Office of the State Treasurer

FY 2027 Budget Presentation

Presentation to Senate Appropriations

May 13, 2026

Unclaimed Property Transfer: Funding VT Saves to Self-Sufficiency

Higher Ed Endowment Trust Fund and Vermont Retirement Security Fund

Overview

VT Saves has been operational for 16 months. In that time:

- 0 accounts to 6,117
- $0 under management to $7,377,088.96

Lean operation: initial request for resources to start the program far less than other states.

Treasurer's Philosophy:

Find the win-win. Initiatives with high impact for Vermonters while keeping costs as low as possible.

- True of VT Saves as a whole
- True of this proposed solution to the funding gap

Beneficiaries:

Treasurer has discussed this proposal with VSAC, VSU, and UVM:

- No institutional beneficiary objects to this proposal.

Legislative History

- Unanimous: House Government Operations and Military Affairs
- Unanimous: House Ways and Means, with amendment (technical fixes)
- Unanimous: House Appropriations, with amendment (removed positions)
- Unanimous: Full House on a voice vote
- Unanimous: Senate Government Operations
- Unanimous: Senate Finance, with amendment (HEETF study)

Funding the VT Saves Program to Self Sufficiency

This proposal will:

1. Fund the VT Saves program until it reaches self-sufficiency
2. Do so without impacting the General Fund
3. Provide greater revenue to the Higher Education Endowment Trust Fund with than under current law.

How?

- This proposal reconfigures an existing transfer from the Unclaimed Property Fund to the Higher Education Endowment Trust (HEETF) to allow for an additional transfer to the Vermont Retirement Security Fund (which supports the VT Saves Program).

Current Relationship Between Unclaimed Property & HEETF

- Unclaimed property accounts that are more than 10 years old and less than $100 are transferred into the HEETF
  - (That money does still belong to the rightful owner who is encouraged to claim their property, but those accounts often remain unclaimed)
- Each year when unclaimed accounts age from being 9 years to 10 years old they are transferred into the HEETF
- This makes up a small portion of the annual contributions into the HEETF
  - The largest portion of contributions comes from the windfall from the estate tax

Scale of Annual Contributions

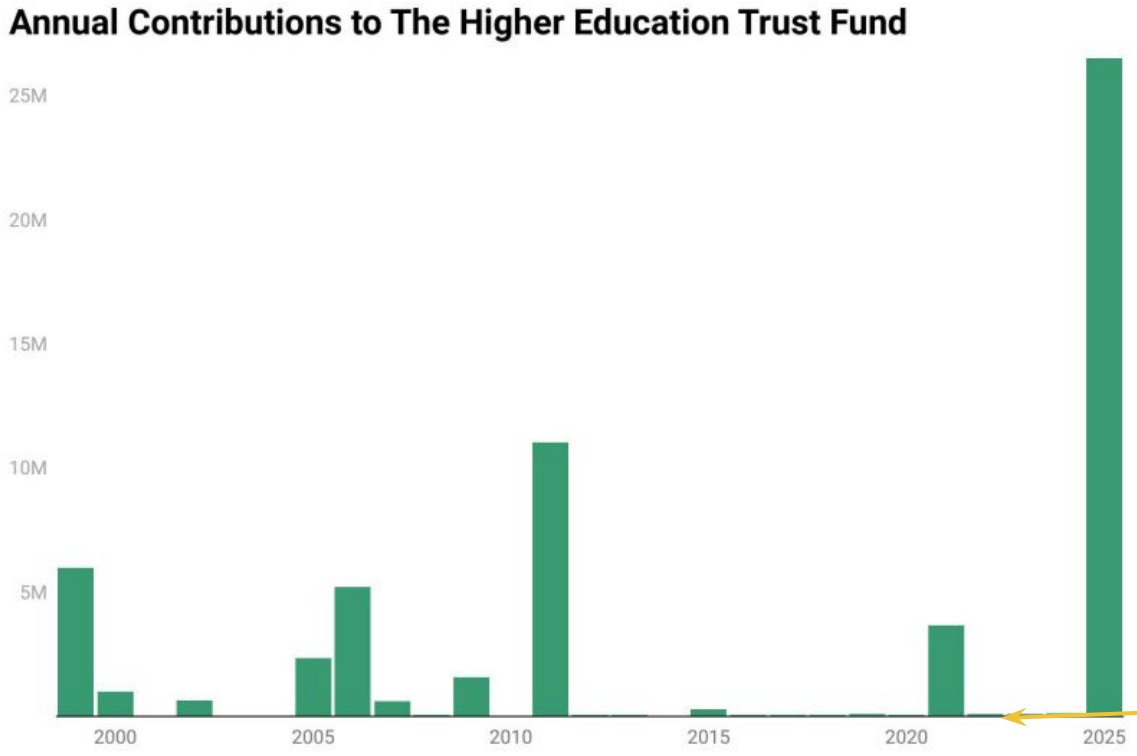

Table 1: **Unclaimed Property Revenues Available to Higher Education Trust Fund**

Fiscal Year	Unclaimed Property Funds to Higher Education Trust Fund Under Status Quo ($100)	
2021	$	128,343
2022	$	109,960
2023	$	103,353
2024	$	134,747
2025	$	147,582

Proposed UP Transfer Changes

- **Inclusion of unclaimed property that is more than 10 years old and less than $150** (up from $100). More funds will be eligible to be transferred, but there will be a:
  - **$300,000 cap on total annual transfer.** Although previous revenue has not risen to this level the increased threshold for sweep eligibility raises the revenue potential. This cap smooths the transfers.
- **Addition of Vermont Retirement Security Fund (VT Saves) to the transfer.**
  - A waterfall structure will send the amount needed to meet funding requirements to VT Saves, and the remainder to HEETF. As VT Saves revenue increases, less will go to support the program and more will go to HEETF.

Transfer Amounts-Projected and Historical

- Temporary decrease in transfer to HEETF
- For the duration of the proposal, significant increase in transfer to HEETF

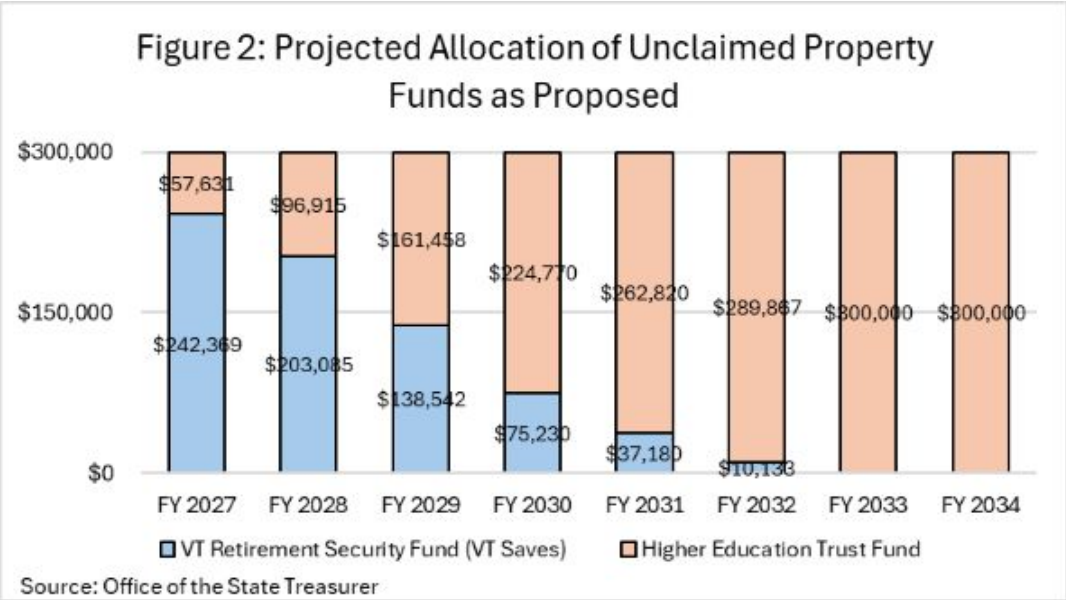

Table 1: **Unclaimed Property Revenues Available to Higher Education Trust Fund**

Fiscal Year	Unclaimed Property Funds to Higher Education Trust Fund Under Status Quo ($100)	Unclaimed Property Funds Available to Higher Education Trust Fund if Threshold Was $150
2021	$ 128,343	$ 295,488
2022	$ 109,960	$ 270,511
2023	$ 103,353	$ 301,753
2024	$ 134,747	$ 317,664
2025	$ 147,582	$ 342,458

Impact on Transfers-Historical

Historical Impact if proposal had been in place over prior 5 years:

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HEETF did receive:

$623,985

HEETF would have received:

$1,467,752

HEETF would have received:

- **$843,767 more, or**
- **43% increase**

I. Impact on Transfers-Projected

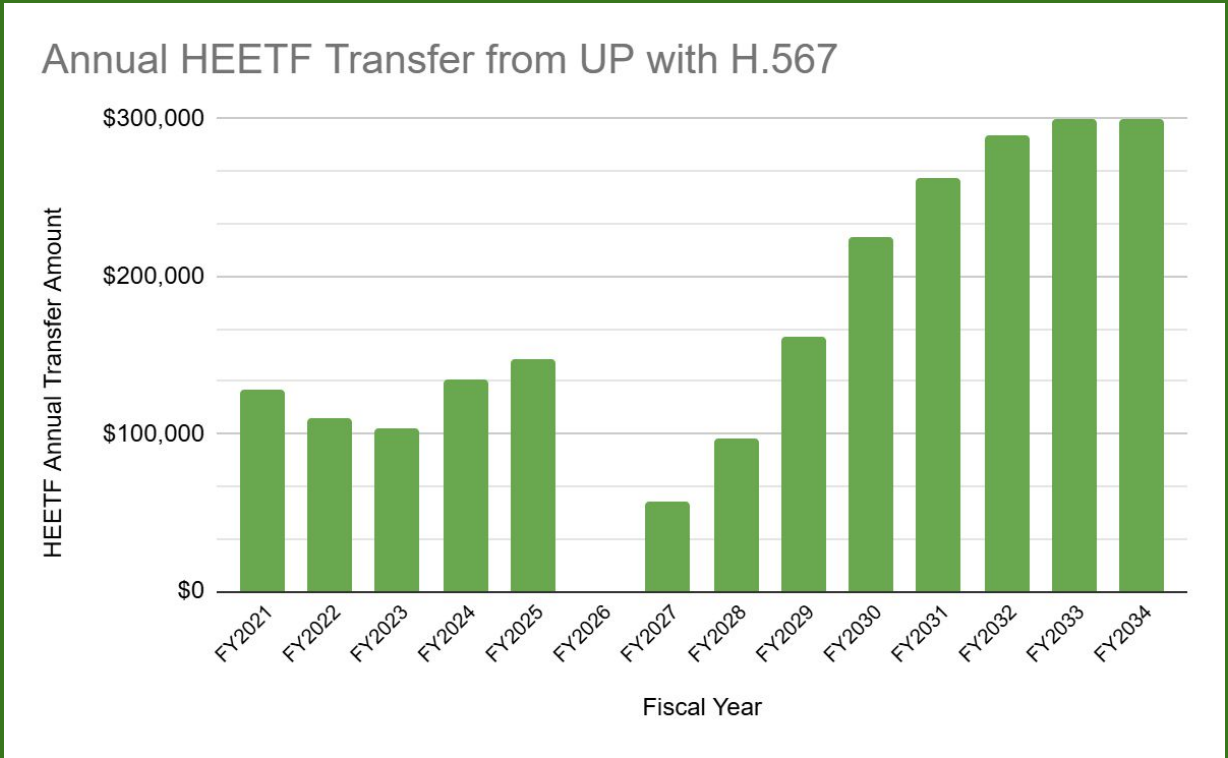
Projections:

VT Saves will receive: **$706,538** over 5 years

HEETF will receive: **$3,193,462** over 13 years.

($1,093,462 over the same 5 years as above).

Impact on HEETF



With this change, by FY29 more money will be transferred from Unclaimed Property to HEETF. Ultimately HEETF will receive more funding than under status quo.

II. Impact on HEETF

Background:

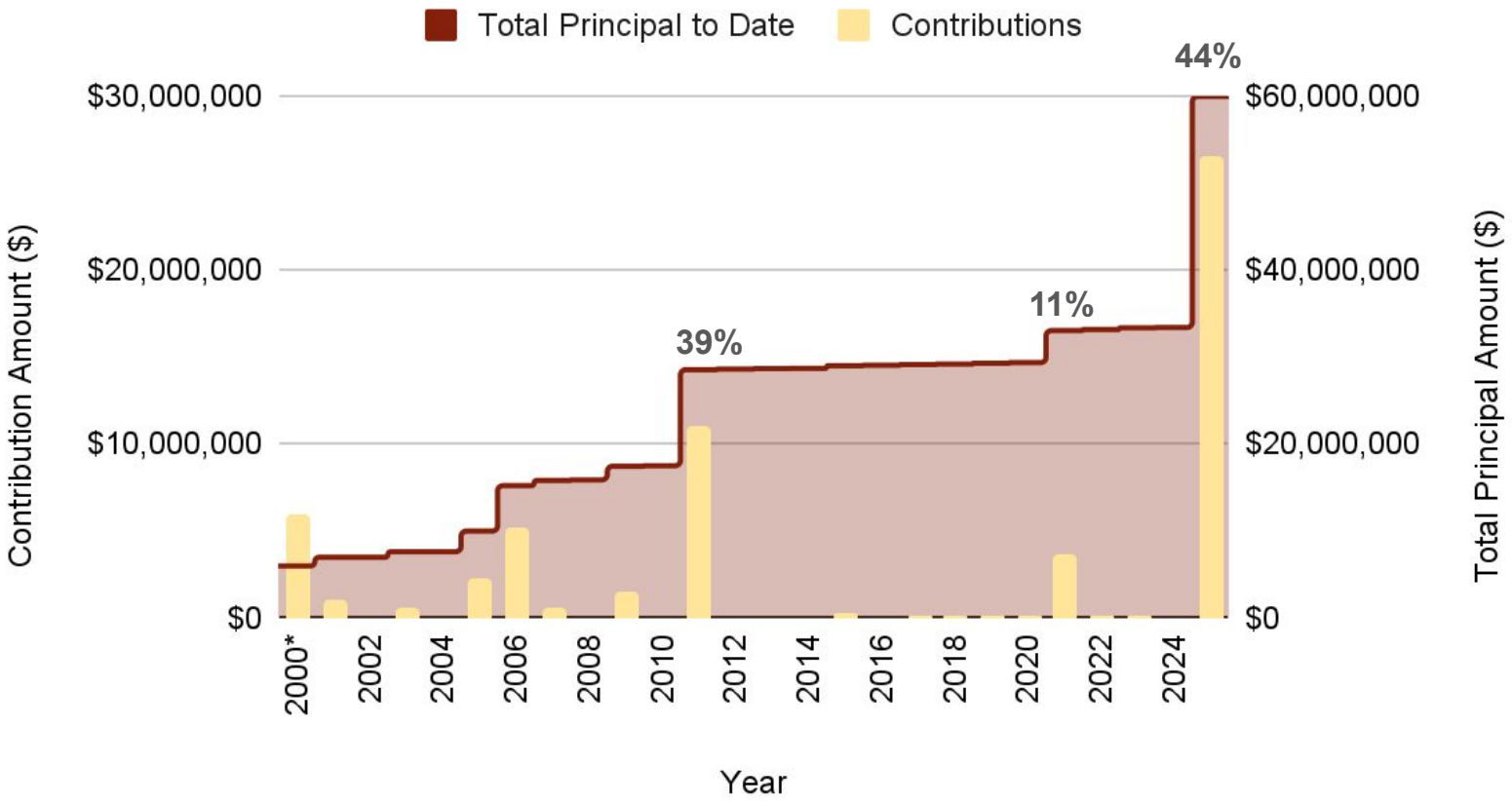
Total principal balance of HEETF: $59 Million

By law, principal may not be distributed. Only interest may be distributed.

All UP Transfers add to the principal.

- Assuming sufficient interest has been earned, state distributes 5% each year split among the beneficiaries (VSAC, UVM, VSU).
- May also distribute an additional 2% to UVM and VSU for capital investment.

Annual Contributions and Total Principal



II. Impact on HEETF

How much do UP Transfers add to HEETF principal?

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2025	$	147,582

2021: 0.39%

2022: 0.33%

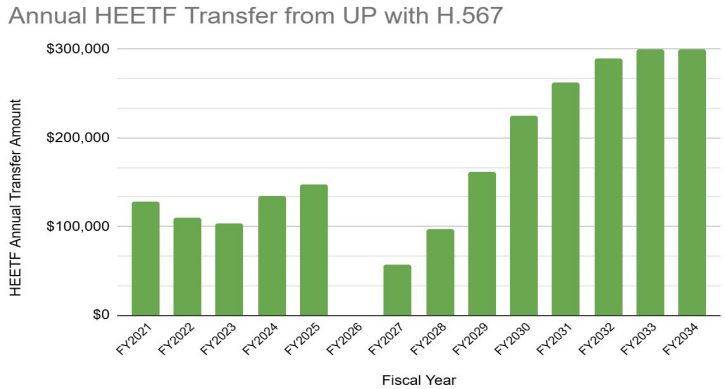
2023: 0.31%

2024: 0.40%

2025: 0.25%

II. Impact on HEETF

Projected difference in principal contributions for FY27 and FY28



FY 27:

Without proposal: 0.25%

With proposal: 0.01%

FY27 Difference: -0.24%

FY28:

Without proposal: 0.25%

With proposal: 0.16%

FY28 Difference: -0.09%

II. Impact on HEETF

For the duration of this proposal, UP Transfers would ultimately **contribute an additional 5% of the total HEETF principal.**

Assumption: no additional large infusion from estate tax.

Questions?

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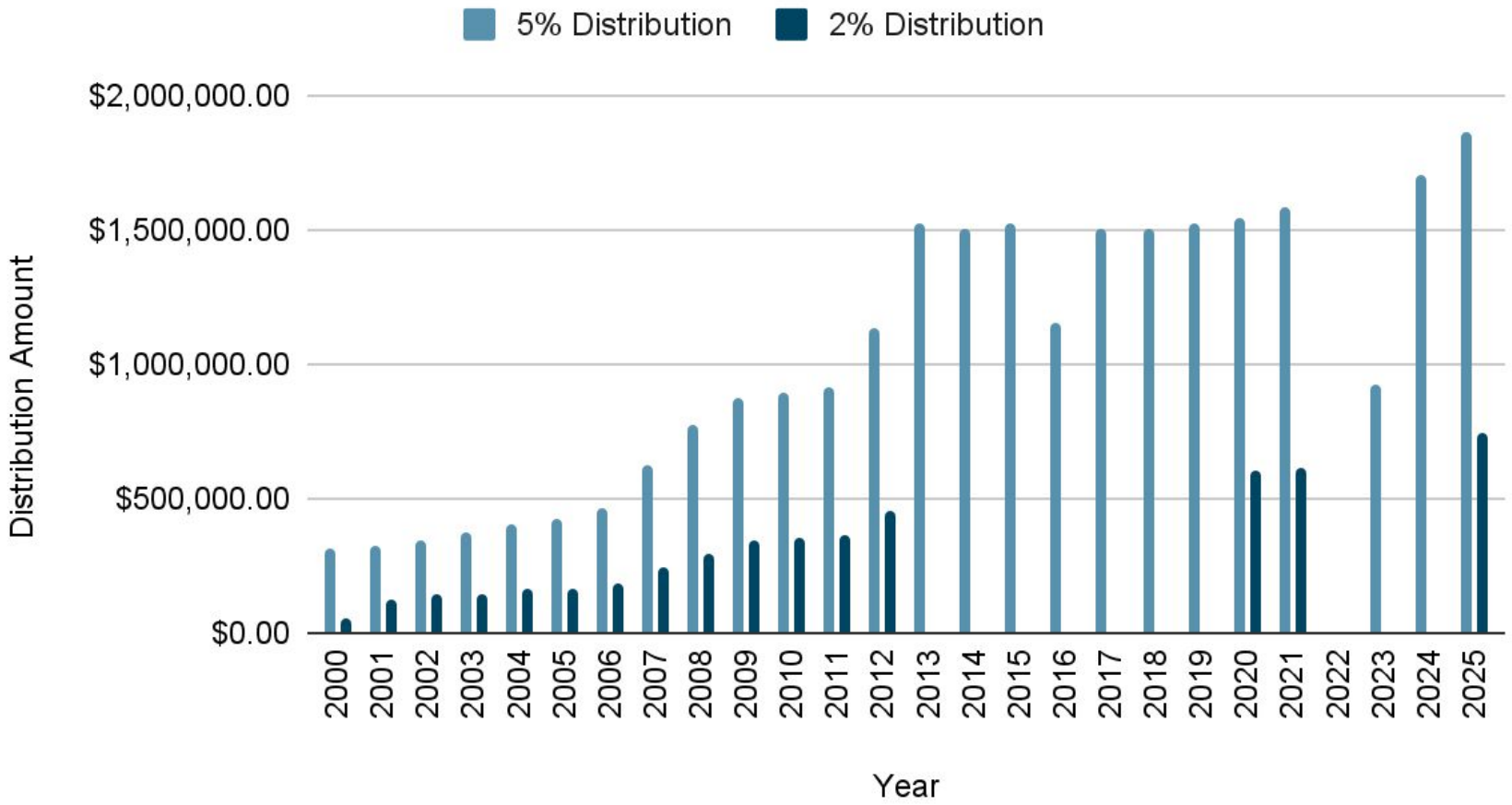
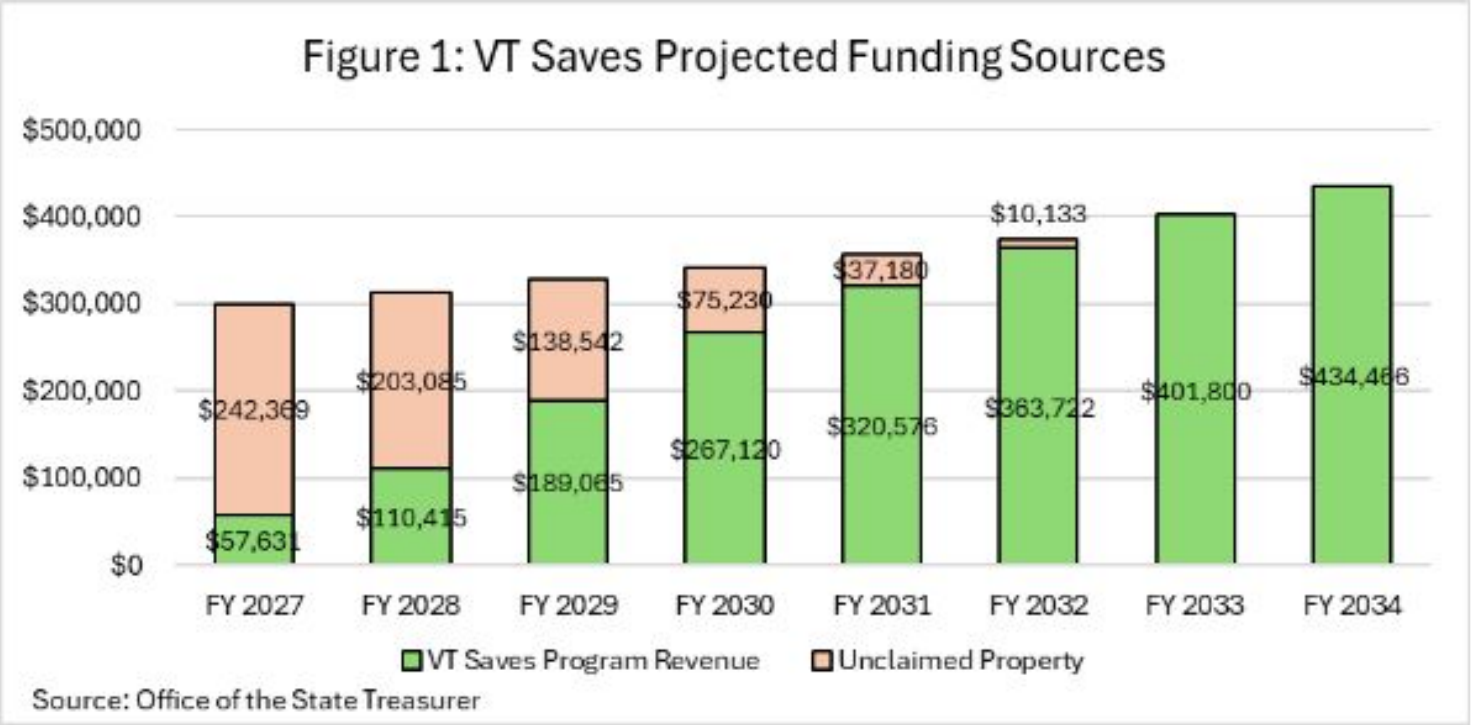
802-558-6022

Higher Ed Trust Fund Authorizations by Year and Type



Funding the VT Saves Program to Self Sufficiency



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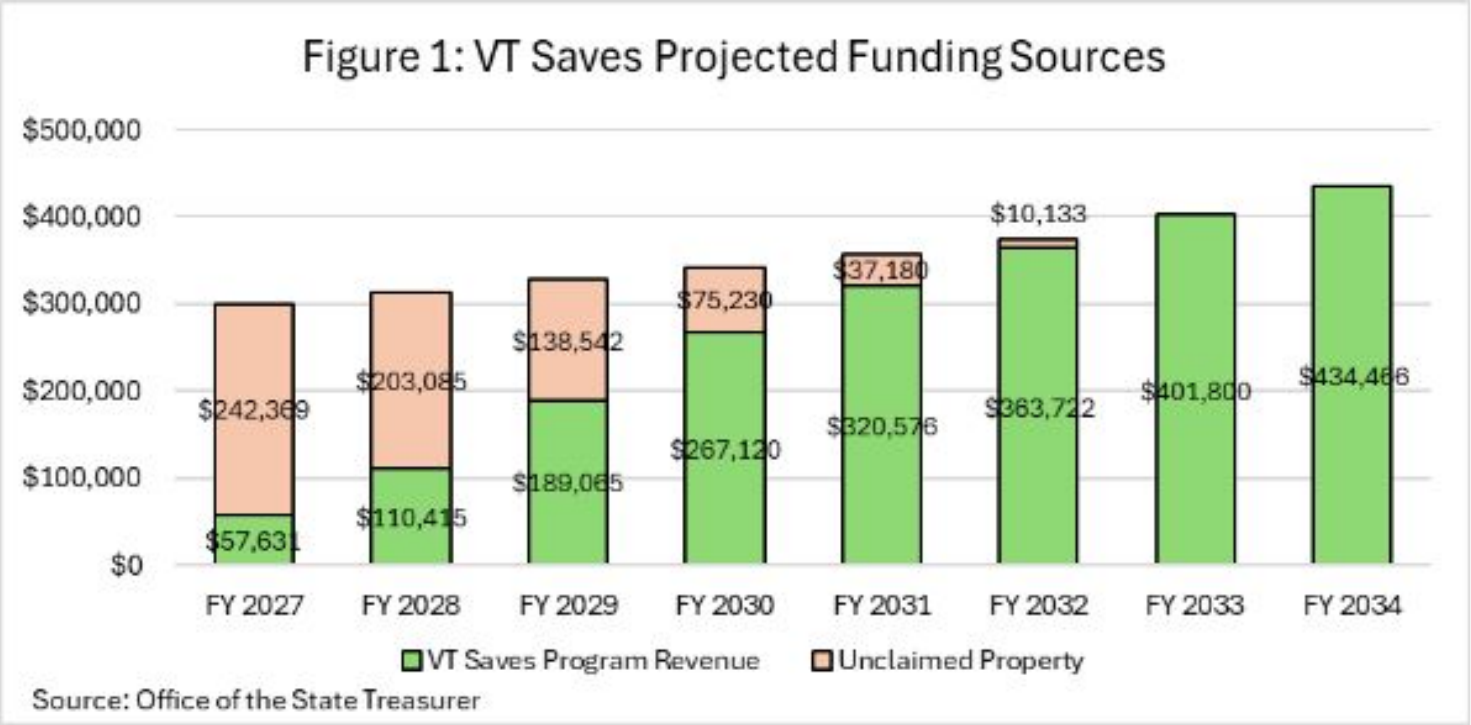
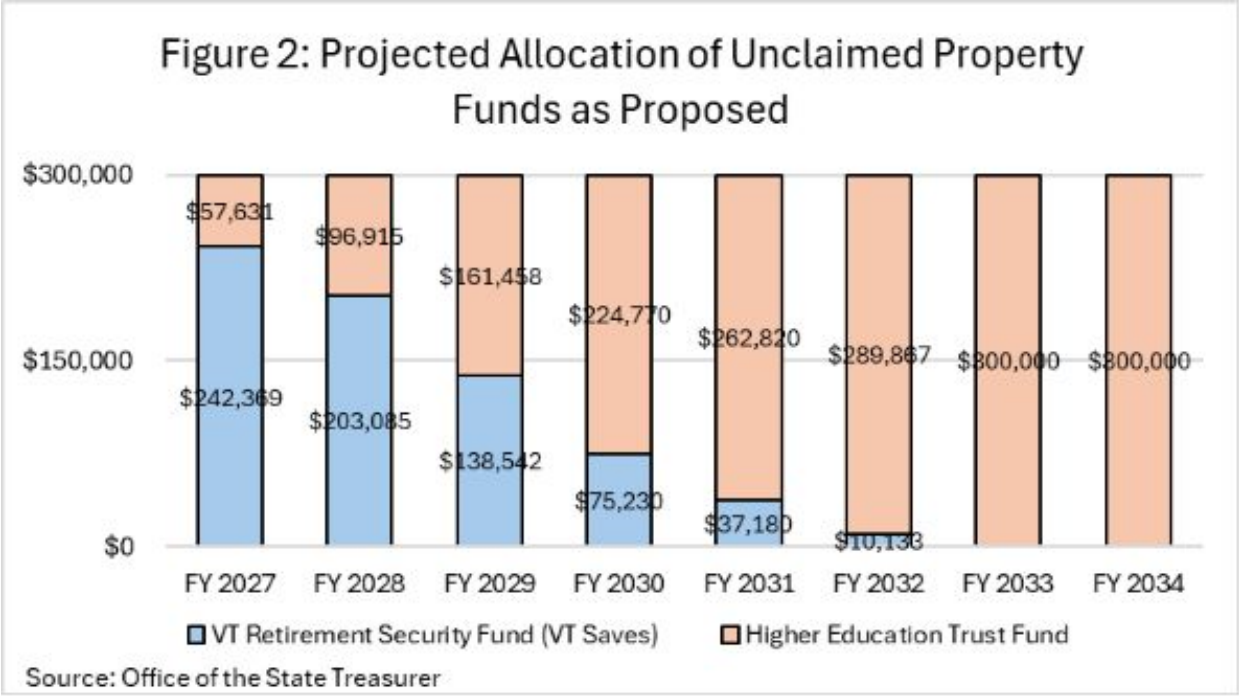
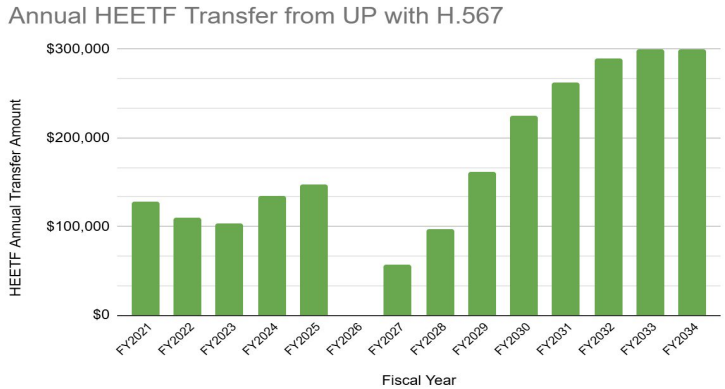


Projected use of transfer



II. Impact on HEETF

Projected difference in principal contributions for FY27 and FY28
(If HEETF reduced, assuming flat UP transfer)



FY 27:

Without proposal: 0.35%

With proposal: 0.01%

FY27 Difference: -0.34%

FY28:

Without proposal: 0.35%

With proposal: 0.23%

FY28 Difference: -0.12%