

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 February 24, 2021, by the Revenue Estimating Conference.

The Conference reviewed two additional months of actual collection data (December and January) for Fiscal Year 2020-21, as well as the prior year-to-date activity. In these two months, the State of Florida received \$32.3 million in receipts or \$22.0 million over the combined monthly estimate for the period. For the same months, the State of Florida processed \$49.7 million in refunds, for a total that was \$0.4 million over the adopted monthly estimates.

Primarily, receipts were higher than expected for two reasons. First, the State of Florida finished an audit of a financial firm which found \$19.0 million in assets that qualified as unclaimed property. These assets were turned over to the Division of Unclaimed Property and processed as receipts in December 2020. Second, in that same month, a firm transferred over \$1.4 million in assets to the Division of Unclaimed Property. This transfer occurred earlier than expected as most firms hold off on transferring large amounts until the April 30th deadline.

Incorporating only the effects of the additional \$19.0 million, the Conference adopted a new forecast for Fiscal Year 2020-21 showing that receipts will increase to \$526.0 million and refunds will increase to \$328.3 million. The receipts were classified as atypical since they were discovered by audit; this means that they did not affect the forecast for the subsequent years.

As a result, the expected transfer to the State School Trust Fund in Fiscal Year 2020-21 increases to \$202.2 million from \$183.9 million. The projected transfer to the State School Trust Fund in Fiscal Year 2021-22 declines by \$6 million to reflect the continuing impact on refunds from the prior year's increase in receipts.

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

	November 2020	February 2021	Difference
2020-21 Receipts	\$507.0	\$526.0	\$19.0
2020-21 Refunds	\$327.6	\$328.3	\$0.7
2020-21 Transfer to State School Trust Fund	\$183.9	\$202.2	\$18.3
2021-22 Receipts	\$513.4	\$513.4	\$0.0
2021-22 Refunds	\$330.9	\$336.9	\$6.0
2021-22 Transfer to State School Trust Fund	\$171.0	\$165.0	(\$6.0)

Dollars shown in millions.

Revenue Estimating Conference

Unclaimed Property

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

Spring Conference

Wednesday February 24, 2021

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
Wednesday February 24, 2021**

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	507.0	526.0	19.0	327.6	328.3	0.7	4.5	4.5	0.0	183.9	202.2	18.3
2021-22	513.4	513.4	0.0	330.9	336.9	6.0	-11.6	-11.6	0.0	171.0	165.0	-6.0
2022-23	520.1	520.1	0.0	335.9	337.9	2.0	-6.6	-6.6	0.0	177.6	175.6	-2.0
2023-24	526.5	526.5	0.0	341.1	342.1	1.0	-7.0	-7.0	0.0	178.4	177.4	-1.0
2024-25	532.6	532.6	0.0	345.7	346.4	0.7	-6.0	-6.0	0.0	180.9	180.2	-0.7
2025-26	538.5	538.5	0.0	349.8	350.4	0.6	-6.2	-6.2	0.0	182.5	181.9	-0.6

Fiscal Year 2020-21 Unclaimed Property Receipts and Refunds to Owners

RECEIPTS	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	YTD	Actual Annual Total
2015-16 ACTUAL	13.2	7.8	4.2	10.3	9.3	8.4	5.3	58.5	471.5
2016-17 ACTUAL	9.9	5.1	7.6	3.8	6.8	7.1	7.9	48.2	428.2
2017-18 ACTUAL	24.3	15.2	19.1	6.0	9.2	4.6	2.7	80.9	507.8
2018-19 ACTUAL	15.6	6.3	4.6	9.6	3.0	3.8	6.3	49.2	535.5
2019-20 ACTUAL	17.6	5.9	8.0	5.0	9.1	10.1	5.4	61.0	500.5
2020-21 ACTUAL	26.2	18.9	9.4	12.0	6.8	27.7	4.6	105.6	
2020-21 NOV ESTIMATE	26.2	18.9	9.4	12.0	6.8	5.8	4.5	83.6	507.0
Above/Below Estimate	-	-	-	-	-	21.9	0.1	22.0	26.31%
REFUNDS	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	YTD	Actual Annual Total
2015-16 ACTUAL	21.4	16.1	17.9	25.5	27.0	21.0	22.0	150.9	268.8
2016-17 ACTUAL	27.0	24.9	21.9	35.7	30.6	24.1	23.9	188.0	310.4
2017-18 ACTUAL	19.3	21.1	20.0	28.2	24.5	26.6	26.4	166.0	317.9
2018-19 ACTUAL	25.2	28.3	30.0	25.4	22.5	25.8	28.2	185.3	316.7
2019-20 ACTUAL	32.9	24.1	26.9	29.2	23.2	24.6	34.0	194.7	321.9
2020-21 ACTUAL	43.0	39.3	28.8	27.7	26.5	25.8	23.9	215.0	
2020-21 NOV ESTIMATE	43.0	39.3	28.8	27.7	26.5	22.9	26.4	214.6	327.6
Above/Below Estimate	-	-	-	0.0	0.0	2.9	(2.5)	0.4	0.15%

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>510.4</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>37.4</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

	FY 19-20	FY 20-21 est.	FY 21-22 est.	FY 22-23 est.	FY 23-24 est.	FY 24-25 est.	FY 25-26 est.
1 Funds Available							
2 Beginning Balance	8.8	37.4	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		19.0	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	510.4	564.5	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	328.3	336.9	337.9	342.1	346.4	350.4
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	37.4	15.0	15.0	15.0	15.0	15.0	15.0
14 Total Uses	366.3	362.3	364.5	360.6	365.1	368.4	372.7
15 Available for transfer to							
16 State School TF (NEW Estimate)	144.1	202.2	165.0	175.6	177.4	180.2	181.9
17 State School TF (OLD Estimate)	144.0	183.9	171.0	177.6	178.4	180.9	182.5
18 Change in estimate	0.1	18.3	-6.0	-2.0	-1.0	-0.7	-0.6
20 Growth rate of regular receipts	-1.9%	5.1%	-2.4%	1.3%	1.2%	1.2%	1.1%
21 Growth rate of regular refunds	1.6%	2.0%	2.6%	0.3%	1.2%	1.3%	1.2%
22 Change in transfer amount	-34.1%	40.3%	-18.4%	6.4%	1.0%	1.6%	0.9%
23 Assumed Receipts Growth Rate NEW	-1.9%	5.1%	-2.4%	1.3%	1.2%	1.2%	1.1%
24 Assumed Receipts Growth Rate OLD	-1.9%	1.3%	1.3%	1.3%	1.2%	1.2%	1.1%
25 Assumed Refunds %NEW	61.7%	63.4%	65.6%	65.0%	66.2%	66.2%	66.2%
26 Assumed Refunds %OLD	61.7%	63.2%	65.7%	65.8%	66.0%	66.1%	66.1%