Economic, demographic, resource-demand and revenue forecasts are essential for a variety of governmental planning and budgeting functions. Most importantly, revenue and resource-demand estimates are needed to ensure that Florida meets its constitutional balanced budget requirement. In this regard, the various forecasts are primarily used in the development of the constitutionally required Long-Range Financial Outlook, the Governor's budget recommendations and the General Appropriations Act. Economic and demographic forecasts are also used to support the other estimates of revenues and demands for state services.

Florida’s revenue forecasting system is founded on a base forecast which typically assumes a “current law, current administration” structure in which no changes are allowed to the legal setting and practices known at the time of the forecast. This multi-stage process begins with the adoption of a national economic forecast based in part on information from a private forecasting firm, and the subsequent development of a Florida-specific economic forecast linked to major elements from the national forecast. Key state economic variables are then used to model the likely growth paths of individual revenue sources. They are further adjusted by recent revenue collection trends and calibrated to current receipts. This process determines the baseline forecasts, and proposed law changes are modeled as deviations from the projected base. In the next round of forecasts, the process begins again, and the baseline is updated to account for any new or changed information, such as data revisions and law changes. All revenue estimates are made on a “cash” basis where revenues are assigned to the fiscal year in which they are likely to be received. The resource-demand conferences follow a similar process, and most rely heavily on the shape of the Florida-specific economic and population forecasts.

Rather than constitutional or statutory guidance, the classification of recurring and non-recurring revenues is based on institutional forecasting conventions developed over time by the principals of the Revenue Estimating Conference. Typically, the forecasted revenue level for each baseline year is deemed to be the “recurring” amount of funds for that year, regardless of the projected levels in subsequent years. Narrow exceptions are made for one-time events such as hurricanes and the receipt of special federal funds, as well as time-limited statutory provisions. Recent estimates have included at least five complete fiscal years in the forecast adopted at the conference. Moreover, the annual Long-Term Revenue Analysis adopted each fall contains 10-year forecasts for revenues.

Consensus estimating informally began in 1970 and was limited to forecasts of the General Revenue Fund. The law establishing the conference process in statute did not pass until 1985 (Chapter 85-26, L.O.F.). The use of consensus forecasting to support the planning and budgeting process has expanded in the years since, and there are now ten estimating conferences formally identified in statute:

1. Economic Estimating Conference
   a. Florida Economic
   b. National Economic
2. Florida Demographic Estimating Conference
3. Revenue Estimating Conference
   a. Ad Valorem
   b. Article V Fees & Transfers
   c. Documentary Stamp Tax
   d. General Revenue
   e. Gross Receipts/Communications Services Tax
   f. Highway Safety Fees

1 Designated principals also use independent (but informed) judgment to alter the forecast.
While references to specific conferences exist in several places within the Florida Statutes, general statutory authority for the consensus process is provided in sections 216.133 through 216.138, F.S., which specifies the duties of each conference and designates the conference principals and participants. Conference principals can call conferences and are generally responsible for developing and choosing the forecasts. Participants may be requested to provide alternative forecasts and to generate supporting information. All conferences are open, public meetings.

The four principals for each conference are designated professional staff representing the Governor’s Office, Senate, House of Representatives, and Legislative Office of Economic and Demographic Research. Historically, the revenue representatives of the House and Senate have been the staff directors of the tax committees, and the policy coordinator overseeing tax issues has represented the Governor's Office. In the other conferences, the principals represent the same offices, but they are specifically chosen for their subject-matter expertise in the area represented by
the conference. An exception is made for the Coordinator of the Legislative Office of Economic and Demographic Research who – by law – sits as a principal on all conferences.

Consensus forecasting requires the conference principals to agree on the forecasts before they are finalized. Section 216.133(3), F.S., defines “consensus” as “the unanimous consent of all of the principals,” essentially meaning that each principal has a veto. All state agencies and the judicial branch must use the official results adopted by the conferences in carrying out their duties under the state planning and budgeting process; however, the Legislature is not bound to use the official consensus forecasts. Nevertheless, since 1970, the Florida Legislature has consistently used the results of these conferences in its official duties.

Over the course of each year, the principals meet in a series of regularly scheduled Consensus Estimating Conferences to provide the forecasts needed to support the planning and budgeting process. Typically, these conferences have occurred in three “seasons” that are geared to the major events of the annual planning and budgeting cycle. In addition, impact conferences are held when estimates are needed to determine the impact of changes or proposed changes to current law or current administration. The statutes do not specify the methods, techniques, or approaches for developing estimates or forecasts; however, the impact conferences typically use static analyses with modest adjustments for likely behavioral changes when conditions warrant their inclusion.

A special case of the estimating conference process has been developed for evaluating the fiscal impact of petition initiatives. In 2004, a constitutional amendment passed that requires initiative petitions be filed with the Secretary of State by February 1st of each general election year in order to be eligible for ballot consideration. Section 100.371(13)(a), F.S., requires that “at the same time the Secretary of State submits an initiative petition to the Attorney General pursuant to s. 15.21, F.S., the Secretary shall submit a copy of the initiative petition to the Financial Impact Estimating Conference.” This triggers a 75-day review period for the conference to complete an analysis and financial impact statement to be placed on the ballot.

The Financial Impact Estimating Conference (FIEC) consists of four principals: one person from the Executive Office of the Governor; the coordinator of the Legislative Office of Economic and Demographic Research, or his or her designee; one person from the professional staff of the Senate; and one person from the professional staff of the House of Representatives. Each principal must have appropriate fiscal expertise in the subject matter of the initiative. A separate FIEC is appointed for each initiative.

Another special case of the estimating conference process has been developed for evaluating legislative proposals—whether statutory or budgetary—based on tools and models not generally employed by the consensus estimating conferences, including cost-benefit, return-on-investment, or dynamic scoring techniques, when suitable and appropriate for the legislative proposals being evaluated. In 2010, HB 1178 was passed and signed into law (Chapter 2010-101, L.O.F) establishing section 216.138, F.S., authorizing the President of the Senate and the Speaker of the House of Representatives to request special impact estimating conferences employing such tools and models. The Special Impact Estimating Conference consists of four principals: one person from the Executive Office of the Governor; the coordinator of the Legislative Office of Economic and Demographic Research, or his or her designee; one person from the professional staff of the Senate; and one person from the professional staff of the House of Representatives. Each principal must have appropriate fiscal expertise in the subject matter of the legislative proposal. A separate Special Impact Estimating Conference may be appointed for each proposal.