

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

Executive Summary

March 2014 Update

The Revenue Estimating Conference met March 5, 2014, to adopt a projection of receipts from unclaimed property and the subsequent distribution into the State School Trust Fund for the 2018-19 fiscal year. The Conference maintained the same assumptions used for the July forecast: annual growth rates in future unclaimed property receipts were set at 5 percent, and the proportion of property returned to owners was set at 60 percent, resulting in an estimated transfer to the State School Trust Fund of \$240.1 million in 2018-19.

No changes were made to the forecast adopted in July 2013 (see below) for the 2013-14 through 2017-18 fiscal years.

July 2013 Estimating Conference

The projection of receipts from unclaimed property and the subsequent distribution into the State School Trust Fund were revised July 29, 2013 by the Revenue Estimating Conference.

Remittances of abandoned property to the State for Fiscal Year 2012-13 were \$469.9 million, \$74.0 million above estimate. Of the overage, \$38 million is associated with a remittance that was made in error and subsequently refunded by the state within the fiscal year, and \$22.5 million is associated with a one-time audit payment. The Conference maintained the same assumptions used for the last forecast: annual growth rates in future unclaimed property receipts were set at 5 percent, and the proportion of property returned to owners was set at 60 percent.

The Conference adopted a new financial outlook statement which recognized the closeout of Fiscal Year 2012-13 and the new forecast. For Fiscal Year 2012-13, the transfers to the State School Trust Fund were \$41.5 million above the estimate, which increased the balance forward into the 2013-14 fiscal year to \$67.9 million. For Fiscal Year 2013-14 the estimate of the transfer to the State School Trust Fund was increased by \$5.9 million, which provides for a projected ending balance for the current fiscal year of \$80.2 million, an increase of \$46.4 million from the previous outlook statement. Total funds available for Fiscal Year 2013-14 are estimated to be \$284.9 million.

Abbreviated Outlook Statement for FY 2013-14 and 2014-15 (\$ Millions)

FUNDS AVAILABLE 2013-14	
Balance forward from 2012-13	67.9
Estimated transfers from Unclaimed Property TF	213.2
Nonoperating revenue	3.8
 Total 2013-14 funds available	 284.9

EFFECTIVE APPROPRIATIONS 2013-14

Grants & Aids 204.7

AVAILABLE RESERVES 80.2

FUNDS AVAILABLE 2014-15

Balance forward from 2013-14 80.2

Estimated transfers from Unclaimed Property TF 182.3

Nonoperating revenue 3.8

Total 2014-15 funds available 266.3

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School TF
March 5, 2014**

	<u>Receipts</u>			<u>Refunds</u>			<u>Transfer to State School TF</u>		
1992-93	52.2			17.3			30.6		
1993-94	58.2			19.6			35.8		
1994-95	58.7			16.5			36.2		
1995-96	81.6			25.2			48.2		
1996-97	137.0			27.0			104.7		
1997-98	141.3			47.8			91.4		
1998-99	115.4			46.9			64.8		
1999-00	128.2			67.7			54.1		
2000-01	153.5			62.1			84.9		
2001-02	157.9			74.1			81.1		
2002-03	161.3			76.6			86.1		
2003-04	254.4			99.3			153.8		
2004-05	208.1			95.7			106.1		
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		
	OLD	NEW	change	OLD	NEW	change	OLD	NEW	change
2013-14	458.7	458.7	0.0	240.6	240.6	0.0	213.2	213.2	0.0
2014-15	451.4	451.4	0.0	265.1	265.1	0.0	182.3	182.3	0.0
2015-16	474.0	474.0	0.0	271.9	271.9	0.0	198.1	198.1	0.0
2016-17	497.7	497.7	0.0	276.4	276.4	0.0	217.3	217.3	0.0
2017-18	522.6	522.6	0.0	290.2	290.2	0.0	228.4	228.4	0.0
2018-19	#N/A	548.7	#N/A	#N/A	304.6	#N/A	#N/A	240.1	#N/A

Unclaimed Property Trust Fund 43-71-2-007001

5-Mar-14

	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	FY 16-17	FY 17-18	FY 18-19
Funds Available														
Beginning Balance	3.9	4.2	4.7	3.5	10.0	17.3	9.8	6.1	14.1	15.0	15.0	15.0	15.0	15.0
Abandoned property receipts	232.2	218.9	312.3	298.0	329.1	346.3	376.5	409.4	429.9	451.4	474.0	497.7	522.6	548.7
Nonrecurring receipts	122.5	53.0			29.0			60.5						
Measures affecting revenue - SB 492									28.8					
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
Other nonoperating receipts	0.3	0.2	0.4	0.3	0.7	0.4	0.5	4.1	0.0	0.0	0.0	0.0	0.0	0.0
Total Funds Available	358.9	276.3	317.4	301.8	368.8	364.0	386.8	480.1	472.8	466.4	489.0	512.7	537.6	563.7
DBF Uses of Funds														
Operating Expenses	4.2	4.2	5.7	4.4	6.0	6.4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Refunds to owners - regular	103.8	99.6	121.5	162.6	191.2	175.9	208.0	215.1	240.6	256.5	262.3	275.4	289.2	303.6
Payment correction								38.0						
Refunds to owners - demutualization		22.2	10.4											
Refunds to owners - reduced dormancy		47.0	19.3	12.3						8.6	8.6			
Measures affecting revenue - SB 492														
Measures affecting revenue - SB 464											1.0	1.0	1.0	1.0
Refunds to owners - FDIC						14.3	2.6							
Miscellaneous disbursements	1.8	1.6	0.0	0.5	0.1	0.1	2.5	2.7	0.0	0.0	0.0	0.0	0.0	0.0
Retained Balance	4.2	4.7	3.5	10.0	17.3	9.8	6.1	14.1	15.0	15.0	15.0	15.0	15.0	15.0
Total DBF Uses	113.9	179.3	160.4	189.8	214.6	206.5	223.2	273.9	259.6	284.1	290.9	295.4	309.2	323.6
Available for transfer to														
State School TF (new estimate)	245.0	97.0	157.0	112.0	154.2	157.5	163.6	206.2	213.2	182.3	198.1	217.3	228.4	240.1
State School TF (old estimate - July 2013)								206.2	213.2	182.3	198.1	217.3	228.4	#N/A
change in estimate								0.0	0.0	0.0	0.0	0.0	0.0	#N/A
State School TF receipts from transfers	264.2	197.0	197.0	152.0	207.5	207.5	213.6	221.2						
State School TF receipts from transfers	264.2	175.0	197.0	152.0	226.2	207.5	213.6	221.2						
Net Transfer to State School TF	528.4	372.0	394.0	304.0	433.7	415.0	427.2	442.4	213.2	182.3	198.1	217.3	228.4	240.1
Ratio of refunds to regular receipts	54%	45%	54%	61%	63%	56%	62%	60%	60%	60%	60%	60%	60%	60%
growth rate of regular receipts	12%	-6%	43%	-5%	10%	5%	9%	9%	5%	5%	5%	5%	5%	5%
Change in transfer amount		-60.4%	61.9%	-28.7%	37.7%	2.1%	3.9%	26.0%	3.4%	-14.5%	8.7%	9.7%	5.1%	5.1%