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LRO FORECAST SUMMARY

May 2011

NEW FACTS SINCE THE LAST FORECAST

	1 st Qtr 2011 Forecast	1 st Qtr 2011 Actuals	Difference
Employment	1,607,615	1,622,643	15,028
Personal Income (\$ billion)	145.3	147.4	2.1
Personal Income Tax (\$ million)			
Withholding	1,266.9	1,262.8	-4.1
Other Payments less Refunds	-92.6	-110.6	-17.9
Total	1,174.2	1,152.2	-22.0
Corporate Income Tax	69.5	73.1	3.6

NEW FACTS

- First quarter personal income tax collections were down \$22.0 million (1.9%) from the March 2011 forecast.
- First quarter corporate income tax collections were up \$3.6 million (5.2%) from the March 2011 forecast.
- Oregon personal income was up \$2.1 billion (1.5%) from the March 2011 forecast.
- Oregon employment was up 15,028 jobs (0.9%) from the March 2011 forecast.

2009-11

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	May 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	11,545.7	10,431.0	-1,114.7
Corporate	831.6	842.1	10.4
Other	1,198.4	1,107.4	-91.0
Total GF Revenue	13,575.7	12,380.4	-1,195.3
Lottery Resources*	1,142.9	1,088.6	-54.4
Anticipated Administrative Actions**	-43.7	-8.2	35.5
Legislatively Adopted Actions***	0.0	123.0	123.0
Total GF and Lottery Resources	14,674.9	13,583.7	-1,091.2

* 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 \$1,114.7 million (-9.7%) from the 2009 Close-of-Session estimate.
- Corporate income tax revenue is up \$10.4 million (1.3%) from the 2009 Close-of-Session estimate.
- General Fund revenue is down \$1,195.3 million (-8.8%) from the 2009 Close-of-Session estimate.
- Total GF and Lottery resources are down \$1,091.2 million (-7.4%) from the 2009 Close-of-Session estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	May 2011 Forecast	Amount +/- Kicker Threshold
Personal & Other	12,744.1	12,999.0	11,538.3	-1,460.6
Corporation	831.6	848.2	842.1	-6.2

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	March 2011 Forecast	May 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	10,458.2	10,431.0	-27.2
Corporate	841.3	842.1	0.7
Other	1,130.0	1,107.4	-22.6
Total GF Revenue	12,429.4	12,380.4	-49.0
Lottery Resources*	1,087.2	1,088.6	1.4
Anticipated Administrative Actions**	-15.7	-8.2	7.5
Legislatively Adopted Actions***	123.0	123.0	0.0
Total Combined Resources	13,623.9	13,583.7	-40.2

* 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 down \$49.0 million (-0.4%) from the March 2011 forecast.
- Projected 2009-11 Lottery resources are up \$1.4 million (0.1%) from the March 2011 forecast.
- Legislative and administrative actions are up \$7.5 million from the March 2011 forecast.
- Projected combined General Fund and Lottery resources are down \$40.2 million (-0.3%) from the March 2011 forecast.

2009-11

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	May 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	13,575.7	12,380.4	-1,195.3
Administrative Actions	-43.7	114.8	158.5
Total Resources	13,532.0	12,495.2	-1,036.8
Expenditures	13,298.1	12,510.9	-787.3
Ending Balance	233.8	-15.7	-249.5
State School Fund	200.0	0.0	-200.0
Rainy Day Fund Transfer	33.8	0.0	-33.8

ENDING BALANCE

- The projected ending balance is down \$249.5 million from the 2009 Close-of-Session estimate.
- The projected 2009-11 ending balance is down \$80.9 million from the March 2011 forecast.
- The Rainy Day Fund is projected to receive no revenue following the 2009-11 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	March 2011 Forecast	May 2011 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	12,429.4	12,380.4	-49.0
Administrative Actions	107.3	114.8	7.5
Total Resources	12,536.7	12,495.2	-41.5
Expenditures	12,471.5	12,510.9	39.4
Ending Balance	65.2	-15.7	-80.9
State School Fund	0.0	0.0	0.0
Rainy Day Fund Transfer	65.2	0.0	-65.2

2011-13

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	March 2011 Forecast	May 2011 Forecast	Difference
Personal	12,032.7	12,202.1	169.3
Corporate	897.9	863.3	-34.5
Other	843.8	836.0	-7.8
Total GF Revenue	13,774.4	13,901.4	127.0
Lottery Resources*	1,127.9	1,129.6	1.7
Total Combined Revenue	14,902.3	15,031.0	128.8

2013-15

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	March 2011 Forecast	May 2011 Forecast	Difference
Personal	14,077.5	14,101.5	24.0
Corporate	1,156.2	1,145.9	-10.3
Other	898.1	891.2	-6.9
Total GF Revenue	16,131.8	16,138.6	6.8
Lottery Resources*	1,216.4	1,227.1	10.7
Total Combined Revenue	17,348.2	17,365.7	17.5

* All lottery resources including dedicated funds

2015-17

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2011 Forecast	May 2011 Forecast	Difference
Personal	15,621.5	15,991.8	370.3
Corporate	1,195.3	1,134.5	-60.8
Other	949.0	944.3	-4.7
Total GF Revenue	17,765.9	18,070.7	304.8
Lottery Resources*	1,317.1	1,349.3	32.2
Total Combined Revenue	19,083.0	19,419.9	336.9

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	3.4%	23.0%	16.7%	5.6%
2009-11 to 2011-13	17.0%	2.5%	-24.5%	12.3%
2011-13 to 2013-15	15.6%	32.7%	6.6%	16.1%
2013-15 to 2015-17	13.4%	-1.0%	6.0%	12.0%

* All lottery resources including dedicated funds