

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 distribution into the State School Trust Fund were discussed on July 21, 2020, by the Revenue Estimating Conference.

In Fiscal Year 2019-20, the State of Florida received \$500.5 million in receipts, which was 3.55% above the December 2019 estimate. Total refunds of \$321.9 million were distributed, an amount that was -5.60% below the December estimate. By the year's end, \$144.5 million was transferred to the State School Trust Fund, which was 8.8% above the December estimate.

Refunds were lower than expected for several reasons. First, an \$8.5 million refund to the FDIC did not occur in Fiscal Year 2019-20 as expected. This FDIC refund will now be processed in Fiscal Year 2020-21. Second, some companies received an extension on reporting receipts due to COVID-19 issues. Given this, the associated refunds were delayed as well. Third, the Department of Financial Services closed refund transfers early on June 27th, effectively delaying some refunds until the next fiscal year.

The adopted forecast projects Fiscal Year 2020-21 receipts at \$507.0 million and Fiscal Year 2020-21 refunds at \$327.6 million. The average receipt growth rate is projected at 1.2% for the forecast period. The average refund growth rate is projected at 1.4% over the same period

The projected transfer to the State School Trust Fund in Fiscal Year 2020-21 was increased to \$183.9 million. This increase is attributable to higher estimated Fiscal Year 2020-21 receipts and a large existing balance in the Unclaimed Property Trust Fund at the start of the Fiscal Year.

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

	December 2020	July 2021	Difference
2020-21 Receipts	\$494.6	\$507.0	\$12.4
2020-21 Refunds	\$326.2	\$327.6	\$1.4
2020-21 Transfer to State School Trust Fund	\$159.1	\$183.9	\$24.8
2021-22 Receipts	\$506.4	\$513.4	\$7.0
2021-22 Refunds	\$332.0	\$330.9	\$1.1
2021-22 Transfer to State School Trust Fund	\$162.8	\$171.0	\$8.2

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

Tuesday, July 21, 2020

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
July 21, 2020**

ACTUAL	Receipts	Refunds	Transfer to State School TF
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
2019-20	500.5	321.9	144.0

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>
2020-21	494.6	507.0	12.4	326.2	327.6	1.4	-9.3	4.5	13.8	159.1	183.9	24.8
2021-22	506.4	513.4	7.0	332.0	330.9	-1.1	-11.6	-11.6	0.1	162.8	171.0	8.2
2022-23	518.5	520.1	1.6	340.3	335.9	-4.4	-6.7	-6.6	0.0	171.6	177.6	6.0
2023-24	530.9	526.5	-4.4	348.6	341.1	-7.5	-6.9	-7.0	-0.1	175.4	178.4	3.0
2024-25	543.6	532.6	-11.0	356.7	345.7	-11.0	-6.8	-6.0	0.8	180.0	180.9	0.9
2025-26		538.5			349.8			-6.2			182.5	

Fiscal Year 2019-20 Unclaimed Property Receipts and Refunds to Owners

RECEIPTS	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	FY TOTAL
2015-16 ACTUAL	8.4	5.3	6.9	25.4	137.2	179.3	64.1	471.5
2016-17 ACTUAL	7.1	7.9	13.8	16.8	124.5	210.5	14.3	428.2
2017-18 ACTUAL	4.6	2.7	6.9	29.8	191.3	175.7	23.2	507.8
2018-19 ACTUAL	3.8	6.3	5.0	27.1	188.4	251.8	10.5	535.5
2019-20 ACTUAL	10.1	5.4	12.7	21.7	161.8	197.8	45.4	500.5
2019-20 DEC ESTIMATE	10.1	5.7	8.9	24.0	163.2	209.9	16.0	483.3
Above/Below Estimate	(0.0)	(0.3)	3.8	(2.3)	(1.4)	(12.1)	29.4	TOT Actual/ Estimate 3.55%
REFUNDS	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	FY TOTAL
2015-16 ACTUAL	21.0	22.0	32.2	22.2	24.1	21.2	18.3	268.8
2016-17 ACTUAL	24.1	23.9	29.1	28.4	21.6	23.4	20.1	310.4
2017-18 ACTUAL	26.6	26.4	37.0	28.4	38.5	27.0	21.1	317.9
2018-19 ACTUAL	25.8	28.2	25.7	23.5	30.5	27.5	24.2	316.7
2019-20 ACTUAL	24.6	34.0	26.7	30.1	24.8	24.2	17.5	321.9
2019-20 DEC ESTIMATE	24.6	29.5	34.3	30.1	33.8	29.2	23.6	341.0
Above/Below Estimate	-	4.5	(7.6)	(0.0)	(9.0)	(5.0)	(6.1)	TOT Actual/ Estimate -5.60%

Unclaimed Property Trust Fund

Historical Detail

	<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>	<u>FY19-20</u>
1 <u>Funds Available</u>						
2 Beginning Balance	4.3	14.7	33.9	11.4	15.7	8.8
3 Abandoned property receipts	412.9	422.2	424.1	483.3	510.0	500.5
4 Atypical receipts	69.2	49.3	4.1	24.5	25.5	0.0
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	0.3	0.9	2.6	1.2	2.2	1.1
7 Total Funds Available	<u>486.7</u>	<u>487.1</u>	<u>464.7</u>	<u>520.4</u>	<u>553.4</u>	<u>510.3</u>
8 <u>Uses of Funds</u>						
9 Operating Expenses	4.4	4.6	4.6	5.0	5.0	5.1
10 Refunds to owners - regular	250.4	268.8	310.4	317.9	316.8	321.9
11 Refunds to owners - FDIC	0.0	0.0	0.0	0.0	0.0	0.0
12 Miscellaneous disbursements	4.2	4.2	4.4	3.3	3.1	1.8
13 Retained Balance	<u>14.7</u>	<u>33.9</u>	<u>11.4</u>	<u>15.7</u>	<u>9.8</u>	<u>37.5</u>
14 Total Uses	<u>273.7</u>	<u>311.5</u>	<u>330.8</u>	<u>341.9</u>	<u>334.5</u>	<u>366.3</u>
15 Available for transfer to						
16 State School TF (Actual)	213.0	175.6	133.9	178.5	218.8	144.0
18 Growth rate of regular receipts	7.8%	2.3%	0.5%	14.0%	5.5%	-1.9%
19 Growth rate of regular refunds	3.1%	7.3%	15.5%	2.4%	-0.4%	1.6%
20 Change in transfer amount	49.7%	-17.6%	-23.7%	33.3%	22.6%	-34.2%

Unclaimed Property Trust Fund

Adopted Forecast

	<u>FY 19-20</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>	<u>FY 24-25 est.</u>	<u>FY 25-26 est.</u>
1 <u>Funds Available</u>							
2 Beginning Balance	8.8	37.5	15.0	15.0	15.0	15.0	15.0
3 Abandoned property receipts	500.5	507.0	513.4	520.1	526.5	532.6	538.5
4 Atypical receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	1.1	1.1	1.1	1.1	1.1	1.1	1.1
7 Total Funds Available	510.3	545.5	529.5	536.2	542.5	548.6	554.6
8 <u>Uses of Funds</u>							
9 Operating Expenses	5.1	5.1	5.1	5.1	5.1	5.1	5.1
10 Refunds to owners - regular	321.9	327.6	330.9	335.9	341.1	345.7	349.8
11 Refunds to owners - FDIC	0.0	12.1	5.7	0.7	1.1	0.1	0.3
12 Miscellaneous disbursements	1.8	1.8	1.8	1.8	1.8	1.8	1.8
13 Retained Balance	37.5	15.0	15.0	15.0	15.0	15.0	15.0
14 Total Uses	366.3	361.6	358.5	358.5	364.1	367.7	372.1
15 Available for transfer to							
16 State School TF (NEW estimate)	144.0	183.9	171.0	177.6	178.4	180.9	182.5
17 State School TF (OLD estimate)	131.2	159.1	162.8	171.6	175.4	180.0	-
18 Change in estimate	12.8	24.8	8.2	6.0	3.0	0.9	182.5
20 Growth rate of regular receipts	-1.9%	1.3%	1.3%	1.3%	1.2%	1.2%	1.1%
21 Growth rate of regular refunds	1.6%	1.8%	1.0%	1.5%	1.6%	1.4%	1.2%
22 Change in transfer amount	-34.2%	27.7%	-7.0%	3.9%	0.5%	1.4%	0.9%
23 Assumed Receipts Growth Rate NEW	-1.9%	1.3%	1.3%	1.3%	1.2%	1.2%	1.1%
24 Assumed Receipts Growth Rate OLD	-5.2%	2.3%	2.4%	2.4%	2.4%	2.4%	-
25 Assumed Refunds % NEW	61.7%	63.2%	65.7%	65.8%	66.0%	66.1%	66.1%
26 Assumed Refunds % OLD	61.7%	64.0%	67.9%	68.0%	68.0%	68.0%	-