



Office of Fiscal Analysis

FY 25 BUDGET PROJECTIONS

February 25, 2025

PROJECTIONS HOLD STEADY

The Office of Fiscal Analysis projects operating surpluses within the General and Special Transportation funds of \$356.4 million and \$142.9 million, respectively. Relative to [last month's projection](#), the projected operating surplus in the General Fund has decreased by \$7.7 million and the projected operating surplus in the Special Transportation Fund (STF) has decreased by \$12.1 million.

General Fund

General Fund expenditure projections are revised upward by \$7.7 million (net) to reflect the impact of several adjustments. The most significant adjustments in the statement are: 1) an upward adjustment of \$20 million to the expenditure projection of the Medicaid line item in the Department of Social Services; and 2) a downward adjustment of \$11.3 million to the expenditure projection of the Adjudicated Claims line item.

The upward adjustment to the Medicaid expenditure projection reflects a continuation of higher-than-budgeted cost trends. The downward adjustment to the Adjudicated Claims expenditure projection reflects the General Assembly remanding five claims of wrongful incarceration to the Office of the Claims Commissioner.

General Fund revenue projections remain unchanged relative to last month's projections.

Special Transportation Fund

The Special Transportation Fund estimated surplus has been revised downward by \$12.1 million. Revenue projections decline by \$10 million to reflect a lower-than-expected quarterly payment from the oil companies tax. Expenditure projections increase by \$2.1 million, including \$1.7 million for anticipated operating expenses for the Department of Transportation and \$0.4 million in technical updates to fringe costs.

Overview

In Millions of Dollars

| General Fund | Budget | February Estimate | Difference from Budget |
|------------------------------------|--------------|-------------------|------------------------|
| Revenues | 23,103.7 | 23,678.3 | 574.6 |
| Expenditures | 22,805.9 | 23,321.9 | 516.0 |
| Surplus/(Deficit) | 297.9 | 356.4 | 58.6 |
| Budget Reserve Deposit | 957.5 | 1,759.9 | 802.5 |
| Special Transportation Fund | | | |
| Revenues | 2,354.5 | 2,343.4 | (11.1) |
| Expenditures | 2,286.4 | 2,200.5 | (85.9) |
| Surplus/(Deficit) | 68.1 | 142.9 | 74.8 |
| Fund Balance | 509.1 | 583.9 | 74.8 |

General Fund Summary

In Millions of Dollars

| Summary | FY 25 |
|---|----------------|
| Budgeted Balance | 297.9 |
| Revenue Adjustments as of April 2024 Consensus | 25.8 |
| Revenue Changes | |
| + Investment Income | 336.5 |
| + Withholding | 130.0 |
| + Federal Grants | 31.0 |
| + Health Provider Tax | (65.9) |
| + Net Revenue | 117.2 |
| Revenue Subtotal | 574.6 |
| Expenditure Changes | |
| +Agency Deficiencies | (535.3) |
| +Net Lapses | 19.3 |
| Expenditure Subtotal | (516.0) |
| = Surplus/(Deficit) | 356.4 |
| Budget Reserve Fund Starting Balance | 4,105.1 |
| + Surplus/(Deficit) | 356.4 |
| + Volatility Adjustment | 1,403.5 |
| = Budget Reserve Transfer Subtotal | 1,759.9 |
| = Budget Reserve Fund Balance | 5,865.0 |

Special Transportation Fund Summary

In Millions of Dollars

| Summary | FY 25 |
|---|---------------|
| Budgeted Balance | 68.1 |
| Revenue Adjustments as of April 2024 Consensus | 56.0 |
| Revenue Changes | |
| + Oil Companies | (54.6) |
| + Licenses, Permits and Fees | (10.0) |
| + Sales Tax - DMV | 4.4 |
| + Federal Grants | (2.9) |
| + Net Revenue | (4.0) |
| Revenue Subtotal | (11.1) |
| Expenditure Changes | |
| +Agency Deficiencies | 0.0 |
| +Net Lapses | 85.9 |
| Expenditure Subtotal | 85.9 |
| = Surplus/(Deficit) | 142.9 |
| STF Starting Balance | 441.0 |
| + Surplus/(Deficit) | 142.9 |
| = Fund Balance | 583.9 |

For further information, please see the links below:

[Revenue Details Table](#)[Expenditure Details Table](#)[Budget Status Page](#)