

Risk Management Trust Fund

March 11, 2025

Executive Summary

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 based on information provided by the Division of Risk Management, Department of Financial Services. For FY 2024-25, the estimate for total income is \$245.4 million. This amount is slightly above the July estimate, primarily due to a large payback from processing errors in the State Disability Trust Fund and contract rebates. For FY 2025-26 and FY 2026-27, trust fund income of \$232.6 million and \$232.7 million is expected, respectively, and for FY 2027-28 through FY 2029-30, trust fund income of \$232.9 million is expected each year. These levels are close to the July estimates of \$230.4 million each year.

The non-operating expenditures category is projected to reach \$186.9 million in FY 2024-25. This is an increase from the July estimate of \$173.3 million, with the upward revision mostly related to projected property damages related to hurricanes Debby, Helene, and Milton, as well as the May 2024 tornadoes. Including the other minor upward and downward adjustments, total non-operating expenditures will be \$13.6 million higher in the current year, but between \$3.1 and \$6.9 lower in each of the following years. The major component pieces are:

- Worker's Compensation (WC)...There are two parts of worker's compensation: WC Indemnity and WC Medical. For WC Indemnity, the new estimate is \$1.2 million lower than the prior estimate for the current year, \$0.5 million lower in FY 2025-26, \$0.3 million lower in FY 2026-27 and FY 2027-28, and unchanged in FY 2028-29 and FY 2029-30. For WC Medical, the new estimate is \$3.1 million lower in the current year due to the year-to-date experience, as well as actuarial results showing lower costs. This effect carries through all of the forecasted years.
- General Liability...The new forecast has a minor upward adjustment in the current year (\$0.4 million) but remains unchanged in future years.
- Automotive Liability...The forecast remains unchanged.
- Federal Civil Rights... The forecast remains unchanged.
- Property Losses...Only the estimate for the current year was changed to add \$17.4 million in projected property damages related to hurricanes Debby, Helene, and Milton, as well as the May 2024 tornadoes.

The operating expenditures (administrative) category was adjusted upward by \$3.5 million in FY 2024-25 to address a non-recurring public assistance charge and by \$0.3 million in all years to address state pay package issues.

The ending cash balance for FY 2024-25 is now projected to be \$73.8 million. While slightly lower than previously projected in FY 2024-25, FY 2025-26 and FY 2026-27, the balance is expected to remain positive throughout the forecast.

| | Prior Ending Cash Balance | New Ending Cash Balance | Difference (new – prior) |
|---------|---------------------------------|-------------------------------|-----------------------------|
| 2024-25 | \$85.8 | \$73.8 | (\$12.0) |
| 2025-26 | \$72.5 | \$65.4 | (\$7.1) |
| 2026-27 | \$57.5 | \$56.3 | (\$1.2) |
| 2027-28 | \$40.8 | \$47.6 | \$6.8 |
| 2028-29 | \$22.4 | \$38.4 | \$16.0 |
| 2029-30 | \$4.0 | \$27.4 | \$23.4 |

