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LRO FORECAST SUMMARY

June 2022

NEW FACTS SINCE THE LAST FORECAST

	1st Qtr 2022 Forecast	1st Qtr 2022 Reported	Difference
Employment	1,916,804	1,918,191	1,387
Personal Income (\$ billion)	256.9	258.7	1.7

NEW FACTS

- First Quarter Oregon personal income was \$1.7 billion (0.7%) above the March 2022 forecast.
- First Quarter Oregon employment was 1,387 jobs (0.1%) above the March 2022 forecast.

LRO: 5/18/2021

Forecast 0622

2021-23

CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	June 2022 Forecast	Difference
Beginning Balance	3,025.6	4,082.5	1,056.9
Transfer to Rainy Day Fund	-224.6	-220.7	3.9
Personal	20,628.1	23,460.8	2,832.8
Corporate	1,344.0	2,275.0	931.0
Other	1,428.4	1,629.6	201.2
Gross GF Revenue	23,400.4	27,365.4	3,965.0
* Shared Services Fund	-40.6	-50.5	-9.9
Rainy Day Fund	-56.0	-83.5	-27.5
PERS UAL Fund	-74.9	-89.0	-14.1
Net GF Revenue	23,228.9	27,142.5	3,913.6
Lottery Resources*	1,725.8	1,865.9	140.1
Anticipated Administrative Actions**	-21.5	-21.5	0.0
Net GF and Lottery Resources	27,734.2	32,848.7	5,114.4

* All lottery resources including dedicated funds.

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

CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is up \$2,832.8 (13.7%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$931.0 million (69.3%) from the 2021 COS estimate.
- General Fund gross revenue is up \$3,965.0 million (16.9%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$5,114.4 million (18.4%) from the 2021 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	June 2022 Forecast	Amount +/- Kicker Threshold
Personal & Other	22,056.4	22,497.6	25,090.4	2,592.8
Corporation***	1,321.3	1,347.7	2,252.3	904.6

*** As per the AG, the corporate kicker calculation excludes the minimum tax paid by S-corporations because it is a flat tax.

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: A personal kicker of \$3,034 million is projected for 2023.

CORPORATE: Corporate tax revenue of \$931.0 million is projected to be dedicated to K-12 education spending in 2023-25.

2021-23

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2022 Forecast	June 2022 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund	-220.7	-220.7	0.0
Personal	21,388.0	23,460.8	2,072.8
Corporate	1,977.8	2,275.0	297.2
Other	1,632.6	1,629.6	-3.0
Gross GF Revenue	24,998.4	27,365.4	2,367.0
Shared Services Fund	-41.1	-50.5	-9.4
Rainy Day Fund	-82.9	-83.5	-0.6
PERS UAL Fund	-74.9	-89.0	-14.1
Net GF Revenue	24,799.5	27,142.5	2,342.9
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	28,639.8	30,982.8	2,342.9
Lottery Resources**	1,816.7	1,865.9	49.2
Net GF and Lottery Resources	30,456.5	32,848.7	2,392.2
Select Other Taxes			
Corporate Activity**	2,387.4	2,439.3	51.9
Marijuana**	355.6	351.2	-4.3

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

** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2021-23 Net General Fund Resources are up \$2,342.9 million (8.2%) from the March 2022 forecast.
- Projected 2021-23 Lottery resources are up \$49.2 million (2.7%) from the March 2022 forecast.
- Projected combined net General Fund and Lottery Resources are up \$2,392.2 million (7.9%) from the March 2022 forecast.

2021-23

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	June 2022 Forecast	Difference
Beginning Balance	3,025.6	4,082.5	1,056.9
Transfer to Rainy Day Fund	-224.6	-220.7	3.9
Revenue	23,228.9	27,142.5	3,913.6
Administrative Actions	-21.5	-21.5	0.0
Total Resources	26,008.4	30,982.8	4,974.3
Expenditures	25,446.0	27,861.0	2,415.0
Ending Balance	562.4	3,121.7	2,559.3
Rainy Day Fund Transfer	254.5	278.6	24.2
Remaining Balance	308.0	2,843.1	2,535.2

ENDING BALANCE

- The projected ending balance is up \$2,559.3 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$102.1 million from the March 2022 forecast.
- The Rainy Day Fund is projected to receive \$278.6 million following the 2021-23 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	March 2022 Forecast	June 2022 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund	-220.7	-220.7	0.0
Revenue	24,799.5	27,142.5	2,342.9
Administrative Actions	-21.5	-21.5	0.0
Total Resources	28,639.8	30,982.8	2,342.9
Expenditures	25,620.2	27,861.0	2,240.8
Ending Balance	3,019.6	3,121.7	102.1
Rainy Day Fund Transfer	256.2	278.6	22.4
Remaining Balance	2,763.4	2,843.1	79.7

2021-23

Reserve Fund Position

	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$414.6	\$962.2		\$1,376.8
Deposits	\$288.7	\$304.2		\$592.9
Interest	\$17.9	\$33.8		\$51.7
Withdrawals	\$18.1	\$0.0		\$18.1
Projected Ending Balance	\$703.1	\$1,300.2	\$3,121.7	\$5,125.0

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

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2022 Forecast	June 2022 Forecast	Difference
Beginning Balance	3,019.6	3,121.7	102.1
Transfer to Rainy Day Fund	-256.2	-278.6	-22.4
Personal	24,931.3	22,838.4	-2,092.9
Corporate	1,665.5	1,762.6	97.1
Other	1,476.5	1,497.1	20.6
Gross GF Revenue	28,073.3	26,098.1	-1,975.2
Shared Services Fund	-39.2	-48.6	-9.4
Rainy Day Fund	-82.3	-93.3	-11.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	27,951.8	25,956.2	-1,995.6
Net General Fund Resources	30,715.2	28,799.3	-1,915.8
Lottery Resources**	1,875.6	1,879.7	4.1
Net GF and Lottery Resources	32,590.7	30,679.0	-1,911.7
Select Other Taxes			
Corporate Activity***	2,741.0	2,693.0	-48.0
Marijuana***	377.2	377.2	0.0

** Includes all receipts including dedicated funds and carryover of 2021-23 ending balance.

*** All receipts including dedicated funds

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2022 Forecast	June 2022 Forecast	Difference
Personal	28,709.2	28,777.9	68.8
Corporate	1,987.4	2,117.3	129.8
Other	1,562.8	1,579.6	16.8
Gross GF Revenue	32,259.3	32,474.8	215.5
Shared Services Fund	0.0	-17.6	-17.6
Rainy Day Fund	-69.3	-72.3	-3.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	32,190.1	32,384.9	194.9
Lottery Resources*	1,923.6	1,958.1	34.6
Net GF and Lottery Resources	34,113.6	34,343.1	229.4
Select Other Taxes			
Corporate Activity*	3,034.8	2,990.9	-43.9
Marijuana*	417.3	417.3	0.0

* All receipts including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2022 Forecast	June 2022 Forecast	Difference
Personal	32,534.8	32,946.7	411.9
Corporate	2,220.6	2,354.5	133.9
Other	1,664.6	1,668.9	4.3
Gross GF Revenue	36,420.0	36,970.1	550.0
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-82.7	-86.8	-4.1
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	36,337.3	36,883.2	545.9
Lottery Resources*	2,071.6	2,109.1	37.5
Net GF and Lottery Resources	38,408.9	38,992.3	583.4
Select Other Taxes			
Corporate Activity*	3,358.4	3,310.8	-47.5
Marijuana*	462.4	462.4	0.0

* All receipts including dedicated funds

2029-31

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2022 Forecast	June 2022 Forecast	Difference
Personal	36,636.4	37,455.7	819.3
Corporate	2,528.8	2,685.5	156.7
Other	1,761.1	1,728.6	-32.6
Gross GF Revenue	40,926.3	41,869.7	943.4
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-92.4	-96.5	-4.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	40,833.9	41,773.2	939.3
Lottery Resources*	2,207.0	2,247.1	40.1
Net GF and Lottery Resources	43,040.9	44,020.3	979.3
Select Other Taxes			
Corporate Activity*	3,707.7	3,665.9	-41.8
Marijuana*	512.4	512.4	0.0

* All receipts including dedicated funds

Biennial Net General Fund Revenue Growth: 1993 - 2031
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	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%	10.2%	-8.0%
2007-09 to 2009-11	3.7%	20.9%	29.8%	6.8%
2009-11 to 2011-13	15.7%	6.8%	-4.1%	13.1%
2011-13 to 2013-15	14.8%	25.0%	-12.4%	13.2%
2013-15 to 2015-17	15.4%	8.1%	25.2%	15.5%
2015-17 to 2017-19	17.1%	39.4%	3.9%	17.6%
2017-19 to 2019-21	6.3%	18.1%	25.5%	8.4%
2019-21 to 2021-23	17.3%	11.4%	-8.4%	14.9%
2021-23 to 2023-25	-2.7%	-23.8%	-2.8%	-4.4%
2023-25 to 2025-27	26.2%	22.5%	5.5%	24.8%
2025-27 to 2027-29	14.6%	10.9%	5.7%	13.9%
2027-29 to 2029-31	13.7%	14.2%	3.6%	13.3%