RANK

# FLORIDA

## **SUMMARY**

On the basis of its fiscal solvency in five separate categories, Florida ranks 1st among the US states for its fiscal health. Florida performs well on all dimensions of solvency. On a short-run basis, Florida has between 8.19 and 10.01 times the cash needed to cover short-term obligations. Revenues exceed expenses by 7 percent, and net position improved by \$279 per capita. On a long-run basis, Florida's performance is also strong. Net assets are 10 percent of total assets, and long-term liabilities are 34 percent of total assets, or \$2,303 per capita, roughly half the average for the US states. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$197.65 billion, or 22 percent of state personal income, and OPEB is 2 percent of personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

#### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
Florida	\$11.08 billion	\$24.56 billion	\$894.19 billion	2.7%	\$1,211
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

#### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Florida	\$22.35 billion	86%	\$197.65 billion	42%
National average	\$20.62 billion	74%	\$105.50 billion	36%

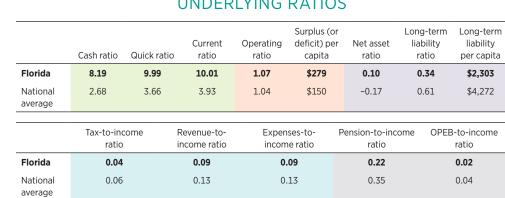
#### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
Florida	\$15.44 billion	0%
National average	\$12.97 billion	12%

### 1. Florida

- 2. North Dakota
- 3. South Dakota
- 4. Utah
- 5. Wyoming
- 6. Nebraska
- 7. Oklahoma
- 8. Tennessee
- 9. Idaho
- 10. Montana
- 11. Missouri
- 12. Alabama
- 13. Ohio
- 14. Nevada
- 15. North Carolina
- 16. Indiana
- 17. Alaska
- 18. Virginia
- 19. South Carolina
- 20. Arkansas
- 21. Oregon
- 22. Georgia
- 23. Texas
- 24. Minnesota
- 25. New Hampshire
- 26. Washington
- 27. Hawaii
- 28. Iowa
- 29. Wisconsin
- 30. Colorado
- 31. Delaware
- 32. Kansas
- 33. Arizona
- 34. Mississippi
- 35. Maine
- 36. Michigan
- 37. Connecticut
- 38. Rhode Island
- 39. New York
- 40. Vermont
- 41. New Mexico
- 42. West Virginia
- 43. California
- 44. Louisiana
- 45. Pennsylvania
- 46. Maryland
- 47. Kentucky
- 48. Massachusetts
- 49. Illinois
- 50. New Jersey





## UNDERLYING RATIOS

## **KEY TERMS**

- Cash solvency measures whether a state has enough cash to cover its short-• term bills, which include accounts payable, vouchers, warrants, and shortterm debt. (Florida ranks 2nd.)
- Budget solvency measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Florida ranks 10th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Florida ranks 17th.)
- Service-level solvency measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough "fiscal slack"? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Florida ranks 3rd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Florida ranks 8th.)

distance from US average (in standard deviations)

-3.0

-2.0

3.0

2.0

1.0

►

US average

-1.0

2nd

cash solvency

3rd

8th

trust fund

solvency

10th

budget

17th long-run

solvency

solvency

service-level

solvency

For a complete explanation of the methodology used to calculate Florida's fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, "Ranking the States by Fiscal Condition," 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).