The Florida State Risk Management Trust Fund (SRMTF) provides coverage that protects state property and workforce members that are exposed to the risk of financial losses through damage, injuries, and alleged negligent or improper acts. The Florida Self-Insurance Estimating Conference forecasts the annual funding that is needed to cover such losses on a fiscal year basis.

The trust fund income is calculated mainly based on information provided by the Division of Risk Management, Department of Financial Services. Trust fund income for FY 2019-20 is expected to be $222.1 million. This amount is slightly higher than the prior estimate due to expected increases of $0.2 million in the Subrogations/TTD Refunds category and $1.6 million in the Investment Income Category. For FY 2020-21 through FY 2024-25, the trust fund income is forecasted at a constant $203.7 million.

For non-operating expenditures, FY 2019-20 has been revised from $162.0 million to $159.6 million. Both WC Indemnity and WC Medical were revised notably downward. WC Indemnity is now forecasted at $39.6 million (reduced from $42.9 million) and WC Medical is now forecasted at $73.6 million (reduced from $79.6 million).

The combined reduction to these categories is partially offset by increases in other categories. Notably, Property Losses has been revised upward to $20.1 million (from $16.9 million) due to higher than expected Hurricane Michael payouts and atypical payouts related to tornado and fire damage. Also, Federal Civil Rights has been revised upward to $12.4 million (from $9.9 million) due to several large payments expected to occur by the end of the fiscal year.

Many of these changes affected subsequent years as well; the total for non-operating expenditures has been revised downward for all years in the forecast horizon: FY 2020-21 through FY 2024-25. By FY 2024-25, combined non-operating expenditures is projected to total $144.0 million.

No significant changes to operating expenditures were made. Operating expenditures are expected to total $75.0 million for FY 2020-21 to FY 2024-25.

The ending cash balance for FY 2019-20 is expected to be positive at $40.1 million. The ending cash balance will then remain positive through FY 2022-23, a significant improvement relative to the prior forecast. As a result of the revised forecast, the new projected ending balances are:

<table>
<thead>
<tr>
<th></th>
<th>Old Ending Cash Balance</th>
<th>New Ending Cash Balance</th>
<th>Difference</th>
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<tbody>
<tr>
<td>2019-20</td>
<td>$36.0</td>
<td>$40.1</td>
<td>$4.1</td>
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<td>2021-22</td>
<td>($1.1)</td>
<td>$18.5</td>
<td>$19.6</td>
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<td>2022-23</td>
<td>($20.1)</td>
<td>$5.3</td>
<td>$25.4</td>
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<tr>
<td>2023-24</td>
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<td>2024-25</td>
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<td>($15.4)</td>
<td>$4.6</td>
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When a negative balance occurs, the Conference assumes that annual legislative actions will eliminate the shortfalls in the year that they occur. Accordingly, the beginning balances for the subsequent years are zero.
### Beginning Cash Balance

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<tbody>
<tr>
<td>2019-2020</td>
<td>67.1</td>
<td>76.5</td>
<td>73.9</td>
<td>64.0</td>
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<td>52.7</td>
<td>52.7</td>
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### 3 Income

4. **Premiums**

5. **Casualty (1)**

6. **Property**

7. **Law Vehicles**

8. **Subrogations/TDD refunds/Others**

9. **Transfer from BSF**

10. **Investment Income**

11. **Other Non Operating Receipts/Settlement**

12. **Trust fund Loan**

13. **Additional Funding from GAA (2)**

14. **Recoveries from Excess Insurance for Michael**

15. **Total Income**

### 16 Expenditures

17. **Non operating Expenditures**

18. **Casualty Losses**

19. **WC Indemnity**

20. **WC Medical**

21. **Total WC Payments**

22. **General Liability**

23. **Automotive Liability**

24. **Federal Civil Rights**

25. **Total Casualty Losses**

26. **Property Losses (3)**

27. **Total Payment of Losses**

28. **Transfer to BSF**

29. **Transfer to ATF- DFS Admin Splt**

30. **Refunds**

31. **Trust Fund Loan**

32. **Total Non-operating Expenditures**

33. **Operating Expenditures**

34. **Salaries & Bonuses**

35. **Other Personal Services**

36. **Expenses**

37. **Operating Capital Outlay**

38. **Contracted Services**

39. **Contracted Legal - Attorney General**

40. **Contracted Legal - Private Attorneys**

41. **Contracted Medical Services**

42. **Excess Insurance & Claim Service**

43. **Excess Property Insurance**

44. **DVC Assessments**

45. **Broker Fees/RMS Spt Fees**

46. **Total Excess Insurance**

47. **Risk Management Information Claims Sys**

48. **Operation/Motor Vehicles**

49. **Risk Management Insurance**

50. **Public Assistance - State Ops (4)**

51. **Lease or Lease Purchase of Equip**

52. **HR Services**

53. **Total Operating Expenditures**

54. **Total Expenditures**

55. **Net Income**

56. **Ending Cash Balance**

---

**Notes:**

(1) The 2019-2020 General Appropriations Act provides $5,129,523 in recurring General Revenue and $2,947,588 in recurring trust funds for distribution into customer agencies' Risk Management appropriation categories to pay casualty insurance premiums in order to alleviate future funding deficits in the program.

(2) The FY 2019-2020 GAA, provided $26,169,369 in General Revenue and $2,947,588 in trust funds, for a total of $29,117,557 appropriated in the Casualty Insurance Premium Deficit category. After the distributions made by budget amendment REOG-B0002, there remains an undistributed amount of $4,516,773 in trust fund authority (in Administered Funds) available for distribution into customer agencies Risk Management appropriation categories. In the event the Risk Management appropriation Fund encounters a deficit during the 2019-2020 Fiscal Year, Department of Financial Services may request further distribution of the remaining $4.5 million in Administered Funds.


(4) The 2017-2018 Department of Financial Services approved budget amendment established the Public Assistance – ST Ops special operating category for recording Hurricane Irma contracted claims adjusting service expenditures. Hurricane related claims adjusting service expenditures are transferred from the contracted services category into the special operating category. For 2018-19, Public Assistance – ST OPS expanded to include Hurricane Michael. For 2019-20, the special category budget authority includes $43K for Hurricane Irma, $57K for Hurricane Michael, and $4K for Hurricane Dorian.

(5) It is assumed the projected deficits in Fiscal Years 2023-2024 and 2024-2025 will be resolved prior to the end of each fiscal year.