiscal Year 2025-26. After increasing to 6.3 percent in Fiscal Year 2027-28, annual growth rates decelerate and stabilize at 4.6 to 4.8 percent per year.

As the first wave of baby boomers entered retirement in 2011, wages as a share of personal income had already begun a downwards drift, with the gap between Florida and national shares continuing to widen. Today, wages comprise just 43.5 percent of the state's personal income whereas the entire United States records 49.7 percent. This makes Florida relatively more reliant on other types of personal income such as transfer payments and property income to maintain growth. The relationship between the state's average annual wage and the national average tells a slightly different story about those who continue to work. Over the first two decades of this century, Florida's average annual wage was below the US average, reaching a recent low of 87.3 percent in 2020. This picture changed in 2021 when Florida moved above its longer run average of 88.9 percent to 89.2 percent. The state's percentage has risen steadily since then to the latest reading of 92.4 percent in 2025. After average annual wage growth of 3.5 percent in Fiscal Year 2026-27, the state is expected to enter a four-year period of growth at 4.0 percent or above each year before drifting to a 3.3 percent annual rate in Fiscal Year 2035-36. During this same period, employment growth exceeds 1 percent only once. This means higher wages are likely here to stay. At least in part, this is related to the growing senior share of Florida's population and their demand for services.

According to a report by the Federal Reserve Board of Governors, "Housing represents the largest expense for most families and, consequently, housing decisions have the potential to substantially affect economic well-being." Collectively, these individual decisions become a key driver of Florida's economy. Because construction activity continues to be subpar relative to the state's long-term average, attention over the past decade has focused on the market for existing homes as an upstream indicator of future construction need. All market metrics point to an existing home market that overheated as a result of the Federal Reserve's initial response to the pandemic but has now cooled after nearly four years (dating from September 2022) of 30-year mortgage rates above 6.0 percent. While certainly not unprecedented, rates have not been this high since November 2008.

After the turmoil of the housing boom and bust in the early years of this century, existing single-family home sales reached a new peak in Fiscal Year 2020-21. Immediately after, the series entered four years of negative year-over-year growth, dropping from 353,149 in annual sales to 249,499 at the end of the period. In light of the return to positive growth in Fiscal Year 2025-26, the Economic Estimating Conference expects growth of 4.0 percent in the current year and out-year growth ranging between 1.7 percent and 4.4 percent. The level never surpasses the 2020-21 peak. The story is different for the median sales price of existing single-family homes. After many years of being below the national median price, Florida's median moved well above the national median in the 2021-22, 2022-23 and 2023-24 fiscal years. The state dropped only slightly below the national price in Fiscal Year 2024-25 when it posted $413,104 for the year, a decline from the prior year's $416,291. The preliminary results for Fiscal Year 2025-26 show

0.4 percent growth over the prior year's level. The Conference expects another year of slow growth in the current year (0.6 percent), with out-year growth ranging between 1.8 and 2.3 percent.

The Federal Reserve's actions during the public health emergency also helped support the construction market. Despite the strong double-digit growth in eight of ten calendar years from 2012 to 2021, the per capita level is still below historic standards for single family building permits. With the robust growth seen in 2021, the level finally reached 92.2 percent of the long run average; however, it reduced to 81.0 percent in 2022 and has continued to drift downward to 64.6 percent in 2025. This was the first negative period for the series since the 2006 through 2009 calendar years during the collapse of the housing market. The Economic Estimating Conference believes single-family starts (a closely aligned metric that lags permits) saw a strong decline in Fiscal Year 2024-25 (-8.9 percent) with Fiscal Year 2025-26 even worse (-10.8 percent). The Conference expects Fiscal Year 2026-27 to remain in negative territory (-1.3 percent) before the series finally turns positive in Fiscal Year 2027-28 (1.4 percent). Thereafter, annual growth stays positive but gradually declines through Fiscal Year 2032-33, at which point it drifts negative once again.

For many families, automobile purchases are their second largest investment. Florida last saw its peak in total new light vehicle registrations in Fiscal Year 2005-06. Swinging widely from year-over-year growth of 10.3 percent in Fiscal Year 2020-21 to a retreat of 16.5 percent in Fiscal Year 2021-22 during the Covid period, new car registrations finally reached 96.5 percent of the prior peak in Fiscal Year 2024-25 and a projected 97.6 percent in Fiscal Year 2025-26. Going forward, the Conference expects a decline of 1.6 percent in Fiscal Year 2026-27 to be followed by gains in Fiscal Years 2027-28 (1.9 percent), 2028-29 (1.8 percent), and 2029-30 (1.1 percent). In the latter year, the state is also expected to pass its prior peak.

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 in domestic visitors after the worst of the pandemic, with Canadian and international visitors still at sub-peak levels. Total visitors, growing by 38.8 percent, surpassed the pre-pandemic peak by the end of Fiscal Year 2021-22, albeit with a very different composition. With no growth in Fiscal Year 2024-25 (0.0 percent) and only 0.7 percent growth in Fiscal Year 2025-26, the Economic Estimating Conference expects modest growth (1.8 percent) during Fiscal Year 2026-27; however, the rate picks up to 2.7 percent in Fiscal Year 2027-28. For Fiscal Year 2028-29, growth softens again to 2.2 percent. In subsequent years, the rate fluctuates while remaining below 3.0 percent in each year. The expected 145.8 million visitors in Fiscal Year 2026-27 will have a collective effect on Florida's infrastructure of an additional 2.08 million residents. The new forecast levels never exceed the pre-pandemic forecast levels for the overlapping years.

Key Demographic Trends

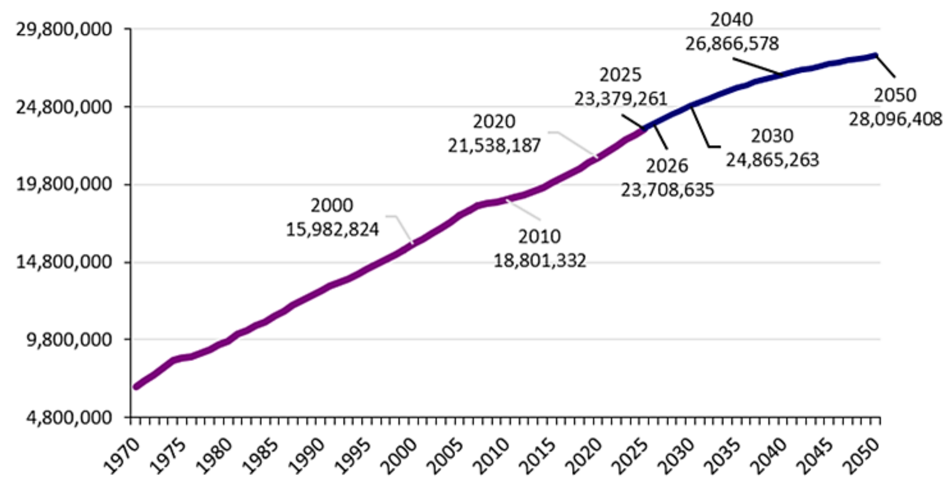
Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Between 2026 and 2030, the Demographic Estimating Conference forecasts growth to average 1.20 percent per year.[39] Nationally, average annual growth is expected to be about one-third of

[39] The Florida Demographic forecast is available at https://edr.state.fl.us/Content/conferences/population/index.cfm.

that level—averaging 0.41 percent per year between 2026 and 2030. Florida's year-over-year growth first drops below 1.00 percent in 2032.

Florida's population is still expected to break the 24 million mark in calendar year 2027 and reach 25 million residents by 2031. Historically, the strongest April-over-April growth rate in this century was the year 2000 at 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. In the past, Florida's population growth has largely been from net migration. Going forward, natural increase is anticipated to remain negative with deaths outnumbering births. This has been the case every year since the state's 2020-21 fiscal year, meaning all of Florida's population growth is dependent on positive net migration.

Florida Resident Population

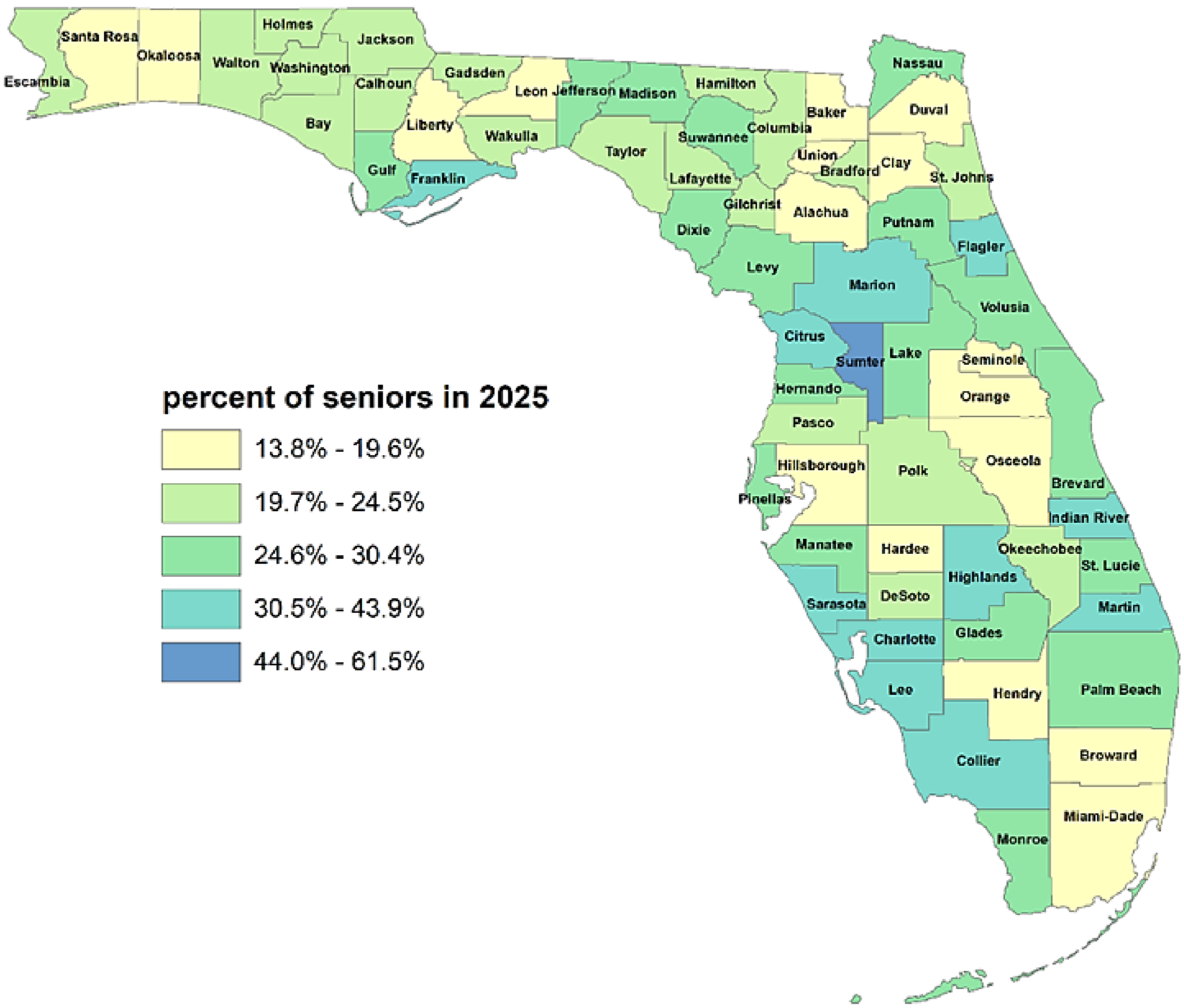


Florida's population growth has always varied by county, reflecting the diversity of both the demographic and economic characteristics of the local area. Between April 1, 2024, and April 1, 2025, resident population declined in seven Florida counties. Most of these counties (five) are small with population below 20,100. The declines ranged from -0.08 percent to -1.93 percent over the year.

The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Sixteen of nineteen cohorts have now entered the retirement phase. This represents slightly over 81 percent of all Baby Boomers. Population aged 65 and over is forecast to represent at least 26.0 percent of the total population in 2030, compared to 21.2 percent in 2020 and 17.3 percent in 2010. The sheer size of this aging population will have direct and indirect 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 Baby Boomers continue 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 2031-32 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. Across counties, the effects of the aging population will not be equal. Greater or lesser shares of Florida's senior population will be a determining factor for many, with these shares varying significantly across the state, as shown in the map below. In 2025, the highest senior percentage was 61.5 percent in Sumter County, while the lowest was 13.8 percent in Orange County.



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 and other federal programs, 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.

Hurricanes and Other Natural Disasters

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.[40] The 2026 Outlook includes a Critical Needs driver associated with the three-year average of General Revenue Fund transfers to the Emergency Preparedness and Response Fund; however, the Outlook does not account for discrete financial impacts specifically related to any future hurricanes in 2026 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.

<u>Florida Hurricane Catastrophe Fund</u>

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 2026 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 approximately $14.3 billion, primarily consisting of $12.1 billion in projected cash by December 31, 2026, and $2.3 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 $7.1 billion during the next 12 months if a large event occurs during the contract year. This estimated claims-paying capacity of approximately $21.4 billion ($12.1 billion cash, $2.3 billion pre-event bond proceeds, and $7.1 billion bonding capacity) is $4.4 billion above the total potential statutory maximum claims paying obligation of $17.0 billion. The $17.0 billion amount translates

[40] Legislative Office of Economic and Demographic Research analysis of the 2004 and 2005 hurricanes.

to an approximate 1-in-250-year event (0.40 percent probability in any given year) or an event that causes $110 billion in FHCF covered industry residential losses for the 2026 storm season.

The FHCF's claims-paying capacity in a subsequent year is highly dependent on the current year's activity level. According to a recent FHCF report, "If the FHCF's statutory limit is exhausted in the 2026-2027 Contract Year, the 2027-2028 estimated claims-paying capacity would be $12.78 billion. Conversely, if the FHCF does not have any covered events for the 2026-2027 Contract Year, the claims-paying resources for the 2027-2028 Contract Year would be $23.09 billion."[41]

Citizens Property Insurance

Citizens is one of the largest insurers of Florida homes and businesses. As a result of depopulation, Citizens enters the 2026 hurricane season with the lowest policy count on record. As of June 30, 2026, Citizens has just over 278,000 active policies and approximately $80.0 billion in exposure. Citizens projects a cash surplus of $5.6 billion to pay claims during the 2026 hurricane season. In addition, Citizens could be reimbursed up to $1.4 billion by the FHCF and up to $2.8 billion from private market reinsurers in the event of a qualifying catastrophic event. In total, the projected amount Citizens has available to pay claims is approximately $9.9 billion, which is $4.8 billion above its probable maximum loss of $5.0 billion for a 1-in-100-year storm event. This difference of $4.8 billion could be used for events larger than a 1-in-100-year storm event or for multiple storms. In addition, Citizens can levy broad-based assessments to support debt financing. With current levels of surplus, reinsurance, and coverage through the FHCF, Citizens could withstand a 1-in-100-year event followed by a 1-in-75-year event, or a series of smaller storms, before it would need to levy assessments on its own policyholders and on most property and casualty insurance policies.[42]

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.

Federal Actions/Legislation

Federal legislation or actions can have a positive or negative impact on state revenues or expenditures for various federal programs. While known impacts of enacted federal laws are considered by consensus estimating conferences, changes at the federal level may alter key assumptions of this Outlook.

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 2026-27, Florida's total DSH preliminary allotment established by the Centers for Medicare and Medicaid Services (CMS) is $514.1 million, with $294.2 million representing Florida's federal DSH allotment and the remaining balance being the required state matching funds.

[41] Report Prepared for the Florida Hurricane Catastrophe Fund (May 21, 2026). For a copy of the report, see: https://fhcf.sbafla.com/media/yrxptutm/fhcf-may-2026-bonding-capacity-report.pdf.

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

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 Hospital Directed Payment Program (HDPP) and the Indirect Graduate Medical Education (IME) Program. Making a moving target for the appropriations process, scheduled reductions have been delayed multiple times, with an expectation of October 1, 2025, at the December 2025 conference and January 31, 2026, at the beginning of the legislative session. Several weeks later, section 6105(b) of the Consolidated Appropriations Act, 2026 (Public Law 119-75) delayed the implementation date to federal fiscal year 2028, thereby eliminating the allotment reductions for federal fiscal years 2026 and 2027.

<u>Supplemental Nutrition Assistance Program Payment Error Rate</u>

The One Big Beautiful Bill Act (H.R. 1; Public Law No. 119-21) establishes a new state cost-sharing requirement for the Supplemental Nutrition Assistance Program (SNAP) beginning in Federal Fiscal Year (FFY) 2028 (October 1, 2027–September 30, 2028). For FFY 2028 only, states may use either their FFY 2025 or FFY 2026 SNAP payment error rate (PER) to determine their required state match. Beginning in FFY 2029, each state's cost-sharing requirement will be based on its PER from three fiscal years earlier. States with PERs of 6 percent or higher must contribute 5 percent, 10 percent, or 15 percent of SNAP benefit costs, depending on their PER. Before enactment of H.R. 1, SNAP benefits were funded entirely by the federal government.

H.R. 1 provides for delayed implementation for states with comparatively high PERs. If a state's FFY 2025 PER multiplied by 1.5 is at least 20 percent, implementation of the state cost-sharing requirement is delayed until FFY 2029. States that do not meet the threshold for delayed implementation are subject to the applicable cost-sharing requirement beginning in FFY 2028. For states, a PER of approximately 13.33 percent is the minimum needed to meet the threshold for delayed implementation (20 percent divided by 1.5 equals 13.333 percent).

In FFY 2025, Florida's SNAP benefits totaled approximately $6.8 billion and had a SNAP PER of 12.97 percent.[43] This rate does not meet the delayed implementation threshold of at least 13.33 percent. The Department of Children and Families reports that Florida's unofficial FFY 2026 SNAP PER, based on data through March 2026, is 14.49 percent.[44] Based on Florida's FFY 2025 PER, the state would be subject to a 15 percent cost share in FFY 2028, which, based on FFY 2025 benefit expenditures, would represent

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[43] Florida Department of Children and Families, Supplemental Nutrition Assistance Program Payment Error Rate Report (September 1, 2026), (report on file with the Senate Committee on Appropriations and House Budget Committee).
[44] *Id.*

approximately $1 billion in state costs. However, if Florida's final FFY 2026 PER is at least 13.33 percent,[45] implementation of the state cost-sharing requirement would be delayed until FFY 2030.

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 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 contains a list of legal matters with significant loss contingencies.[46]

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

At the time of this Outlook, there are three proposed amendments to the Florida Constitution on the ballot for the 2026 General Election, which may alter key assumptions of this Outlook. All amendments were proposed by joint resolution of the Legislature and 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.[47]

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[45] H.R. 1 delays implementation when the applicable PER multiplied by 1.5 is at least 20 percent.

[46] *See* Notes 19 and 20, Florida's Annual Comprehensive Financial Report, available at https://www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR.

[47] 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 and growing 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 Revenue Adjustments are included, the Outlook projects a surplus for Years 1 and 2 and a deficit for Year 3 as shown in the following table.[48]

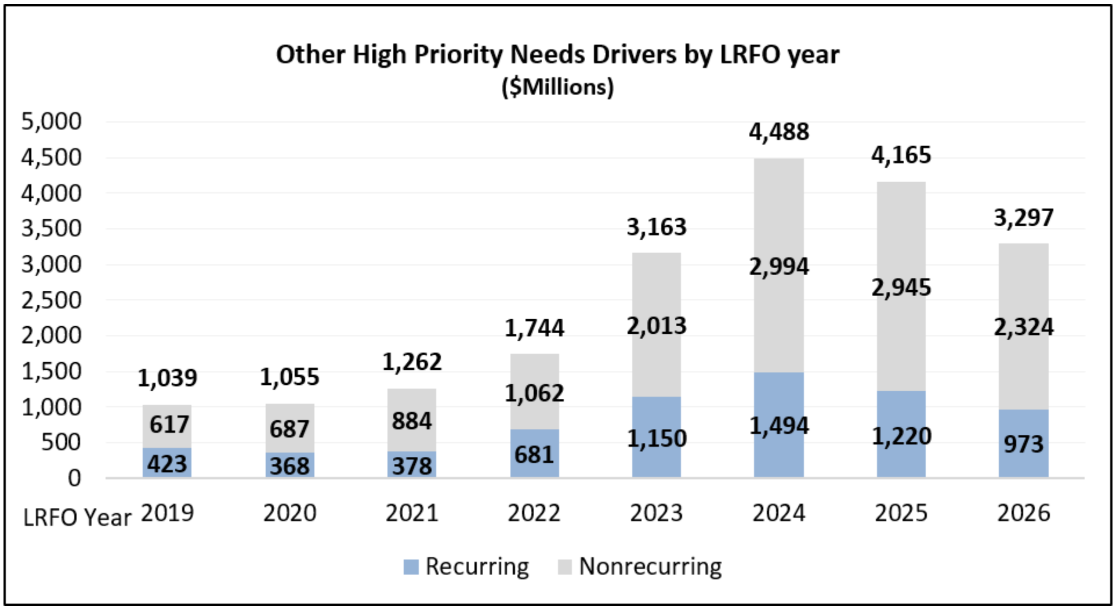
2026 Outlook - General Revenue Fund Projected Ending Balances ($Millions)	Year 1 2027-28			Year 2 2028-29			Year 3 2029-30		
	Recur	Nonrec	Total	Recur	Nonrec	Total	Recur	Nonrec	Total
Critical Needs	$2,779	$8,129	$10,908	$3,134	$9,136	$12,270	$4,044	$10,316	$14,359
Critical Needs + Other High Priority Needs + Revenue Adjustments	$1,387	$5,748	$7,135	$355	$3,005	$3,360	($122)	($903)	($1,025)

Strategic actions taken by the Legislature in the 2026 Session have significantly improved the state's overall financial position relative to the last two adopted Outlooks[49]. Specifically, for Fiscal Year 2027-28, the 2026 Outlook projects a *surplus* of $7.1 billion compared to a projected *deficit* of $1.5 billion in the 2025 Outlook—a positive improvement of nearly $8.7 billion as shown in the following table. Funds available are nearly 11.1 percent higher than expected, largely due to a higher balance forward from Fiscal Year 2026-27. Projected expenditures are also 4.1 percent less than expected, a direct function of the lower recurring budget for Fiscal Year 2026-27 which became the base budget for Fiscal Year 2027-28.

Fiscal Year 2027-28	2025 Outlook	2026 Outlook	Difference
Funds Available			
Balance Forward from 2026-27	5,802.0	10,890.4	5,088.4
Available General Revenue	53,122.5	53,454.9	332.4
Revenue Adjustments	(1,337.0)	(440.0)	937.0
Total Funds Available	**57,547.5**	**63,905.3**	**6,357.8**
			11.1%
Projected Expenditures			
Base Budget for 2027-28	49,981.3	49,104.5	(876.8)
Previously Authorized Expenditures	337.8	342.2	4.4
Total New Budget Drivers for 2027-28	6,682.3	5,239.0	(1,443.3)
Total Projected Expenditures	**57,001.4**	**54,685.8**	**(2,315.6)**
			-4.1%
Additional Adjustments for Reserves			
Reserve	2,071.8	2,084.7	12.9
Bottom Line	**(1,525.7)**	**7,134.8**	**8,660.5**

[48] Detailed projected ending balance calculations can be found in Appendix B of this document.
[49] Historical Long-Range Outlook results can be found in Appendix C of this document.

The Long-Range Financial Outlook has traditionally been developed using averages of recent funding levels to project future expenditures; the 2026 Outlook is consistent with this methodology. As discussed in prior Outlooks, the Legislature's utilization of historic General Revenue Fund balances to make significant investments over the past several years has driven up the cost for the budget drivers that are calculated using three-year averages.[50] As a result, the budget drivers that are based on three-year averages included in this forecast, while considerably less than those included in the 2024 and 2025 Outlooks, are still higher than previous Outlooks as shown in the following chart



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 2026 Outlook, there is a projected surplus for Fiscal Years 2027-28 and 2028-29; however, implementing fiscal strategies beginning in Year 1 would reduce the impact of adjustments needed in the following two years. For example, adjustments totaling just over $300 million ($40.6 million recurring; $260.3 million nonrecurring) made in each year of the Outlook period would resolve both recurring and

[50] *See* the Fiscal Strategies section of the 2024 Outlook available at https://edr.state.fl.us/Content/long-range-financial-outlook/3-Year-Plan_Fall-2024_2026-2028.pdf.

nonrecurring projected deficits in Year 3 of the forecast period. Alternatively, if fiscal strategies are deferred until Year 2 or 3 of the plan, a greater level of adjustments will be needed to resolve the projected deficit.

Another consideration is that the Outlook assumes a relatively modest level of unallocated General Revenue reserves (approximately $2.1 billion each year), which is well below the planned reserves for the previous three fiscal years.[51] 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.

[51] The planned unallocated General Revenue reserve was $5.8 billion for Fiscal Year 2024-25, $8.6 billion for Fiscal Year 2025-26, $9.7 billion for Fiscal Year 2026-27 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 2026 Forecasts ($Millions)	Fiscal Year 2025-26		Fiscal Year 2026-27		Fiscal Year 2027-28		Fiscal Year 2028-29		Fiscal Year 2029-30		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	744.3	755.9	761.1	777.9	773.2	790.8	783.0	803.0	792.7	814.4	http://edr.state.fl.us/Content/conferences/articleV/index.cfm
Documentary Stamp Tax Collections	3,826.9	4,097.0	3,915.0	4,187.1	4,024.6	4,283.4	4,133.2	4,386.2	4,228.3	4,495.9	http://edr.state.fl.us/Content/conferences/docstamp/index.cfm
General Revenue Fund	50,987.5	51,857.1	51,864.8	52,339.9	52,781.6	53,289.6	54,117.6	54,616.8	55,519.0	55,846.1	http://edr.state.fl.us/Content/conferences/generalrevenue/index.cfm
Gross Receipts Tax	1,441.0	1,460.0	1,469.1	1,500.1	1,484.9	1,528.7	1,474.6	1,514.4	1,463.3	1,497.2	http://edr.state.fl.us/Content/conferences/grossreceipts/index.cfm
Highway Safety Licenses and Fees	3,023.7	3,030.2	3,049.3	3,045.0	3,071.4	3,060.5	3,088.6	3,075.1	3,087.2	3,076.2	http://edr.state.fl.us/Content/conferences/highwaysafetyfees/index.cfm
Indian Gaming Revenues	1,032.6	1,044.3	1,104.9	1,139.6	1,154.4	1,179.5	1,208.1	1,237.9	1,263.9	1,300.4	http://edr.state.fl.us/Content/conferences/Indian-gaming/index.cfm
Lottery Revenues - Transfer to Educational Enhancement Trust Fund	2,262.1	2,406.0	2,130.4	2,249.2	2,177.8	2,277.9	2,201.3	2,303.5	2,255.0	2,361.1	http://edr.state.fl.us/Content/conferences/lottery/index.cfm

Revenue Estimating Conference – Summer 2026 Forecasts ($Millions)	Fiscal Year 2025-26		Fiscal Year 2026-27		Fiscal Year 2027-28		Fiscal Year 2028-29		Fiscal Year 2029-30		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	20.3	21.7	14.3	13.8	14.0	14.0	14.3	14.1	14.5	14.3	http://edr.state.fl.us/Content/conferences/parimutuels/index.cfm
Public Education Capital Outlay and Debt Service (PECO) Trust Fund - No Bonding	945.3	945.3	1,106.2	1,106.2	1,079.1	1,237.4	1,096.2	1,148.4	1,107.1	1,154.2	http://edr.state.fl.us/Content/conferences/peco/index.cfm
Revenues Flowing to State Transportation Trust Fund	4,894.7	4,883.9	4,987.5	4,910.9	5,100.9	5,037.4	5,206.1	5,141.2	5,296.0	5,236.2	http://edr.state.fl.us/Content/conferences/transportation/index.cfm
School Taxable Value	-	-	3,971,866	3,966,331	4,188,990	4,143,688	4,435,847	4,364,661	4,712,371	4,627,323	http://edr.state.fl.us/Content/conferences/advalorem/index.cfm
Slot Machine Revenues - Transfer to Educational Enhancement Trust Fund	251.1	247.9	247.0	237.6	248.9	238.9	251.5	246.4	254.1	250.3	http://edr.state.fl.us/Content/conferences/slotmachines/index.cfm
Tobacco Settlement Payments (with Liggett)	317.9	307.8	312.6	309.8	310.0	308.2	309.9	307.3	310.6	306.4	http://edr.state.fl.us/Content/conferences/tobaccosettlement/index.cfm
Tobacco Tax and Surcharge	812.0	814.2	773.6	775.3	743.7	744.5	716.5	716.8	690.4	690.3	http://edr.state.fl.us/Content/conferences/tobaccotaxsurcharge/index.cfm
Abandoned Property - Transfer to State School Trust Fund	992.1	698.6	70.6	413.9	240.4	602.1	297.3	308.8	352.2	362.2	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 2027-28			Fiscal Year 2028-29			Fiscal Year 2029-30		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1 **Funds Available:**									
2 Balance Forward [1]	0.0	10,890.4	10,890.4	0.0	7,134.8	7,134.8	0.0	3,360.2	3,360.2
3 Unused Reserve from Prior Year	0.0	0.0	0.0	0.0	2,084.7	2,084.7	0.0	2,136.5	2,136.5
4 Revenue Estimate	53,334.4	120.5	53,454.9	54,650.6	131.5	54,782.1	55,875.5	135.9	56,011.4
5 *Revenue Adjustments*									
6 Tax and Fee Changes [2]	(477.5)	(195.2)	(672.7)	(955.0)	(195.2)	(1,150.2)	(1,432.5)	(195.2)	(1,627.7)
7 Trust Fund Transfers and Redirects [2]	62.5	170.2	232.7	124.9	170.2	295.1	187.4	170.2	357.6
8 **Total Funds Available**	**52,919.4**	**10,985.9**	**63,905.3**	**53,820.5**	**9,326.0**	**63,146.5**	**54,630.4**	**5,607.6**	**60,238.0**
9									
10 **Estimated Expenditures:**									
11 Recurring Base Budget	49,104.5	0.0	49,104.5	51,274.8	0.0	51,274.8	53,207.6	0.0	53,207.6
12 Previously Authorized Appropriations [3]	258.0	84.2	342.2	257.8	85.8	343.6	257.8	87.6	345.4
13									
14 **New Issues by GAA Section:**									
15 PreK-12 Education	(64.4)	(790.7)	(855.2)	73.2	116.9	190.1	(218.7)	119.5	(99.2)
16 Higher Education	183.2	445.3	628.5	202.0	445.3	647.2	188.6	445.3	633.9
17 Education Fixed Capital Outlay [4]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18 Human Services	1,744.1	219.0	1,963.1	1,318.5	219.0	1,537.4	971.9	219.0	1,190.8
19 Criminal Justice & Judicial Branch	43.6	82.9	126.5	43.6	82.9	126.5	43.6	82.9	126.5
20 Transportation & Economic Development	0.0	316.2	316.2	0.0	317.8	317.8	0.0	316.2	316.2
21 Natural Resources	4.3	933.5	937.7	4.3	895.1	899.4	4.3	859.7	864.0
22 General Government	4.6	141.2	145.8	2.0	139.4	141.4	2.6	140.5	143.1
23 Administered Funds & Statewide Issues	254.9	1,721.4	1,976.4	289.3	1,882.3	2,171.6	294.5	2,055.4	2,349.8
24 **Total New Issues**	2,170.3	3,068.7	5,239.0	1,932.8	4,098.7	6,031.4	1,286.7	4,238.4	5,525.1
25									
26 **Total Estimated Expenditures**	**51,532.8**	**3,152.9**	**54,685.8**	**53,465.4**	**4,184.5**	**57,649.9**	**54,752.1**	**4,326.0**	**59,078.1**
27 Reserves	0.0	2,084.7	2,084.7	0.0	2,136.5	2,136.5	0.0	2,184.4	2,184.4
28 **Ending Balance**	**1,386.6**	**5,748.3**	**7,134.8**	**355.1**	**3,005.0**	**3,360.2**	**(121.7)**	**(902.8)**	**(1,024.5)**

Totals may not add due to rounding.

[1] The balance forward for Fiscal Year 2027-28 is adjusted to account for both $151.2M of General Revenue needed to cover estimated Fiscal Year 2026-27 deficits for the Medicaid Program ($74.9M), State Employees' Group Health Insurance Program ($62.2M), Kidcare Program ($12.3M), and the Children and Spouses of Deceased / Disabled Veterans (CSDDV) Award ($1.8M); and $3.4M of budget amendments processed in Fiscal Year 2026-27.
[2] The continuing impact of the recurring Tax and Fee Changes and Trust Fund Transfers and Redirects result in a cumulative effect for Fiscal Years 2028-29 and 2029-30.
[3] Previously Authorized Appropriations include financial obligations required by Florida Law or the State Constitution including Transfers to the Budget Stabilization Fund; Debt Reduction Program; Indian Gaming Local Distribution; Department of Health Revolving Loan Program; and Federal Funds Interest Earnings Rebate.
[4] 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.

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

		Fiscal Year 2027-28			Fiscal Year 2028-29			Fiscal Year 2029-30		
		Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1	**Funds Available:**									
2	Balance Forward [1]	0.0	10,890.4	10,890.4	0.0	10,908.2	10,908.2	0.0	12,270.3	12,270.3
3	Unused Reserve from Prior Year	0.0	0.0	0.0	0.0	2,084.7	2,084.7	0.0	2,136.5	2,136.5
4	Revenue Estimate	53,334.4	120.5	53,454.9	54,650.6	131.5	54,782.1	55,875.5	135.9	56,011.4
5	*Revenue Adjustments*									
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 and Redirects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	**Total Funds Available**	**53,334.4**	**11,010.9**	**64,345.3**	**54,650.6**	**13,124.4**	**67,775.0**	**55,875.5**	**14,542.7**	**70,418.2**
9										
10	**Estimated Expenditures:**									
11	Recurring Base Budget	49,104.5	0.0	49,104.5	50,297.0	0.0	50,297.0	51,258.6	0.0	51,258.6
12	Previously Authorized Appropriations [2]	258.0	84.2	342.2	257.8	85.8	343.6	257.8	87.6	345.4
13										
14	**New Issues by GAA Section:**									
15	PreK-12 Education	(75.2)	(908.0)	(983.2)	62.3	(15.6)	46.7	(229.7)	(0.7)	(230.4)
16	Higher Education	(51.0)	0.0	(51.0)	(25.7)	0.0	(25.7)	(38.5)	0.0	(38.5)
17	Education Fixed Capital Outlay [3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Human Services	1,262.2	0.0	1,262.2	836.5	0.0	836.5	489.9	0.0	489.9
19	Criminal Justice & Judicial Branch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Transportation & Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	Natural Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	General Government	4.1	67.0	71.0	1.7	66.4	68.1	2.1	67.6	69.7
23	Administered Funds & Statewide Issues	52.3	1,554.4	1,606.7	86.7	1,715.2	1,801.9	91.8	1,888.3	1,980.1
24	**Total New Issues**	1,192.4	713.3	1,905.7	961.6	1,766.0	2,727.6	315.6	1,955.2	2,270.9
25										
26	**Total Estimated Expenditures**	**50,555.0**	**797.5**	**51,352.4**	**51,516.4**	**1,851.8**	**53,368.2**	**51,832.0**	**2,042.8**	**53,874.8**
27	Reserves	0.0	2,084.7	2,084.7	0.0	2,136.5	2,136.5	0.0	2,184.4	2,184.4
28	**Ending Balance**	**2,779.4**	**8,128.7**	**10,908.2**	**3,134.2**	**9,136.1**	**12,270.3**	**4,043.5**	**10,315.5**	**14,359.0**

Totals may not add due to rounding.

[1] The balance forward for Fiscal Year 2027-28 is adjusted to account for both $151.2M of General Revenue needed to cover estimated Fiscal Year 2026-27 deficits for the Medicaid Program ($74.9M), State Employees' Group Health Insurance Program ($62.2M), Kidcare Program ($12.3M), and the Children and Spouses of Deceased / Disabled Veterans (CSDDV) Award ($1.8M); and $3.4M of budget amendments processed in Fiscal Year 2026-27.

[2] Previously Authorized Appropriations include financial obligations required by Florida Law or the State Constitution including Transfers to the Budget Stabilization Fund; Debt Reduction Program; Indian Gaming Local Distribution; Department of Health Revolving Loan Program; and Federal Funds Interest Earnings Rebate.

[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.

APPENDIX C – HISTORICAL TABLES

General Revenue Fund Collections

10-Year History ($ Millions)

Fiscal Year	Post-Session Forecast[1]	August 2026 Forecast	Difference (Aug - PS)	Incremental Growth	Percent Growth
2016-17	29,594.5	[redacted]	[redacted]	[redacted]	4.5%
2017-18	31,218.2	[redacted]	[redacted]	[redacted]	5.5%
2018-19	33,413.8	[redacted]	[redacted]	[redacted]	7.0%
2019-20	31,366.2	[redacted]	[redacted]	[redacted]	-6.1%
2020-21	36,280.9	[redacted]	[redacted]	[redacted]	15.7%
2021-22	44,035.7	[redacted]	[redacted]	[redacted]	21.4%
2022-23	47,327.8	[redacted]	[redacted]	[redacted]	7.5%
2023-24	48,342.0	[redacted]	[redacted]	[redacted]	2.1%
2024-25	49,676.0	[redacted]	[redacted]	[redacted]	2.8%
2025-26	50,987.5	51,857.1	869.6	2,181.1	4.4%
2026-27	51,864.8	52,339.9	475.1	482.8	0.9%
2027-28	52,781.6	53,289.6	508.0	949.7	1.8%
2028-29	54,117.6	54,616.8	499.2	1,327.2	2.5%
2029-30	55,519.0	55,846.1	327.1	1,229.3	2.3%

Long-Range Financial Outlook Results

10-Year History ($ Millions)

Outlook	For the Period Beginning	General Revenue Ending Balance			Level of Reserves[2]
		Year 1	Year 2	Year 3	
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
2025	Fiscal Year 2026-27	3,766.3	(1,525.7)	(6,575.1)	2,035.7
2026	Fiscal Year 2027-28	7,134.8	3,360.2	(1,024.5)	2,084.7

[1] Numbers displayed through Fiscal Year 2024-25 are final. The previous estimate is shown for Fiscal Year 2025-26 for the purposes of this table; the final number for the year is shown in the August 2026 Forecast column.

[2] 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.

Agency for Health Care Administration

EOG Number: B2027-0146

Problem Statement:
The Agency for Health Care Administration (AHCA) 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 28, 2026, to develop a new estimate of expenditures for Fiscal Year 2026-2027. Based on the final forecast of the July 2026 SSEC, the total expenditures related to Medicaid Services for Fiscal Year 2026-2027 are estimated to be $39,643,877,781, resulting in a projected overall deficit of $743,142,637. Deficits are projected in various appropriation categories and funds; however, a surplus of $191,225,339 is projected in the Refugee Assistance Trust Fund.

To conform appropriations with the projected expenditures agreed upon during the July 2026 SSEC, the AHCA must realign existing appropriations and request additional spending authority in various appropriation categories.

Agency Request:
The Agency for Health Care Administration requests a realignment of General Revenue and trust fund appropriations to address projected surpluses and deficits based on the July 2026 Social Services Estimating Conference for Medicaid Services Expenditures. The budget amendment realigns projected surpluses between various appropriation categories. This budget amendment also places $191,225,339 into unbudgeted reserve in the Refugee Assistance Trust Fund.

Governor's Recommendation:
Recommends the realignment of projected surpluses between various appropriation categories and to place $191,225,339 into unbudgeted reserve in the Refugee Assistance Trust Fund.

Senate Committee: Appropriations Committee on Health and Human Services ***Senate Analyst:*** Cynthia Barr	***House Committee:*** Health Care Budget Subcommittee ***House Analyst:*** Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
	AGENCY FOR HEALTH CARE ADMINISTRATION							
	Program: Health Care Services <u>Medicaid Services To Individuals</u>							
209	Special Categories Case Management							
	From General Revenue Fund		(3,544)		(3,544)			
	From Medical Care Trust Fund		(4,486)		(4,486)			
210	Special Categories Community Mental Health Services							
	From General Revenue Fund		(3,105,640)		(3,105,640)			
	From Medical Care Trust Fund		(3,986,784)		(3,986,784)			
212	Special Categories Developmental Evaluation And Intervention/Part C							
	From General Revenue Fund		1,249		1,249			
	From Medical Care Trust Fund		1,583		1,583			
216	Special Categories Graduate Medical Education							
	From General Revenue Fund		372		372			
	From Medical Care Trust Fund		(372)		(372)			

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	REQUESTED BY AGENCY Reserve	RECOMMENDED BY GOVERNOR Appropriation	RECOMMENDED BY GOVERNOR Reserve	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Reserve
217	Special Categories							
	Hospital Inpatient Services							
	From General Revenue Fund		5,300,988		5,300,988			
	From Medical Care Trust Fund		7,135,936		7,135,936			
	From Refugee Assistance Trust Fund			940,068		940,068		
218	Special Categories							
	Hospital Insurance Benefits							
	From General Revenue Fund		(88,387)		(88,387)			
	From Medical Care Trust Fund		(111,936)		(111,936)			
219	Special Categories							
	Hospital Outpatient Services							
	From General Revenue Fund		708,642		708,642			
	From Medical Care Trust Fund		1,237,805		1,237,805			
	From Refugee Assistance Trust Fund			468,842		468,842		
220	Special Categories							
	Other Fee For Service							
	From General Revenue Fund		44,107,128		44,107,128			
	From Health Care Trust Fund		(4,840,597)		(4,840,597)			
	From Medical Care Trust Fund		57,217,753		57,217,753			
	From Refugee Assistance Trust Fund			88,862,452		88,862,452		

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
221	Special Categories Personal Care Services							
	From General Revenue Fund		6,498,006		6,498,006			
	From Medical Care Trust Fund		8,238,864		8,238,864			
222	Special Categories Physician And Health Care Practitioner Services							
	From General Revenue Fund		4,050,092		4,050,092			
	From Medical Care Trust Fund		5,814,979		5,814,979			
	From Refugee Assistance Trust Fund			9,536,676		9,536,676		
223	Special Categories Prepaid Health Plans							
	From General Revenue Fund		(182,071,040)		(182,071,040)			
	From Health Care Trust Fund		4,840,597		4,840,597			
	From Health Care Trust Fund		1,300,000		1,300,000			
	From Medical Care Trust Fund		273,758,649		273,758,649			
	From Medical Care Trust Fund		28,609,676		28,609,676			
	From Public Medical Assistance Trust Fund		215,106,376		215,106,376			
	From Refugee Assistance Trust Fund			88,555,957		88,555,957		
224	Special Categories Prescribed Medicine/Drugs							
	From General Revenue Fund		(8,731,107)		(8,731,107)			
	From Medical Care Trust Fund		(10,949,027)		(10,949,027)			

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
	From Refugee Assistance Trust Fund			2,861,344		2,861,344		
225	Special Categories Medicare Part D Payment							
	From General Revenue Fund		8,685,073		8,685,073			
226	Special Categories Statewide Inpatient Psychiatric Services							
	From General Revenue Fund		(15,680)		(15,680)			
	From Medical Care Trust Fund		15,680		15,680			
227	Special Categories Supplemental Medical Insurance							
	From General Revenue Fund		41,066,595		41,066,595			
	From Medical Care Trust Fund		57,148,987		57,148,987			
	<u>Medicaid Long Term Care</u>							
229	Special Categories Assistive Care Services							
	From General Revenue Fund		18,861		18,861			
	From Medical Care Trust Fund		23,884		23,884			
230	Special Categories Pilot Program For Individuals With Developmental Disabilities							
	From General Revenue Fund		368		368			

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	REQUESTED BY AGENCY Reserve	RECOMMENDED BY GOVERNOR Appropriation	RECOMMENDED BY GOVERNOR Reserve	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Reserve
	From Medical Care Trust Fund		(368)		(368)			
232	Special Categories Intermediate Care Facilities/Intellectually Disabled - Sunland Center							
	From Medical Care Trust Fund		4,068,293		4,068,293			
233	Special Categories Intermediate Care Facilities/Developmentally Disabled Community							
	From General Revenue Fund		(10,704,851)		(10,704,851)			
	From Medical Care Trust Fund		(13,556,703)		(13,556,703)			
234	Special Categories Nursing Home Care							
	From General Revenue Fund		182,132		182,132			
	From Medical Care Trust Fund		230,085		230,085			
235	Special Categories Prepaid Health Plan/Long Term Care							
	From General Revenue Fund		94,103,634		94,103,634			
	From Grants And Donations Trust Fund		5,952,902		5,952,902			
	From Medical Care Trust Fund		221,522,137		221,522,137			

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY**		**RECOMMENDED BY GOVERNOR**		**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION**	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
236	Special Categories State Mental Health Hospital Program From Medical Care Trust Fund		720,106		720,106			
237	Special Categories Program Of All-Inclusive Care For The Elderly (Pace) From General Revenue Fund From Medical Care Trust Fund		(2,891) 2,891		(2,891) 2,891			

Agency for Health Care Administration

EOG Number: B2027-0136

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). Florida KidCare is jointly financed with state and federal funds. 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 2026 SSEC, total expenditures for the program for Fiscal Year 2026-2027 are estimated to be $1,109,868,958 with a projected overall deficit of $42,731,604. To conform the appropriations with the projected expenditures agreed upon during the July 2026 SSEC, the Agency for Health Care Administration must realign existing appropriations and request additional spending authority in various appropriation categories.
Agency Request: The Agency for Health Care Administration requests a realignment of General Revenue and trust fund appropriations to address projected surpluses and deficits in the KidCare program based on the July 2026 Social Services Estimating Conference for the Florida KidCare Program. The budget amendment realigns projected surpluses between various appropriation categories and increases budget authority in the Grants and Donations Trust Fund and the Medical Care Trust Fund.
Governor's Recommendation: Recommend approval of the realignment of projected surpluses between various appropriation categories and the increase in budget authority in the Grants and Donations Trust Fund and the Medical Care Trust Fund.

Senate Committee: Appropriations Committee on Health and Human Services ***Senate Analyst:*** Cynthia Barr	***House Committee:*** Health Care Budget Subcommittee ***House Analyst:*** Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
	AGENCY FOR HEALTH CARE ADMINISTRATION				
	Program: Health Care Services				
	Children's Special Health Care				
190	Special Categories				
	Grants And Aids - Florida Healthy Kids Corporation				
	From General Revenue Fund		1,937,458	1,937,458	
	From Medical Care Trust Fund		4,335,206	4,335,206	
	From Medical Care Trust Fund		18,355,264	18,355,264	
191	Special Categories				
	Contracted Services				
	From General Revenue Fund		(218,061)	(218,061)	
	From Grants And Donations Trust Fund		(41,887)	(41,887)	
	From Medical Care Trust Fund		(487,963)	(487,963)	
192	Special Categories				
	Grants And Aids - Contracted Services - Florida Healthy Kids Administration				
	From General Revenue Fund		(982,869)	(982,869)	
	From Medical Care Trust Fund		(2,199,123)	(2,199,123)	
193	Special Categories				
	Grants And Aids - Florida Healthy Kids Corporation Dental Services				
	From General Revenue Fund		(326,437)	(326,437)	
	From Medical Care Trust Fund		(730,333)	(730,333)	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
194	Special Categories				
	Medikids				
	From Grants And Donations Trust Fund		55,790	55,790	
	From Grants And Donations Trust Fund		2,543,453	2,543,453	
	From Medical Care Trust Fund		4,965,607	4,965,607	
195	Special Categories				
	Children's Medical Services Network				
	From General Revenue Fund		(410,091)	(410,091)	
	From Grants And Donations Trust Fund		(13,903)	(13,903)	
	From Medical Care Trust Fund		(917,787)	(917,787)	
	From Medical Care Trust Fund		4,539,409	4,539,409	

Agency for Health Care Administration

EOG Number: B2027-0095

Problem Statement: The State Fiscal Year 2026-2027 General Appropriations Act (GAA) and Chapter 2026-233, Laws of Florida, authorized the Agency for Health Care Administration (AHCA) to submit a budget amendment requesting budget authority to implement the Physician Supplemental Payment (PSP) program. The PSP program supports access to high quality care provided by doctors of medicine, osteopathy and dentistry by providing payments for the shortfall in physician Medicaid reimbursement for medical school faculty and public hospital employed physicians. On June 9, 2026, the AHCA received federal approval from the Centers for Medicare and Medicaid Services for the preprint portion of the PSP program to be distributed through managed care organizations under contract with the Florida Medicaid Program for the rate period October 1, 2025, through September 30, 2026. The AHCA does not have sufficient budget authority to distribute the Fiscal Year 2025-2026 PSP payments in the current fiscal year.
Agency Request: The Agency for Health Care Administration requests additional budget authority in the amount of $189,458,555 in the Grants and Donations Trust Fund and $253,408,568 in the Medical Care Trust Fund to support the Physician Supplemental Payment program in the current fiscal year.
Governor's Recommendation: Recommend approval to increase budget authority in the amount of $442,867,123 in the Prepaid Health Plans appropriation category within the Medicaid Services to Individuals budget entity to distribute funds associated with the Rate Year 2025-2026 Physician Supplemental Payment program.

Senate Committee: Appropriations Committee on Health and Human Services ***Senate Analyst:*** Cynthia Barr	***House Committee:*** Health Care Budget Subcommittee ***House Analyst:*** Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
	AGENCY FOR HEALTH CARE ADMINISTRATION				
	Program: Health Care Services <u>Medicaid Services To Individuals</u>				
223	Special Categories Prepaid Health Plans				
	From Grants And Donations Trust Fund		189,458,555	189,458,555	
	From Medical Care Trust Fund		253,408,568	253,408,568	

Fish and Wildlife Conservation Commission

EOG Number: P2027-0023

Problem Statement: Chapter 2026-232, Laws of Florida, provided for an additional 2,000,000 in salary rate held in reserve in the Division of Law Enforcement (DLE) to address a rate deficit for the DLE in Fiscal Year 2026-2027. The Fish and Wildlife Conservation Commission's (FWC) request for additional rate is largely tied to additives provided to sworn members of law enforcement. Salary additives are assigned to officers for special assignments like covert operations, offshore vessel patrol, K-9 patrol duties, dispatch trainer duties, special operations group duties, and dive team rescue and response efforts. Salary additives are also assigned to officers in counties where a competitive area differential in pay has been approved. Salary Additives are only assigned to an officer while they are performing the specific duty authorized or living in an authorized county. Salary additives range from 5% to 10% of the base rate of pay, so each time an across the board or law enforcement pay increase is authorized, FWC’s total cost of additives used also increases. Agency salary additives are approved through the legislative process and reviewed and implemented with the assistance of the Department of Management Services. Standard practice requires an agency to account for these additives as part of their rate reconciliation process. However, prior to Fiscal Year 2023-2024, salary additives were not properly accounted for by the FWC during the agency rate reconciliation process. The FWC has since implemented a corrective action plan and made adjustments to this process. However, due to this historical error, the division has a rate deficit of more than one million at the end of Fiscal Year 2025-2026. At any given time, the DLE uses approximately 2.6 million in rate to provide authorized salary additives for 535 of their 890 sworn members. A full release of salary rate is necessary to address the rate deficit and correct the error.
Agency Request: In accordance with proviso language, The Fish and Wildlife Conservation Commission requests a release of salary rate held in reserve in the Division of Law Enforcement to correct the rate deficit in the Fiscal Year 2026-2027.
Governor's Recommendation: Recommend approval of 2,000,000 in the release of salary rate from reserve in the Division of Law Enforcement to cure a rate deficit in the Fiscal Year 2026-2027.

Senate Committee: Appropriations Committee on Agriculture, Environment, and General Government ***Senate Analyst:*** Glenn Reagan	***House Committee:*** Agriculture & Natural Resources Budget Subcommittee ***House Analyst:*** Conor Ruffin

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	Fish and Wildlife Conservation Commission Program: Law Enforcement <u>Fish, Wildlife and Boating Law Enforcement</u>										
1929	*Salary Rate*			(2,000,000)	2,000,000		(2,000,000)	2,000,000			

Department of Military Affairs

EOG Number: B2027-0161

Problem Statement: On January 6, 2023, Governor DeSantis signed Executive Order 23-03 declaring a state of emergency and ordering the Adjutant General to activate the Florida National Guard in response to illegal migration. This order was subsequently extended by Executive Order 26-145. The Department of Military Affairs does not have the necessary budget authority to pay projected operating obligations incurred by the Florida National Guard through December 31, 2026, including Guardsmen payroll, at the North Florida Detention Center and for Operation Vigilant Sentry.
Agency Request: The Department of Military Affairs requests $7,566,785 in additional Emergency Response Trust Fund authority and the release of funds to pay anticipated obligations for payroll and operating expenditures for the illegal migration mission between September 11, 2026, and December 31, 2026, pursuant to Executive Order 26-145.
Governor's Recommendation: Recommend approval to increase budget authority in the amount of $7,566,785 in the Illegal Migration appropriation category from the Emergency Response Trust Fund for response to the illegal migration emergency.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Elizabeth Wells	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
MILITARY AFFAIRS					
	Program: Readiness And Response <u>Military Readiness And Response</u>				
N/A	Special Categories Illegal Migration From Emergency Response Trust Fund		7,566,785	7,566,785	

Department of Transportation

EOG Number: W2027-0022

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: $690.5 million for Right of Way acquisition and support; $2.2 billion for Intrastate, Arterial Highway Construction, Small County Programs and other associated construction inspection budget; $126.2 million for Public Transportation Programs; $240 million for Resurfacing; $489 million for Preliminary Engineering and Traffic Engineering Consultants; $152.5 million for Bridge Construction and Inspection; $126.6 for Local Transportation Projects; $26 million for Maintenance and Highway Beautification; $112 million for Major Disasters; $123.8 million for categories such as Planning Grants, County Transportation Programs, Safety Grants and Local Government Reimbursement; and $87 million for Toll/Turnpike Systems Equipment and Toll Operation Contracts.
Agency Request: The department requests $4,331,127,206 in additional budget authority in several appropriations categories for Work Program phases in the Fiscal Year 2026-27 Adopted Work Program which qualify for roll forward pursuant to s. 339.135(6)(c), F.S. This includes $14.8 million for the Turnpike Renewal and Replacement Trust Fund; $639.7 million for the Turnpike General Reserve Trust Fund; $3.3 billion for the State Transportation Trust Fund; $175.3 million for the Right of Way Acquisition Bridge Construction Trust Fund; and $205.8 million for General Revenue Fund.

Governor's Recommendation: Recommend approval of $4,331,127,206 in budget authority in several appropriation categories for Work Program phases from the Fiscal Year 2025-26 Adopted Work Program which qualify for roll forward pursuant to section 339.135(6)(c), F.S. This includes $14.8 million for the Turnpike Renewal and Replacement Trust Fund; $639.7 million for the Turnpike General Reserve Trust Fund; $3.3 billion for the State Transportation Trust Fund; $175.3 million for the Right of Way Acquisition Bridge Construction Trust Fund; and $205.8 million for General Revenue Fund.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
TRANSPORTATION					
	Transportation Systems Development <u>Program: Transportation Systems Development</u>				
2055	Fixed Capital Outlay Transportation Planning Consultants				
	From General Revenue Fund		1,439,815	1,439,815	
	From State Transportation (Primary) Trust Fund		9,728,279	9,728,279	
2056	Fixed Capital Outlay Aviation Development/Grants				
	From State Transportation (Primary) Trust Fund		8,703,469	8,703,469	
2057	Fixed Capital Outlay Public Transit Development/Grants				
	From State Transportation (Primary) Trust Fund		34,240,296	34,240,296	
2058	Fixed Capital Outlay Right-Of-Way Land Acquisition				
	From State Transportation (Primary) Trust Fund		325,879,571	325,879,571	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		160,025,867	160,025,867	
2061	Fixed Capital Outlay Seaport Grants				
	From State Transportation (Primary) Trust Fund		849,896	849,896	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
2062	Fixed Capital Outlay Seaport Investment Program From State Transportation (Primary) Trust Fund		6,848,000	6,848,000	
2063	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		22,197,316	22,197,316	
2064	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		7,057,631	7,057,631	
2065	Fixed Capital Outlay Preliminary Engineering Consultants From General Revenue Fund		101,074,391	101,074,391	
	From State Transportation (Primary) Trust Fund		250,608,955	250,608,955	
2066	Fixed Capital Outlay Right-Of-Way Support From State Transportation (Primary) Trust Fund		59,035,577	59,035,577	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		9,476,368	9,476,368	
2067	Fixed Capital Outlay Transportation Planning Grants From General Revenue Fund		3,815,580	3,815,580	
	From State Transportation (Primary) Trust Fund		10,791,534	10,791,534	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
	<u>Florida Rail Enterprise</u>				
2069 D	Fixed Capital Outlay Public Transit Development/Grants From State Transportation (Primary) Trust Fund		15,754,841	15,754,841	
2069 E	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		30,525,149	30,525,149	
N/A	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		3,282	3,282	
	Transportation Systems Operations <u>Program: Highway Operations</u>				
2081	Fixed Capital Outlay Small County Resurface Assistance Program (Scrap) From State Transportation (Primary) Trust Fund		1,540,963	1,540,963	
2082	Fixed Capital Outlay Small County Outreach Program (Scop) From State Transportation (Primary) Trust Fund		16,129,383	16,129,383	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
2084	Fixed Capital Outlay Grants And Aids - Major Disasters - Department Of Transportation Work Program From State Transportation (Primary) Trust Fund		112,052,059	112,052,059	
2085	Fixed Capital Outlay County Transportation Programs From State Transportation (Primary) Trust Fund		33,370,878	33,370,878	
2086	Fixed Capital Outlay Bond Guarantee From State Transportation (Primary) Trust Fund		500,000	500,000	
2087	Fixed Capital Outlay Transportation Highway Maintenance Contracts From State Transportation (Primary) Trust Fund		6,861,858	6,861,858	
2088	Fixed Capital Outlay Intrastate Highway Construction From General Revenue Fund		7,499,026	7,499,026	
	From State Transportation (Primary) Trust Fund		1,449,710,351	1,449,710,351	
2089	Fixed Capital Outlay Arterial Highway Construction From General Revenue Fund		2,867,514	2,867,514	
	From State Transportation (Primary) Trust Fund		216,432,514	216,432,514	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
2090	Fixed Capital Outlay Construction Inspection Consultants				
	From General Revenue Fund		8,619,037	8,619,037	
	From State Transportation (Primary) Trust Fund		148,276,749	148,276,749	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		387,005	387,005	
2092	Fixed Capital Outlay Highway Safety Construction/Grants				
	From State Transportation (Primary) Trust Fund		60,320,388	60,320,388	
2093	Fixed Capital Outlay Resurfacing				
	From State Transportation (Primary) Trust Fund		240,020,027	240,020,027	
2094	Fixed Capital Outlay Bridge Construction				
	From State Transportation (Primary) Trust Fund		136,272,271	136,272,271	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		5,409,678	5,409,678	
2096	Fixed Capital Outlay Highway Beautification Grants				
	From State Transportation (Primary) Trust Fund		1,431,471	1,431,471	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
2097	Fixed Capital Outlay Materials And Research From State Transportation (Primary) Trust Fund		3,821,460	3,821,460	
2097 A	Fixed Capital Outlay Local Transportation Projects				
	From General Revenue Fund		80,530,027	80,530,027	
	From State Transportation (Primary) Trust Fund		46,119,768	46,119,768	
2098	Fixed Capital Outlay Bridge Inspection From State Transportation (Primary) Trust Fund		6,043,344	6,043,344	
2099	Fixed Capital Outlay Traffic Engineering Consultants From State Transportation (Primary) Trust Fund		31,625,113	31,625,113	
	Florida's Turnpike Systems Florida's Turnpike Enterprise				
2139	Fixed Capital Outlay Transportation Highway Maintenance Contracts From State Transportation (Primary) Trust Fund		19,725	19,725	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
2140	Fixed Capital Outlay Intrastate Highway Construction From Turnpike Renewal And Replacement Trust Fund From Turnpike General Reserve Trust Fund		 10,902,417 303,695,445	 10,902,417 303,695,445	
2142	Fixed Capital Outlay Construction Inspection Consultants From Turnpike Renewal And Replacement Trust Fund From Turnpike General Reserve Trust Fund		 2,057,283 6,767,017	 2,057,283 6,767,017	
2143	Fixed Capital Outlay Right-Of-Way Land Acquisition From Turnpike General Reserve Trust Fund		 133,248,888	 133,248,888	
2145	Fixed Capital Outlay Bridge Construction From Turnpike Renewal And Replacement Trust Fund		 576,544	 576,544	
N/A	Fixed Capital Outlay Bridge Construction From Turnpike General Reserve Trust Fund		 4,205,851	 4,205,851	
2146	Fixed Capital Outlay Preliminary Engineering Consultants From Turnpike Renewal And Replacement Trust Fund		 1,253,062	 1,253,062	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
	From Turnpike General Reserve Trust Fund		102,446,075	102,446,075	
	From State Transportation (Primary) Trust Fund		973,285	973,285	
2147	Fixed Capital Outlay Right-Of-Way Support				
	From Turnpike General Reserve Trust Fund		2,795,124	2,795,124	
2148	Fixed Capital Outlay Traffic Engineering Consultants				
	From State Transportation (Primary) Trust Fund		1,242,383	1,242,383	
2149	Fixed Capital Outlay Toll Operation Contracts				
	From State Transportation (Primary) Trust Fund		51,918	51,918	
2150	Fixed Capital Outlay Turnpike System Equipment And Development				
	From Turnpike General Reserve Trust Fund		86,529,963	86,529,963	
	From State Transportation (Primary) Trust Fund		19,232	19,232	
2151	Fixed Capital Outlay Tolls System Equipment And Development				
	From State Transportation (Primary) Trust Fund		446,293	446,293	

Department of Transportation

EOG Number: W2027-0023

Problem Statement: The Department of Transportation (department) is authorized to submit a budget amendment to realign or increase budget authority within the Adopted Work Program to account for laws enacted which adjust the department's statutory revenue distributions pursuant to Chapter 2026-233, section 124, Laws of Florida. Section 25 of Chapter 2026-239, Laws of Florida, (HB 7031E Taxation), increased Documentary Stamp Tax revenue distributions to the department's State Transportation Trust Fund by $60 million to be used for the Florida Rail Enterprise (FRE) purposes established in s. 341.303, F.S. The department has identified the following projects which would expend the increase in Documentary Stamp distributions in the current fiscal year as follows: • Central Florida Commuter Rail (SunRail) Positive Train Control. • SFRTA (Tri-Rail) maintenance, operation, and dispatch. • Northeast Corridor - the first 13.5 mile segment of the 85-mile Coastal Link commuter rail corridor connecting Miami-Dade, Broward, and Palm Beach counties. • Increased funding for a project currently underway which adds capacity to the rail network in South Florida.
Agency Request: The department requests approval to amend the current fiscal year of the Adopted Work Program to add eligible projects consistent with the statutory distribution of reinstated Florida Rail Enterprise (FRE) funding at $60,000,000. This request includes the appropriation and release of $18,450,779 in the Public Transit Development Grants category within the State Transportation Trust Fund in the Florida Rail Enterprise budget entity and the appropriation and release of $41,549,221 in the Rail Development Grants category within the State Transportation Trust Fund in the Florida Rail Enterprise budget entity.
Governor's Recommendation: Recommend approval of $60,000,000 ($18,450,779 in the Public Transit Development Grants category and $41,549,221 in the Rail Development Grants category within the State Transportation Trust Fund in the Florida Rail Enterprise budget entity) to amend the current fiscal year Adopted Work Program to add eligible projects consistent with the statutory distribution of reinstated Florida Rail Enterprise (FRE) funding.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
TRANSPORTATION					
	Transportation Systems Development Florida Rail Enterprise				
2069 D	Fixed Capital Outlay Public Transit Development/Grants From State Transportation (Primary) Trust Fund		18,450,779	18,450,779	
2069 E	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		41,549,221	41,549,221	

Department of Transportation

EOG Number: W2027-0021

Problem Statement:

The Small County Outreach Program (SCOP) and Small County Road Assistance Program (SCRAP) were established by the Florida Legislature to provide dedicated transportation funding to Florida's eligible small counties, recognizing that many rural communities have limited financial resources to address critical transportation infrastructure needs. The Department of Transportation's (department) statutory revenue distributions were adjusted pursuant to Chapter 2026-239, Laws of Florida, to provide an additional $15,200,000 to be used for the SCRAP specified in s. 339.2816, F.S., and an additional $20,000,000 to be used for the SCOP specified in s. 339.2818, F.S.

The department is authorized to submit a budget amendment to realign or increase budget authority within the Adopted Work Program to account for laws enacted which adjust the department's statutory revenue distributions pursuant to Chapter 2026-233, section 124, Laws of Florida. This action allows the department to begin programming eligible small county projects consistent with the increased statutory distribution, while the department continues working with the districts to identify and prioritize additional projects for the remaining balance.

Additionally, two projects included in the initial request exceed the $3,000,000 threshold established in section 339.135(7)(h), F.S. The department seeks approval from the Legislative Budget Commission to add a new project, or phase thereof, to the Adopted Work Program for Fiscal Year 2026-27. By leveraging resources and taking advantage of early work completion ahead of schedule, the department has the ability to create efficiencies and advance and accelerate the work of two projects:

1. SCOP District 02: CR 49 (U.S. 129) from 208th St to CR 252 for $3,500,000
2. SCRAP District 02: CR 14 Madison for $6,448,485

Agency Request:

The department requests the appropriation and release of $15,200,000 in the Small County Resurface Assistance Program category within the State Transportation Trust Fund, and $20,000,000 in the Small County Outreach Program within the State Transportation Trust Fund, consistent with the increased statutory revenue distribution. Additionally, the department requests approval to amend the current fiscal year of the Adopted Work Program to add eligible small county projects pursuant to s. 339.135(7)(h), F.S.

Governor's Recommendation:

Recommend approval of $15,200,000 in the Small County Resurface Assistance Program, $20,000,000 in the Small County Outreach Program and to amend the current fiscal year of the Adopted Work Program to add eligible small county projects consistent with the increased statutory distribution, while the department continues working with the districts to identify and prioritize additional projects for the remaining balance.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
TRANSPORTATION					
	Transportation Systems Operations Program: Highway Operations				
2081	Fixed Capital Outlay Small County Resurface Assistance Program (Scrap) From State Transportation (Primary) Trust Fund		15,200,000	15,200,000	
2082	Fixed Capital Outlay Small County Outreach Program (Scop) From State Transportation (Primary) Trust Fund		20,000,000	20,000,000	

Department of Transportation

EOG Number: W2027-0024

Problem Statement:
Section 339.135(7)(h), F.S., 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 three projects to the Adopted Work Program for Fiscal Year 2026-27. By leveraging resources and taking advantage of early work completion ahead of schedule, the department has the ability to create efficiencies and advance and accelerate the work of three projects in the Intermodal Logistics Center (ILC) Infrastructure Support Program. The following projects have been identified:

1. Port of Pensacola ILC (Pensacola Area) – The Port of Pensacola Intermodal Logistics Center will provide a 60-acre site for bulk cargo, warehouse storage, and marine industry growth. Its direct rail and road access, proximity to the port, and private-sector partnerships will support shipbuilding, submarine construction, and emerging energy production. A budgeted cost of $7,500,000 will support the project.

2. AIPO - T15/16 (Orlando Area) – The AIPO T15/16 project will provide a multimodal, FTZ-eligible industrial site with direct CSX rail access, proximity to major highways and Orlando International Airport, and a new 320,318-square-foot Class A facility. These advantages support growing distribution and transloading needs while strengthening regional supply chains. A budgeted cost of $4,000,000 will support the project.

3. Westlake Industrial Lot 21-A (Jacksonville Area) – The Westlake Industrial Park Lot 21-A project will expand Jacksonville's FTZ logistics capacity with a 609,120-square-foot Class A facility and upgraded onsite infrastructure. Its highway access and proximity to major rail carriers, JAXPORT, and regional airports supports multimodal connectivity, while future rail-spur expansion offers additional flexibility. A budgeted cost of $3,500,000 will support the project.

Agency Request:
Pursuant to section 339.135(7)(h), F.S., the department requests the addition of three new projects to the Adopted Work Program for Fiscal Year 2026-27: the Port of Pensacola ILC, AIPO – T15/16, and the Westlake Industrial Lot 21-A. The department requests approval to amend the current fiscal year of the Adopted Work Program to add three projects totaling $15 million and provides that there are sufficient funds in the State Transportation Trust Fund to support this request.

Governor's Recommendation:
Recommend approval to amend the current fiscal year Adopted Work Program to add three projects. The actions are authorized in s. 339.135(7)(h)1, F.S.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Department of Financial Services

EOG Number: B2027-0190

Problem Statement: The Emergency Preparedness and Response (EPR) Fund within the Executive Office of the Governor is the primary source of funding for the state's preparation and response to disasters declared by the Governor as a state of emergency. Since the EPR Fund was created in 2022, the Legislature has transferred $5.02 billion from the General Revenue Fund to the EPR Fund to enable the state to prepare for and respond to declared disasters. Section 252.37(2)(b), F.S., authorizes the Governor to request additional funds to be transferred to the EPR Fund, subject to approval by the Legislative Budget Commission. The Division of Emergency Management has incurred significant expenses related to currently declared disasters, which include Hurricanes Idalia, Helene, Milton, the 2026 wildfires, and Operation Vigilant Sentry (illegal migration). However, there is insufficient nonoperating budget authority to transfer cash from the General Revenue Fund to the EPR Fund to allow the Division of Emergency Management to pay these outstanding obligations that exceed the regularly appropriated funding sources.
Agency Request: The Department of Financial Services requests approval of $240,000,000 in nonoperating transfer authority to transfer General Revenue to the Emergency Preparedness and Response Fund to pay for pending invoices related to declared disasters.
Governor's Recommendation: Recommend approval to provide $240,000,000 in nonoperating transfer authority to transfer cash from the General Revenue Fund to the Emergency Preparedness and Response Fund.

Senate Committee: Appropriations Committee on Agriculture, Environment, and General Government ***Senate Analyst:*** Michelle Sanders	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** Greg Davis

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
FINANCIAL SERVICES					
	Program: Financial Accountability For Public Funds <ins>State Financial Information And State Agency Accounting</ins>				
N/A	Transfers Transfer Of Funds Per Chapter 2022-002, Laws Of Florida For Declared Disasters/Emergencies From General Revenue Fund		240,000,000	240,000,000	

Division of Emergency Management

EOG Number: B2027-0139

Problem Statement:
The Division of Emergency Management (Division) was awarded a grant by the Federal Emergency Management Agency to enhance security and preparedness for the 2026 FIFA World Cup. The FIFA World Cup Grant Program (FWCGP) makes funds available to Host City Committee Task Forces for funding the extensive security activities required to protect players, staff, attendees, venues, and critical infrastructure across the host cities, strengthening them against potential terrorist attacks.

Florida's allocation for the FWCGP is $73,698,993 and budget authority was approved by the Legislative Budget Commission in amendment EOG# B0643, in April 2026. To date, the Division has disbursed $3,601,770 leaving a federal award balance of $70,097,223. However, the Division has insufficient budget authority in the Federal Grants Trust Fund to provide reimbursement to the Host City Committee Task Forces in the 2026-27 fiscal year.

Agency Request:
The Division of Emergency Management requests $70,097,223 in the Grants and Aids - Federal Grants and Aids appropriation category within the Federal Grants Trust Fund to provide reimbursement to the Host City Committee Task Forces supporting the 2026 FIFA World Cup Grant security activities.

Governor's Recommendation:
Recommend approval of $70,097,223 in the Grants and Aids - Federal Grants and Aids appropriation category within the Federal Grants Trust Fund to provide reimbursement to the Host City Committee Task Force for FIFA World Cup activities.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
GOVERNOR, EXECUTIVE OFFICE OF THE					
	Program: Emergency Management <u>Emergency Prevention, Preparedness And Response</u>				
N/A	Aid To Local Governments Grants And Aids - Federal Grants And Aids From Federal Grants Trust Fund		70,097,223	70,097,223	

Division of Emergency Management

EOG Number: B2027-0104

Problem Statement: The Emergency Preparedness and Response (EPR) Fund within the Executive Office of the Governor is the primary source of funding for the state's preparation and response to disasters declared by the Governor as a state of emergency. Since the EPR Fund was created in 2022, the Legislature has transferred $5.02 billion from the General Revenue Fund to the EPR Fund to enable the state to prepare for and respond to declared disasters. Section 252.37(2)(b), F.S., authorizes the Governor to request additional funds to be transferred to the EPR Fund, subject to approval by the Legislative Budget Commission. The Division of Emergency Management (DEM) plans for and responds to both natural and man-made disasters. As required by section 252.37, F.S., all disaster related costs are to be captured within the Emergency Preparedness and Response Fund. DEM has reviewed pending invoices and determined that there is insufficient budget authority in requisite categories to process payments related to the following declared disasters: Hurricanes Idalia, Helene, Milton, the 2026 wildfires and Operation Vigilant Sentry (illegal migration).
Agency Request: The Division of Emergency Management requests approval of $250,000,000 in budget authority and release in the Illegal Migration appropriation category ($187,841,430) and the Public Assistance – State Operations appropriation category ($62,158,570) within the Emergency Preparedness and Response Fund to pay for pending invoices related to declared disasters.
Governor's Recommendation: Recommends approval of $250,000,000 in additional budget authority and release within the Emergency Preparedness and Response Fund to process outstanding obligations.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
GOVERNOR, EXECUTIVE OFFICE OF THE					
	Program: Emergency Management <u>Emergency Prevention, Preparedness And Response</u>				
N/A	Special Categories Public Assistance - State Operations From Emergency Preparedness And Response Fund		62,158,570	62,158,570	
	Illegal Migration From Emergency Preparedness And Response Fund		187,841,430	187,841,430	

Department of Commerce

EOG Number: B2027-0077

Problem Statement: The Department of Commerce (COM) was awarded a grant by the U.S. Department of Labor to administer the Shipbuilding and Defense Industrial Base Apprenticeship Expansion Program, a nationwide program to expand Registered Apprenticeship (RA) opportunities in the defense, shipbuilding, maritime, and other aligned manufacturing sectors. The program establishes a nationwide incentive model that provides eligible apprenticeship sponsors with performance-based payments of up to $6,000 per apprentice upon verified enrollment and successful completion of a 90-working-day milestone. The program is designed to increase apprenticeship enrollment, improve retention, expand sponsor participation, and strengthen the skilled workforce pipeline supporting the defense industrial base. Florida's allocation for the RA program is $40,000,000, and the performance period for the grant runs through June 30, 2030. COM has outlined a four-year plan, along with its CareerSource Florida partner, to begin enrolling apprenticeship sponsors and expects to utilize approximately 18 percent of the award this fiscal year. However, the department does not have sufficient budget authority in the current year to provide the sponsor payments supporting this program.
Agency Request: The Department of Commerce requests $7,200,000 in the Employment Security Administration Trust Fund to provide the necessary budget authority to implement and administer the Shipbuilding and Defense Industrial Base Apprenticeship Expansion Program.
Governor's Recommendation: Recommend approval of $7,200,000 in budget authority in the Employment Security Administration Trust Fund to implement the Shipbuilding and Defense Industrial Base Apprenticeship Expansion Program, consistent with the USDOL award.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Christian Griffin	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
COMMERCE					
	Program: Workforce Services <u>Workforce Development</u>				
N/A	Special Categories Shipbuilding And Defense Industrial Base Apprenticeship Program From Employment Security Administration Trust Fund		7,200,000	7,200,000	

Department of State

EOG Number: B2027-0091

Problem Statement: The Department of State (department), Division of Library and Information Services, manages the State Library and the State Archives, supports public libraries, directs record management services and is the designated information resource provider for the State of Florida. Annually, the department receives Library Services and Technology Act Grant funds from the Institute of Museum and Library Services (IMLS). For Fiscal Year 2026-2027, the department was awarded $9,742,781 by IMLS. The total budget authority appropriated in the Federal Grants Trust Fund is $9,042,112. Additional budget authority is necessary to fully expend the federal award.
Agency Request: The Department of State, Division of Library and Information Services, requests $700,669 in additional budget authority in the Federal Grants Trust Fund to fully expend the federal funds awarded and to meet all program obligations as follows: Expenses - $100,669 Contracted Services - $600,000
Governor's Recommendation: Recommend approval of $700,669 in additional budget authority in the Federal Grants Trust Fund to expend the federal funds awarded and to meet all program obligations.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development ***Senate Analyst:*** Elizabeth Wells	***House Committee:*** Transportation & Economic Development Budget Subcommittee ***House Analyst:*** Alivia Andeara John McAuliffe

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
STATE					
	Program: Library And Information Services <u>Library, Archives And Information Services</u>				
3318	Expenses From Federal Grants Trust Fund		100,669	100,669	
3323	Special Categories Contracted Services From Federal Grants Trust Fund		600,000	600,000	

Department of Law Enforcement

EOG Number: B2027-0131

Problem Statement: The Florida Department of Law Enforcement (FDLE) serves as Florida's Domestic Security Coordinating Agency and oversees the Regional Domestic Security Task Forces. On April 17, 2026, the Legislative Budget Commission granted FDLE $8,128,114 in Federal Grants Trust Fund spending authority and $8,128,114 in Operating Trust Fund spending authority for Fiscal Year 2025-26 to expend funds that were provided by the Federal Emergency Management (FEMA) grant funding, sub-awarded through the Florida Division of Emergency Management, to support technologies to detect unmanned aircraft systems (EOG Number B2026-0617). The FDLE was unable to expend the full amount of the grant by June 30, 2026, and therefore requires additional spending authority in Fiscal Year 2026-27 to fully expend the remaining awarded funds. The FDLE requests $1,320,000 in Federal Grants Trust Fund spending authority and $1,320,000 in Operating Trust Fund spending authority both within the Investigative Services budget entity to fully expend the grant award.
Agency Request: The department requests an additional $1,320,000 in spending authority in the Operating Trust Fund and an additional $1,320,000 in spending authority in the Federal Grants Trust Fund within the Investigative Services budget entity to allow the department to expend federal funds related to unmanned aircraft system detection.
Governor's Recommendation: Recommend approval for an additional $1,320,000 in spending authority in the Operating Trust Fund and an additional $1,320,000 in spending authority in the Federal Grants Trust Fund within the Investigative Services budget entity to allow the department to expend federal funds related to unmanned aircraft system detection.

Senate Committee: Appropriations Committee on Criminal and Civil Justice ***Senate Analyst:*** Hayley Kolich	***House Committee:*** Justice Budget Subcommittee ***House Analyst:*** Matthew Saag

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
LAW ENFORCEMENT					
	Program: Investigations And Forensic Science Program <u>Investigative Services</u>				
1332	Special Categories Domestic Security From Federal Grants Trust Fund From Operating Trust Fund		 1,320,000 1,320,000	 1,320,000 1,320,000	

Department of Law Enforcement

EOG Number: B2027-0130

Problem Statement: The Florida Department of Law Enforcement (FDLE) serves as the State Administering Agency for the federal Byrne State Crisis Intervention Program. The program provides funding to support crisis intervention activities and programs administered by state and local government entities, including extreme risk protection order programs, mental health courts, drug courts, and veterans treatment courts. On July 13, 2026, the Department of Justice awarded $7,792,412 in new grant funding to FDLE for the Byrne State Crisis Intervention Formula Program. The FDLE anticipates awarding 70 to 100 subawards annually to eligible state and local government entities. However, the department has insufficient trust fund spending authority within its Federal Grants Trust Fund to make the grant awards. To support the implementation of the program and reimburse state and local governments for eligible expenditures, FDLE requires $7,416,043 in additional spending authority in various categories within the Executive Direction and Support Services budget entity.
Agency Request: The department requests an additional $7,416,043 in spending authority in the Federal Grants Trust Fund within the Executive Direction and Support Services budget entity to provide grant awards for eligible expenses under the federal Byrne State Crisis Intervention Program.
Governor's Recommendation: Recommend approval for $7,416,043 in spending authority in the Federal Grants Trust Fund within the Executive Direction and Support Services budget entity to reimburse state and local governments for eligible expenses under the federal Byrne State Crisis Intervention Program.

Senate Committee: Appropriations Committee on Criminal and Civil Justice ***Senate Analyst:*** Hayley Kolich	***House Committee:*** Justice Budget Subcommittee ***House Analyst:*** Matthew Saag

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	REQUESTED BY AGENCY Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
LAW ENFORCEMENT					
	Program: Executive Direction And Support <u>Executive Direction And Support Services</u>				
1274	Salaries And Benefits From Federal Grants Trust Fund		297,123	297,123	
1276	Expenses From Federal Grants Trust Fund		48,193	48,193	
1281	Aid To Local Governments Grants And Aids - Byrne Justice Assistance Grant (Jag) Program - Local Units Of Government From Federal Grants Trust Fund		3,116,965	3,116,965	
1285	Special Categories Contracted Services From Federal Grants Trust Fund		50,000	50,000	
1291	Special Categories Grants And Aids - Byrne Justice Assistance Grant (Jag) Program - State Government From Federal Grants Trust Fund		3,896,206	3,896,206	

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY**	**RECOMMENDED BY GOVERNOR**	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION**
			Appropriation	Appropriation	Appropriation
N/A	Transfers Transfer To Department Of Law Enforcement Funds - Indirect From Federal Grants Trust Fund		7,556	7,556	

Department of Law Enforcement

EOG Number: B2027-0162

Problem Statement: The Florida Department of Law Enforcement (FDLE) operates seven regional operations centers located throughout the state to support ongoing investigative, intelligence, and domestic security duties of the state. The Tampa Bay Regional Operations Center (TBROC) serves and coordinates multi-jurisdictional law enforcement responses and field investigations across Citrus, Hardee, Hernando, Hillsborough, Pasco, Pinellas, Polk, and Sumter counties. Additionally, TBROC houses a regional intelligence center, which collects and analyzes domestic security information locally. The current TBROC facility was completed in 1991, and from Fiscal Years 2018-2023, has received $12.4 million in funding to address maintenance, repair, and ADA-compliance issues in order to reassign ownership of the building from FDLE to the Department of Management Services (DMS) for management within the Florida Facilities Pool. Under DMS management, TBROC has also received additional funding for ongoing maintenance and exterior envelope sealing. In 2024, TBROC sustained damage from consecutive hurricane landfalls which exacerbated existing water intrusion issues, causing laboratory and casework delays impacting public safety services. In addition to current expenditures for annual maintenance, DMS anticipates that the TBROC will require approximately $40 million in critical maintenance needs over the next decade, to include roofing, HVAC, and exterior brick facade replacement. Due to these potential future needs, FDLE has engaged a tenant-broker through the DMS contract to explore options to build a long-term financed structure to replace the existing facility. The FDLE requests $3,000,000 in Operating Trust Fund spending authority within the Executive Direction and Support Services budget entity to procure tenant broker services for potential replacement of the TBROC.
Agency Request: The department requests an additional $3,000,000 in spending authority in the Operating Trust Fund within the Executive Direction and Support Services budget entity to procure tenant broker services for potential replacement of the Tampa Bay Regional Operations Center.
Governor's Recommendation: Recommend approval for an additional $3,000,000 in spending authority in the Operating Trust Fund within the Executive Direction and Support Services budget entity to procure tenant broker services for potential replacement of the Tampa Bay Regional Operations Center.

Senate Committee: Appropriations Committee on Criminal and Civil Justice ***Senate Analyst:*** Hayley Kolich	***House Committee:*** Justice Budget Subcommittee ***House Analyst:*** Matthew Saag

Line Item No.	Budget Entity / Fund / Appropriation Category Title Account Code	CF	**REQUESTED BY AGENCY** Appropriation	**RECOMMENDED BY GOVERNOR** Appropriation	**APPROVED BY THE LEGISLATIVE BUDGET COMMISSION** Appropriation
LAW ENFORCEMENT					
	Program: Executive Direction And Support <u>Executive Direction And Support Services</u>				
1289	Special Categories Tenant Broker Commissions From Operating Trust Fund		3,000,000	3,000,000	