

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

Executive Summary

The projection of receipts and refunds from unclaimed property and the subsequent distribution into the State School Trust Fund were revised July 29, 2015, by the Revenue Estimating Conference.

The Conference reviewed actual state receipts and refunds to owners of abandoned property for Fiscal Year 2014-15. Receipts totaled \$482.1 million, which is \$90.8 million (23.2%) over the estimate of \$391.3 million. Refunds were slightly lower than expected, totaling \$250.4 million, or \$10.4 million less than the estimate of \$260.8 million. The subsequent transfer to the State School Trust Fund was \$213.0 million, an increase of \$94.0 million over the February estimate of \$119.0 million.¹ Staff of the Department of Financial Services indicated there was a significant number of property holders reporting for the first time in Fiscal Year 2014-15. However, because of the volume of reports received from property holders by the department, the detailed data regarding types of abandoned property, as well as the amounts reported by the property holders reporting for the first time, will not be available until later in the calendar year.

For Fiscal Year 2015-16, the Conference adopted an estimate of \$410.0 million in receipts, which is an increase of \$13.1 million from the previous estimate. The estimated receipts are based on Fiscal Year 2014-15 assumed recurring receipts (i.e., 85% of total receipts were assumed to be recurring) and assumes no growth. The Conference adopted an estimate of \$255.7 million for refunds, which is \$6.0 million higher than the previous estimate. The refunds are estimated to be 64.5% of the average of the two prior years of receipts, which matches the refunds rate adopted by the Conference in February.

For Fiscal 2016-17 and after, the Conference used a 5.0% annual growth rate for receipts. For refunds, the Conference maintained the estimated refunds rates adopted in February. The table below shows the differences from the previous estimate.

	February 2015	July 2015	Difference
2014-15 Receipts	391.3	482.1	90.8
2014-15 Refunds	260.8	250.4	-10.4
2014-15 Transfer to State School Trust Fund	119.0	213.0	94.0
2015-16 Receipts	396.9	410.0	13.1
2015-16 Refunds	249.7	255.7	6.0
2015-16 Transfer to State School Trust Fund	141.4	149.5	8.1
2016-17 Receipts	399.4	430.5	31.1
2016-17 Refunds	255.0	265.2	10.2
2016-17 Transfer to State School Trust Fund	138.6	157.8	19.2

¹ The REC met on May 27, 2015, to adopt a revised State School Trust Fund Outlook showing Fiscal Year 2014-15 transfers of \$178.8 million. From May to the end of the fiscal year, the total transfer increased by \$34.2 million to \$213.0 million.

Revenue Estimating Conference

Unclaimed Property

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

July 29, 2015

Unclaimed Property Trust Fund
Fiscal Year 2014-15 Actual Compared to February Estimate

	FORECAST	ACTUAL	DIFFERENCE	%
	<u>FY 14-15</u>	<u>FY 14-15</u>		
1 Funds Available				
2 Beginning Balance	4.3	4.3	0.0	0.0%
3 Abandoned property receipts	391.3	482.1	90.8	23.2%
4 Transfers in	0.0	0.0	0.0	
5 Other nonoperating receipts	0.0	0.3	0.3	
6 Total Funds Available	395.6	486.7	91.1	23.0%
7				
8 Uses of Funds				
9 Operating Expenses	4.0	4.4	0.4	10.0%
10 Refunds to owners - regular	260.8	250.4	-10.4	-4.0%
11 Miscellaneous disbursements	1.8	4.2	2.4	133.3%
12 Retained Balance	10.0	14.7	4.7	47.0%
13 Total Uses	276.6	273.7	-2.9	-1.0%
14				
15 Transfer to SSTF	119.0	213.0	94.0	79.0%

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
July 29, 2015**

ACTUAL

	<u>Receipts</u>	<u>Refunds</u>	<u>Transfer to State School TF</u>
2005-06	354.7	103.8	245.0
2006-07	271.9	168.8	97.0
2007-08	312.3	151.2	157.0
2008-09	298.0	174.9	112.0
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

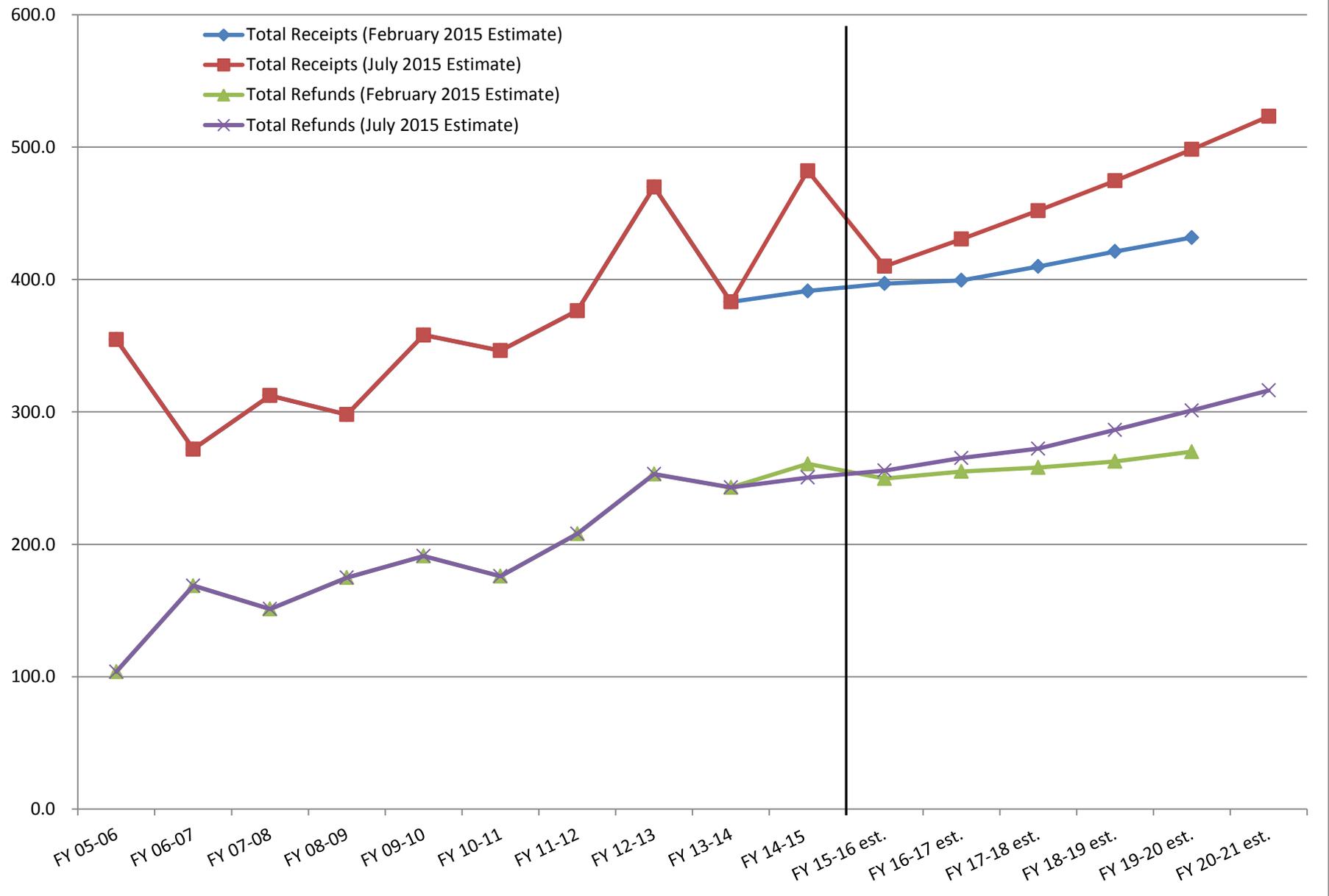
FORECAST

	<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>
2015-16	396.9	410.0	13.1	249.7	255.7	6.0	141.4	149.5	8.1
2016-17	399.4	430.5	31.1	255.0	265.2	10.2	138.6	157.8	19.2
2017-18	409.8	452.0	42.2	258.0	272.3	14.3	146.0	172.2	26.2
2018-19	421.1	474.6	53.5	262.6	286.4	23.8	152.7	180.7	28.0
2019-20	431.7	498.3	66.6	281.6	312.7	31.1	144.3	178.1	33.8
2020-21	N/A	523.2	523.2	N/A	316.2	316.2	N/A	199.5	199.5

Unclaimed Property Trust Fund
History and Forecast Detail

	Actual from Trial Balance										FORECAST					
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16 est.	FY 16-17 est.	FY 17-18 est.	FY 18-19 est.	FY 19-20 est.	FY 20-21 est.
1 Funds Available																
2 Beginning Balance	3.9	4.2	4.7	3.5	10.0	17.3	9.8	6.1	14.1	4.3	14.7	12.0	12.0	12.0	12.0	12.0
3 Abandoned property receipts	232.2	218.9	312.3	298.0	329.1	346.3	376.5	409.4	383.1	409.8	410.0	430.5	452.0	474.6	498.3	523.2
4 Nonrecurring receipts	122.5	53.0			29.0			60.5		72.3						
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	0.3	0.2	0.4	0.3	0.7	0.4	0.5	4.1	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
7 Total Funds Available	358.9	276.3	317.4	301.8	368.8	364.0	386.8	480.1	397.6	486.7	425.0	442.8	464.3	486.9	510.6	535.5
8 Uses of Funds																
9 Operating Expenses	4.2	4.2	5.7	4.4	6.0	6.4	4.0	4.0	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.3
10 Refunds to owners - regular	103.8	99.6	121.5	162.6	191.2	175.9	208.0	215.1	243.0	250.4	255.7	265.2	272.3	286.4	301.1	316.2
11 Payment correction								38.0								
12 Refunds to owners - demutualization		22.2	10.4													
13 Refunds to owners - reduced dormancy		47.0	19.3	12.3												
14 Refunds to owners - FDIC						14.3	2.6								11.6	
15 Miscellaneous disbursements	1.8	1.6	0.0	0.5	0.1	0.1	2.5	2.7	3.6	4.2	3.5	3.5	3.5	3.5	3.5	3.5
16 Retained Balance	4.2	4.7	3.5	10.0	17.3	9.8	6.1	14.1	4.3	14.7	12.0	12.0	12.0	12.0	12.0	12.0
17 Total Uses	113.9	179.3	160.4	189.8	214.6	206.5	223.2	273.9	255.3	273.7	275.5	285.0	292.1	306.2	332.5	336.0
18 Available for transfer to																
19 State School TF (new estimate)	245.0	97.0	157.0	112.0	154.2	157.5	163.6	206.2	142.3	213.0	149.5	157.8	172.2	180.7	178.1	199.5
20 State School TF (old estimate - Feb 2015)	354.7	271.9								119.0	141.4	138.6	146.0	152.7	144.3	N/A
21 Change in estimate										94.0	8.1	19.2	26.2	28.0	33.8	199.5
Ratio of refunds to receipts	54%	45%	54%	61%	63%	56%	62%	60%	62%	63%	64.5%	64.7%	64.8%	64.9%	65.0%	65.0%
Growth rate of regular receipts	11.6%	-5.7%	42.7%	-4.6%	10.4%	5.2%	8.7%	8.7%	-6.4%	7.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Change in transfer amount	130.9%	-60.4%	61.9%	-28.7%	37.7%	2.1%	3.9%	26.0%	-31.0%	49.7%	-29.8%	5.6%	9.1%	4.9%	-1.4%	12.0%
Assumed Receipts Growth Rate											0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Assumed Refunds %											64.5%	64.7%	64.8%	64.9%	65.0%	65.0%

History and Forecast of Unclaimed Property Receipts and Refunds



History and Forecast of Transfers to the State School Trust Fund

