

## 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 related distribution to the State School Trust Fund were discussed on February 6, 2023, by the Revenue Estimating Conference.

The Conference reviewed both new receipt and refund data for Fiscal Year 2022-23. For the year-to-date, receipts totaled \$89.6 million, approximately \$20.6 million over the previously adopted monthly estimates. Conversely, year-to-date refunds totaled \$188.0 million, approximately \$30.6 million under the cumulative monthly estimates. The Division of Unclaimed Property attributed the lower than expected refunds to internal staffing shortages. Due to both its high number of vacancies and recruiting difficulties, the Division has been unable to process as many refunds as it typically would.

The Conference adopted a new forecast for property receipts. Fiscal Year 2022-23 remains at the prior estimate of \$607.9 million, however, all subsequent years were increased by \$10.9 million to \$14.9 million annually.

The Conference also adopted a new refund forecast. Due to the staffing shortages discussed above, the Division anticipates that only \$330.0 million in refunds will be processed in Fiscal Year 2022-23. That number is \$58.8 million below the previously adopted refund estimate for Fiscal Year 2022-23. The Conference expects the staffing shortage to be time-limited and returns to the previously adopted level by Fiscal Year 2024-25.

The projected transfer to the State School Trust Fund increased to \$285 million for Fiscal Year 2022-23. This was an increase of \$58.8 million from the prior forecast and entirely driven by the revised refund estimate. For Fiscal Year 2023-24, the transfer to the State School Trust Fund was increased by \$27.2 million. This is a reflection of both higher expected receipts and lower refund amounts. The following table shows the differences from the previous forecast for the current and upcoming fiscal years.

	July 2022	Feb 2023	Difference
2022-23 Receipts	\$607.9	\$607.9	\$0.0
2022-23 Refunds	\$388.8	\$330.0	-\$58.8
<b>2022-23 Transfer to State School Trust Fund</b>	<b>\$226.2</b>	<b>\$285.0</b>	<b>\$58.8</b>
2023-24 Receipts	\$607.9	\$618.8	\$10.9
2023-24 Refunds	\$384.0	\$367.8	-\$16.2
<b>2023-24 Transfer to State School Trust Fund</b>	<b>\$216.6</b>	<b>\$243.8</b>	<b>\$27.2</b>

*Dollars shown in millions.*

# Revenue Estimating Conference

## Unclaimed Property

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

Winter Conference

Monday, February 6th, 2023

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund  
Monday, February 6th, 2023**

<b>Actual</b>	<b>Receipts</b>	<b>Refunds</b>	<b>Transfer to State School TF</b>
2017-18	507.8	317.9	178.5
2018-19	535.5	316.8	218.8
2019-20	500.5	321.9	144.0
2020-21	685.4	343.5	328.5
2021-22	637.7	383.3	263.3

<b>ADOPTED FORECAST</b>												
	<b>Receipts</b>			<b>Refunds</b>			<b>Adjustments</b>			<b>Transfer to State School TF</b>		
	<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>
2022-23	607.9	607.9	0.0	388.8	330.0	-58.8	7.1	7.1	0.0	226.2	285.0	58.8
2023-24	607.9	618.8	10.9	384.0	367.8	-16.2	-7.2	-7.2	0.0	216.6	243.8	27.2
2024-25	618.8	632.8	13.9	384.5	384.5	0.0	-6.3	-6.3	0.0	228.1	242.0	13.9
2025-26	632.8	647.0	14.2	392.1	392.1	0.0	-6.5	-6.5	0.0	234.2	248.4	14.2
2026-27	647.0	661.6	14.6	399.4	399.4	0.0	-6.2	-6.2	0.0	241.4	255.9	14.5
2027-28	661.6	676.4	14.9	407.7	407.7	0.0	-6.2	-6.2	0.0	247.7	262.6	14.9

**Fiscal Year 2021-22 Unclaimed Property Receipts and Refunds to Owners**

<b>RECEIPTS</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>Total Fiscal Year</b>
2018-19 ACTUAL	15.6	6.3	4.6	9.6	3.0	3.8	6.3	49.2
2019-20 ACTUAL	17.6	5.9	8.0	5.0	9.1	10.1	5.4	61.0
2020-21 ACTUAL	26.2	18.9	9.4	12.0	6.8	27.7	4.6	105.6
2021-22 ACTUAL	15.5	6.8	5.4	6.6	5.7	7.2	3.4	50.6
2022-23 ACTUAL	16.7	26.1	18.6	11.6	3.6	8.8	4.3	89.6
<b>2021-22 JULY ESTIMATE</b>	<b>16.7</b>	<b>10.1</b>	<b>7.8</b>	<b>7.7</b>	<b>7.5</b>	<b>14.6</b>	<b>4.6</b>	69.0
<b>Above/Below Estimate</b>	<b>(0.0)</b>	<b>16.0</b>	<b>10.8</b>	<b>3.9</b>	<b>(3.9)</b>	<b>(5.8)</b>	<b>(0.3)</b>	<b>20.6</b>
<b>REFUNDS</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>Total Fiscal Year</b>
2018-19 ACTUAL	25.2	28.3	30.0	25.4	22.5	25.8	28.2	185.3
2019-20 ACTUAL	32.9	24.1	26.9	29.2	23.2	24.6	34.0	194.7
2020-21 ACTUAL	43.0	39.3	28.8	27.7	26.5	25.8	23.9	215.0
2021-22 ACTUAL	43.9	36.1	28.5	37.6	27.6	25.2	30.1	229.0
2022-23 ACTUAL	26.1	32.3	22.4	35.3	20.0	25.9	26.0	188.0
<b>2021-22 JULY ESTIMATE</b>	<b>26.1</b>	<b>36.7</b>	<b>31.3</b>	<b>34.9</b>	<b>28.7</b>	<b>28.1</b>	<b>32.9</b>	218.7
<b>Above/Below Estimate</b>	<b>0.0</b>	<b>(4.4)</b>	<b>(8.9)</b>	<b>0.4</b>	<b>(8.7)</b>	<b>(2.2)</b>	<b>(6.9)</b>	<b>(30.6)</b>

**Unclaimed Property Trust Fund**

**Historical Detail**

	<u>FY 17-18</u>	<u>FY 18-19</u>	<u>FY19-20</u>	<u>FY20-21</u>	<u>FY21-22</u>
1 <u>Funds Available</u>					
2 Beginning Balance	11.4	15.7	8.8	36.8	44.1
3 Abandoned property receipts	483.3	510.0	500.5	666.5	637.7
4 Atypical receipts	24.5	25.5	0.0	19.0	0.0
5 Transfers in	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	1.2	2.2	1.1	2.0	0.2
7 Total Funds Available	<u>520.4</u>	<u>553.4</u>	<u>510.4</u>	<u>724.3</u>	<u>682.0</u>
8 <u>Uses of Funds</u>					
9 Operating Expenses	5.0	5.0	5.1	4.8	4.9
10 Refunds to owners - regular	317.9	316.8	321.9	335.0	375.6
11 Refunds to owners - FDIC	0.0	0.0	0.0	8.5	7.7
12 Miscellaneous disbursements	3.3	3.1	1.8	3.3	1.5
13 Retained Balance	15.7	9.8	37.4	44.1	29.0
14 Total Uses	<u>341.9</u>	<u>334.5</u>	<u>366.3</u>	<u>395.7</u>	<u>418.7</u>
15 <b>Available for transfer to</b>					
16 <b>State School TF (Actual)</b>	178.5	218.8	144.0	328.5	263.3
18 Growth rate of regular receipts	14.0%	5.5%	-1.9%	33.2%	-4.3%
19 Growth rate of regular refunds	2.4%	-0.4%	1.6%	4.1%	12.1%
20 Change in transfer amount	33.3%	22.6%	-34.2%	128.2%	-19.9%

**Unclaimed Property Trust Fund**

**Adopted Forecast**

	<u>FY 21-22</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>	<u>FY 26-27 est</u>	<u>FY 27-28 est</u>
1 <u>Funds Available</u>							
2 Beginning Balance	44.1	29.0	15.0	15.0	15.0	15.0	15.0
3 Abandoned property receipts	637.7	607.9	618.8	632.8	647.0	661.6	676.4
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	0.2	0.2	0.2	0.2	0.2	0.2	0.2
7 Total Funds Available	682.0	637.1	634.0	648.0	662.2	676.8	691.6
8 <u>Uses of Funds</u>							
9 Operating Expenses	4.9	4.9	4.9	4.9	4.9	4.9	4.9
10 Refunds to owners - regular*	375.6	330.0	367.8	384.5	392.1	399.4	407.7
11 Refunds to owners - FDIC	7.7	0.7	1.1	0.1	0.3	0.1	0.0
12 Miscellaneous disbursements	1.5	1.5	1.5	1.5	1.5	1.5	1.5
13 Retained Balance	29.0	15.0	15.0	15.0	15.0	15.0	15.0
14 Total Uses	418.7	352.1	390.2	405.9	413.7	420.8	429.0
15 <b>Available for transfer to</b>							
16 <b>State School TF (NEW estimate)</b>	263.3	285.0	243.8	242.0	248.4	255.9	262.6
17 <b>State School TF (OLD estimate)</b>	192.1	226.2	216.6	228.1	234.2	241.4	247.7
18 <b>Change in estimate</b>	71.2	58.8	27.2	13.9	14.2	14.5	14.9
20 Growth rate of regular receipts	-4.3%	-4.7%	1.8%	2.2%	2.2%	2.2%	2.2%
21 Growth rate of regular refunds	12.1%	-12.1%	11.4%	4.5%	2.0%	1.9%	2.1%
22 Change in transfer amount	-19.9%	8.2%	-14.5%	-0.7%	2.6%	3.0%	2.6%
23 <b>Assumed Receipts Growth Rate NEW</b>	<b>-4.31%</b>	<b>-4.68%</b>	<b>1.80%</b>	<b>2.25%</b>	<b>2.25%</b>	<b>2.25%</b>	<b>2.25%</b>
24 <b>Assumed Receipts Growth Rate OLD</b>	<b>-18.00%</b>	<b>-4.68%</b>	<b>0.00%</b>	<b>1.80%</b>	<b>2.25%</b>	<b>2.25%</b>	<b>2.25%</b>
25 <b>Assumed Refunds %NEW</b>	<b>64.6%</b>	<b>49.9%</b>	<b>59.1%</b>	<b>62.7%</b>	<b>62.7%</b>	<b>62.4%</b>	<b>62.3%</b>
26 <b>Assumed Refunds %OLD</b>	<b>62.5%</b>	<b>58.8%</b>	<b>61.7%</b>	<b>63.2%</b>	<b>63.9%</b>	<b>63.8%</b>	<b>63.7%</b>