

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

Estimates of receipts and refunds to owners from unclaimed property and the subsequent distributions to the State School Trust Fund were discussed on December 7, 2023, by the Revenue Estimating Conference. Before adopting the new forecast, the Conference reviewed both receipt and refund data for FY 2023-24.

Total receipts amounted to \$34.5 million through November, \$15.1 million under the August estimate. While year-to-date receipts are lower than anticipated, actual submissions are heavily skewed to the last quarter of the fiscal year. Further, an analysis was presented at a prior conference that showed no relationship between the level of receipts received at the beginning of a fiscal year and the total amount received by the end of the fiscal year. For both of these reasons, the Conference maintained the prior forecast for property receipts.

Total refunds amounted to \$193.9 million through November, \$34.5 million over the prior estimate. The Department of Financial Services' Division of Unclaimed Property attributed the increase in refunds to two reasons. First, the division is now fully staffed. Since the onset of COVID, the division has had issues hiring and maintaining staff. This problem appears to be resolved. Second, the dollar amount per refund has significantly increased relative to last year. Because refunds are processed steadily throughout the year, the Conference felt a change to the refund forecast was warranted based on the early data. For FY 2023-24, refunds are now projected to reach \$410.9 million. This is \$40.7 million higher than the August estimate of \$370.2 million. The upward revision is sized, in part, to reflect the division's analysis of the amount it will be able to process given its current staffing level. In FY 2024-25, refunds are projected to reach \$429.7 million – \$22.5 million above the August estimate for the year. For the remaining years of the forecast, the annual refund estimates are below the August forecast.

The projected transfer of \$346.5 million to the State School Trust Fund is \$40.7 million lower for FY 2023-24 because of the higher refunds. For FY 2024-25, the transfer to the State School Trust Fund is \$22.5 million lower for the same reason. In remaining years of the forecast, the annual State School Trust Fund transfers are projected to have gains that range from \$15.4 million in FY 2025-26 to \$57.4 million in FY 2028-29.

	Aug 2023	Dec 2023	Difference
2023-24 Receipts	\$683.7	\$683.7	\$0.0
2023-24 Refunds	\$370.2	\$410.9	\$40.7
2023-24 Transfer to State School Trust Fund	\$387.2	\$346.5	-\$40.7
2024-25 Receipts	\$695.7	\$695.7	\$0.0
2024-25 Refunds	\$407.2	\$429.7	\$22.5
2024-25 Transfer to State School Trust Fund	\$284.0	\$261.5	-\$22.5

Dollars shown in millions.