

Revenue Estimating Conference for Unclaimed Property and Transfers to the State School Trust Fund

Executive Summary

The projection of receipts and refunds to owners from unclaimed property and the subsequent distribution into the State School Trust Fund were revised August 12, 2019, by the Revenue Estimating Conference.

The Conference reviewed Fiscal Year 2018-19 actuals. During that period, \$535.5 million in receipts were received by the State of Florida, which was 13% over the prior estimate adopted in March. Total refunds were 6% below the March estimate at \$316.8 million. This resulted in \$218.8 million being transferred to the State School Trust Fund in Fiscal Year 2018-19.

The Conference revised the forecast for all fiscal years. Projected receipts were increased to \$483.3 million in Fiscal Year 2019-20. This estimate is \$6.4 million higher than the March estimate. In addition, the growth rates for Fiscal Year 2020-21 through Fiscal Year 2024-25 were set higher than the prior forecast. The Conference also revised estimated refunds. A new methodology was incorporated into the model to take account of expected refunds by cohort of receipt and over time. The result was an annual refund rate of around 65% throughout the five-year forecast. This is different than the prior forecast which had an annual refund rate of approximately 70%.

As a result, the projected transfer to the State School Trust Fund in Fiscal Year 2019-20 was increased by \$20.7 million to \$131.2 million. The projected transfers for Fiscal Years 2020-21 through 2024-25 were also higher than the prior estimate.

The following table shows the differences from the previous estimate for the current and upcoming fiscal years.

	March 2019	August 2019	Difference
2019-20 Receipts	476.9	483.3	6.4
2019-20 Refunds	349.3	332.1	-17.2
2019-20 Transfer to State School Trust Fund	110.5	131.2	20.7
2020-21 Receipts	483.7	494.6	10.9
2020-21 Refunds	344.9	326.2	-18.7
2020-21 Transfer to State School Trust Fund	130.6	159.1	28.5
NET DIFFERENCE TO STATE SCHOOL TRUST FUND FOR FY 2020-21			49.2

Dollars shown in millions.

Revenue Estimating Conference

Unclaimed Property

Forecast of Receipts, Refunds to Owners, and Transfers to the State School Trust Fund

Summer Conference

Monday, August 12, 2019

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
August 12, 2019**

ACTUAL	Receipts	Refunds	Transfer to State School TF
2009-10	358.1	191.2	154.2
2010-11	346.3	190.2	157.5
2011-12	376.5	210.6	163.6
2012-13	469.9	253.1	206.2
2013-14	383.1	243.0	142.3
2014-15	482.1	250.4	213.0
2015-16	471.5	268.8	175.6
2016-17	428.2	310.4	133.9
2017-18	507.8	317.9	178.5
2018-19	535.5	316.8	218.8

ADOPTED FORECAST												
	Receipts			Refunds			Adjustments			Transfer to State School TF		
	<u>OLD</u>	<u>NEW</u>	<u>change</u>	<u>OLD</u>	<u>NEW</u>	<u>change</u>	<u>OLD</u>	<u>NEW</u>	<u>change</u>	<u>OLD</u>	<u>NEW</u>	<u>change</u>
2019-20	476.9	483.3	6.4	349.3	332.1	-17.2	-17.1	-20.1	-3.0	110.5	131.2	20.7
2020-21	483.7	494.6	10.9	344.9	326.2	-18.7	-8.2	-9.4	-1.2	130.6	159.1	28.5
2021-22	490.4	506.4	16.0	347.8	332.0	-15.8	-8.2	-11.7	-3.5	134.4	162.8	28.4
2022-23	497.0	518.5	21.5	350.6	340.3	-10.3	-8.2	-6.7	1.6	138.2	171.6	33.4
2023-24	503.4	530.9	27.5	353.2	348.6	-4.6	-8.2	-7.0	1.3	142.0	175.4	33.4
2024-25	-	543.6	N/A	-	356.7	N/A	-	-6.9	N/A	-	180.0	N/A

Fiscal Year 2018-19 Unclaimed Property Receipts and Refunds to Owners

RECEIPTS	JUL - JAN	FEB	MAR	APR	MAY	JUN	Annual Total		
2015-16 ACTUAL	58.5	6.9	25.4	137.2	179.3	64.1	471.5		
2016-17 ACTUAL	48.2	13.8	16.8	124.5	210.5	14.3	428.2		
2017-18 ACTUAL	80.9	6.9	29.8	191.3	175.7	23.2	507.8		
2018-19 ACTUAL	49.2	5.0	27.1	188.4	251.8	13.9	535.5		
2018-19 MAR ESTIMATE	49.2	10.0	25.6	170.9	193.5	22.9	472.1		
Above/Below Estimate	0.0	(5.0)	1.5	17.5	58.3	(9.0)	63.4	TOT Actual/ Estimate	APR + May Actual/Estimate
								13%	20.81%
REFUNDS	JUL - JAN	FEB	MAR	APR	MAY	JUN	Annual Total		
2015-16 ACTUAL	150.9	32.2	22.2	24.1	21.2	18.3	268.8		
2016-17 ACTUAL	188.0	29.1	28.4	21.6	23.4	20.1	310.4		
2017-18 ACTUAL	166.0	37.0	28.4	38.5	27.0	21.1	317.9		
2018-19 ACTUAL	185.3	25.7	23.5	30.5	27.5	24.2	316.7		
2018-19 MAR ESTIMATE	185.3	37.7	30.3	31.6	27.4	22.9	335.2		
Above/Below Estimate	0.0	(12.0)	(6.8)	(1.1)	0.1	1.3	(18.5)	TOT Actual/ Estimate	
								-6%	

Unclaimed Property Trust Fund

Historical Detail

	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>
1 <u>Funds Available</u>						
2 Beginning Balance	14.1	4.3	14.7	33.9	11.4	15.7
3 Abandoned property receipts	383.1	412.9	422.2	424.1	483.3	535.5
4 Atypical receipts		69.2	49.3	4.1	24.5	0.0
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	0.4	0.3	0.9	2.6	1.2	2.2
7 Total Funds Available	<u>397.6</u>	<u>486.7</u>	<u>487.1</u>	<u>464.7</u>	<u>520.4</u>	<u>553.3</u>
8 <u>Uses of Funds</u>						
9 Operating Expenses	4.4	4.4	4.6	4.6	5.0	5.0
10 Refunds to owners - regular	243.0	250.4	268.8	310.4	317.9	316.8
11 Refunds to owners - FDIC	0.0	0.0	0.0	0.0	0.0	0.0
12 Miscellaneous disbursements	3.6	4.2	4.2	4.4	3.3	3.1
13 Retained Balance	4.3	14.7	33.9	11.4	15.7	9.7
14 Total Uses	<u>255.3</u>	<u>273.7</u>	<u>311.5</u>	<u>330.8</u>	<u>341.9</u>	<u>334.5</u>
15 Available for transfer to						
16 State School TF (Actual)	142.3	213.0	175.6	133.9	178.5	218.8
17 Calculated ratio of refunds to prior receipts	61.8%	63.2%	67.5%	74.3%	75.1%	69.8%
18 Growth rate of regular receipts	-6.4%	7.8%	2.3%	0.5%	14.0%	10.8%
19 Growth rate of regular refunds	13.0%	3.1%	7.3%	15.5%	2.4%	-0.4%
20 Change in transfer amount	-31.0%	49.7%	-17.6%	-23.7%	33.3%	22.6%

Unclaimed Property Trust Fund

Adopted Forecast

	FY 18-19	FY 19-20 est.	FY 20-21 est.	FY 21-22 est.	FY 22-23 est.	FY 23-24 est.	FY 24-25 est.
1 Funds Available							
2 Beginning Balance	15.7	9.7	15.0	15.0	15.0	15.0	15.0
3 Abandoned property receipts	535.5	483.3	494.6	506.4	518.5	530.9	543.6
4 Atypical receipts	0.0						
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	2.2	2.2	2.2	2.2	2.2	2.2	2.2
7 Total Funds Available	553.3	495.2	511.8	523.6	535.7	548.1	560.8
8 Uses of Funds							
9 Operating Expenses	5.0	5.0	5.0	5.0	5.0	5.0	5.0
10 Refunds to owners - regular	316.8	332.1	326.2	332.0	340.3	348.6	356.7
11 Refunds to owners - FDIC		8.9	3.5	5.8	0.8	1.1	1.0
12 Miscellaneous disbursements	3.1	3.1	3.1	3.1	3.1	3.1	3.1
13 Retained Balance	9.7	15.0	15.0	15.0	15.0	15.0	15.0
14 Total Uses	334.5	364.0	352.6	360.8	364.1	372.7	380.7
15 Available for transfer to							
16 State School TF (NEW estimate)	218.8	131.2	159.1	162.8	171.6	175.4	180.0
17 State School TF (OLD estimate)	129.4	110.5	130.6	134.4	138.2	142.0	-
18 Change in estimate	89.4	20.7	28.5	28.4	33.4	33.4	-
20 Growth rate of regular receipts	10.8%	-9.7%	2.3%	2.4%	2.4%	2.4%	2.4%
21 Growth rate of regular refunds	-0.4%	4.8%	-1.8%	1.8%	2.5%	2.4%	2.3%
22 Change in transfer amount	22.6%	-40.0%	21.3%	2.3%	5.4%	2.2%	2.6%
23 Assumed Receipts Growth Rate NEW	10.8%	-9.7%	2.3%	2.4%	2.4%	2.4%	2.4%
24 Assumed Receipts Growth Rate OLD	-2.8%	1.5%	1.4%	1.4%	1.3%	1.3%	-
25 Assumed Refunds % NEW	69.8%	65.2%	64.0%	67.9%	68.0%	68.0%	68.0%
26 Assumed Refunds % OLD	73.9%	72.0%	71.5%	71.0%	70.5%	70.0%	-