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LRO FORECAST SUMMARY

June 2020

NEW FACTS SINCE THE LAST FORECAST

	1st Qtr 2020 Forecast	1st Qtr 2020 Actuals	Difference
Employment	1,959,678	1,960,074	396
Personal Income (\$ billion)	230.0	229.4	-0.6
Personal Income Tax (\$ million)			
Withholding	2,261.6	2,183.4	-78.1
Other Payments less Refunds	-587.3	-584.5	2.8
Total	1,674.3	1,599.0	-75.3
Corporate Income Tax	95.4	112.8	17.4

NEW FACTS

- First Quarter personal income tax collections were down \$75.3 million (-4.5%) from the March 2020 forecast.
- First Quarter corporate income tax collections were up \$17.4 million (18.2%) from the March 2020 forecast.
- First Quarter Oregon personal income was \$0.6 billion (-0.2%) below the March 2020 forecast.
- First Quarter Oregon employment was 396 jobs (0.0%) above the March 2020 forecast.

2019-21

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	June 2020 Forecast	Difference
Beginning Balance	2,318.4	2,709.4	390.9
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Personal	18,283.5	16,879.3	-1,404.2
Corporate	1,190.8	1,081.8	-109.0
Other	1,546.1	1,564.2	18.1
Gross GF Revenue	21,020.4	19,525.3	-1,495.1
Shared Services Fund	-45.3	-40.3	4.9
Rainy Day Fund	-56.8	-66.5	-9.8
PERS UAL Fund	-101.5	-145.0	-43.5
Net GF Revenue	20,816.9	19,273.4	-1,543.5
Lottery Resources**	1,530.9	1,192.3	-338.6
Anticipated Administrative Actions***	-21.5	-21.5	0.0
Net GF and Lottery Resources	24,445.3	22,955.2	-1,490.1

** 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 down \$1,404.2 (-7.7%) million from the 2019 COS estimate.
- Corporate tax revenue is down \$109.0 million (-9.2%) from the 2019 COS estimate.
- General Fund gross revenue is down \$1,495.1 million (-7.1%) from the 2019 COS estimate.
- Net GF and Lottery resources are down \$1,490.1 million (-6.1%) from the 2019 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	June 2020 Forecast	Amount +/- Kicker Threshold
Personal & Other	19,829.6	20,226.2	18,443.5	-1,782.7
Corporation*	1,171.3	1,194.7	1,062.3	-132.4

* 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: No personal kicker is projected for 2021.

CORPORATE: No corporate kicker is projected for 2021.

2019-21

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	March 2020 Forecast	June 2020 Forecast	Difference
Beginning Balance	2,579.4	2,709.4	130.0
Transfer to Rainy Day Fund	-198.3	-198.3	0.0
Personal	18,472.6	16,879.3	-1,593.3
Corporate	1,312.7	1,081.8	-230.9
Other	1,672.7	1,564.2	-108.5
Gross GF Revenue	21,457.9	19,525.3	-1,932.7
Shared Services Fund	-45.3	-40.3	4.9
Rainy Day Fund	-107.5	-66.5	41.0
PERS UAL Fund	-101.5	-145.0	-43.5
Net GF Revenue	21,203.6	19,273.4	-1,930.2
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	23,563.2	21,763.0	-1,800.3
Lottery Resources**	1,556.4	1,192.3	-364.1
Net GF and Lottery Resources	25,119.6	22,955.2	-2,164.3
Select Other Funds			
Corporate Activities**	1,596.3	1,186.6	-409.7
Marijuana**	251.5	260.5	9.0

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

** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2019-21 Net General Fund Resources are down \$1,800.3 million (-7.6%) from the March 2020 forecast.
- Projected 2019-21 Lottery resources are down \$364.1 million (-23.4%) from the March 2020 forecast.
- Projected combined net General Fund and Lottery Resources are down \$2,164.3 million (-8.6%) from the March 2020 forecast.

2019-21

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	June 2020 Forecast	Difference
Beginning Balance	2,318.4	2,709.4	390.9
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Revenue	20,816.9	19,273.4	-1,543.5
Administrative Actions	-21.5	-21.5	0.0
Total Resources	22,914.4	21,763.0	-1,151.4
Expenditures	22,409.5	22,427.4	17.9
Ending Balance	504.9	-664.4	-1,169.4
Rainy Day Fund Transfer	224.1	0.0	-224.1
Remaining Balance	280.8	-664.4	-945.3

ENDING BALANCE

- The projected ending balance is down \$1,169.4 million from the 2019 Close-of-Session estimate.
- The projected ending balance is down \$1,818.2 million from the March 2020 forecast.
- The Rainy Day Fund is projected to receive \$0.0 million following the 2019-21 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	March 2020 Forecast	June 2020 Forecast	Difference
Beginning Balance	2,579.4	2,709.4	130.0
Transfer to Rainy Day Fund	-198.3	-198.3	0.0
Revenue	21,203.6	19,273.4	-1,930.2
Administrative Actions	-21.5	-21.5	0.0
Total Resources	23,563.2	21,763.0	-1,800.3
Expenditures	22,409.5	22,427.4	17.9
Ending Balance	1,153.8	-664.4	-1,818.2
Rainy Day Fund Transfer	224.1	0.0	-224.1
Remaining Balance	929.7	-664.4	-1,594.1

2019-21

Reserve Fund Position				
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	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$621.1	\$666.6		\$1,287.7
Deposits	\$180.4	\$264.9		\$445.3
Interest	\$17.4	\$17.9		\$35.3
Withdrawals	\$17.4	\$0.0		\$17.4
Projected Ending Balance	\$800.1	\$949.4	-\$664.4	\$1,085.1

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

2021-23

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2020 Forecast	June 2020 Forecast	Difference
Beginning Balance*	1,153.8	0.0	-1,153.8
Transfer to Rainy Day Fund	-224.1	0.0	224.1
Personal	21,746.5	18,508.1	-3,238.4
Corporate	1,316.3	1,157.6	-158.7
Other	1,420.2	1,266.8	-153.4
Gross GF Revenue	24,483.0	20,932.5	-3,550.4
Shared Services Fund	-50.0	-42.1	7.9
Rainy Day Fund	-65.0	-43.3	21.8
PERS UAL Fund	-17.6	-15.8	1.8
Net GF Revenue	24,350.3	20,831.3	-3,519.0
Net General Fund Resources	25,280.0	20,831.3	-4,448.6
Lottery Resources**	1,614.8	1,355.2	-259.5
Net GF and Lottery Resources	26,894.7	22,186.6	-4,708.2
Select Other Funds			
Corporate Activities**	2,806.2	2,207.2	-599.0
Marijuana**	298.8	286.6	-12.2

* Assumes a beginning balance of \$0 reflective of balanced budget requirement and 2019-21 ending balance forecast of -\$776.5M.

** All receipts including dedicated funds

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2020 Forecast	June 2020 Forecast	Difference
Personal	23,744.0	21,309.5	-2,434.5
Corporate	1,510.8	1,369.9	-140.9
Other	1,489.4	1,349.0	-140.4
Gross GF Revenue	26,744.2	24,028.5	-2,715.7
Shared Services Fund	-48.8	-43.4	5.4
Rainy Day Fund	-69.3	-46.3	23.0
Net GF Revenue	26,626.1	23,938.8	-2,687.3
Lottery Resources*	1,756.9	1,569.9	-187.0
Net GF and Lottery Resources	28,383.0	25,508.7	-2,874.3
Select Other Funds			
Corporate Activities*	3,063.3	2,574.2	-489.1
Marijuana*	326.4	308.1	-18.3

* All receipts including dedicated funds

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2020 Forecast	June 2020 Forecast	Difference
Personal	25,902.2	24,231.7	-1,670.5
Corporate	1,767.9	1,689.7	-78.3
Other	1,560.7	1,449.3	-111.4
Gross GF Revenue	29,230.9	27,370.7	-1,860.2
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-82.6	-54.8	27.8
Net GF Revenue	29,148.3	27,315.9	-1,832.4
Lottery Resources*	1,889.7	1,722.9	-166.8
Net GF and Lottery Resources	31,038.0	29,038.8	-1,999.2
Select Other Funds			
Corporate Activities*	3,344.6	2,861.3	-483.3
Marijuana*	352.9	335.6	-17.2

* All receipts including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2020 Forecast	June 2020 Forecast	Difference
Personal	28,741.3	27,479.4	-1,261.9
Corporate	1,993.1	1,876.4	-116.7
Other	1,650.4	1,581.2	-69.1
Gross GF Revenue	32,384.8	30,937.0	-1,447.7
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-85.3	-67.6	17.7
Net GF Revenue	32,299.5	30,869.5	-1,430.0
Lottery Resources*	1,998.3	1,843.3	-155.0
Net GF and Lottery Resources	34,297.8	32,712.7	-1,585.1
Select Other Funds			
Corporate Activities*	3,657.2	3,182.6	-474.6
Marijuana*	379.3	361.7	-17.6

* All receipts including dedicated funds

Biennial Net Revenue Growth: 1993 - 2029

	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	-10.3%	-47.7%	16.8%	-11.5%
2019-21 to 2021-23	9.7%	28.0%	-20.0%	8.1%
2021-23 to 2023-25	15.2%	18.8%	7.8%	14.9%
2023-25 to 2025-27	13.9%	23.5%	7.4%	14.1%
2025-27 to 2027-29	13.4%	10.6%	9.1%	13.0%