

**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 November 15, 2018, by the Revenue Estimating Conference.

The Conference reviewed actual state receipts and refunds to owners of abandoned property for the first four months of Fiscal Year 2018-19. For the period including July through October, receipts were below estimate by \$4.9 million (12%). In contrast, refunds for the same period were over estimate by \$7.0 million (6.9%).

The Conference adopted an increase to refunds of \$7.0 million for the 2018-19 fiscal year only. The previous forecast was maintained for receipts in all fiscal years and for refunds in Fiscal Years 2019-20 through 2023-24. Because the first four months of the fiscal year have not historically been a good predictor of the annual performance for either receipts or refunds, the Conference chose to make no further changes to the annual forecast based on this time period.

The adjustment to refunds resulted in a decrease of \$7.0 million to the projected transfer to the State School Trust Fund in Fiscal Year 2018-19. The projected transfers for Fiscal Years 2019-20 through Fiscal Year 2023-24 were not changed.

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

	July 2018	November 2018	Difference
2018-19 Receipts	472.1	472.1	0.0
2018-19 Refunds	328.2	335.2	7.0
2018-19 Transfer to State School Trust Fund	136.4	129.4	-7.0
2019-20 Receipts	476.9	476.9	0.0
2019-20 Refunds	354.8	354.8	0.0
2019-20 Transfer to State School Trust Fund	113.9	113.9	0.0
NET DIFFERENCE TO STATE SCHOOL TRUST FUND			-7.0

Dollars shown in millions.

Revenue Estimating Conference

Unclaimed Property

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

November 15, 2018

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
November 15, 2018**

ACTUAL

	Receipts			Refunds			Transfer to State School TF		
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	
2015-16		471.5			268.8			175.6	
2016-17		428.2			310.4			133.9	
2017-18		507.8			317.9			178.5	

ADOPTED FORECAST

	Receipts			Refunds			Transfer to State School TF		
	OLD	NEW	change	OLD	NEW	change	OLD	NEW	change
2018-19	472.1	472.1	0.0	328.2	335.2	7.0	136.4	129.4	-7.0
2019-20	476.9	476.9	0.0	354.8	354.8	0.0	113.9	113.9	0.0
2020-21	483.7	483.7	0.0	338.5	338.5	0.0	137.0	137.0	0.0
2021-22	490.4	490.4	0.0	341.0	341.0	0.0	141.2	141.2	0.0
2022-23	497.0	497.0	0.0	343.4	343.4	0.0	145.4	145.4	0.0
2023-24	503.4	503.4	0.0	345.6	345.6	0.0	149.6	149.6	0.0

Unclaimed Property Trust Fund

Adopted Forecast

	<u>FY 18-19 est.</u>	<u>FY 19-20 est.</u>	<u>FY 20-21 est.</u>	<u>FY 21-22 est.</u>	<u>FY 22-23 est.</u>	<u>FY 23-24 est.</u>
1 Funds Available						
2 Beginning Balance	15.7	15.0	15.0	15.0	15.0	15.0
3 Abandoned property receipts	470.0	476.9	483.7	490.4	497.0	503.4
4 Atypical receipts	2.1					
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	0.8	0.8	0.8	0.8	0.8	0.8
7 Total Funds Available	<u>488.6</u>	<u>492.7</u>	<u>499.5</u>	<u>506.2</u>	<u>512.8</u>	<u>519.2</u>
8 <u>Uses of Funds</u>						
9 Operating Expenses	5.0	5.0	5.0	5.0	5.0	5.0
10 Refunds to owners - regular	335.2	343.2	338.5	341.0	343.4	345.6
11 Refunds to owners - FDIC		11.6				
12 Miscellaneous disbursements	4.0	4.0	4.0	4.0	4.0	4.0
13 Retained Balance	15.0	15.0	15.0	15.0	15.0	15.0
14 Total Uses	<u>359.2</u>	<u>378.8</u>	<u>362.5</u>	<u>365.0</u>	<u>367.4</u>	<u>369.6</u>
15 Available for transfer to						
16 State School TF (NEW estimate)	129.4	113.9	137.0	141.2	145.4	149.6
17 State School TF (OLD estimate)	136.4	113.9	137.0	141.2	145.4	149.6
18 Change in estimate	-7.0	0.0	0.0	0.0	0.0	0.0
19 Calculated ratio of refunds to prior receipts	73.9%	72.0%	71.5%	71.0%	70.5%	70.0%
20 Growth rate of regular receipts	-2.8%	1.5%	1.4%	1.4%	1.3%	1.3%
21 Growth rate of regular refunds	5.4%	2.4%	-1.4%	0.7%	0.7%	0.6%
22 Change in transfer amount	-27.5%	-12.0%	20.3%	3.1%	3.0%	2.9%
23 Assumed Receipts Growth Rate NEW	-2.75%	1.47%	1.43%	1.39%	1.35%	1.29%
24 Assumed Receipts Growth Rate OLD	-2.75%	1.47%	1.42%	1.39%	1.34%	1.29%
25 Assumed Refunds % NEW	73.88%	72.00%	71.50%	71.00%	70.51%	70.00%
26 Assumed Refunds % OLD	72.33%	72.00%	71.50%	71.00%	70.50%	70.00%

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

	JUL	AUG	SEP	OCT	YTD	Actual Annual Total	YTD % of Annual	YTD AVG per Month	Annualized YTD	Annualized YTD Minus Actual
RECEIPTS										
2012-13 ACTUAL	10.9	12.6	5.4	6.9	35.7	469.9	7.6%	8.9	107.1	(362.9)
2013-14 ACTUAL	7.4	6.5	7.6	5.1	26.6	383.1	7.0%	6.7	79.9	(303.1)
2014-15 ACTUAL	10.8	5.5	5.4	4.4	26.0	482.1	5.4%	6.5	78.0	(404.1)
2015-16 ACTUAL	13.2	7.8	4.2	10.3	35.6	471.5	7.5%	8.9	106.7	(364.9)
2016-17 ACTUAL	9.9	5.1	7.6	3.8	26.4	428.2	6.2%	6.6	79.1	(349.0)
2017-18 ACTUAL	24.3	15.2	19.1	6.0	64.4	507.8	12.7%	16.1	193.3	(314.5)
2018-19 ESTIMATE	14.2	9.5	10.3	7.0	41.0	472.1	8.7%	10.3	123.0	
2018-19 ACTUAL	15.6	6.3	4.6	9.6	36.1			9.0	108.4	
Above/Below Estimate	1.4	(3.2)	(5.7)	2.6	(4.9)			(1.2)	(14.6)	
REFUNDS										
2012-13 ACTUAL	26.0	14.5	15.4	20.9	76.8	253.1	30.3%	19.2	230.5	(22.7)
2013-14 ACTUAL	21.6	25.0	15.0	19.5	81.0	243.0	33.3%	20.3	243.0	0.1
2014-15 ACTUAL	21.6	27.6	22.8	25.9	97.9	250.4	39.1%	24.5	293.8	43.4
2015-16 ACTUAL	21.4	16.1	17.9	25.5	80.9	268.8	30.1%	20.2	242.7	(26.2)
2016-17 ACTUAL	27.0	24.9	21.9	35.7	109.4	310.4	35.2%	27.4	328.2	17.8
2017-18 ACTUAL	19.3	21.1	20.0	28.2	88.5	317.9	27.8%	22.1	265.6	(52.4)
2018-19 ESTIMATE	24.9	22.6	21.8	32.6	101.9	328.2	31.0%	25.5	305.7	
2018-19 ACTUAL	25.2	28.3	30.0	25.4	108.9			27.2	326.6	
Above/Below Estimate	0.3	5.7	8.2	(7.2)	7.0			1.7	20.9	

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