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LRO FORECAST SUMMARY

March 2020

NEW FACTS SINCE THE LAST FORECAST

	4th Qtr 2019 Forecast	4th Qtr 2019 Actuals	Difference
Employment	1,950,345	1,950,450	105
Personal Income (\$ billion)	228.1	227.5	-0.6
Personal Income Tax (\$ million)			
Withholding	2,176.5	2,223.4	46.9
Other Payments less Refunds	212.7	201.7	-11.0
Total	2,389.1	2,425.1	35.9
Corporate Income Tax	183.3	144.3	-39.0

NEW FACTS

- Fourth Quarter personal income tax collections were up \$35.9 million (1.5%) from the December 2019 forecast.
- Fourth Quarter corporate income tax collections were down \$39.0 million (-21.3%) from the December 2019 forecast.
- Oregon personal income was \$0.6 billion (-0.2%) below the December 2019 forecast.
- Oregon employment was 105 jobs (0.0%) above the December 2019 forecast.

2019-21

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	March 2020 Forecast	Difference
Beginning Balance	2,318.4	2,579.4	261.0
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Personal	18,283.5	18,472.6	189.1
Corporate	1,190.8	1,312.7	121.9
Other	1,546.1	1,672.7	126.6
Gross GF Revenue	21,020.4	21,457.9	437.5
Shared Services Fund	-45.3	-45.3	0.0
Rainy Day Fund	-56.8	-64.0	-7.3
PERS UAL Fund	-101.5	-145.0	-43.5
Net GF Revenue	20,816.9	21,203.6	386.7
Lottery Resources**	1,530.9	1,556.4	25.4
Anticipated Administrative Actions***	-21.5	-21.5	0.0
Net GF and Lottery Resources	24,445.3	25,119.6	674.3

** 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 \$189.1 (1.0%) million from the 2019 COS estimate.
- Corporate tax revenue is up \$121.9 million (10.2%) from the 2019 COS estimate.
- General Fund gross revenue is up \$437.5 million (2.1%) from the 2019 COS estimate.
- Net GF and Lottery resources are up \$674.3 million (2.8%) from the 2019 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2020 Forecast	Amount +/- Kicker Threshold
Personal & Other	19,829.6	20,226.2	20,145.3	-80.9
Corporation*	1,171.3	1,194.7	1,293.2	98.4

* 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: Corporate tax revenue of \$121.9 million is projected to be dedicated to K-12 education spending in 2021-23.

2019-21

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2019 Forecast	March 2020 Forecast	Difference
Beginning Balance	2,650.5	2,579.4	-71.1
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Personal	18,285.8	18,472.6	186.8
Corporate	1,325.9	1,312.7	-13.2
Other	1,557.4	1,672.7	115.3
Gross GF Revenue	21,169.0	21,457.9	288.9
Shared Services Fund	-45.3	-45.3	0.0
Rainy Day Fund	-62.3	-64.0	-1.7
PERS UAL Fund	-101.5	-145.0	-43.5
Net GF Revenue	20,959.9	21,203.6	243.7
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	23,389.5	23,563.2	173.7
Lottery Resources**	1,546.6	1,556.4	9.7
Net GF and Lottery Resources	24,936.1	25,119.6	183.4
Select Other Funds			
Corporate Activities**	1,586.7	1,586.7	0.0
Marijuana**	234.0	237.2	3.3

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

** All resources including dedicated funds.

REVENUE CHANGES

- Projected 2019-21 Net General Fund resources are up \$243.7 million (1.2%) from the December 2019 forecast.
- Projected 2019-21 Lottery resources are up \$9.7 million (0.6%) from the December 2019 forecast.
- Projected combined net General Fund and Lottery resources are up \$183.4 million (0.7%) from the December 2019 forecast.

2019-21

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	March 2020 Forecast	Difference
Beginning Balance	2,318.4	2,579.4	261.0
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Revenue	20,816.9	21,203.6	386.7
Administrative Actions	-21.5	-21.5	0.0
Total Resources	22,914.4	23,563.2	648.8
Expenditures	22,409.5	22,409.5	0.0
Ending Balance	504.9	1,153.8	648.8
Rainy Day Fund Transfer	224.1	224.1	0.0
Remaining Balance	280.8	929.7	648.8

ENDING BALANCE

- The projected ending balance is up \$648.8 million from the 2019 Close-of-Session estimate.
- The projected ending balance is up \$173.7 million from the December 2019 forecast.
- The Rainy Day Fund is projected to receive \$224.1 million following the 2019-21 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	December 2019 Forecast	March 2020 Forecast	Difference
Beginning Balance	2,650.5	2,579.4	-71.1
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Revenue	20,959.9	21,203.6	243.7
Administrative Actions	-21.5	-21.5	0.0
Total Resources	23,389.5	23,563.2	173.7
Expenditures	22,409.5	22,409.5	0.0
Ending Balance	980.1	1,153.8	173.7
Rainy Day Fund Transfer	224.1	224.1	0.0
Remaining Balance	756.0	929.7	173.7

2019-21

Reserve Fund Position				
	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$621.1	\$666.6		\$1,287.7
Deposits	\$240.6	\$262.4		\$503.0
Interest	\$32.3	\$33.8		\$66.1
Withdrawals	\$32.3	\$0.0		\$32.3
Projected Ending Balance	\$861.7	\$962.8	\$1,153.8	\$2,978.2

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

2021-23

**CHANGE FROM PRIOR FORECAST
(\$ Million)**

Combined Revenue	December 2019 Forecast	March 2020 Forecast	Difference
Beginning Balance	980.1	1,153.8	173.7
Transfer to Rainy Day Fund	-224.1	-224.1	0.0
Personal	21,709.3	21,746.5	37.2
Corporate	1,288.4	1,316.3	27.9
Other	1,405.0	1,420.2	15.2
Gross GF Revenue	24,402.7	24,483.0	80.3
Shared Services Fund	-50.0	-50.0	0.0
Rainy Day Fund	-62.0	-65.0	-3.1
PERS UAL Fund	0.0	-17.6	-17.6
Net GF Revenue	24,290.6	24,350.3	59.7
Net General Fund Resources	25,046.6	25,280.0	233.4
Lottery Resources*	1,603.2	1,614.8	11.5
Net GF and Lottery Resources	26,649.8	26,894.7	244.9
Select Other Funds			
Corporate Activities*	2,787.0	2,787.0	0.0
Marijuana*	284.6	284.6	0.0

* All resources including dedicated funds

2023-25

**CHANGE FROM PRIOR FORECAST
(\$ Million)**

Combined Revenue	December 2019 Forecast	March 2020 Forecast	Difference
Personal	23,672.7	23,744.0	71.3
Corporate	1,459.4	1,510.8	51.4
Other	1,470.9	1,489.4	18.5
Gross GF Revenue	26,603.0	26,744.2	141.3
Shared Services Fund	-48.8	-48.8	0.0
Rainy Day Fund	-65.5	-69.3	-3.8
Net GF Revenue	26,488.7	26,626.1	137.4
Lottery Resources*	1,742.7	1,756.9	14.2
Net GF and Lottery Resources	28,231.4	28,383.0	151.6
Select Other Funds			
Corporate Activities*	3,042.0	3,042.0	0.0
Marijuana*	312.2	312.2	0.0

* All resources including dedicated funds

2025-27

**CHANGE FROM PRIOR FORECAST
(\$ Million)**

Combined Revenue	December 2019 Forecast	March 2020 Forecast	Difference
Personal	25,717.4	25,902.2	184.9
Corporate	1,697.3	1,767.9	70.6
Other	1,543.1	1,560.7	17.5
Gross GF Revenue	28,957.8	29,230.9	273.1
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-78.3	-82.6	-4.3
Net GF Revenue	28,879.5	29,148.3	268.7
Lottery Resources*	1,848.5	1,889.7	41.2
Net GF and Lottery Resources	30,728.1	31,038.0	309.9
Select Other Funds			
Corporate Activities*	3,320.9	3,320.9	0.0
Marijuana*	338.7	338.7	0.0

* All resources including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2019 Forecast	March 2020 Forecast	Difference
Personal	28,408.1	28,741.3	333.3
Corporate	1,909.0	1,993.1	84.1
Other	1,639.2	1,650.4	11.2
Gross GF Revenue	31,956.3	32,384.8	428.5
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-80.8	-85.3	-4.5
Net GF Revenue	31,875.4	32,299.5	424.0
Lottery Resources*	1,952.0	1,998.3	46.3
Net GF and Lottery Resources	33,827.4	34,297.8	470.4
Select Other Funds			
Corporate Activities*	3,630.9	3,630.9	0.0
Marijuana*	365.1	365.1	0.0

* All lottery resources 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	-1.9%	-33.7%	24.9%	-2.7%
2019-21 to 2021-23	17.7%	13.4%	-16.1%	14.8%
2021-23 to 2023-25	9.2%	15.2%	6.2%	9.3%
2023-25 to 2025-27	9.3%	16.9%	4.8%	9.5%
2025-27 to 2027-29	11.0%	13.2%	5.7%	10.8%