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LRO FORECAST SUMMARY

March 2012

NEW FACTS SINCE THE LAST FORECAST

	4 th Qtr 2011 Forecast	4 th Qtr 2011 Actuals	Difference
Employment	1,626,256	1,624,205	-2,051
Personal Income (\$ billion)	148.3	148.0	-0.3
Personal Income Tax (\$ million)			
Withholding	1,275.9	1,287.0	11.1
Other Payments less Refunds	162.6	116.2	-46.4
Total	1,438.5	1,403.2	-35.3
Corporate Income Tax	89.0	89.9	0.9

NEW FACTS

- Third quarter personal income tax collections were down \$35.3 million (-2.5%) from the December 2011 forecast.
- Third quarter corporate income tax collections were up \$0.9 million (1.0%) from the December 2011 forecast.
- Oregon personal income was down \$0.3 billion (-0.2%) from the December 2011 forecast.
- Oregon employment was down 2,051 jobs (-0.1%) from the December 2011 forecast.

2011-13

**CHANGE FROM CLOSE OF SESSION
(\$ Million)**

General Fund Resources	Close of Session	March 2012 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	12,193.6	11,969.2	-224.3
Corporate	894.2	812.6	-81.6
Other	944.2	944.6	0.4
Total GF Revenue	14,032.0	13,726.5	-305.5
Lottery Resources*	1,131.0	1,095.4	-35.6
Anticipated Administrative Actions**	-23.1	-23.1	0.0
Legislatively Adopted Actions***	0.0	0.0	0.0
Total GF and Lottery Resources	15,139.9	14,798.8	-341.1

* 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 \$224.3 million (-1.8%) from the 2011 Close-of-Session estimate.
- Corporate income tax revenue is down \$81.6 million (-9.1%) from the 2011 Close-of-Session estimate.
- General Fund revenue is down \$305.5 million (-2.2%) from the 2011 Close-of-Session estimate.
- Total GF and Lottery resources are down \$341.1 million (-2.3%) from the 2011 Close-of-Session estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2012 Forecast	Amount +/- Kicker Threshold
Personal & Other	13,137.7	13,400.5	12,913.8	-486.7
Corporation	894.2	912.1	812.6	-99.5

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: No personal kicker refund is projected for 2013.

CORPORATE: No corporate kicker refund is projected for 2013.

2011-13

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2011 Forecast	March 2012 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	12,001.4	11,969.2	-32.2
Corporate	821.4	812.6	-8.7
Other	932.3	944.6	12.3
Total GF Revenue	13,755.1	13,726.5	-28.6
Lottery Resources*	1,101.9	1,095.4	-6.5
Anticipated Administrative Actions**	-23.1	-23.1	0.0
Legislatively Adopted Actions***	0.0	0.0	0.0
Total Combined Resources	14,833.8	14,798.8	-35.1

* 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 2011-13 General Fund revenue is down \$28.6 million (-0.2%) from the December 2011 forecast.
- Projected 2011-13 Lottery resources are down \$6.5 million (-0.6%) from the December 2011 forecast.
- Projected combined General Fund and Lottery resources are down \$35.1 million (-0.2%) from the December 2011 forecast.

2011-13

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	March 2012 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	14,032.0	13,726.5	-305.5
Administrative Actions	-23.1	-23.1	0.0
Total Resources	14,008.9	13,703.3	-305.5
Expenditures	13,562.6	13,562.6	0.0
Ending Balance	446.3	140.7	-305.5
Rainy Day Fund Transfer	135.6	135.6	0.0

ENDING BALANCE

- The projected ending balance is down \$305.5 million from the 2011 Close-of-Session estimate.
- The projected ending balance is down \$28.6 million from the December 2011 forecast.
- The Rainy Day Fund is projected to receive \$135.6 million following the 2011-13 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	December 2011 Forecast	March 2012 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	13,755.1	13,726.5	-28.6
Administrative Actions	-23.1	-23.1	0.0
Total Resources	13,731.9	13,703.3	-28.6
Expenditures	13,562.6	13,562.6	0.0
Ending Balance	169.3	140.7	-28.6
Rainy Day Fund Transfer	135.6	135.6	0.0

2011-13

Reserve Fund Position				
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	Education Stability Fund	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$5.1	\$10.4	\$0.0	\$15.5
Approved Transfers	\$187.0	\$35.2		\$222.2
Interest	\$0.4	\$0.4		\$0.8
Withdrawals	-\$182.7	\$0.0		-\$182.7
Projected Ending Balance	\$9.8	\$46.0	\$140.7	\$196.5

* Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.

2013-15

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2011 Forecast	March 2012 Forecast	Difference
Personal	13,689.5	13,657.7	-31.7
Corporate	1,070.0	1,097.3	27.3
Other	907.8	921.1	13.3
Total GF Revenue	15,667.3	15,676.1	8.8
Lottery Resources*	1,192.1	1,167.5	-24.6
Total Combined Revenue	16,859.4	16,843.7	-15.8

2015-17

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2011 Forecast	March 2012 Forecast	Difference
Personal	15,526.3	15,464.2	-62.1
Corporate	1,079.8	1,097.9	18.2
Other	953.6	978.2	24.5
Total GF Revenue	17,559.7	17,540.3	-19.4
Lottery Resources*	1,305.1	1,267.1	-37.9
Total Combined Revenue	18,864.8	18,807.5	-57.3

2017-19

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2011 Forecast	March 2012 Forecast	Difference
Personal	17,306.3	17,163.8	-142.5
Corporate	1,092.3	1,082.7	-9.6
Other	1,011.7	1,046.9	35.1
Total GF Revenue	19,410.3	19,293.4	-116.9
Lottery Resources*	1,429.7	1,385.4	-44.4
Total Combined Revenue	20,840.0	20,678.7	-161.3

* All lottery resources including dedicated funds

2019-21

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2011 Forecast	March 2012 Forecast	Difference
Personal	19,137.9	19,001.8	-136.1
Corporate	1,164.2	1,140.6	-23.6
Other	1,087.2	1,132.5	45.3
Total GF Revenue	21,389.3	21,274.9	-114.5
Lottery Resources*	1,573.9	1,524.6	-49.3
Total Combined Revenue	22,963.2	22,799.5	-163.7

Biennial Revenue Growth: 1993 - 2021

	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	3.7%	20.9%	29.3%	6.8%
2009-11 to 2011-13	14.3%	-1.8%	-23.0%	9.6%
2011-13 to 2013-15	14.1%	35.0%	-2.5%	14.2%
2013-15 to 2015-17	13.2%	0.1%	6.2%	11.9%
2015-17 to 2017-19	11.0%	-1.4%	7.0%	10.0%
2017-19 to 2019-21	11.5%	7.5%	3.9%	10.9%

* All lottery resources including dedicated funds