

RECENT STATE FINANCIAL DEVELOPMENTS

Fiscal Year 2023-24

Budget and Revenues – The Fiscal Year 2023-24 adopted budget totaled \$116.5 billion, which was \$6.6 billion, or 6.0%, higher than the adopted Fiscal Year 2022-23 budget of \$109.9 billion. The General Fund budget totaled approximately \$46.1 billion, representing a 10.3% increase from the adopted Fiscal Year 2022-23 General Fund budget of \$41.8 billion, and was funded primarily from general revenue collections.

Actual net general revenue collections of \$48.3 billion for Fiscal Year 2023-24 were approximately \$3.0 billion, or 6.7%, higher than the estimates used to develop the Fiscal Year 2023-24 budget and approximately \$1.0 billion, or 2.1%, higher than the collections in the prior fiscal year. The increase in general revenue collections was primarily the result of growth in collections of sales tax and corporate income tax, which saw year-over-year increases of 0.6% and 9.0%, respectively, and increased earnings on investments, which were \$305 million more than the prior fiscal year.

Reserves – Based on the November 20, 2024, General Fund Outlook Statement and General Fund Retrospect, the Fiscal Year 2023-24 year-end General Fund balance was approximately \$13.2 billion (net of approximately \$3.2 billion of American Rescue Plan Act related reappropriations and other funds reappropriated in Fiscal Year 2024-25). This balance included the approximately \$2.2 billion remaining balance of contingent appropriations for State funded reinsurance to support the property insurance market. The Fiscal Year 2023-24 budget included a \$1.0 billion transfer to the Budget Stabilization Fund (“BSF”), which increased the fiscal year-end balance of the BSF to over \$4.1 billion. Including the BSF, total General Fund reserves at fiscal year-end were approximately \$17.3 billion. Additionally, when \$3.2 billion in excess trust fund balances are included, the total State reserves at the end of Fiscal Year 2023-24 were approximately \$20.5 billion (42.5% of Fiscal Year 2023-24 general revenue collections). While the Emergency Preparedness and Response Fund (“EPRF”), which was created in Fiscal Year 2021-22 to provide a dedicated source of funding for the Governor to respond to declared states of emergencies, received additional appropriations in Fiscal Year 2023-24, the full balance at year-end was obligated to support disaster relief efforts.

Fiscal Year 2024-25

Budget and Revenues– The Fiscal Year 2024-25 adopted budget totaled \$116.5 billion, which was consistent with spending levels in the adopted Fiscal Year 2023-24 budget. The General Fund budget totaled approximately \$48.6 billion, representing a 5.4% increase from the adopted Fiscal Year 2023-24 General Revenue budget of \$46.1 billion, and was funded primarily from general revenue collections.

Actual net general revenue collections of \$49.7 billion for Fiscal Year 2024-25 were approximately \$1.7 billion, or 3.5%, higher than the than the estimates used to develop the Fiscal Year 2024-25 budget and approximately \$1.3 billion, or 2.8%, higher than the collections in the prior fiscal year. The largest year-over-year increases were in sales tax collections (\$893.0 million, or 2.5%, above prior year) and earnings on investments (\$443.8 million, or 40.6%, above prior year).

Reserves – Based on the March 14, 2025, General Fund Outlook Statement, the Fiscal Year 2024-25 year-end General Fund balance was projected to be approximately \$11.1 billion (including approximately \$2.2 billion remaining balance of contingent appropriations in Fiscal Year 2024-25 for State funded reinsurance to support the property insurance market). The Fiscal Year 2024-25 Budget included a \$300 million transfer to the BSF, which increased the estimated year-end balance to approximately \$4.4 billion. Including the BSF, total General Fund reserves at fiscal year-end are currently projected at approximately \$15.6 billion. Additionally, when approximately \$3.0 billion in various estimated excess trust fund balances are included, the total estimated State reserves at the end of Fiscal Year 2024-25 are approximately \$18.6 billion (37.7% of projected Fiscal Year 2024-25 general revenue collections). The EPRF received additional appropriations in Fiscal Year 2024-25, but the balance has been obligated to fund ongoing disaster relief efforts.

Fiscal Year 2025-26

On June 30, 2025, the Governor finalized the Fiscal Year 2025-26 Budget by signing the General Appropriations Act adopted by the State Legislature. The Fiscal Year 2025-26 Budget, after line-item vetoes by the Governor, totals \$114.8 billion, which is \$1.7 billion (1.5%) less than the Fiscal Year 2024-25 adopted budget of

\$116.5 billion. The General Fund budget totals approximately \$50.3 billion, representing a 3.5% increase from the prior year budget and will be funded primarily from general revenue collections and approximately \$142.1 million of trust fund transfers. The Fiscal Year 2025-26 Budget includes a \$429.6 million transfer to the BSF which will increase the balance of the fund to \$4.9 billion. The Legislature also approved a \$500 million transfer to the EPRF for Fiscal Year 2025-26 to support emergency response efforts.

Impact of Recent Hurricanes

The State has been impacted by hurricanes in recent fiscal years, with Hurricanes Ian, Nicole, and Idalia making landfall in Fiscal Years 2022-23 and 2023-24. In Fiscal Year 2024-25, Hurricanes Debby, Helene, and Milton made landfall in Florida in August 2024, September 2024, and October 2024, respectively. States of emergency were declared in advance of each of these storms, which provided the Governor with broad spending authority to meet the State's financial obligations resulting from the storms.

As of July 23, 2025, State agencies estimated that they will spend a total of approximately \$7.6 billion in response to the recent hurricanes in Fiscal Years 2022-23 through 2024-25. The State continues to monitor and receive updates on storm-related expenditures from all State agencies. The State anticipates that it will receive reimbursements from the Federal Emergency Management Agency ("FEMA") for 75%, 90%, or 100% of a significant portion of the costs related to the hurricanes, with the reimbursement levels dependent on the category of expenses and amount of overall State expenditures for each storm. Estimated State agency costs include paying a portion of the storm-related expenses of counties and the costs of certain categories of individual assistance provided by FEMA to Florida citizens. The majority of the State costs related to the hurricanes have already been or will be funded by amounts in the EPRF and the General Fund balance in advance of future FEMA reimbursements.

Additionally, approximately \$818.9 million of additional State funded reinsurance that was selected for the 2022 and 2023 hurricane seasons has been utilized as of July 2025. The State funded programs provided up to \$3 billion of General Revenue funding for reinsurance coverage during the 2022 and 2023 hurricane seasons. State funded reinsurance coverage was not offered for the 2024 or 2025 hurricane seasons, and as of June 30, 2025, the State reduced the maximum appropriations from the General Fund balance for the programs to \$905 million, leaving a balance of approximately \$86.1 million of contingent appropriations, which are not expected to be utilized and will remain in the General Fund balance.

The estimates provided above are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth above. No assurance is given that actual results will not differ materially from the estimates provided above.

DATED: AUGUST 15, 2025