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LRO FORECAST SUMMARY

March 2011

NEW FACTS SINCE THE LAST FORECAST

	4 th Qtr 2010 Forecast	4 th Qtr 2010 Actuals	Difference
Employment	1,598,437	1,600,470	2,033
Personal Income (\$ billion)	144.1	143.7	-0.3
Personal Income Tax (\$ million)			
Withholding	1,199.5	1,196.2	-3.2
Other Payments less Refunds	32.8	78.8	46.0
Total	1,232.3	1,275.0	42.7
Corporate Income Tax	117.9	106.9	-11.0

NEW FACTS

- Fourth quarter personal income tax collections were up \$42.7 million (3.5%) from the December 2010 forecast.
- Fourth quarter corporate income tax collections were down \$11.0 million (-9.4%) from the December 2010 forecast.
- Oregon personal income was down \$0.3 billion (-0.2%) from the December 2010 forecast.
- Oregon employment was up 2,033 jobs (0.1%) from the December 2010 forecast.

2009-11

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	March 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	11,545.7	10,458.2	-1,087.5
Corporate	831.6	841.3	9.7
Other	1,198.4	1,130.0	-68.4
Total GF Revenue	13,575.7	12,429.4	-1,146.2
Lottery Resources*	1,142.9	1,087.2	-55.7
Anticipated Administrative Actions**	-43.7	-15.7	28.0
Legislatively Adopted Actions***	0.0	123.0	123.0
Total GF and Lottery Resources	14,674.9	13,623.9	-1,051.0

* All lottery resources including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

*** Actions taken by the Assembly in February 2010.

CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is down \$1,087.5 million (-9.4%) from the 2009 Close-of-Session estimate.
- Corporate income tax revenue is up \$9.7 million (1.2%) from the 2009 Close-of-Session estimate.
- General Fund revenue is down \$1,146.2 million (-8.4%) from the 2009 Close-of-Session estimate.
- Total GF and Lottery resources are down \$1,051 million (-7.2%) from the 2009 Close-of-Session estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2011 Forecast	Amount +/- Kicker Threshold
Personal & Other	12,744.1	12,999.0	11,588.1	-1,410.8
Corporation	831.6	848.2	841.3	-6.9

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: No personal kicker refund is projected for 2011.

CORPORATE: No corporate kicker refund is projected for 2011.

2009-11

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2010 Forecast	March 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	10,443.0	10,458.2	15.2
Corporate	855.2	841.3	-13.9
Other	1,128.0	1,130.0	2.0
Total GF Revenue	12,426.2	12,429.4	3.3
Lottery Resources*	1,091.9	1,087.2	-4.7
Anticipated Administrative Actions**	-15.7	-15.7	0.0
Legislatively Adopted Actions***	123.0	123.0	0.0
Total Combined Resources	13,625.4	13,623.9	-1.5

* All lottery resources including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

*** Actions taken by the Assembly in February 2010.

REVENUE CHANGES

- Projected 2009-11 General Fund revenue is up \$3.3 million from the December 2010 forecast.
- Projected 2009-11 Lottery resources are down \$4.7 million (-0.4%) from the December 2010 forecast.
- Legislative and administrative actions are unchanged from the December 2010 forecast.
- Projected combined General Fund and Lottery resources are down \$1.5 million from the December 2010 forecast.

2009-11

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	March 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	13,575.7	12,429.4	-1,146.2
Administrative Actions	-43.7	107.3	151.0
Total Resources	13,532.0	12,536.7	-995.3
Expenditures	13,298.1	12,471.5	-826.6
Ending Balance	233.8	65.2	-168.6
State School Fund	200.0	0.0	-200.0
Rainy Day Fund Transfer	33.8	65.2	31.4

ENDING BALANCE

- The projected ending balance is down \$168.6 million from the 2009 Close-of-Session estimate.
- The projected 2009-11 ending balance is up \$3.3 million from the December 2010 forecast.
- The Rainy Day Fund is projected to receive \$65.2 million following the 2009-11 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	December 2010 Forecast	March 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	12,426.2	12,429.4	3.3
Administrative Actions	107.3	107.3	0.0
Total Resources	12,533.5	12,536.7	3.3
Expenditures	12,471.5	12,471.5	0.0
Ending Balance	61.9	65.2	3.3
State School Fund	61.9	0.0	-61.9
Rainy Day Fund Transfer	0.0	65.2	65.2

2011-13

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2010 Forecast	March 2011 Forecast	Difference
Personal	12,052.5	12,032.7	-19.7
Corporate	966.2	897.9	-68.3
Other	836.9	843.8	6.9
Total GF Revenue	13,855.5	13,774.4	-81.2
Lottery Resources*	1,156.1	1,127.9	-28.2
Total Combined Revenue	15,011.6	14,902.3	-109.3

2013-15

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2010 Forecast	March 2011 Forecast	Difference
Personal	13,850.1	14,077.5	227.4
Corporate	995.6	1,156.2	160.6
Other	886.0	898.1	12.1
Total GF Revenue	15,731.8	16,131.8	400.0
Lottery Resources*	1,221.4	1,216.4	-5.0
Total Combined Revenue	16,953.2	17,348.2	394.9

* All lottery resources including dedicated funds

2015-17

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2010 Forecast	March 2011 Forecast	Difference
Personal	15,509.0	15,621.5	112.6
Corporate	1,000.4	1,195.3	194.9
Other	932.1	949.0	16.9
Total GF Revenue	17,441.5	17,765.9	324.4
Lottery Resources*	1,330.4	1,317.1	-13.3
Total Combined Revenue	18,771.9	19,083.0	311.1

Biennial Revenue Growth: 1993 - 2017

	Personal	Corporate	Other	Total
1993-95 to 1995-97	17.1%	18.8%	28.4%	18.3%
1995-97 to 1997-99	13.0%	-13.9%	-17.6%	7.7%
1997-99 to 1999-01	22.6%	28.2%	2.8%	21.5%
1999-01 to 2001-03	-11.9%	-44.4%	97.9%	-7.5%
2001-03 to 2003-05	16.8%	52.5%	-35.4%	11.4%
2003-05 to 2005-07	22.8%	31.7%	6.4%	22.1%
2005-07 to 2007-09	-8.6%	-18.9%	10.6%	-8.0%
2007-09 to 2009-11	3.6%	22.9%	19.1%	6.0%
2009-11 to 2011-13	15.1%	6.7%	-25.3%	10.8%
2011-13 to 2013-15	17.0%	28.8%	6.4%	17.1%
2013-15 to 2015-17	11.0%	3.4%	5.7%	10.1%

* All lottery resources including dedicated funds