

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 December 15, 2021, by the Revenue Estimating Conference.

Given the unanticipated surge in receipts in FY 2020-21, the Conference began by reviewing an analysis of the Top 200 reporting companies to determine if the beginning of the COVID-19 pandemic had slowed submissions from one year to the next, producing a one-time impact from lagged transfers. The Conference found no evidence to suggest that large reporting companies delayed submitting receipts in FY 2019-20. The analysis showed that 6 out of the top 200 companies did not submit receipts in FY 2019-20, but their total receipts for FY 2020-21 were only \$5.2 million. While only a preliminary analysis has been performed, it appears the strength in the U.S equities market explained more of the overage.

The Conference also reviewed the latest receipt and refund data for FY 2021-22. Since the start of the fiscal year, the State of Florida received \$40.0 million in receipts, which was \$6.9 million below the Conference’s August estimate of \$46.9 million. Operating in the same direction in effect, total refunds were \$7.1 million above the Conference’s August estimate of \$166.6 million—totaling \$173.7 million since the start of the fiscal year. The cumulative effect from the two components was a loss of \$14 million year-to-date; however, some of the model inputs suggested an increase to the forecast for both receipts and refunds.

The Conference explored historical data to see if early fiscal year receipt data can be predictive of the magnitude of final fiscal year receipts. This analysis is important given that the majority of receipts arrive in the latter part of the fiscal year. The analysis shows that only a weak relationship exists between high (low) receipts early in the fiscal year and high (low) final receipts.

Based on all of the new information, the Conference decided to retain the existing forecast. Receipts for FY 2021-22 are estimated to reach \$546.5 million and refunds are estimated to total \$370.3 million. The projected transfer to the State School Trust Fund remains unchanged at \$192.1 million.

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

	July 2021	Dec 2021	Difference
2021-22 Receipts	\$546.5	\$546.5	\$0
2021-22 Refunds	\$370.3	\$370.3	\$0
2021-22 Transfer to State School Trust Fund	\$192.1	\$192.1	\$0
2022-23 Receipts	\$556.3	\$556.3	\$0
2022-23 Refunds	\$372.9	\$372.9	\$0
2022-23 Transfer to State School Trust Fund	\$174.8	\$174.8	\$0

Revenue Estimating Conference

Unclaimed Property

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

Winter Conference

Wednesday December 15, 2021

**Unclaimed Property Receipts, Refunds to Owners, and Transfers to the State School Trust Fund
Wednesday December 15, 2021**

Actual	Receipts	Refunds	Transfer to State School TF
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
2020-21	685.4	343.5	328.5

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>
2021-22	546.5	546.5	0.0	370.3	370.3	0.0	15.9	15.9	0.0	192.1	192.1	0.0
2022-23	556.3	556.3	0.0	372.9	372.9	0.0	-8.7	-8.7	0.0	174.8	174.8	0.0
2023-24	566.4	566.4	0.0	372.7	372.7	0.0	-7.2	-7.2	0.0	186.5	186.5	0.0
2024-25	576.3	576.3	0.0	377.7	377.7	0.0	-6.2	-6.2	0.0	192.3	192.3	0.0
2025-26	586.4	586.4	0.0	378.2	378.2	0.0	-6.4	-6.4	0.0	201.8	201.8	0.0
2026-27	596.6	596.6	0.0	384.5	384.5	0.0	-6.2	-6.2	0.0	205.9	205.9	0.0

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

RECEIPTS	JULY	AUG	SEPT	OCT	NOV	YTD Fiscal Year
2017-18 ACTUAL	24.3	15.2	19.1	6.0	9.2	73.6
2018-19 ACTUAL	15.6	6.3	4.6	9.6	3.0	39.1
2019-20 ACTUAL	17.6	5.9	8.0	5.0	9.1	45.6
2020-21 ACTUAL	26.2	18.9	9.4	12.0	6.8	73.3
2021-22 ACTUAL	15.5	6.8	5.4	6.6	5.7	40.0
2021-22 JULY ESTIMATE	15.5	9.3	7.2	8.8	6.1	46.9
Above/Below Estimate	0.0	(2.5)	(1.8)	(2.2)	(0.4)	(6.9)
REFUNDS	JULY	AUG	SEPT	OCT	NOV	Total Fiscal Year
2017-18 ACTUAL	19.3	21.1	20.0	28.2	24.5	113.0
2018-19 ACTUAL	25.2	28.3	30.0	25.4	22.5	131.3
2019-20 ACTUAL	32.9	24.1	26.9	29.2	23.2	136.2
2020-21 ACTUAL	43.0	39.3	28.8	27.7	26.5	165.3
2021-22 ACTUAL	43.9	36.1	28.5	37.6	27.6	173.7
2021-22 JULY ESTIMATE	43.9	34.0	31.0	30.0	27.7	166.6
Above/Below Estimate	0.0	2.1	(2.5)	7.6	(0.1)	7.1

Unclaimed Property Trust Fund

Historical Detail

	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>	<u>FY19-20</u>	<u>FY20-21</u>
1 <u>Funds Available</u>						
2 Beginning Balance	14.7	33.9	11.4	15.7	8.8	36.8
3 Abandoned property receipts	422.2	424.1	483.3	510.0	500.5	666.5
4 Atypical receipts	49.3	4.1	24.5	25.5	0.0	19.0
5 Transfers in	0.0	0.0	0.0	0.0	0.0	0.0
6 Other nonoperating receipts	0.9	2.6	1.2	2.2	1.1	2.0
7 Total Funds Available	<u>487.1</u>	<u>464.7</u>	<u>520.4</u>	<u>553.4</u>	<u>510.4</u>	<u>724.3</u>
8 <u>Uses of Funds</u>						
9 Operating Expenses	4.6	4.6	5.0	5.0	5.1	4.8
10 Refunds to owners - regular	268.8	310.4	317.9	316.8	321.9	335.0
11 Refunds to owners - FDIC	0.0	0.0	0.0	0.0	0.0	8.5
12 Miscellaneous disbursements	4.2	4.4	3.3	3.1	1.8	3.3
13 Retained Balance	<u>33.9</u>	<u>11.4</u>	<u>15.7</u>	<u>9.8</u>	<u>37.4</u>	<u>44.1</u>
14 Total Uses	<u>311.5</u>	<u>330.8</u>	<u>341.9</u>	<u>334.5</u>	<u>366.3</u>	<u>395.7</u>
15 Available for transfer to						
16 State School TF (Actual)	175.6	133.9	178.5	218.8	144.0	328.5
18 Growth rate of regular receipts	2.3%	0.5%	14.0%	5.5%	-1.9%	33.2%
19 Growth rate of regular refunds	7.3%	15.5%	2.4%	-0.4%	1.6%	4.1%
20 Change in transfer amount	-17.6%	-23.7%	33.3%	22.6%	-34.2%	128.2%

Unclaimed Property Trust Fund

Adopted Forecast

	<u>FY 20-21</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>	<u>FY 26-27 est</u>
1 Funds Available							
2 Beginning Balance	36.8	44.1	15.0	15.0	15.0	15.0	15.0
3 Abandoned property receipts	666.5	546.5	556.3	566.4	576.3	586.4	596.6
4 Atypical receipts	19.0	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	2.0	2.0	2.0	2.0	2.0	2.0	2.0
7 Total Funds Available	724.3	592.6	573.4	583.4	593.3	603.4	613.6
8 <u>Uses of Funds</u>							
9 Operating Expenses	4.8	4.8	4.8	4.8	4.8	4.8	4.8
10 Refunds to owners - regular*	335.0	370.3	372.9	372.7	377.7	378.2	384.5
11 Refunds to owners - FDIC	8.5	7.0	2.6	1.1	0.1	0.3	0.1
12 Miscellaneous disbursements	3.3	3.3	3.3	3.3	3.3	3.3	3.3
13 Retained Balance	44.1	15.0	15.0	15.0	15.0	15.0	15.0
14 Total Uses	395.7	400.5	398.6	396.8	401.0	401.6	407.7
15 Available for transfer to							
16 State School TF (NEW estimate)	328.5	192.1	174.8	186.5	192.3	201.8	205.9
17 State School TF (OLD estimate)	328.5	192.1	174.8	186.5	192.3	201.8	205.9
18 Change in estimate	0.0	0.0	0.0	0.0	0.0	0.0	-
20 Growth rate of regular receipts	33.2%	-18.0%	1.8%	1.8%	1.8%	1.8%	1.8%
21 Growth rate of regular refunds	4.1%	10.5%	0.7%	-0.1%	1.4%	0.1%	1.7%
22 Change in transfer amount	128.0%	-41.5%	-9.0%	6.7%	3.1%	4.9%	2.0%
23 Assumed Receipts Growth Rate NEW	33.2%	-18.00%	1.80%	1.80%	1.75%	1.75%	1.75%
24 Assumed Receipts Growth Rate OLD	33.2%	-18.00%	1.80%	1.80%	1.75%	1.75%	1.75%
25 Assumed Refunds %NEW	64.7%	62.5%	60.5%	67.6%	67.3%	66.2%	66.1%
26 Assumed Refunds %OLD	64.0%	62.5%	60.5%	67.6%	67.3%	66.2%	66.1%