

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

Executive Summary

The projection of receipts and refunds from unclaimed property and the subsequent distribution into the State School Trust Fund were revised December 16, 2015, by the Revenue Estimating Conference.

Through the end of November, actual state receipts are running approximately \$11.2 million above the projection based on historical averages. Likewise, actual refunds to owners are running above historical averages, by approximately \$6.2 million. Since the July Conference, the Department of Financial Services loaded the majority of the Fiscal Year 2014-15 reports into its database and provided information on both receipts and refunds by property type. Based on this information, the Conference reduced the assumed amount of Fiscal Year 2014-15 “atypical” receipts from \$72.3 million to \$55.0 million. This adjustment increased the level of “typical” receipts that is the basis for the Fiscal Year 2015-16 forecast. The Conference adopted an estimate of \$427.1 million in receipts for Fiscal Year 2015-16, which is an increase of \$17.1 million over the previous estimate. The Conference adopted an estimate of \$265.7 million for refunds to owners in Fiscal Year 2015-16, which is \$10.0 million higher than the previous estimate.

For Fiscal Year 2016-17 and after, the Conference used a 5.0% annual growth rate for receipts and maintained the 65.6% refunds rate used for the Fiscal Year 2015-16 estimate. The refunds rate is applied to the average of the two prior years of receipts. Based on these assumptions, the Conference adopted an estimate of \$448.5 million for receipts and \$280.1 million for refunds for the 2016-17 fiscal year.

The table below shows the differences from the previous estimate.

	July 2015	December 2015	Difference
2015-16 Receipts	410.0	427.1	17.1
2015-16 Refunds	255.7	265.7	10.0
2015-16 Transfer to State School Trust Fund	149.5	156.6	7.1
2016-17 Receipts	430.5	448.5	18.0
2016-17 Refunds	265.2	280.1	14.9
2016-17 Transfer to State School Trust Fund	157.8	160.9	3.1

Revenue Estimating Conference

Unclaimed Property

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

December 16, 2015

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
December 16, 2015**

ACTUAL

	<u>Receipts</u>	<u>Refunds</u>	<u>Transfer to State School TF</u>
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	225.1	206.2
2013-14	383.1	243.0	142.3
2014-15	482.1	250.4	213.0

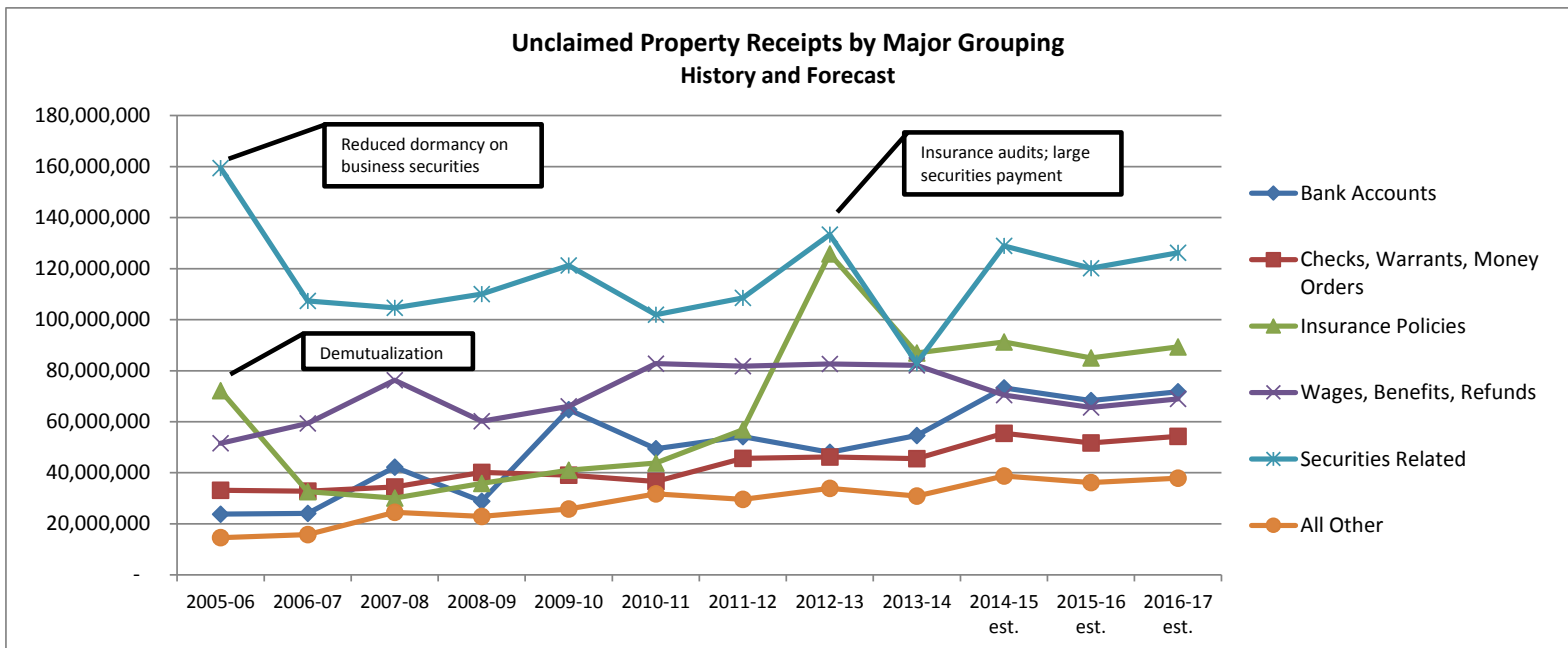
FORECAST

	<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>
2015-16	410.0	427.1	17.1	255.7	265.7	10.0	149.5	156.6	7.1
2016-17	430.5	448.5	18.0	265.2	280.1	14.9	157.8	160.9	3.1
2017-18	452.0	470.9	18.9	272.3	287.1	14.8	172.2	176.3	4.1
2018-19	474.6	494.4	19.8	286.4	301.5	15.1	180.7	185.4	4.7
2019-20	498.3	519.1	20.8	312.7	328.2	15.5	178.1	183.4	5.3
2020-21	523.2	545.1	21.9	316.2	332.4	16.2	199.5	205.2	5.7

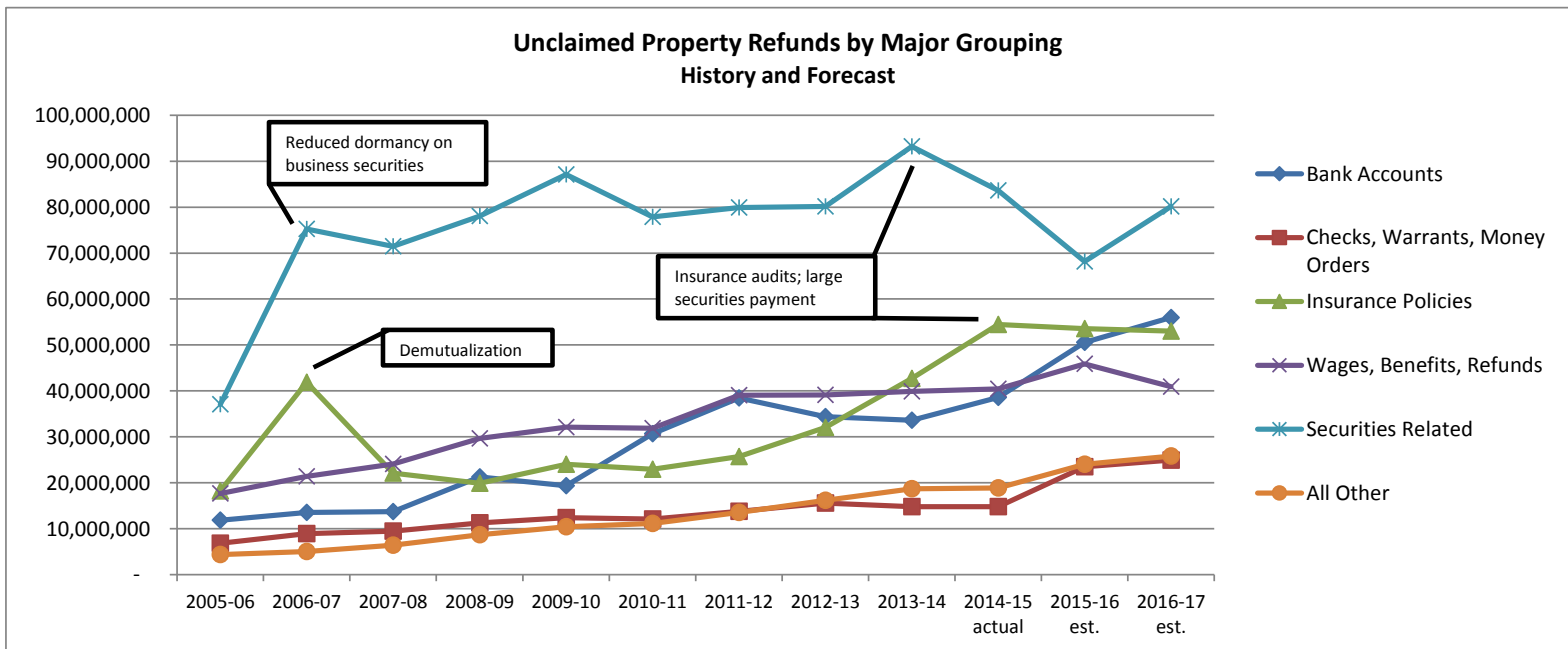
Unclaimed Property Trust Fund

History and Forecast Detail

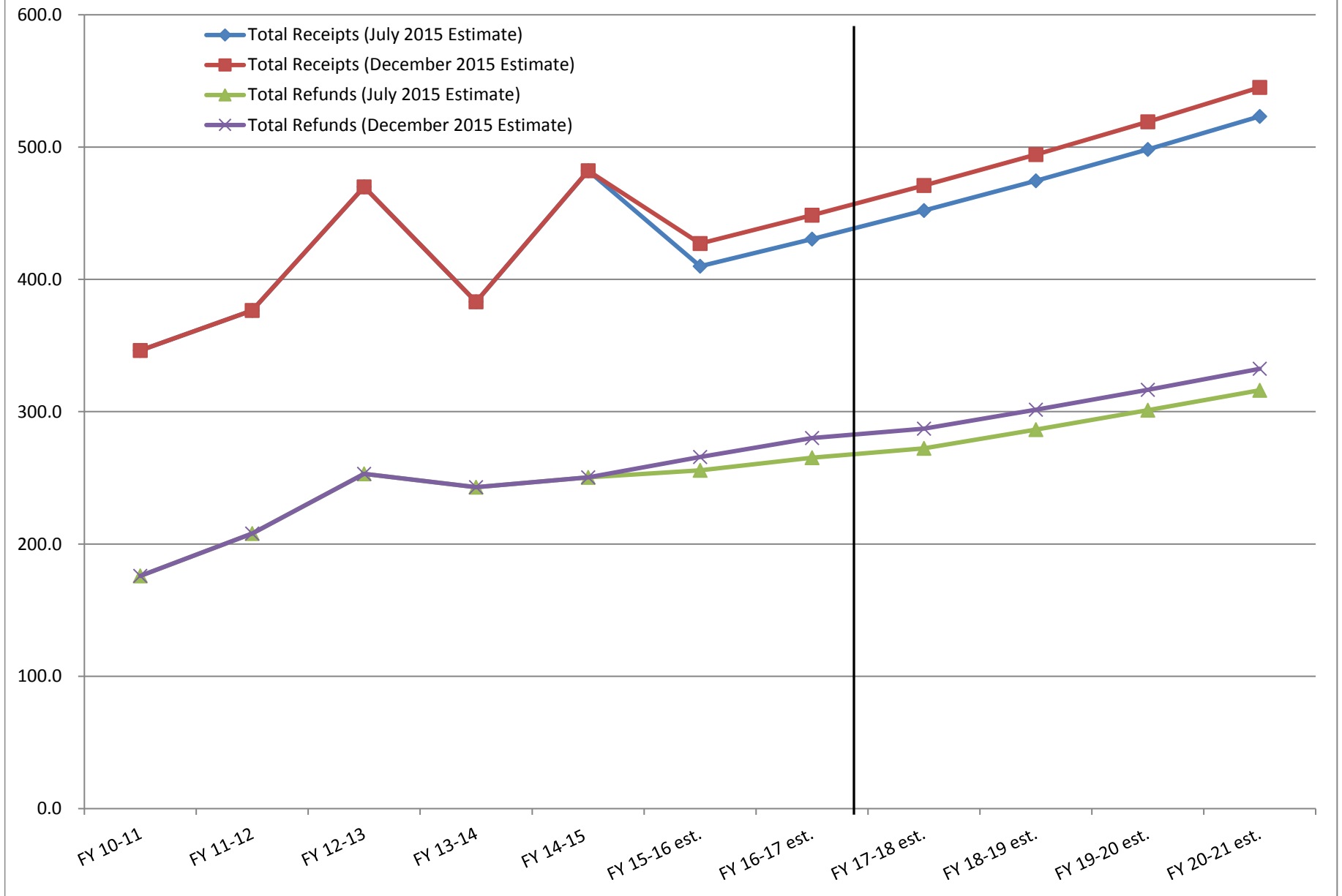
	Actual from Trial Balance					FORECAST					
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16 est.	FY 16-17 est.	FY 17-18 est.	FY 18-19 est.	FY 19-20 est.	FY 20-21 est.
1 Funds Available											
2 Beginning Balance	17.3	9.8	6.1	14.1	4.3	14.7	12.0	12.0	12.0	12.0	12.0
3 Abandoned property receipts	346.3	376.5	409.4	383.1	427.1	427.1	448.5	470.9	494.4	519.1	545.1
4 Atypical receipts			60.5		55.0						
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	0.4	0.5	4.1	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
7 Total Funds Available	<u>364.0</u>	<u>386.8</u>	<u>480.1</u>	<u>397.6</u>	<u>486.7</u>	<u>442.1</u>	<u>460.8</u>	<u>483.2</u>	<u>506.7</u>	<u>531.4</u>	<u>557.4</u>
8 Uses of Funds											
9 Operating Expenses	6.4	4.0	4.0	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.3
10 Refunds to owners - regular	175.9	208.0	215.1	243.0	250.4	265.7	280.1	287.1	301.5	316.6	332.4
11 Payment correction			38.0								
12 Refunds to owners - demutualization											
13 Refunds to owners - reduced dormancy											
14 Refunds to owners - FDIC	14.3	2.6								11.6	
15 Miscellaneous disbursements	0.1	2.5	2.7	3.6	4.2	3.5	3.5	3.5	3.5	3.5	3.5
16 Retained Balance	9.8	6.1	14.1	4.3	14.7	12.0	12.0	12.0	12.0	12.0	12.0
17 Total Uses	<u>206.5</u>	<u>223.2</u>	<u>273.9</u>	<u>255.3</u>	<u>273.7</u>	<u>285.5</u>	<u>299.9</u>	<u>306.9</u>	<u>321.3</u>	<u>348.0</u>	<u>352.2</u>
18 Available for transfer to											
19 State School TF (new estimate)	157.5	163.6	206.2	142.3	213.0	156.6	160.9	176.3	185.4	183.4	205.2
20 State School TF (old estimate - Jul 2015)					119.0	149.5	157.8	172.2	180.7	178.1	199.5
21 Change in estimate					94.0	7.1	3.1	4.1	4.7	5.3	5.7
Ratio of refunds to receipts	56%	62%	60%	62%	63%	65.6%	65.6%	65.6%	65.6%	65.6%	65.6%
Growth rate of regular receipts	5.2%	8.7%	8.7%	-6.4%	11.5%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Change in transfer amount	2.1%	3.9%	26.0%	-31.0%	49.7%	-26.5%	2.7%	9.6%	5.2%	-1.1%	11.9%
Assumed Receipts Growth Rate						0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Assumed Refunds %						65.6%	65.6%	65.6%	65.6%	65.6%	65.6%



*Note: Securities related receipts are estimated for all years. For 2014-15, the graphs is based on reports loaded in the DFS database as of December 11th. Reports totaling approximately \$24M had not been loaded as of that date.



History and Forecast of Unclaimed Property Receipts and Refunds



History and Forecast of Transfers to the State School Trust Fund

