



Office of Fiscal Analysis

FY 25 BUDGET PROJECTIONS

May 1, 2025

\$1.7 BILLION PENSIONS DEPOSIT PROJECTED

Projections of the two revenue categories governed by the volatility cap are revised upward by \$500 million in total (+\$350 million in the estimates and finals¹ portion of the personal income tax and +\$150 million in the pass-through entities tax), which increases the volatility adjustment transfer to the Budget Reserve Fund and pensions from \$1,403.5 million to \$1,903.5 million. It is anticipated that roughly \$200 million of this total would be required to maintain the Budget Reserve Fund at the maximum statutory level of 18% in FY 26, making \$1,703.5 million available to reduce unfunded pensions debt.

The Office of Fiscal Analysis projects operating surpluses within the General and Special Transportation funds of \$393.7 million and \$141.3 million, respectively. Relative to [last month's projection](#), the projected operating surplus in the General Fund has increased by \$39.6 million and the projected operating surplus in the Special Transportation Fund (STF) has decreased by \$1 million.

General Fund

General Fund revenue projections are revised upward by \$77.2 million (net) in total due to several changes, primarily: 1) a positive, \$110 million adjustment to the withholding portion of the personal income tax recognizing a record-breaking, recently concluded bonus season which is tied to strong financial market performance in 2024; 2) a negative, \$85 million adjustment to the corporation tax category reflecting a recent (March - April) softening in collections, which are down approximately 17% from the same period last calendar year; and 3) a positive, \$50 million update to the projection for escheats necessary to reflect recent activity.

Overview

In Millions of Dollars

General Fund	Budget	April Estimate	Difference from Budget
Revenues	23,103.7	23,712.5	608.8
Expenditures	22,805.9	23,318.8	513.0
Surplus/(Deficit)	297.9	393.7	95.8
Budget Reserve Deposit	957.5	2,297.2	1,339.7
Special Transportation Fund			
Revenues	2,354.5	2,341.2	(13.3)
Expenditures	2,286.4	2,199.9	(86.5)
Surplus/(Deficit)	68.1	141.3	73.2
Fund Balance	509.1	582.3	73.2

General Fund expenditure projections are revised upward by \$37.6 million (net) in total to reflect various updates, with the largest adjustments being increases of \$20.4 million to the Adjudicated Claims line item and \$20 million to the Medicaid line item within the Department of Social Services.

Special Transportation Fund

The Special Transportation Fund estimated surplus has been revised downward by \$1 million (net) in total relative to last month's projection. Revenues decreased by \$2.2 million, driven by a \$12.5 million reduction to Oil Companies due to lower oil prices stemming from recent trade disputes. This is partially offset by

¹ April is a pivotal month in collections for this revenue stream, as roughly 50% of the total annual amount is received.

eliminating an \$8 million budgeted transfer-out (funds are now projected to remain in the STF), which had been contingent on the Connecticut Airport Authority entering into a management agreement for Sikorsky Airport. All other revenue changes are minor or technical and net to a positive \$2.3 million adjustment. Expenditure projections decreased by \$1.2 million due to ongoing trends in Department of Transportation vacancies, partially offset by an increase in fringe benefit costs.

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	318.7
+ Withholding	240.0
+ Federal Grants	13.2
+ Health Provider Tax	(60.9)
+ Net Revenue	(120.9)
Revenue Subtotal	415.9
Expenditure Changes	
+Agency Deficiencies	(571.7)
+Net Lapses	58.7
Expenditure Subtotal	(513.0)
= Surplus/(Deficit)	393.7
Budget Reserve Fund Starting Balance	4,105.1
+ Surplus/(Deficit)	393.7
+ Volatility Adjustment	1,903.5
= Budget Reserve Transfer Subtotal	2,297.2
= Budget Reserve Fund Balance	6,402.3

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	(67.1)
+ Licenses, Permits and Fees	(10.0)
+ Sales Tax - DMV	4.4
+ Federal Grants	(2.9)
+ Net Revenue	6.3
Revenue Subtotal	(13.3)
Expenditure Changes	
+Agency Deficiencies	0.0
+Net Lapses	86.5
Expenditure Subtotal	86.5
= Surplus/(Deficit)	141.3
STF Starting Balance	441.0
+ Surplus/(Deficit)	141.3
= Fund Balance	582.3

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)