

Revenue Estimating Conference for Abandoned Property and Transfers to the (Principal) State School Trust Fund

Executive Summary

The projection of receipts from abandoned property and the subsequent distribution into the (Principal) State School Trust Fund were revised July 15, 2010 by the Revenue Estimating Conference.

Remittances of abandoned property to the State for FY 2009-10 were \$358.1 million, \$78.1 million above estimate. A portion of this surplus of revenue was attributable to a one-time payment of approximately \$29 million from the Federal Deposit Insurance Corporation (FDIC) which was related to the failure of a large national bank in 2008. The Conference discussed the fact that remittances from the FDIC may only be held for a ten-year period, after which any remaining property that has not been claimed must be returned to the FDIC. The Conference also adopted growth rates in future abandoned property receipts of 3%, and the estimate of the proportion of property returned to owners was generally set at 62% --- the exception being the payment related to the FDIC which garnered a higher refund level.

For FY 2010-11 the estimate of the transfer to the (Principal) State School TF was increased by \$23.4 million from the previous forecast. This increase, combined with an estimated balance forward from FY 2009-10 of \$65.1 million leaves a projected surplus for the current fiscal year of \$88.5 million.

Abbreviated Funds Available Statement for FY 2011-12 (\$ Millions)

FUNDS AVAILABLE 2011-12

Balance forward from 2010-11	88.5
Estimated transfers from Unclaimed Property TF	126.1
Nonoperating revenue	3.3

Total 11-12 funds available	217.9

STATE SCHOOL TRUST FUND
FINANCIAL OUTLOOK STATEMENT
including the effect of the final closeout for FY 2009-10
FY 2010-11 through FY 2013-14
(\$ MILLIONS)

15-Nov-2010

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2010-11			
Balance forward from 2009-10	0.0	68.3	68.3
Estimated transfers from Unclaimed Property TF	141.8	-10.9	130.9
Nonoperating revenue	1.3	0.0	1.3
Interest earnings	1.8	0.0	1.8
Total 2010-11 funds available	<u>144.9</u>	<u>57.4</u>	<u>202.3</u>
ESTIMATED EXPENDITURES 2010-11			
Grants & Aids/FEFP	24.4	0.0	24.4
Grants & Aids/class size reduction	86.2	0.0	86.2
Total 2010-11 estimated expenditures	<u>110.6</u>	<u>0.0</u>	<u>110.6</u>
AVAILABLE RESERVES	34.3	57.4	91.7
FUNDS AVAILABLE 2011-12			
Balance forward from 2010-11	0.0	91.7	91.7
Estimated transfers from Unclaimed Property TF	137.0	-10.9	126.1
Nonoperating revenue	1.3	0.0	1.3
Interest earnings	2.0	0.0	2.0
Total 2011-12 funds available	<u>140.3</u>	<u>80.8</u>	<u>221.1</u>
FUNDS AVAILABLE 2012-13			
Balance forward from 2011-12	0.0	0.0	0.0
Estimated transfers from Unclaimed Property TF	141.3	0.0	141.3
Nonoperating revenue	1.3	0.0	1.3
Interest earnings	2.5	0.0	2.5
Total 2012-13 funds available	<u>145.1</u>	<u>0.0</u>	<u>145.1</u>
FUNDS AVAILABLE 2013-14			
Balance forward from 2012-13	0.0	0.0	0.0
Estimated transfers from Unclaimed Property TF	145.6	0.0	145.6
Nonoperating revenue	1.3	0.0	1.3
Interest earnings	2.5	0.0	2.5
Total 2013-14 funds available	<u>149.4</u>	<u>0.0</u>	<u>149.4</u>

Any property remitted to the state from the Federal Deposit Insurance Corporation (FDIC) that is not claimed by owners during a ten year period following the remittance of that property must be returned to the FDIC. The state received approximately \$29 million from the FDIC in the 2009-10 fiscal year.

(PRINCIPAL) STATE SCHOOL TRUST FUND
CONSENSUS REVENUE ESTIMATING CONFERENCE
RETROSPECT
FY 2008-09 and 2009-10
(\$ MILLIONS)

15-Nov-10

	RECURRING -----	NON- RECURRING -----	TOTAL -----
FUNDS AVAILABLE FOR 2008-09			
Cash & short term investments balance forward	0.0	101.2	101.2
Transfers from Unclaimed Property TF	112.0	0.0	112.0
Miscellaneous receipts	3.9	0.0	3.9
Interest earnings	1.1	0.0	1.1
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Total 2008-09 funds available	117.0	101.2	218.2
EXPENDITURES FOR 2008-09			
Grants & Aids	67.2	0.0	67.2
Class size reduction	50.8	96.5	147.3
Excellent teaching	0.0	2.4	2.4
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Total 2008-09 expenditures	118.0	98.9	216.9
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AVAILABLE RESERVES	-1.0	2.3	1.3
 FUNDS AVAILABLE FOR 2009-10			
Cash & short term investments balance forward	0.0	1.3	1.3
Transfers from Unclaimed Property TF	154.2	0.0	154.2
Miscellaneous receipts	3.7	0.0	3.7
Interest earnings	0.4	0.0	0.4
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Total 2009-10 funds available	158.3	1.3	159.6
EXPENDITURES FOR 2009-10			
Grants & Aids	5.1	0.0	5.1
Class size reduction	86.2	0.0	86.2
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Total 2009-10 expenditures	91.3	0.0	91.3
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AVAILABLE RESERVES	67.0	1.3	68.3