State of Florida

Debt Report

2023

Prepared by:
The Division of Bond Finance
December 2023

TABLE OF CONTENTS

Executive Summary 2
Introduction 6
Outstanding State Debt 7
Indirect Debt 9
Alternative Financing Techniques 11
Debt Outstanding 14
Projected Debt Issuance 16
Projected Debt Service 167
Revenue Forecasts 17
Benchmark Debt Ratio 18
Debt Capacity 19
Florida Compared to Other States 20
Reserves 22
Credit Ratings 24
Conclusion 25

Executive Summary

The State of Florida Debt Report (the "Report") is prepared annually by the Division of Bond Finance in accordance with Section 215.98, Florida Statutes. The Report reviews the State's debt position and how future debt service payments, projected debt issuance, and revenue projections will affect the State's benchmark debt ratio. The Report also provides information on matters important to the State's credit ratings such as pension liabilities and the State's property insurance market, as well as developments in alternative financing techniques.

The debt affordability analysis contained in the Report is based on the ratio of debt service to revenues available to pay debt service. Legislative policy guidelines establish a 6% target and a 7% limit for the State's benchmark debt ratio.

The debt ratio remains well below the 6% target due to limited debt issuance and revenue growth. The State is well positioned with significant debt capacity available to fund critical infrastructure needs. Economic strength, revenue growth, prudent financial management, and ample reserves are reflected in the State's triple-A credit ratings. The State is well positioned to ensure stability through future economic cycles.

Debt and Debt Service Payments

Total State direct debt outstanding as of June 30, 2023, was $16.3 billion, a $800 million decrease from the prior fiscal year. This continues a downward trend which began in 2011 totaling $11.9 billion or a 42% reduction in debt outstanding. Net tax-supported debt for programs supported by State tax revenues or tax-like revenues totaled $12.2 billion. Self-supporting debt, representing debt secured by revenues generated from operating bond-financed facilities, totaled $4.1 billion. Indirect State debt, debt secured by revenues not appropriated by the State or debt obligations issued by a separate legal entity, was approximately $11.0 billion.

Approximately $1.9 billion of net tax-supported debt is projected to be issued over the next ten years, primarily for financing transportation projects. Projected debt issuance over the next ten years has decreased by approximately $300 million relative to the $2.2 billion projected issuance in the 2022 Debt Report. There has been a significant decrease in projected debt issuance over the past decade reflecting less reliance on debt to finance infrastructure. In Fiscal Year ("FY") 2010, projected debt issuance was $7.2 billion compared to current projected debt issuance of only $1.9 billion.

After remaining constant around $2.2 billion for several years, annual debt service payments decreased significantly in FY 2023 to $1.7 billion, primarily due to limited new borrowing and the final payment on a large transportation P3 project. Annual debt service payments are projected to continue declining to $1.6 billion in FY 2024 and to further decline annually thereafter.

Revenues
Changes in revenues have a significant impact on the calculation of the State's debt ratio and available debt capacity. Florida's economy remains strong, with FY 2023 revenues available to pay debt service totaling more than $59.2 billion, an increase of $3.1 billion, or 6%, from FY 2022. General Revenue collections, which make up the majority of total revenues available to pay debt service, are projected to decline by $1.7 billion, or 3.5%, in FY 2024; however, actual collections have exceeded estimates by approximately $557.5 million or 5.4% through September 2023.

Benchmark Debt Ratio and Debt Capacity
Economic strength and limited borrowing in FY 2023 resulted in a further decrease in the benchmark ratio to 2.93%. The benchmark debt ratio has stayed below the 6% policy target for nine consecutive years. Projections for the benchmark debt ratio remain below 6% through 2033 but are dependent on realizing revenue projections.

Debt capacity available over the next ten years within the 6% policy target is approximately $47.7 billion. Assuming the current projected revenue collections, there is approximately $27.4 billion of debt capacity available within the policy target in FY 2024. Although likely not needed in the near-term, due to the State's ample reserve levels and continued strong revenue collections, significant debt capacity is available should policymakers choose to use debt to accelerate strategically important infrastructure projects.

Refundings and New Strategies to Reduce State Debt
Over the past 10 years, the Division has executed 117 refinancing transactions totaling $14.5 billion to take advantage of the historically low interest rates. Refundings over the past decade have resulted in gross debt service savings of approximately $3 billion, or $2.3 billion on a present value basis.

The Division will continue to monitor the bond market for opportunities to refinance debt, but restrained issuance of new money bonds over the past decade, combined with the recent rising interest rate environment, has resulted in a limited portfolio of viable future refunding candidates. Over the next five years, there is only $4.6 billion of debt which can be refinanced if the interest rate environment is favorable.

With limited refunding opportunities available, the Division is exploring new strategies to reduce the State's debt burden. The Governor and Legislature provided $200 million in General Revenue to the Division to retire outstanding taxable Public Education Capital Outlay (PECO) and State Revolving Fund (SRF) bonds. The defeasances were completed in July 2023 and the impact on outstanding debt will be reflected in next year's Debt Report. The defeasances generated savings of $33.9 million by retiring the bonds prior to maturity and avoiding interest costs.

The Division is exploring additional strategies to reduce state debt and the State's debt burden, such as tender offers. In a tender offer, the State would make a public offer to purchase bonds at a specified price. Bondholders wanting to take advantage of the State's

offer would "tender" their bonds for purchase and bonds would be canceled. State bonds issued with low coupons in the early 2020s are currently trading at deep discounts, (50%-80% of the original principal amount), due to the raising interest rate environment and are good candidates for this new debt reduction strategy.

Florida's Prohibitions Against the ESG Movement

In May, the Governor signed HB 3, curtailing the proliferation of the environmental, social, and corporate governance (ESG) movement. The law prohibits issuers from offering ESG designated or labeled bonds or contracting with a third-party verifier to certify bonds as Green, Social, or ESG, etc. Although, current rating agency criteria indicate ESG scores are an output of a general credit analysis and do not independently influence the credit ratings of issuers, the law now bans government issuers from contracting with rating agencies that attempt to transition to a paradigm that maps ESG scores directly to an issuer's credit rating.

Following the passage of Florida's prohibitions, S&P announced they were discontinuing the use of scores in their ESG analysis citing investor confusion. S&P's move away from ESG numeric scoring demonstrates a change of sentiment in the municipal market regarding the need and usefulness of ESG scores and the value of labeled bonds, in general.

Important Credit Factors

The State maintained its AAA general obligation ratings with stable outlooks in 2023, which reflects the State's economic strength and prudent financial management. The rating agencies note that Florida's strong credit fundamentals are in stark contrast to those of the United States Federal Government which has been downgraded by two rating agencies and recently put on "negative outlook" by Moody's because of persistent deficit spending, high debt levels and political polarization. The rating agencies anticipate the State will maintain healthy reserves and structural budget balance to continue to support the AAA ratings.

Reserves

General Fund Reserves at the end of FY 2023 were $19.0 billion, or 40.1% of General Revenue, which rating agencies consider extremely strong. General Fund Reserves are projected to be lower but still at extremely strong levels of approximately $16.2 billion at the end of FY 2024, after accounting for the State's strategic investment in transportation infrastructure through the Moving Florida Forward initiative. Trust fund balances also serve as an additional source of reserves, augmenting the State's financial flexibility.

Pension Funding

Annual pension contributions are viewed as long-term fixed costs by rating agencies and, like debt service, potentially crowd-out other expenditures and create structural budget imbalance if not managed properly. In addition to pension funded status, ratings agencies are also focused on the reasonableness of assumptions in calculating pension liabilities.

Florida's pension system remains well funded at 82.9% as of June 30, 2022, and the State has continued to fully fund its actuarially determined contribution each year since FY 2014. The State's share of the pension plan's unfunded liability (15.5%) was approximately $5.9

billion at June 30, 2022, and has become an increasingly larger share of the State's overall long-term fixed cost burden as the amount of State debt outstanding has been declining. Florida made important progress in lowering its investment return assumption over recent years from 7.75% to 6.7%, and in 2021 reduced the amortization period for the unfunded liability from 25 years to 20 years. No adjustments to funding policy assumptions were made this year.

Despite progress in implementing actuarial best practices for pension funding assumptions, the State continues to utilize a level percentage of payroll to amortize the unfunded actuarial liability which is not a best practice and has the effect of deferring required payments to later years. Experts advise that using level dollar amortization methodology, instead of level percentage of payroll, to amortize the unfunded liability is a more prudent approach. The State's Retirement System Actuarial Assumption Conference has not evaluated the budgetary impact of changing the amortization methodology to reflect a more accurate and prudent approach to amortizing the unfunded pension liability.

Introduction

The annual Debt Report is required by Section 215.98, Florida Statutes and is presented to the President of the Senate, Speaker of the House, and the chair of each appropriation committee. The analysis included in the Debt Report is a tool to guide policymakers in assessing the impact of borrowing on the State's fiscal position and aide in informing prudent decision-making regarding financing proposals and capital spending priorities.

To encourage fiscal responsibility on matters pertaining to state debt, Section 215.98, Florida Statutes, establishes a 6% target and 7% limit as policy guidelines for the benchmark debt ratio. The ratio is determined using a financial model that measures the impact of changes in two variables: the State's annual debt service payments; and the amount of revenues available for debt service payments. The analysis compares the State's current debt position to relevant industry and peer metrics and evaluates the impact of issuing additional debt given current economic conditions reflected in revenue forecasts.

Additional debt causing the benchmark debt ratio to exceed the 6% target may be issued only if the Legislature determines that the authorization and issuance are in the best interest of the State. Additional debt causing the benchmark debt ratio to exceed 7% may be issued only if the Legislature determines that such debt is necessary to address a critical State emergency.

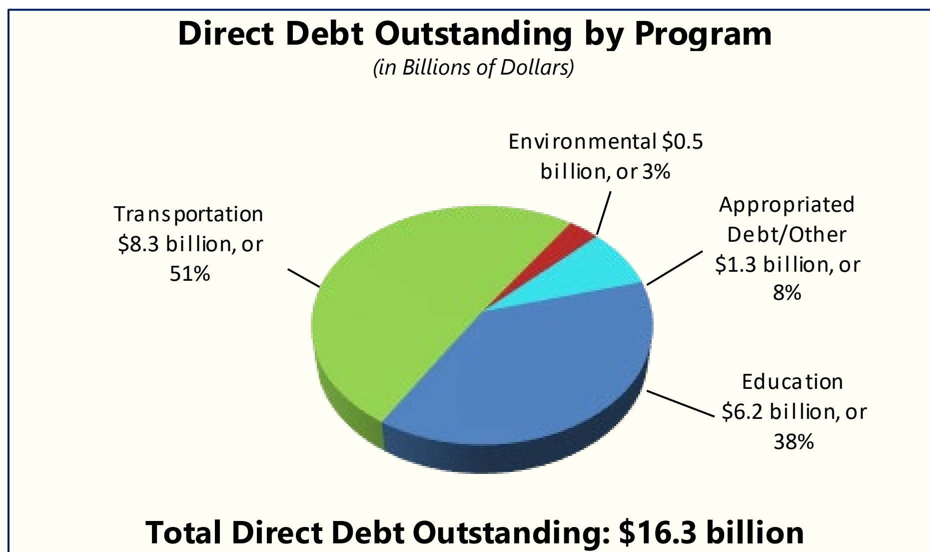
The Report provides information as of June 30, 2023, unless otherwise noted. Updates to the analysis occur as Revenue Estimating Conference ("REC") forecasts are revised in order to ensure the Legislature has the latest information available when making critical future borrowing decisions during the appropriations process.

The Report also provides an opportunity to review factors affecting the State's credit rating and debt position relative to other states. This can be important information for policymakers to consider in making budgetary decisions for the State.

Outstanding State Debt

The State had $16.3 billion in total direct debt outstanding as of June 30, 2023.Transportation remains the largest portion of direct debt, accounting for $8.3 billion or 51% of debt outstanding as of June 30, 2023, with $2.5 billion of that amount reflecting the State's payment obligations for financing transportation infrastructure through Public Private Partnerships ("P3s"). Educational facilities, represent $6.2 billion or 38% of debt outstanding. The bulk of outstanding debt for educational facilities is comprised of PECO bonds, which accounted for $4.8 billion. The August 2023 PECO Estimating Conference estimated the current PECO borrowing capacity at approximately $11.5 billion; however, the legislature has not authorized new money PECO bonds since 2016.

Net tax-supported debt consists of debt secured by state tax revenue or tax-like revenue. In addition to debt issued directly by the State, net-tax supported debt also includes debt issued by non-State entities secured by allocations of State tax revenues, such as bonds issued for the H. Lee Moffitt Cancer Center secured by a portion of cigarette tax collections. Self-supporting debt, which is not included in the State's benchmark debt ratio, is secured by revenues generated from operating facilities financed with bonds. The Turnpike Enterprise is the primary self-supporting program with $3.1 billion of outstanding debt. The remaining self-supporting debt relates to other toll facilities, university auxiliary enterprises, which primarily finance campus housing and parking facilities, and the water pollution control revolving loan program, which provides low interest rate loans to local governments for wastewater projects.



Direct Debt Outstanding by Type and Program

As of June 30, 2023

(In Millions Dollars)

Debt Type	Amount
Net Tax-Supported Debt	$12,178.8
Self-Supporting Debt	4,118.3
Total State Debt Outstanding	**$16,297.1**

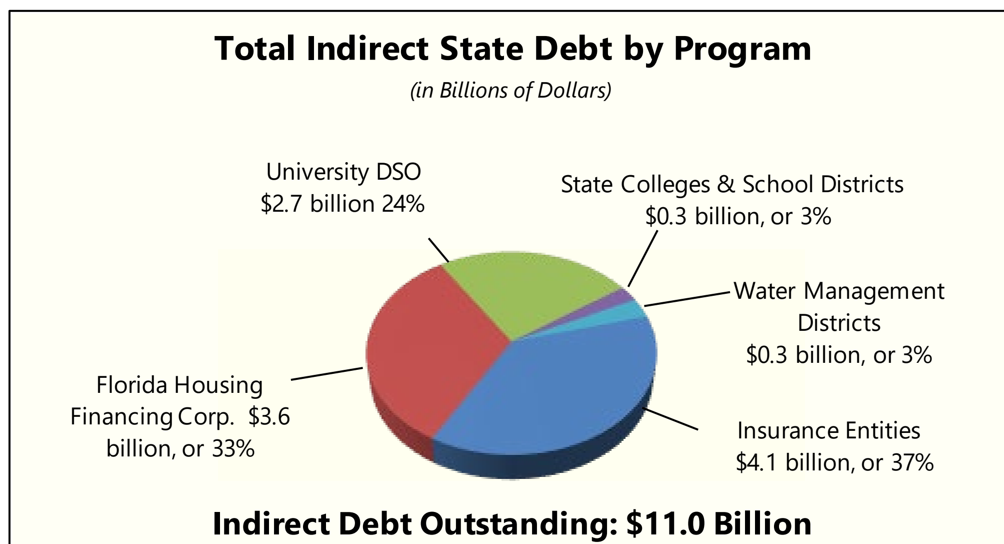
Net Tax-Supported Debt		
Education		
Public Education Capital Outlay	$4,801.2	
Capital Outlay	42.2	
Lottery	416.5	
University System Improvement	55.1	
University Mandatory Fee	83.5	
State (Community) Colleges	36.3	
Total Education		$5,434.9
Environmental		
Florida Forever Bonds	286.0	
Everglades Restoration Bonds	105.3	
Inland Protection	5.8	
Total Environmental		$397.1
Transportation		
Right-of-Way Acquisition and Bridge Construction	1,768.9	
GARVEE	191.4	
DOT Financing Corporation	348.8	
P3 Obligations	2,536.0	
Florida Ports	216.9	
Total Transportation		$5,062.0
Appropriated Debt / Other		
Facilities	118.1	
Prisons	326.8	
Children & Families	31.4	
Lee Moffitt Cancer Center	561.4	
Law Enforcement Communication	23.9	
Master Lease	3.7	
Energy Saving Contracts	11.4	
Sports Facility Obligations	208.1	
Total Appropriated Debt / Other		$1,284.8
Total Net Tax-Supported Debt Outstanding		**$12,178.8**
Self-Supporting Debt		
Education		
University Auxiliary Facility Revenue Bonds		$773.8
Environmental		
Florida Water Pollution Control		137.1
Toll Facilities		3,207.3
Total Self-Supported Debt Outstanding		**$4,118.3**

Indirect Debt

In addition to direct debt, the State has outstanding indirect debt which represents debt secured by revenues not appropriated by the State or debt obligations of a separate legal entity. In some cases, indirect debt may represent a financial burden on Florida citizens (e.g., assessments pledged to the Florida Hurricane Catastrophe Fund ("Cat Fund"), Citizens Property Insurance Corporation ("Citizens"), and the Florida Insurance Guaranty Association ("FIGA") debt. Indirect debt is not included in the State's debt ratios or the analysis of the State's debt burden.

Indirect debt of the State totaled approximately $11.0 billion. The amount of indirect debt outstanding increased from $9.6 billion in the previous year mostly due to additional Florida Housing Financing Corporation debt. Cat Fund, Citizens, and FIGA represented $4.1 billion ($3.5 billion for Cat Fund, $275 million for Citizens, $325 million for FIGA) or 37% of indirect debt and consists of liquidity financing for FIGA and pre-event financings for Cat Fund and Citizens. Although the State views the insurance entities as independent and responsible for their own obligations, rating agencies consider the amount of debt outstanding by the State-sponsored insurance entities integral to the State's overall credit due to the fiscal impact the insurance entity assessments could have on Floridians. Please see "Florida's Property Insurance Market" section below for additional information.

Florida Housing Finance Corporation, which administers the State's affordable housing programs, accounted for $3.6 billion or 33% of indirect debt outstanding, which is an increase of $1.2 billion from the previous year. University Direct Support Organizations ("DSOs") comprised nearly $2.7 billion or 24% of indirect debt.



Total Indirect State Debt by Program		
(In Millions of Dollars)		
Insurance Entities		
Florida Hurricane Catastrophe Fund Finance Corporation	$ 3,500.0	
Florida Insurance Guaranty Association	325.0	
Citizens Property Insurance Corporation	275.0	
Total		$ 4,100.0
Florida Housing Finance Corporation		
Single Family Programs	1,900.5	
Multi-Family Programs	1,684.7	
Total		3,585.1
University Direct Support Organizations		
Shands Teaching Hospital & Affiliates	1,015.6	
University of Central Florida	321.7	
University of South Florida	302.9	
University of Florida	246.8	
Florida State University	225.9	
Florida Atlantic University	211.1	
Florida Gulf Coast University	154.7	
University of North Florida	102.0	
Other State Universities	91.4	
Total		2,672.1
Water Management Districts		335.1
School Districts		182.6
State (Community) Colleges and Foundations		91.2
Total State Indirect Debt		**$ 10,966.1**

Florida's Property Insurance Market

The State of Florida has three public entities that serve to stabilize the property insurance market in the State – Cat Fund, Citizens, and FIGA. Cat Fund provides a stable and recurring source of loss reimbursements for residential property insurers. Citizens acts as the insurer of last resort, absorbing and writing policies for properties that are not able to obtain policies in the private market. FIGA is responsible for the liabilities of insolvent insurance companies, ensuring orderly and timely payment of outstanding claims. All three entities have the authority to issue debt and have broad and specific ability to levy assessments on a range of insurance lines and products. These mechanisms are in place to help stabilize the property insurance market during periods of volatility. The size and health of these entities and their role in Florida's property insurance market have an impact on the State's economy and credit rating.

The State has taken steps to address the challenges impacting the insurance industry, with multi-prong legislative reforms enacted over the past two years designed to eliminate abusive litigation practices, curtail insured losses, and promote long-term market stability. Although

the full impact of these reforms will take time to evaluate, the benefits are already being seen through new insurers looking to enter the Florida market and takeout requests at Citizens increasing.

For the first time in 30 years, FIGA, through Florida Insurance Assistance Interlocal Agency, issued $600 million in bonds to provide for the payment of covered claims resulting from insurance companies that have become insolvent as a result of Hurricane Ian losses. The Division assisted in the negotiated transaction. The loan was sold in two series; $465 million as fixed rate structured with five-year serial bonds and $125 million variable rate to allow for prepayment flexibility. The variable rate component was made possible because of the internal liquidity support provided by the Chief Financial Officer through the State Treasury. Payouts related to Hurricane Ian have also impacted Cat Fund which has received approval to issue up to $3.8 billion in pre-event bonds to augment liquidity ahead of the 2024 Hurricane Season.

Alternative Financing Techniques

Alternative financing techniques provide funding for capital projects and utilize State resources for repayment. Several alternative financing techniques used by the State are discussed below: DOT short-term P3s; DOT long-term P3s; university P3s; debt issued through university DSOs; and charter school financings. Tracking and disclosing alternative financing transactions is important as they frequently commit future state resources but may not be reflected in State debt.

DOT Short Term Contract Debt

In the past, DOT has periodically used build-finance and design-build-finance contracts (collectively referred to as “Contract Debt”) to advance construction projects. Contract Debt accelerates project construction but obligates DOT to make payments at a later date based on a pre-determined contractual schedule, functionally equivalent to short-term debt. As of June 30, 2023, there is currently no outstanding short term Contract Debt for DOT.

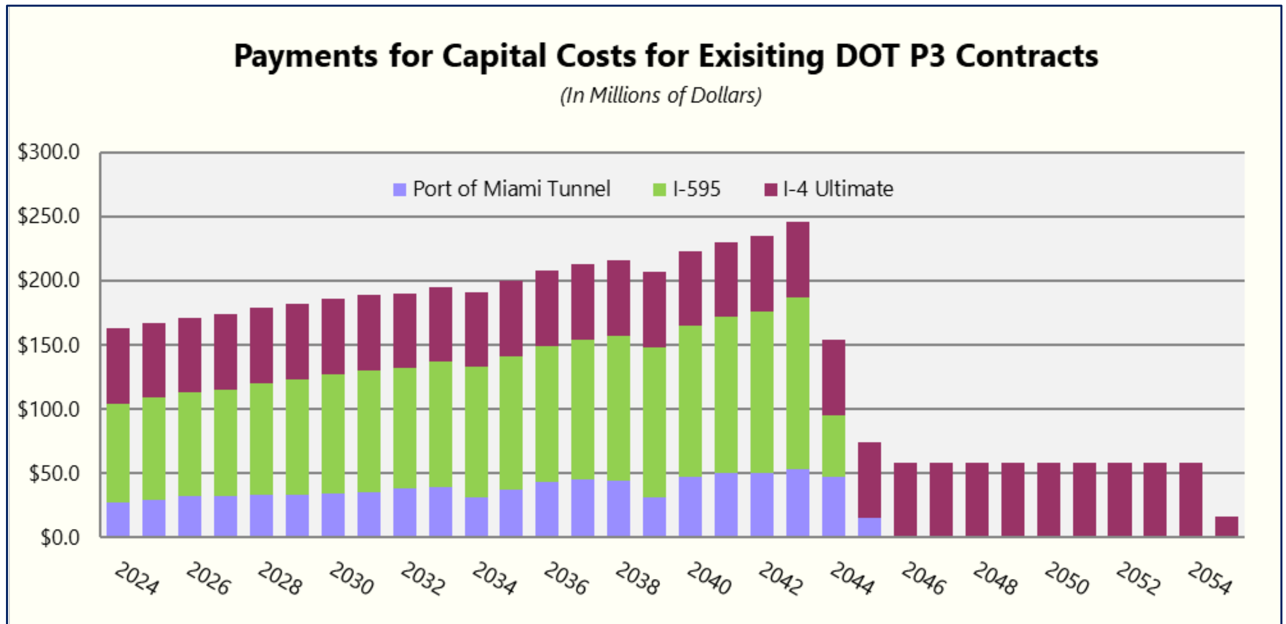
DOT Long-Term P3 Projects

Pursuant to Section 334.30, Florida Statutes, DOT has executed three agreements with private partners to advance construction of the I-595 Corridor Improvement, the Port of Miami Tunnel, and I-4 through Orlando. These projects have original combined construction costs of $4.5 billion: $1.3 billion for the I-595, $543 million for the Port of Miami Tunnel, and $2.7 billion for I-4.

P3 projects are funded through milestone payments and availability payments. Milestone payments are tied to construction and are paid as the construction reaches certain levels of progress or “milestones”. The capital costs and operations/maintenance expenses of these P3 projects are paid through “availability payments” or mandatory, scheduled payments that commence when construction is complete and continue for 30 to 35 years. The capital costs of these P3 projects are included as outstanding debt of the State. The capital portion of the required payments for DOT’s P3 projects total $4.7 billion over the next 32 years. The final milestone payment for I-4 was made in FY 2022. As a result, aggregate annual payments for

the capital costs associated with these projects decreased substantially from $486 million in FY 2022 to $159 million in FY 2023. Future payments are scheduled to steadily increase to a maximum projected payment of $246 million in FY 2043.

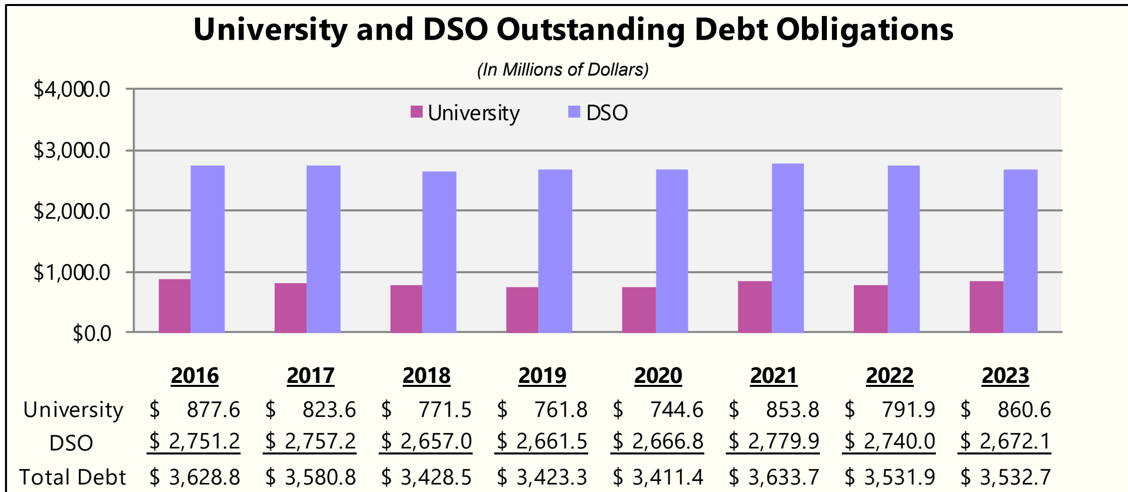
Section 334.30, Florida Statutes, requires DOT to ensure that no more than 15% available federal and state funding in the STTF in any given year be obligated to required contract debt and P3 payments contracts. The 15% limit is nearly three times the State's debt policy target of 6% on overall debt.



University DSO Obligations and P3 Agreements

State universities utilize their DSOs to support various auxiliary functions (e.g., athletics, healthcare, fundraising, research activities, etc.). DSOs can also serve as a conduit issuer for universities to finance capital projects, including campus housing, parking, and athletic facilities. DSO transactions are approved by DSO Boards of Directors, universities' Boards of Trustees, and the Board of Governors ("BOG") and the legislature. Unlike transactions managed by the Division, DSO transactions do not require approval by the Governor and Cabinet. The amount of University DSO debt obligations outstanding this year was $2.7 billion, which represented 76% of total university debt.

The Division anticipates seeing a significant increase in the amount of DSO debt outstanding in the near future as universities with large football programs seek to expand and modernize their facilities in order to compete in the increasingly competitive college football landscape. For example, the BOG recently approved large financings for the University of South Florida and Florida State University for football stadium and athletics facilities.



	2016	2017	2018	2019	2020	2021	2022	2023
University	$ 877.6	$ 823.6	$ 771.5	$ 761.8	$ 744.6	$ 853.8	$ 791.9	$ 860.6
DSO	$ 2,751.2	$ 2,757.2	$ 2,657.0	$ 2,661.5	$ 2,666.8	$ 2,779.9	$ 2,740.0	$ 2,672.1
Total Debt	$ 3,628.8	$ 3,580.8	$ 3,428.5	$ 3,423.3	$ 3,411.4	$ 3,633.7	$ 3,531.9	$ 3,532.7

Universities are also entering into P3 agreements for certain projects. Each University P3 transaction is analyzed by the BOG and Division staff, prior to execution, for compliance with state law and the BOG P3 Guidelines. The debt is often secured by revenues of the project being financed but non-recourse to other revenues of the State or University. However, rating agencies incorporate the debt obligations of University P3 in their credit analysis of the University.

Since the obligor is ultimately not a State entity, University P3 and DSO debt are excluded from State direct debt in this report; if they were included, direct debt outstanding would be approximately 16% higher.

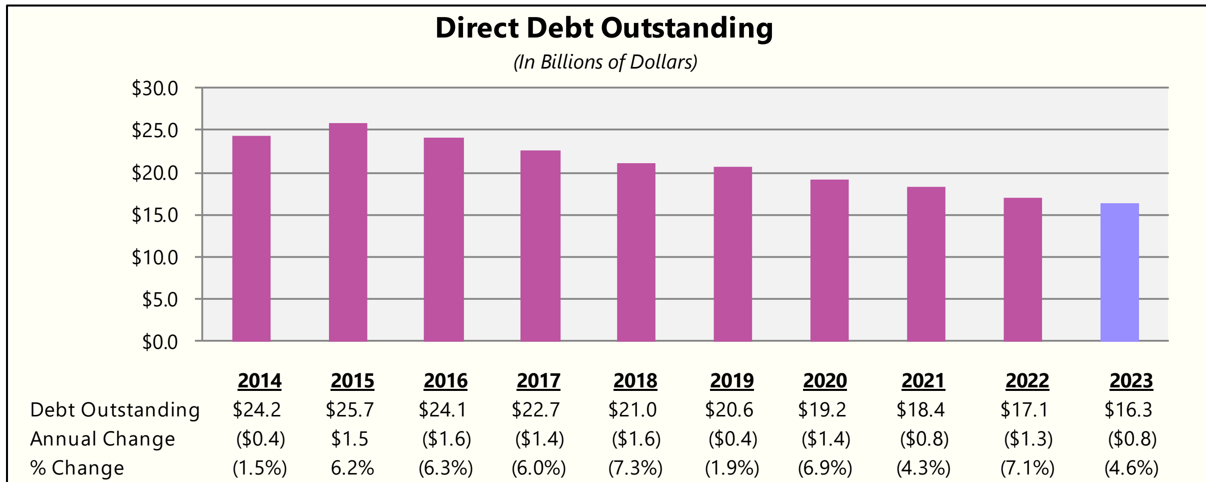
Charter Schools

According to the Department of Education, there were 726 charter schools educating approximately 382,000 students in Florida in FY 2023, an enrollment increase of 5.6% from the prior year. Students enrolled in charter schools represent approximately 13% of Florida's total PK-12 enrollment of approximately 2.9 million. Like Florida public schools, charter schools receive funding for operations from the State on a per student basis. Although there is no official source for monitoring charter school debt, the Division estimates that approximately $800 million in bonds have been issued in the past five years to fund charter school construction. The structuring of the charter school model and professional operators have contributed to the development of a specialized municipal bond market for financing charter schools and has led to the proliferation of unrated debt issuance to finance or refinance charter school construction. Charter school debt is not a direct obligation of the State and municipal market participants evaluate charter school obligations based on the success of the school and operator, therefore it is not treated as State direct debt and is excluded from the benchmark debt ratio calculation.

Debt Outstanding

The trend in the State's outstanding debt is important in evaluating how debt levels have changed over time. Total State direct debt grew to a peak of $28.2 billion in FY 2010 and has since decreased by $11.9 billion or 42% to $16.3 billion.

In FY 2023, debt declined by $800 million. The only increase over the past 10 years was in FY 2015, reflecting a substantial investment in transportation infrastructure (I-4 P3) and a previous refinement in how DOT P3 obligations are recorded in this report.

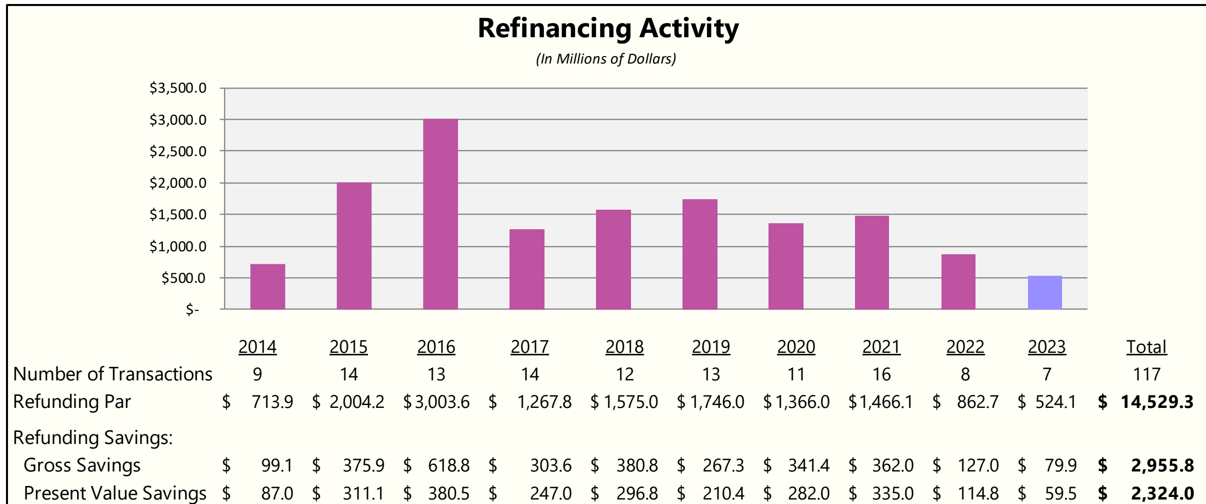


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Outstanding	$24.2	$25.7	$24.1	$22.7	$21.0	$20.6	$19.2	$18.4	$17.1	$16.3
Annual Change	($0.4)	$1.5	($1.6)	($1.4)	($1.6)	($0.4)	($1.4)	($0.8)	($1.3)	($0.8)
% Change	(1.5%)	6.2%	(6.3%)	(6.0%)	(7.3%)	(1.9%)	(6.9%)	(4.3%)	(7.1%)	(4.6%)

Refinancing Activity

The State executed seven refinancing transactions in FY 2023 generating gross debt service savings of $79.9 million or $59.5 million on a present value basis. The majority of debt issuance in the past several years has been to refinance debt at lower interest rates and reduce annual debt service payments. Since FY 2014, the State has executed 117 refinancings totaling $14.5 billion, generating gross debt service savings of $3.0 billion over the remaining life of the bonds or $2.3 billion on a present value basis.

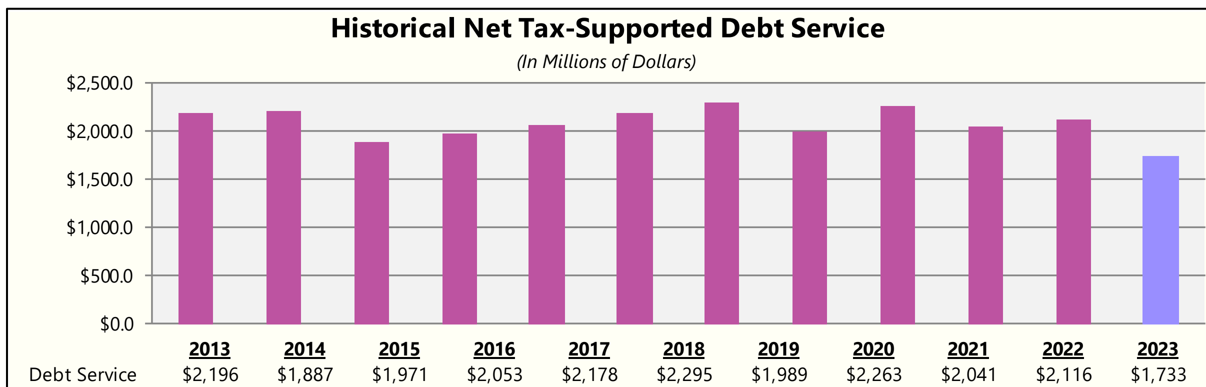
The Division continues to actively evaluate the State's debt portfolio for refunding opportunities in order to take advantage of favorable interest rates and lower the interest cost on the State's borrowings. However, the recent rise in interest rates combined with the limited new bond issuance over the past decade has significantly reduced the State's inventory of viable refunding candidates. Over the next five years, there is only $4.6 billion of debt which can be refinanced if the interest rate environment is favorable and interest rates are low enough to generate debt service savings.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Number of Transactions	9	14	13	14	12	13	11	16	8	7	117
Refunding Par	$ 713.9	$ 2,004.2	$ 3,003.6	$ 1,267.8	$ 1,575.0	$ 1,746.0	$ 1,366.0	$ 1,466.1	$ 862.7	$ 524.1	**$ 14,529.3**
Refunding Savings:											
Gross Savings	$ 99.1	$ 375.9	$ 618.8	$ 303.6	$ 380.8	$ 267.3	$ 341.4	$ 362.0	$ 127.0	$ 79.9	**$ 2,955.8**
Present Value Savings	$ 87.0	$ 311.1	$ 380.5	$ 247.0	$ 296.8	$ 210.4	$ 282.0	$ 335.0	$ 114.8	$ 59.5	**$ 2,324.0**

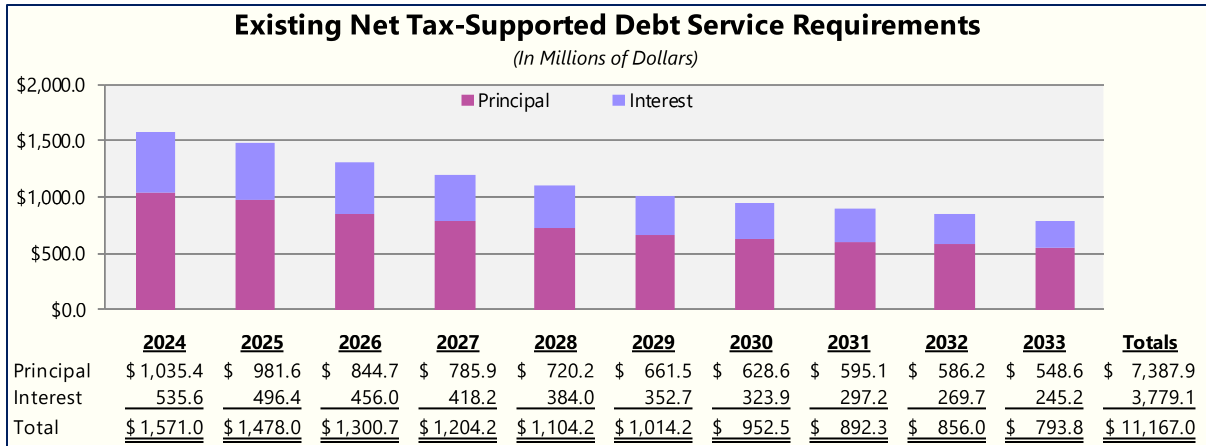
Annual Debt Service Payments

Annual debt service payments for the State's existing net tax-supported debt totaled approximately $1.7 billion. From a budgetary perspective, measuring the change in annual debt service indicates how much of the State's resources are obligated for paying debt service before providing for other essential government services. Importantly, there was a significant decrease in the annual debt service payments in FY 2023 of nearly $400 million or 19% which is primarily attributable to the final milestone payment for the I-4 P3 in FY 2022. The favorable trend of decreased debt payments continues in the current FY 2024 and subsequent years.



	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Debt Service	$2,196	$1,887	$1,971	$2,053	$2,178	$2,295	$1,989	$2,263	$2,041	$2,116	$1,733

Debt service payments on existing outstanding net tax-supported debt total $11.2 billion over the next ten years, with principal payments of $7.4 billion accounting for 66% of payments. The significant weighting of principal to overall debt payments illustrates the aging of outstanding debt coupled with the restrained issuance of new money bonds over the past decade. More importantly, annual debt service payments for existing outstanding debt decreases significantly for the next ten years from $1.6 billion in FY 2024 to approximately $794 million in FY 2033.



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Totals
Principal	$ 1,035.4	$ 981.6	$ 844.7	$ 785.9	$ 720.2	$ 661.5	$ 628.6	$ 595.1	$ 586.2	$ 548.6	$ 7,387.9
Interest	535.6	496.4	456.0	418.2	384.0	352.7	323.9	297.2	269.7	245.2	3,779.1
Total	$ 1,571.0	$ 1,478.0	$ 1,300.7	$ 1,204.2	$ 1,104.2	$ 1,014.2	$ 952.5	$ 892.3	$ 856.0	$ 793.8	$ 11,167.0

Projected Debt Issuance

Projected debt issuance is provided by State agencies that receive proceeds under authorized bond programs. Approximately $1.9 billion in net tax-supported debt issuance is projected over the next ten years for transportation. The projected issuance decreased by 16% from $2.2 billion projected in the 2022 Report. There has been a significant decrease in projected debt issuance over the past decade reflecting less reliance on debt to finance infrastructure. In FY 2010, projected debt issuance was $7.2 billion. The current projected issuance of $1.9 billon reflects a 73.6% decrease. New debt issuance is approved annually by the Governor and Legislature through the budgeting and appropriations process. As State debt issuance has declined, the ability to project future issuance has become challenging. The only agency that projects potential borrowings is DOT through their 10-year bond plan which, as part of the Work Program, is approved annually through the General Appropriations Act.

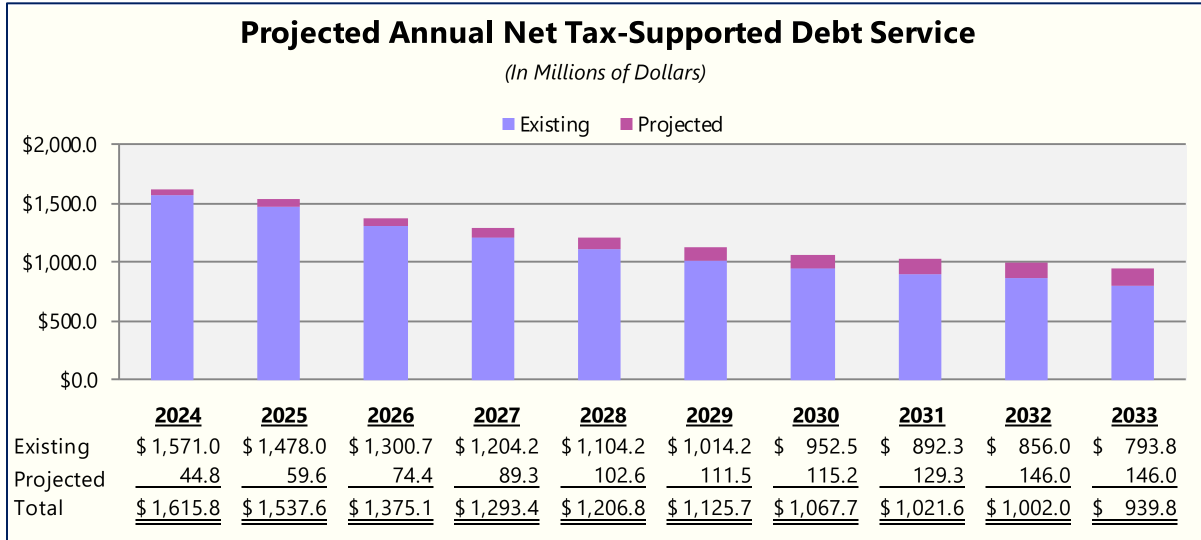
Projected Debt Issuance By Program

(In Millions of Dollars)

Fiscal Year	ROW	GARVEE	Total Issuance
2024	$ 350.0	$ 200.0	$ 550.0
2025	200.0	-	200.0
2026	200.0	-	200.0
2027	200.0	-	200.0
2028	180.0	-	180.0
2029	120.0	-	120.0
2030	50.0	-	50.0
2031	190.0	-	190.0
2032	225.0	-	225.0
2033	-	-	-
Total	$ 1,715.0	$ 200.0	$ 1,915.0

Projected Net Tax-Supported Debt Service

Based on existing and projected debt service, FY 2024 annual debt service on net-tax supported debt is expected to decrease to $1.6 billion from $1.7 billion in FY 2023. Projected debt service is expected to decline annually. The State has significant debt capacity available to make strategic infrastructure investments.



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Existing	$ 1,571.0	$ 1,478.0	$ 1,300.7	$ 1,204.2	$ 1,104.2	$ 1,014.2	$ 952.5	$ 892.3	$ 856.0	$ 793.8
Projected	44.8	59.6	74.4	89.3	102.6	111.5	115.2	129.3	146.0	146.0
Total	$ 1,615.8	$ 1,537.6	$ 1,375.1	$ 1,293.4	$ 1,206.8	$ 1,125.7	$ 1,067.7	$ 1,021.6	$ 1,002.0	$ 939.8

Revenue Forecasts

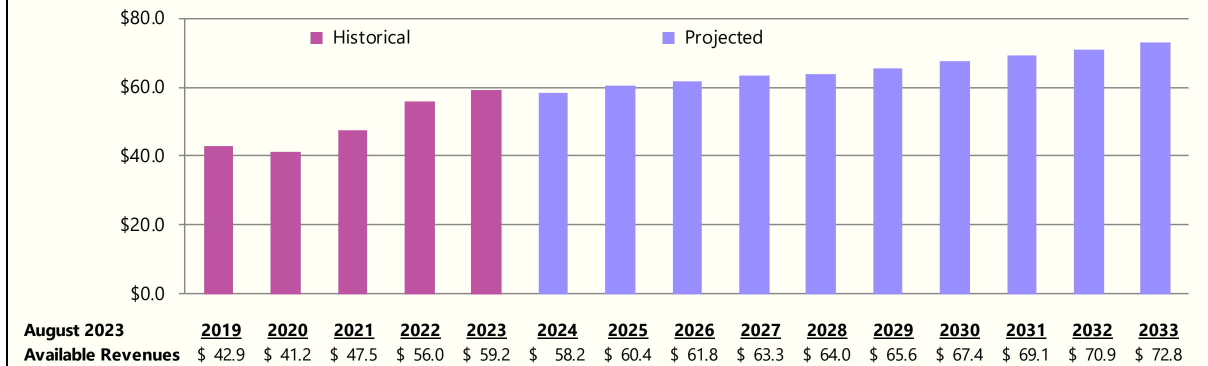
Revenue available to pay debt service is one of the two variables used to calculate the benchmark debt ratio. General Revenues, as well as specific tax revenues pledged to various bond programs (e.g., gross receipts taxes pledged to the PECO bonds, motor fuel taxes pledged to Right-of-Way bonds, and dedicated percentages of documentary stamp tax collections pledged to environmental bonds), are available for debt service payments. State General Revenues are the majority of the total revenue available, accounting for approximately 78%.

Driven by a strong economy, general revenues peaked at $47.3 billion in FY 2023 but are forecasted to moderate in FY 2024 and then resume gradual growth going forward. The current forecast for FY 2024 general revenues is $45.7 billion, representing a decline of approximately 3.5% driven partially by expectations for a slowing housing market and weakness in automotive sales. However, collections through September 2023 have run approximately $557.5 million, or 5.4% above forecast which, if annualized, would put the State on pace to match or exceed FY 2023 results.

Projected Revenue Available for State Tax-Supported Debt

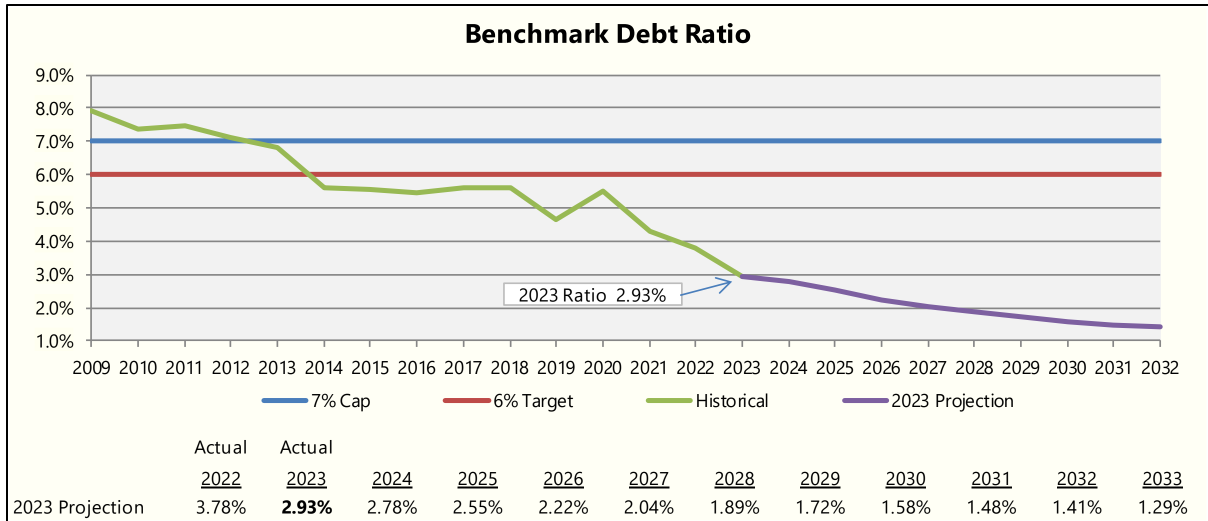
(In Millions of Dollars)

	Actual		Projection		
Fiscal Year	2022	2023	2024	2025	2026
Revenue Available:					
General Revenue	$ 44,035.7	$ 47,327.8	$ 45,664.4	$ 47,424.2	$ 48,586.8
Less : Documentary Stamp Tax Included Below	(2,054.2)	$ (1,357.9)	(1,217.9)	(1,297.5)	(1,379.9)
Net General Revenue	$ 41,981.5	$ 45,969.9	$ 44,446.5	$ 46,126.7	$ 47,206.9
Specific Tax Revenue					
Gross Receipts	$ 1,206.4	$ 1,375.2	$ 1,490.7	$ 1,450.4	$ 1,351.0
Motor Vehicle License	882.8	868.0	936.0	945.5	953.3
Lottery	2,382.0	2,374.0	2,299.2	2,264.4	2,290.3
Documentary Stamp Tax	5,359.9	3,864.8	3,479.4	3,670.6	3,828.4
Motor Fuel Tax	1,633.4	1,640.6	1,848.0	1,945.1	2,012.1
Motor Vehicle License-Surcharge	24.2	24.2	24.6	25.0	25.2
Tax on Pollutants-IPTF	236.0	256.8	260.1	-	-
University Net Bldg Fees & Cap. Impr. Fees	56.2	58.8	59.1	59.4	59.7
Community College Cap. Impr.Fees	32.2	31.6	31.6	31.6	31.6
Title Fees	200.0	200.0	200.0	200.0	200.0
Federal Reimbursements for Transportation	1,980.5	2,396.1	3,147.4	3,673.4	3,863.9
Other Sources	53.0	93.1	3.2	3.3	5.9
Total State Revenue Available	**$ 56,028.2**	**$ 59,153.3**	**$ 58,225.9**	**$ 60,395.4**	**$ 61,828.3**



Benchmark Debt Ratio

The debt affordability analysis is based on the ratio of debt service to revenues available to pay debt service. The policy guidelines established by the Legislature include a 6% target and a 7% limit for the benchmark debt ratio. Since FY 2009, and following the Great Recession, the benchmark debt ratio has generally followed a downward trend, with a notable exception in FY 2020 when the ratio temporarily increased to 5.49% due to pandemic-induced revenue declines. The significant decline in the benchmark ratio to 2.93% is primarily a result of a 19% decline in the annual debt service payments in FY 2023.



	Actual 2022	Actual 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
2023 Projection	3.78%	**2.93%**	2.78%	2.55%	2.22%	2.04%	1.89%	1.72%	1.58%	1.48%	1.41%	1.29%

Debt Capacity

The final step in the debt affordability analysis is estimating future debt capacity. Debt capacity is based on projected debt issuance over the next ten years and the most recent August 2023 revenue projections. Debt capacity can change significantly with changes in revenue estimates reflecting changes in the economic environment. With the benchmark debt ratio significantly below the 6% policy target, a substantial amount of debt capacity is available for future bonding.

Over the next ten years, approximately $47.7 billion in theoretical bonding capacity is available within the 6% benchmark debt ratio. As shown previously, projected debt issuance under existing bond programs is approximately $1.9 billion for the next ten fiscal years leaving $45.7 billion of net debt capacity available within the 6% target over the next ten years. Assuming the revenue collections currently projected by the REC, there is approximately $27.4 billion of debt capacity available within the policy target in FY 2024. If projected revenue collections are not realized, debt capacity will be negatively impacted. Debt Capacity is calculated using an assumed 6% interest rate, which is higher than the current EDR adopted rate assumption of 5.25%. While it is not anticipated that the interest rate assumption used for this analysis will change, the validity of the assumed rate is reviewed annually.

Debt Capacity Projection

6% Target; 7.0% Cap

(In Millions of Dollars)

	6% Target	7% Cap
Total Debt Capacity Available	$ 47,650.0	$ 56,363.1
Estimated Bond Issuance	1,915.0	1,915.0
Net Debt Capacity Available	$ 45,735.0	$ 54,448.1

Projections in this report indicate the benchmark debt ratio will remain consistently well below the 6% target through 2033 which provides flexibility for the State to issue additional debt while maintaining compliance with the policy target. Debt capacity between the 6% target and 7% cap is best viewed as a cushion to mitigate the impact of revenue declines. Additionally, debt capacity is subject to significant variability because it is dependent on realizing projected revenue growth.

Florida Compared to Other States

The municipal bond market evaluates governments' debt position with four primary debt ratios: debt service to revenues; debt per capita; debt to personal income; and net tax-supported debt as a percentage of a state's gross domestic product ("GDP"). For 2022 ratios, Florida improved in all four of the debt metrics. Florida's debt ratios are compared to national and peer group medians where the State's peer group is comprised of the 11 most populous states. The State's metrics for net tax-supported debt per capita, as a percentage of personal income, and as a percentage of GDP continue to be less than half of the peer group median.

Debt Ratios
2022 Comparison of Florida to Peer Group and National Medians

	Net Tax-Supported Debt Service as a % of Revenues	Net Tax-Supported Debt Per Capita	Net Tax-Supported Debt as a % of Personal Income	Net Tax-Supported Debt as a % of GDP
Florida	1.72%	$661	1.00%	1.10%
Peer Group Mean	2.63%	$1,926	2.75%	2.40%
National Median	1.59%	$1,178	2.20%	2.00%

2022 Debt Ratios Comparison of Eleven Most Populous States*

	Rank	Net Tax-Supported Debt Service as % of Revenues	Rank	Net Tax-Supported Debt Per Capita	Rank	Net Tax-Supported Debt as a % of Personal Income	Rank	Net Tax-Supported Debt as a % of State GDP	General Obligation Ratings Fitch/Moody's/S&P
North Carolina	1	1.23%	3	$700	3	1.20%	2	1.00%	AAA/Aaa/AAA
Michigan	2	1.32%	4	$865	4	1.50%	4	1.40%	AA+/Aa1/AA
Texas	3	1.33%	2	$680	2	1.10%	1	0.90%	AAA/Aaa/AAA
Florida	**4**	**1.72%**	**1**	**$661**	**1**	**1.00%**	**3**	**1.10%**	**AAA/Aaa/AAA**
California	5	2.26%	8	$2,460	8	3.20%	8	2.70%	AA/Aa2/AA-
Georgia	6	2.28%	5	$1,144	5	2.00%	5	1.70%	AAA/Aaa/AAA
Pennsylvania	7	2.53%	6	$1,565	6	2.40%	6	2.20%	AA-/Aa3/A+
New York	8	3.18%	10	$3,539	10	4.50%	9	3.40%	AA+/Aa1/AA+
Ohio	9	3.56%	7	$1,642	7	2.80%	7	2.30%	AAA/Aa1/AA+
Illinois	10	3.77%	9	$2,903	9	4.20%	10	3.50%	A-/A3/A-
New Jersey	11	5.79%	11	$5,030	11	6.40%	11	6.20%	A+/A1/A
Median		**2.28%**		**$1,565**		**2.40%**		**2.20%**	
Mean		**2.63%**		**$1,926**		**2.75%**		**2.40%**	
National Median		**1.59%**		**$1,178**		**2.20%**		**2.00%**	

* Ranking order changed from prior years presentation to reflect lower debt metrics as having a higher ranking (1 being best, 11 worst)

Note: Moody's State Debt Medians reported figures may result in states having the same value for a given metric, which will be ranked as a tie.

Pension Liability and Funding

The State's pension system had a funded ratio of 82.9% as of June 30, 2022. This represents a decline from the 96.4% funded ratio as of June 30, 2021, due to in part to a decline in market value of investments and increases in system payroll greater than assumptions. However, at 82.9% funded, the State's pension is still considered to be well-funded. Florida has fully funded its actuarially determined contribution to the pension system since FY 2014.

Annual pension contributions are viewed as long-term fixed costs by rating agencies, and like debt service, potentially crowd-out other expenditures and create structural budget imbalance, if not managed properly. As a result, management and funding of the pension system are important aspects of evaluating Florida's credit rating. Rating agencies have developed quantitative methodologies to evaluate states' pension liabilities and integrate them into their credit analysis. Moody's and Fitch each employ various "adjustments" to reported pension liabilities for greater comparability across the state sector including application of a common investment return assumption. The State's share of the pension plan's unfunded liability (15.5%) was approximately $5.9 billion at June 30, 2022, and has become an increasingly larger share of the State's overall long-term fixed cost burden as the amount of State debt outstanding has been declining.

Additionally, for multi-employer plans like Florida's, the rating agencies allocate the unfunded liability to all participating governments, attributing only a portion to the State. The pension liabilities are analyzed relative to the economic metrics used to evaluate debt obligations among Florida's peer group. According to Moody's medians, Florida's adjusted pension liability of $23.3 billion falls significantly below the median of $43.1 billion for the largest states and ranks fourth lowest in the peer group. Florida ranks lowest in the peer group for the measures of Adjusted Net Pension Liability ("ANPL") per capita and as a percent of personal income, and as tied for lowest in the group terms of ANPL as percent of State GDP.

2022 Pension Metrics Comparison

Adjusted Net Pension Liabilities ("ANPL") and Medians*

State	Rank	ANPL (in Millions)	Rank	APNL as % of Own-Source Revs	Rank	ANPL Per Capita	Rank	APNL as % of Personal Income	Rank	ANPL as % of State GDP
Georgia	1	$ 12,560	4	34.8%	2	$ 1,151	2	2.0%	1	1.7%
North Carolina	2	13,272	2	32.0%	3	1,241	3	2.2%	3	1.8%
Ohio	3	16,593	5	41.6%	4	1,411	4	2.4%	5	2.0%
Florida	**4**	**23,295**	**3**	**34.5%**	**1**	**1,047**	**1**	**1.6%**	**1**	**1.7%**
New York	5	37,274	1	24.8%	5	1,894	4	2.4%	3	1.8%
Michigan	6	43,063	7	96.7%	6	4,292	6	7.6%	6	6.0%
Pennsylvania	7	89,242	9	153.3%	8	6,880	9	10.6%	9	9.7%
New Jersey	8	141,113	10	232.4%	10	15,236	10	19.4%	10	18.9%
Texas	9	141,536	8	134.0%	7	4,713	6	7.6%	6	6.0%
Illinois	10	285,790	11	418.0%	11	23,199	11	33.7%	11	28.2%
California	11	291,887	6	95.3%	9	$ 7,322	8	9.5%	8	7.9%
Median		**$ 43,063**		**95.3%**		**$ 4,292**		**7.6%**		**6.0%**
Mean		**$ 99,602**		**117.9%**		**$ 6,217**		**9.0%**		**7.8%**
National Median		**$ 12,468**		**79.8%**		**$ 3,111**		**5.2%**		**4.7%**

* Ranking order changed from prior years presentation to reflect lower debt metrics as having a higher ranking (1 being best, 11 worst)

Note: Moody's Medians Pension and OPEB reported figures may result in states having the same value for a given metric, which will be ranked as a tie.

Rating agencies also evaluate the reasonableness of assumptions used to calculate the pension liability and required contributions. S&P has published guidelines which indicated 6% is a sustainable investment return assumption. The actuarial methodologies, which vary across plans, are also assessed. The assumptions used to calculate the required contribution to the FRS are set by the FRS Actuarial Assumption Conference ("Conference"). The actuary uses the assumptions and actuarial methodologies set by the Conference to calculate the pension liability and, more importantly, the required contribution.

The Conference has made significant progress in recent years in lowering the investment return assumption and moving to best practices for prudent financial management. The investment return assumption has been lowered from 7.75% to 6.7% incrementally over a nine-year period through FY 2022. The conference also previously adopted the best practices of using "individual entry age," which produces a more realistic estimate of the cost and required contributions and shortening the amortization policy to 20 years from 25 years. The significant progress made in recent years helps to secure the long-term health of the FRS for retirees and is positively viewed as a credit strength by rating agencies.

However, there is additional progress to be made in moving to best practices. The most notable being the amortization of the unfunded liability on a level dollar basis, instead of a level percentage of pay. Amortizing the unfunded pension liability on a level percentage of pay is inconsistent with general State debt management practices. State debt is amortized to produce level debt service (level dollar) for planning and predictability while the pension liability is amortized to produce minimal payments in the short-term with ballooning payments in later years (level percentage of pay). While amortizing the unfunded liability on a level percentage of pay basis is an acceptable actuarial methodology, it is not best practice and could lead to significant budgetary pressures to meet promised pension obligations in future years.

Making adequate contributions to the FRS is increasingly important. As the plan matures and new employee participation increasingly shifts to the defined contribution plan the defined benefit plan will become increasingly net cash flow negative because benefit payments to retirees will outpace contributions for current employees. Therefore, less invested assets are available to appreciate and fund benefit payments over time. The two factors make adequate funding of the defined benefit plan imperative so that accumulated assets are sufficient to pay for benefits promised.

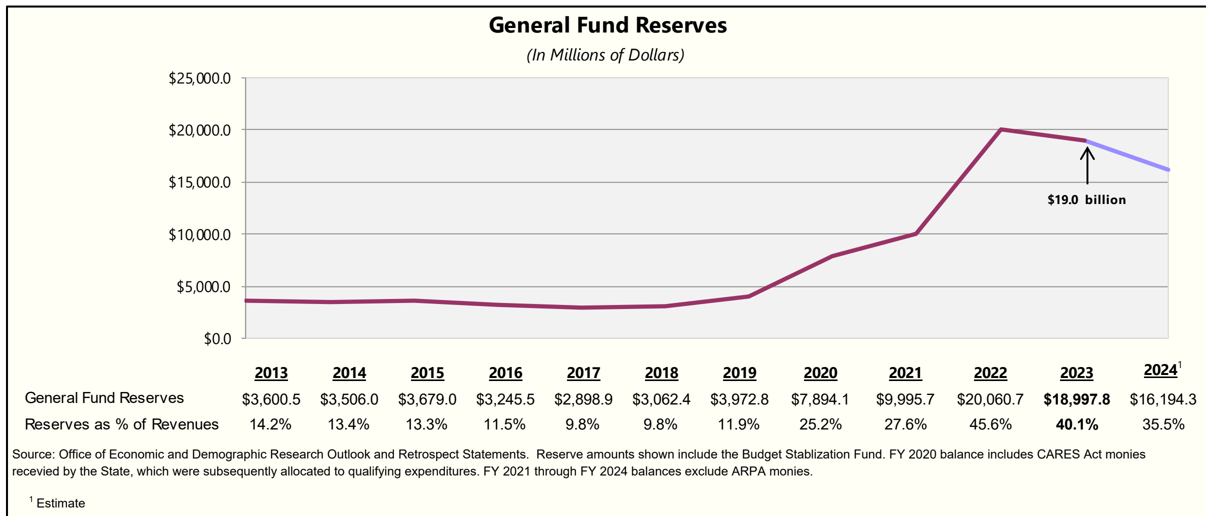
Reserves

An important measure of financial health and ability to respond to unforeseen financial challenges is the level of the State's general fund reserves. Unspent General Revenue combined with the BSF are collectively referred to herein as the "General Fund Reserves." Given that Florida's financial health is highly dependent on sales tax collections, which are sensitive to economic cycles, as well as the State's exposure to unpredictable costs from hurricanes, investors and ratings analysts expect a higher level of reserves in the State's credit assessment. Historically, Florida's level of reserves has resulted from conservative financial management and budgetary practices. The traditional measure used by credit analysts, investors, and rating agencies to assess the strength of the State's financial position is the ratio of General Fund Reserves to General Revenues, expressed as a percentage.

General Fund Reserves

Although lower than the unprecedented FY 2022 year-end levels, General Fund Reserves remained extraordinarily high at 19.0 billion, or 40.1% of General Revenues, at the end of FY 2023. This level of reserves positions the State well to weather future economic cycles and

unpredictable costs while continuing to invest in infrastructure and key initiatives. General Fund Reserves are projected to be $16.2 billion at the end of FY 2024 after accounting for the State's strategic investment in transportation infrastructure through the Moving Florida Forward initiative. The State's continued record General Fund Reserves are recognized by the rating agencies as a credit strength and reflect the State's prudent financial management.



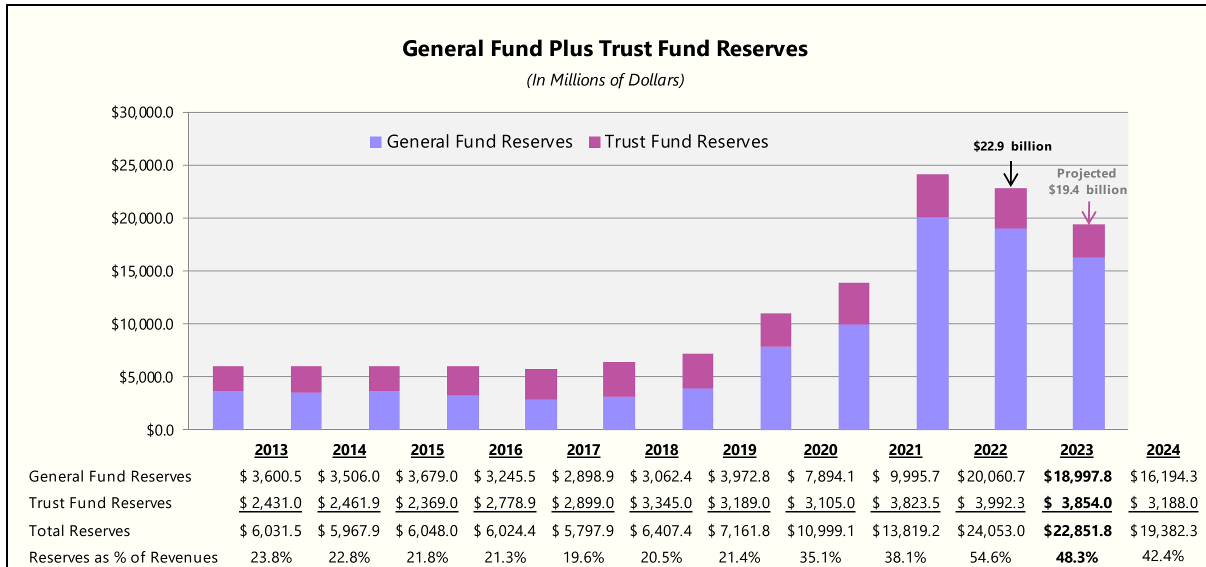
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024[1]
General Fund Reserves	$3,600.5	$3,506.0	$3,679.0	$3,245.5	$2,898.9	$3,062.4	$3,972.8	$7,894.1	$9,995.7	$20,060.7	**$18,997.8**	$16,194.3
Reserves as % of Revenues	14.2%	13.4%	13.3%	11.5%	9.8%	9.8%	11.9%	25.2%	27.6%	45.6%	**40.1%**	35.5%

Source: Office of Economic and Demographic Research Outlook and Retrospect Statements. Reserve amounts shown include the Budget Stablization Fund. FY 2020 balance includes CARES Act monies recevied by the State, which were subsequently allocated to qualifying expenditures. FY 2021 through FY 2024 balances exclude ARPA monies.

[1] Estimate

Trust Fund Reserves

The State has historically created trust funds and dedicated specified revenues for particular purposes. Well over half of the State's budget is comprised of trust-funded programs and activities. Established budgetary practices identify excess trust fund balances that are available and can be used for other purposes if directed by the Legislature. In fact, the Legislature has routinely swept available trust fund balances to supplement the general fund budget during periods of economic weakness to offset declining revenue collections. Therefore, including trust fund balances in the reserve analysis provides a more holistic picture of the State's financial flexibility. The inclusion of excess trust fund balances increases total reserves at the end of FY 2023 to approximately $22.9 billion, or 48.3% of General Revenues, which is considered extremely strong by the rating agencies. Total reserves are projected to decrease in FY 2024, but remain at a historic level of $19.4 billion, or 42.4% of projected General Revenues.



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund Reserves	$ 3,600.5	$ 3,506.0	$ 3,679.0	$ 3,245.5	$ 2,898.9	$ 3,062.4	$ 3,972.8	$ 7,894.1	$ 9,995.7	$20,060.7	**$18,997.8**	$16,194.3
Trust Fund Reserves	$ 2,431.0	$ 2,461.9	$ 2,369.0	$ 2,778.9	$ 2,899.0	$ 3,345.0	$ 3,189.0	$ 3,105.0	$ 3,823.5	$ 3,992.3	**$ 3,854.0**	$ 3,188.0
Total Reserves	$ 6,031.5	$ 5,967.9	$ 6,048.0	$ 6,024.4	$ 5,797.9	$ 6,407.4	$ 7,161.8	$10,999.1	$13,819.2	$24,053.0	**$22,851.8**	$19,382.3
Reserves as % of Revenues	23.8%	22.8%	21.8%	21.3%	19.6%	20.5%	21.4%	35.1%	38.1%	54.6%	**48.3%**	42.4%

Credit Ratings

The State's credit rating is a rating agency's assessment of the willingness and ability to timely repay debt obligations. Credit ratings play an integral role in the municipal bond market and are one factor that affects the State's borrowing cost on debt offerings. Each rating agency considers four primary factors in its analysis: governance, debt and liability profile, budget and financial management, and economic indicators. The four factors are assessed on a quantitative and qualitative basis relative to the state's peers within its rating category. Despite the standardization of credit factors, each are evaluated somewhat differently based on the agency's published criteria.

Florida is rated in the highest rating category, AAA, by each of the three major credit rating agencies. The State's ratings reflect conservative financial management, extremely low debt burden, increased reserves and continued in-migration. Florida's strong credit fundamentals are in stark contrast to those of the United States Federal Government which has been downgraded by two rating agencies and recently put on "negative outlook" by Moody's because of persistent deficit spending, high debt levels and political polarization. The State has also enacted measures to enhance its financial flexibility to respond to financial emergencies and the rising cost of insurance. These proactive measures position the State well. In their reports, the rating agencies expect Florida to maintain its history of structural budget balance and strong reserves to continue to support the AAA ratings.

Florida General Obligation Credit Ratings

	Rating	Outlook
Standard and Poor's	AAA	Stable
Fitch Ratings	AAA	Stable
Moody's Investor Service	Aaa	Stable

The State does face some potential credit challenges, which include environmental risks associated with hurricanes and sea-level rise and the health of the State's property insurance

industry, specifically the State-sponsored insurance entities—Cat Fund, Citizens, and FIGA. Although the rating agencies acknowledge these risks, they also point to the State's strong financial position, ample reserves and property insurance reforms as mitigating factors positioning the State well to withstand these risks in the future without immediate rating pressure.

Conclusion

Florida's debt position improved in FY 2023 as a result of a reduction in the amount of debt outstanding because the State has ample resources available to fund infrastructure needs on a pay-go basis. The debt ratio remains well below the 6% target due to continued economic strength and limited debt issuance. The State is well positioned with significant debt capacity available to fund priority infrastructure.

The rating agencies have recognized the State's conservative financial management, ample reserves and continued in-migration with AAA credit ratings. The rating agencies expect Florida to continue sound financial management practices along with making adequate pension contributions and planning for the impacts associated with environmental risks in order to maintain its credit ratings. The State is well positioned to ensure stability through future economic cycles.

State of Florida

2024 Update

to the

2023 Debt Report

Revised to include the
December 2023 and January 2024 Revenue Estimating Projections

Prepared by the Division of Bond Finance

2024 Update

- The 2024 Update reflects the upward revision in projected revenues as Florida's economic growth continues to outpace original projections. The updated projections do not materially impact the debt affordability analysis in the 2023 Debt Report.

- The primary change is to reflect the increased revenues from the December 2023 and January 2024 Revenue Estimating Conferences.

- FY 2024 projected revenues increased by approximately $1.7 billion over the 2023 Debt Report, which resulted in an improvement to the FY 2024 benchmark ratio. This is primarily a result of increases in FY 2024 General Revenue collections compared to prior estimates.

- Based on December 2023 and January 2024 revenue estimates, the benchmark debt ratio does not change significantly and is expected to remain well below the 6% target over the 10-year projection period.

Projected Revenue Available for State Tax-Supported Debt - 2023 Report

Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue Available *(In Millions)* **:**										
General Revenue	$ 45,664.4	$ 47,424.2	$ 48,586.8	$ 49,934.8	$ 51,451.3	$ 52,924.5	$ 54,496.6	$ 56,114.8	$ 57,780.5	$ 59,494.9
Less: Doc Stamp Distribution	(1,217.9)	(1,297.5)	(1,379.9)	(1,446.7)	(1,513.2)	(1,579.7)	(1,648.1)	(1,718.5)	(1,791.1)	(1,865.8)
Net General Revenue	44,446.5	46,126.7	47,206.9	48,488.1	49,938.1	51,344.8	52,848.5	54,396.3	55,989.4	57,629.1
Specific Tax Revenue										
Gross Receipts	1,490.7	1,450.4	1,351.0	1,344.5	1,358.7	1,362.8	1,363.6	1,367.6	1,380.2	1,394.1
Motor Vehicle License	936.0	945.5	953.3	959.9	966.4	975.3	983.4	991.5	999.7	1,008.0
Lottery	2,299.2	2,264.4	2,290.3	2,312.8	2,330.0	2,357.9	2,420.8	2,403.2	2,420.1	2,448.8
Documentary Stamp Tax	3,479.4	3,670.6	3,828.4	3,951.3	4,073.7	4,196.0	4,321.9	4,451.5	4,585.0	4,722.6
Motor Fuel Tax	1,848.0	1,945.1	2,012.1	2,071.1	2,133.3	2,186.6	2,238.8	2,290.6	2,342.1	2,396.9
Motor Vehicle License-Surcharge SLERSTF	24.6	25.0	25.2	25.4	25.5	25.7	25.9	26.1	26.4	26.6
Tax on Pollutants-IPTF	260.1	-	-	-	-	-	-	-	-	-
SUS Net Bldg Fees & Cap. Impr.Fees	59.1	59.4	59.7	60.0	60.3	60.6	60.9	61.2	61.5	61.8
State (Community) College Cap. Impr.Fees	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6
Title Fees (Available for Seaport Debt)	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Federal Reimbursements for Transportation	3,147.4	3,673.4	3,863.9	3,829.4	2,831.2	2,860.7	2,894.0	2,786.4	2,808.9	2,808.9
Other Sources	3.2	3.3	5.9	9.4	13.6	28.5	49.1	61.8	63.9	71.8
Total State Revenue Available	**$ 58,225.9**	**$ 60,395.4**	**$ 61,828.3**	**$ 63,283.5**	**$ 63,962.4**	**$ 65,630.5**	**$ 67,438.5**	**$ 69,067.8**	**$ 70,908.7**	**$ 72,800.2**

Projected Revenue Available for State Tax-Supported Debt - 2024 Update

Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue Available *(In Millions)* **:**										
General Revenue	$ 47,256.3	$ 48,009.7	$ 49,092.7	$ 50,521.3	$ 51,909.3	$ 53,362.6	$ 54,972.7	$ 56,630.7	$ 58,338.1	$ 60,096.3
Less: Doc Stamp Distribution	(1,207.1)	(1,297.5)	(1,379.9)	(1,446.7)	(1,513.2)	(1,579.7)	(1,648.1)	(1,718.5)	(1,791.1)	(1,865.8)
Net General Revenue	46,049.2	46,712.2	47,712.8	49,074.6	50,396.1	51,782.9	53,324.6	54,912.2	56,547.0	58,230.5
Specific Tax Revenue										
Gross Receipts	1,487.0	1,446.9	1,347.5	1,340.3	1,353.5	1,356.6	1,356.5	1,359.4	1,371.0	1,383.9
Motor Vehicle License	936.0	945.5	953.3	959.9	966.4	975.3	983.4	991.5	999.7	1,008.0
Lottery	2,374.8	2,243.3	2,265.2	2,285.0	2,299.7	2,325.0	2,325.0	2,325.0	2,325.0	2,325.0
Documentary Stamp Tax	3,453.3	3,670.6	3,828.4	3,951.3	4,073.7	4,196.0	4,321.9	4,451.5	4,585.0	4,722.6
Motor Fuel Tax	1,865.9	1,962.3	2,030.5	2,087.6	2,145.6	2,201.9	2,256.0	2,312.7	2,373.1	2,424.5
Motor Vehicle License-Surcharge SLERSTF	24.6	25.0	25.2	25.4	25.5	25.7	25.9	26.1	26.4	26.6
Tax on Pollutants-IPTF	262.5	-	-	-	-	-	-	-	-	-
SUS Net Bldg Fees & Cap. Impr.Fees	59.1	59.4	59.7	60.0	60.3	60.6	60.9	61.2	61.5	61.8
State (Community) College Cap. Impr.Fees	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6
Title Fees (Available for Seaport Debt)	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Federal Reimbursements for Transportation	3,147.4	3,673.4	3,863.9	3,829.4	2,831.2	2,860.7	2,894.0	2,786.4	2,808.9	2,808.9
Other Sources	3.2	3.3	5.9	9.4	13.6	28.5	49.1	61.8	63.9	71.8
Total State Revenue Available	**$ 59,894.6**	**$ 60,973.6**	**$ 62,324.0**	**$ 63,854.4**	**$ 64,397.2**	**$ 66,044.9**	**$ 67,828.8**	**$ 69,519.4**	**$ 71,393.1**	**$ 73,295.1**
Change in Revenue Projection	**$ 1,668.8**	**$ 578.1**	**$ 495.7**	**$ 571.0**	**$ 434.8**	**$ 414.3**	**$ 390.3**	**$ 451.6**	**$ 484.4**	**$ 494.9**

Projected Debt Metrics - 2023 Report

Statistics / Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
State Revenue Available (In Millions)	$ 58,225.9	$ 60,395.4	$ 61,828.3	$63,283.5	$ 63,962.4	$65,630.5	$ 67,438.5	$69,067.8	$ 70,908.7	$ 72,800.2
Annual Growth Rate of Revenues	(1.57%)	3.73%	2.37%	2.35%	1.07%	2.61%	2.75%	2.42%	2.67%	2.67%
State Debt Service (In Millions)	$ 1,615.8	$ 1,537.6	$ 1,375.1	$ 1,293.4	$ 1,206.8	$ 1,125.7	$ 1,067.7	$ 1,021.6	$ 1,002.0	$ 939.8
Total State Net Tax-Supported Debt (In Millions)	$ 11,721.4	$ 10,925.4	$ 10,262.9	$ 9,655.5	$ 9,090.2	$ 8,520.6	$ 7,911.5	$ 7,471.7	$ 7,070.7	$ 6,480.0
Debt Service % of Revenue	2.78%	2.55%	2.22%	2.04%	1.89%	1.72%	1.58%	1.48%	1.41%	1.29%
Population (In Thousands)	22,869	23,177	23,477	23,768	24,050	24,320	24,579	24,825	25,059	25,281
Per Capita Personal Income	$ 67,933	$ 70,960	$ 73,554	$ 76,141	$ 78,805	$ 81,389	$ 84,007	$ 86,683	$ 89,497	$ 92,434
Debt Per Capita	$ 512.5	$ 471.4	$ 437.1	$ 406.2	$ 378.0	$ 350.4	$ 321.9	$ 301.0	$ 282.2	$ 256.3
Debt as % of Personal Income	0.75%	0.66%	0.59%	0.53%	0.48%	0.43%	0.38%	0.35%	0.32%	0.28%

Projected Debt Metrics - 2024 Update

Statistics / Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
State Revenue Available (In Millions)	$ 59,894.6	$ 60,973.6	$ 62,324.0	$63,854.4	$ 64,397.2	$66,044.9	$ 67,828.8	$69,519.4	$ 71,393.1	$ 73,295.1
Annual Growth Rate of Revenues	6.90%	1.80%	2.21%	2.46%	0.85%	2.56%	2.70%	2.49%	2.70%	2.66%
State Debt Service (In Millions)	$ 1,615.8	$ 1,537.6	$ 1,375.1	$ 1,293.4	$ 1,206.8	$ 1,125.7	$ 1,067.7	$ 1,021.6	$ 1,002.0	$ 939.8
Total State Net Tax-Supported Debt (In Millions)	$ 11,721.4	$ 10,925.4	$ 10,262.9	$ 9,655.5	$ 9,090.2	$ 8,520.6	$ 7,911.5	$ 7,471.7	$ 7,070.7	$ 6,480.0
Debt Service % of Revenue	2.70%	2.52%	2.21%	2.03%	1.87%	1.70%	1.57%	1.47%	1.40%	1.28%
Population (In Thousands)	22,892	23,215	23,519	23,814	24,100	24,374	24,635	24,883	25,120	25,346
Per Capita Personal Income	$ 69,765	$ 73,217	$ 76,158	$ 79,041	$ 82,076	$ 85,107	$ 88,189	$ 91,380	$ 94,737	$ 98,307
Debt Per Capita	$ 512.0	$ 470.6	$ 436.4	$ 405.5	$ 377.2	$ 349.6	$ 321.1	$ 300.3	$ 281.5	$ 255.7
Debt as % of Personal Income	0.73%	0.64%	0.57%	0.51%	0.46%	0.41%	0.36%	0.33%	0.30%	0.26%

2024 Update: Change in Projected Benchmark Debt Ratio Projection

Benchmark Debt Ratio Projection

	Actual 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
2023 Projection	2.93%	2.78%	2.55%	2.22%	2.04%	1.89%	1.72%	1.58%	1.48%	1.41%	1.29%
2024 Update	2.93%	2.70%	2.52%	2.21%	2.03%	1.87%	1.70%	1.57%	1.47%	1.40%	1.28%
Change in Ratio*	-	(0.08%)	(0.02%)	(0.02%)	(0.02%)	(0.01%)	(0.01%)	(0.01%)	(0.01%)	(0.01%)	(0.01%)

*Change may not foot due to rounding