

**Quarterly Report on the Status of the  
Beverage Container Recycling Fund  
(FY 2017-18—First Quarter)**



California Department of Resources Recycling and Recovery

**August 2018**

STATE OF CALIFORNIA

**Edmund G. Brown Jr.**  
Governor

**Matthew Rodriquez**  
Secretary, California Environmental Protection Agency

**DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

**Scott Smithline**  
Director

Department of Resources Recycling and Recovery (CalRecycle)  
Public Affairs Office  
1001 I Street (MS 22-B)  
P.O. Box 4025  
Sacramento, CA 95812-4025  
[www.calrecycle.ca.gov/Publications/](http://www.calrecycle.ca.gov/Publications/)  
1-800-RECYCLE (California only) or (916) 341-6300

Publication # DRRR-2018-1635



To conserve resources and reduce waste, CalRecycle reports are produced in electronic format only. If printing copies of this document, please consider use of recycled paper containing 100 percent postconsumer fiber and, where possible, please print on both sides.

Copyright © 2018 by the California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved. This publication, or parts thereof, may not be reproduced in any form without permission.

This report was prepared by staff of the Department of Resources Recycling and Recovery (CalRecycle) to provide information or technical assistance. The statements and conclusions of this report are those of CalRecycle staff and not necessarily those of the Department or the State of California. The state makes no warranty, expressed or implied, and assumes no liability for the information contained in the succeeding text. Any mention of commercial products or processes shall not be construed as an endorsement of such products or processes.

The California Department of Resources Recycling and Recovery (CalRecycle) does not discriminate on the basis of disability in access to its programs. CalRecycle publications are available in accessible formats upon request by calling the Public Affairs Office at (916) 341-6300. Persons with hearing impairments can reach CalRecycle through the California Relay Service at 1-800-735-2929.

# Executive Summary

---

Consistent with statutory requirements and the Department of Resources Recycling and Recovery's (CalRecycle) commitment to transparency and accountability to stakeholders, the department presents the following Beverage Container Recycling Fund (Fund) Quarterly Status Report (Quarterly Report or QR). The Quarterly Report reviews the Fund's adequacy to make Beverage Container Recycling Program (BCRP) payments.

This edition reports on the first quarter (Q1) for Fiscal Year (FY) 2017-18 (July through September 2017) and reflects:

- Actual and projected revenues.
- Actual and projected BCRP expenditures and payments, including transfers.
- An assessment of the Fund's structural deficit and surplus.
- A Fund adequacy determination necessary to support BCRP expenditures.
- An assessment of the need to reduce BCRP expenditures because of insufficient financial resources.

This report also provides data for sales, recycling volumes (returns), processing payments, processing fees, processing fee offsets, and handling fees. Finally, the report provides an explanation of significant changes between the current projections and those presented in the [Fourth Quarter FY 2016-17 Quarterly Report](#) (published March 2018) (Q4).

In brief, this Quarterly Report projects the structural deficit over the course of FY 2017-18 to be \$6.2 million. This is a \$3.1 million decrease in the projected deficit for the same period reflected in the FY 2016-17 Q4 report. The decreased deficit is a result of a combination of factors including a \$4.7 million decrease in projected California Redemption Value (CRV) revenue (CRV-in), a decrease of \$10.8 million in projected CRV expenditures (CRV-out), and a decrease in polyethylene terephthalate (PET) processing fee offsets.

For FY 2018-19, the Q4 report included a projected structural surplus of \$33.8 million. This Q1 report reflects a projected \$36.8 million structural surplus for FY 2018-19 (Table 3), a \$3 million increase.

The projected structural surplus for FY 2018-19 is attributable, primarily, to reduced CRV-out. While the department projects \$5.3 million less CRV-in for FY 2018-19 compared to previous projections, the department forecasts CRV-out will be approximately \$11.3 million less than previously projected. This redemption decrease,

and \$2.8 million in other net expenditure increases (e.g., handling fee and program administration), yield the projected \$3 million structural surplus increase.

This trend toward a growing structural surplus continues for FY 2019-20. The department projects a structural surplus of \$91.5 million for FY 2019-20. This surplus is attributable to higher CRV-in and lower CRV-out when compared to the forecast for FY 2018-19. Other important factors contributing to the surplus include decreased expenditures for glass and plastic processing fee offsets and the sunset of Plastic Market Development Program (PMDP) payments (\$10 million annually) effective January 1, 2018.

As noted in previous Quarterly Reports, CalRecycle presumes its ability to make BCRP payments is compromised when adequate cash reserves drop below \$59 million. In projecting the structural deficit over the forecasted period, and considering current and anticipated cash balances, CalRecycle finds that the Fund should have sufficient cash resources to support payments through FY 2019-20. As such, based on current projections, the department does not anticipate a need to enter proportional reductions within the forecast horizon.

While these projections indicate the overall Fund condition is sufficient to support payments, small changes to CRV-in or CRV-out impact cash reserves and the Fund condition (e.g., a one percent increase in CRV-out equates to approximately \$10.6 million in additional expenditures). The department will continue to effectively monitor BCRP revenues and expenditures to keep stakeholders informed of the Fund's status.

This report includes projections for FY 2017-18 recycling rates inferred from CRV-in and CRV-out (see Section III). CalRecycle projects the overall recycling rate inferred from CRV-in and CRV-out (excluding administrative fees) to be 77.0 percent. This projection is a decrease from the FY 2016-17 overall recycling rate of 78.7 percent and from the FY 2017-18 projection of 77.6 percent in the previous Quarterly Report.<sup>1</sup>

While the BCRP is not currently anticipating proportional reduction, it faces significant challenges including variable scrap markets, continued challenges to providing convenient recycling, and declining recycling rates. CalRecycle acknowledges these challenges. As a result, CalRecycle adopted an emergency regulation that increased processing payment by establishing a new calculation for the reasonable financial return for calendar year 2018. A reasonable financial return of 16.6 percent has been applied

---

<sup>1</sup>Quarterly Reports discuss the Fund's financial status. For recycling rates based on container counts and the numbers of pounds of material redeemed, please consult [Biannual Reports](#).

to rural region recycling centers, and 11.5 percent for all other recyclers, effective January 1, 2018.

CalRecycle welcomes your feedback. Please send questions and comments to [opa@calrecycle.ca.gov](mailto:opa@calrecycle.ca.gov) or contact the Division of Recycling at (916) 323-3836.

## I. Fund Condition Statement

---

Pursuant to Public Resources Code (PRC) Section 14556(a)(1), this section provides an updated fund condition statement<sup>2</sup> which includes revenues, transfers, and expenditures into and out of the Fund. The Fund is the BCRP's primary financial account because it is the depository of CRV. As a result, the primary revenues and expenditures from the Fund are CRV-in paid into the BCRP and CRV-out refunds paid to consumers for redeeming their beverage containers.

The fund condition statements in this report include accrued revenues (i.e., revenues recognized before cash is received) and accrued expenses (i.e., expenses recognized before cash is paid out) at the end of each fiscal year.

The following table shows the fund condition statements for FY 2016-17 and FY 2017-18, and projections for FY 2018-19.

---

<sup>2</sup> The updated fund condition statement may differ from the Governor's Budget fund condition statement. See Appendix I for an explanation of differences between Governor's Budget and BCRF Quarterly Reports.

Table 1: Beverage Container Recycling Fund 0133 – Fund Condition Statement FY 2016-17 and FY 2017-18, and Projections for FY 2018-19

C A BEVERAGE CONTAINER RECYCLING FUND (0133)						
FUND CONDITION REPORT						
	2018-19 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2016-17	FY 2017-18	FY 2018-19
<b>BEGINNING BALANCE</b>	\$241,448,000	\$275,401,000	\$282,303,000	\$241,448,000	\$275,401,000	\$272,441,000
Prior Year Adjustments	\$16,929,000			\$16,929,000		
<b>Balance, Adjusted</b>	<b>\$258,377,000</b>	<b>\$275,401,000</b>	<b>\$282,303,000</b>	<b>\$258,377,000</b>	<b>\$275,401,000</b>	<b>\$272,441,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$1,316,801,000	\$1,311,056,000	\$1,334,541,000	\$1,316,801,000	\$1,308,290,000	\$1,334,703,000
141200 Sales of Documents	\$3,000	\$0	\$0	\$3,000	\$0	\$0
150300 Income from surplus money investments	\$602,000	\$370,000	\$370,000	\$602,000	\$602,000	\$602,000
161000 Escheat of unclaimed checks & warrants	\$69,000	\$92,000	\$92,000	\$69,000	\$92,000	\$92,000
161400 Miscellaneous Revenue (option B)	\$3,769,000	\$2,538,000	\$2,538,000	\$3,769,000	\$2,538,000	\$2,538,000
163000 Settlements/Judgements	\$84,000	\$44,000	\$44,000	\$84,000	\$44,000	\$44,000
164300 Penalty Assessment	\$109,000	\$260,000	\$260,000	\$109,000	\$260,000	\$260,000
164700 Court Filing Fees	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$1,321,437,000</b>	<b>\$1,314,360,000</b>	<b>\$1,337,845,000</b>	<b>\$1,321,437,000</b>	<b>\$1,311,826,000</b>	<b>\$1,338,239,000</b>
Transfers From Other Funds:						
<b>Total Transfers From</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfers to Other Funds:						
TO0269 To Glass Processing Fee Account (Glass) (0269), PRC 14581 (a)(5)	-\$50,157,000	-\$51,733,000	-\$51,733,000	-\$50,157,000	-\$55,868,000	-\$57,445,000
TO0278 To PET Processing Fee Account (PET) (0278), PRC 14581 (a)(5)(A)	-\$46,813,000	-\$40,970,000	-\$38,882,000	-\$46,813,000	-\$44,192,000	-\$41,500,000
TO0269 To Glass (0269), 3 Yr Reconciliation Payback	-\$7,392,000	-\$7,392,000	-\$7,392,000	-\$7,392,000	-\$7,392,000	-\$7,392,000
TO0278 To PET (0278), 3 Yr Reconciliation Payback	-\$3,256,000	-\$3,256,000	-\$3,256,000	-\$3,256,000	-\$3,256,000	-\$3,256,000
<b>Total Transfers To</b>	<b>-\$107,618,000</b>	<b>-\$103,351,000</b>	<b>-\$101,263,000</b>	<b>-\$107,618,000</b>	<b>-\$110,708,000</b>	<b>-\$109,593,000</b>
<b>Totals, Revenues and Transfers</b>	<b>\$1,213,819,000</b>	<b>\$1,211,009,000</b>	<b>\$1,236,582,000</b>	<b>\$1,213,819,000</b>	<b>\$1,201,118,000</b>	<b>\$1,228,646,000</b>
<b>Total Resources</b>	<b>\$1,472,196,000</b>	<b>\$1,486,410,000</b>	<b>\$1,518,885,000</b>	<b>\$1,472,196,000</b>	<b>\$1,476,519,000</b>	<b>\$1,501,087,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
0555 Secretary for Environmental Protection	\$0	\$0	\$375,000	\$0	\$0	\$375,000
8880 Financial Information System for CA (FISCal)	\$62,000	\$63,000	\$6,000	\$62,000	\$63,000	\$6,000
9900 Statewide General Administrative Expenditures (Pro Rata)	\$0	\$283,000	\$2,109,000	\$0	\$283,000	\$2,109,000
9892 Supplemental Pension Payments	\$0	\$0	\$490,000	\$0	\$0	\$490,000
3970 CalRecycle						
<b>State Operations</b>						
(3970-001-0133) Departmental Support	\$46,328,000	\$53,913,000	\$53,759,000	\$46,328,000	\$53,913,000	\$53,759,000
<b>Local Assistance</b>						
(3970-601-0133) Handling Fees, PRC 14581 (a)(1)	\$47,209,000	\$49,050,000	\$49,553,000	\$47,209,000	\$49,330,000	\$49,307,000
(3970-603-0133) CRV Out, PRC 14580	\$1,051,867,000	\$1,049,128,000	\$1,035,594,000	\$1,051,867,000	\$1,048,819,000	\$1,037,891,000
(3970-604-0133) Curbside, PRC 14581 (a)(2)	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
(3970-605-0133) Plastic Mkt Development, PRC 14581 (a)(8)(A)	\$10,000,000	\$5,000,000	\$0	\$10,000,000	\$5,000,000	\$0
(3970-606-0133) Grants - Local CCCs, PRC 14581.1	\$6,405,000	\$7,170,000	\$7,592,000	\$6,405,000	\$7,170,000	\$7,813,000
(3970-608-0133) Pmts to Cities and Counties, PRC 14581 (a)(3)(A)	\$8,659,000	\$10,500,000	\$10,500,000	\$8,659,000	\$10,500,000	\$10,500,000
(3970-609-0133) Grants - other, PRC 14581 (a)(4)	\$1,460,000	\$1,500,000	\$1,500,000	\$1,460,000	\$1,500,000	\$1,500,000
(3970-610-0133) Public Education, PRC 14581 (a)(6)	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000	\$2,500,000
(3970-611-0133) Quality Incentive Payment PRC 14581 (a)(7)	\$9,805,000	\$10,000,000	\$10,000,000	\$9,805,000	\$10,000,000	\$10,000,000
<b>Total Expenditures</b>	<b>\$1,196,795,000</b>	<b>\$1,204,107,000</b>	<b>\$1,188,978,000</b>	<b>\$1,196,795,000</b>	<b>\$1,204,078,000</b>	<b>\$1,191,250,000</b>
<b>FUND BALANCE</b>	<b>\$275,401,000</b>	<b>\$282,303,000</b>	<b>\$329,907,000</b>	<b>\$275,401,000</b>	<b>\$272,441,000</b>	<b>\$309,837,000</b>

Notes:

Final values continuous appns in the GB will not tie out to the qtr breakout because they include activity from previous fiscal years, while qtr breakout is for FY 2017 specifically.  
 \* SMF projections adjusted to match PY actuals to give a more accurate calculation

For more information and fund condition statements for the processing fee accounts and penalty accounts, see Appendix I.

Table 2 presents more detailed information regarding the status of this quarter. However, it is important to understand the department collects and pays expenditures in arrears and practices the accrual method of accounting. As such, receipt and expenditure activities in the first two months of the new fiscal year (i.e., within Q1) are low because these transactions are generally applicable to the previous fiscal year. Accordingly, Q4 activity is high because the period includes projected (or assumed) expenditures and accruals. In other words, projections show transactions the department expects to be processed before June 30 and transactions the department expects to be realized after June 30.

Table 2: FY 2017-18 Fund Condition Breakout by Quarter to Which Activity is Attributed

CA BEVERAGE CONTAINER RECYCLING FUND (0133) FY 2017-18 ACTIVITY REPORT			Actual Expenditures for FY 2017-18		
			Q1 (July-Sept) (Actual)	Q2, Q3, & Q4 (Oct-Jun) (Projections)	Total
<b>REVENUES AND TRANSFERS</b>					
Revenues:					
125100	Beverage Container Redemption Fees	\$1,308,290,227	\$171,070,959	\$1,137,219,268	\$1,308,290,227
141200	Sales of Documents	\$0	\$0	\$0	\$0
150300	Income from surplus money investments	\$602,000	\$0	\$602,000	\$602,000
161000	Escheat of unclaimed checks & warrants	\$92,000	\$1,723	\$90,277	\$92,000
161400	Miscellaneous Revenue <sup>2</sup>	\$2,538,000	\$285,200	\$2,252,800	\$2,538,000
163000	Settlements/Judgements	\$44,000	\$0	\$44,000	\$44,000
164300	Penalty Assessment	\$260,000	\$3,043	\$256,957	\$260,000
<b>Total Revenues</b>			<b>\$171,360,925</b>	<b>\$1,140,465,302</b>	<b>\$1,311,826,227</b>
Transfers From Other Funds:					
<b>Total Transfers From</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfers to Other Funds:					
TO0269	To Glass Processing Fee Account (Glass) (0269), PRC 14581 (a)(5)(A) <sup>3</sup>	-\$63,260,000	\$0	-\$63,260,000	-\$63,260,000
TO0278	To PET Processing Fee Account (PET) (0278), PRC 14581 (a)(5)(A) <sup>3</sup>	-\$47,448,000	\$0	-\$47,448,000	-\$47,448,000
<b>Total Transfers To</b>			<b>\$0</b>	<b>-\$110,708,000</b>	<b>-\$110,708,000</b>
<b>Totals, Revenues and Transfers</b>			<b>\$171,360,925</b>	<b>\$1,029,757,302</b>	<b>\$1,201,118,227</b>
<b>EXPENDITURES</b>					
Disbursements:					
<b>3970 CalRecycle</b>					
<b>State Operations</b>			<b>\$17,630,698</b>	<b>\$36,282,302</b>	<b>\$53,913,000</b>
	(3970-001-0133) Departmental Support	\$53,913,000	\$17,630,698	\$36,282,302	\$53,913,000
<b>Local Assistance</b>			<b>\$262,538,601</b>	<b>\$887,280,399</b>	<b>\$1,149,819,000</b>
	(3970-601-0133) Handling Fees, PRC 14581 (a)(1)	\$49,330,000	\$4,758,192	\$44,571,808	\$49,330,000
	(3970-603-0133) CRV Out, PRC 14580	\$1,048,819,000	\$250,032,172	\$798,786,828	\$1,048,819,000
	(3970-604-0133) Curbside, PRC 14581 (a)(2)	\$15,000,000	\$0	\$15,000,000	\$15,000,000
	(3970-605-0133) Plastic Mkt Development, PRC 14581 (a)(8)(A)	\$5,000,000	\$0	\$5,000,000	\$5,000,000
	(3970-606-0133) Grants - Local CCCs, PRC 14581.1	\$7,170,000	\$7,170,000	\$0	\$7,170,000
	(3970-608-0133) Pmts to Cities and Counties, PRC 14581 (a)(3)(A)	\$10,500,000	\$0	\$10,500,000	\$10,500,000
	(3970-609-0133) Grants - other, PRC 14581 (a)(4)	\$1,500,000	\$578,237	\$921,763	\$1,500,000
	(3970-610-0133) Public Education, PRC 14581 (a)(6)	\$2,500,000	\$0	\$2,500,000	\$2,500,000
	(3970-611-0133) Quality Incentive Payment PRC 14581 (a)(7)	\$10,000,000	\$0	\$10,000,000	\$10,000,000
<b>Total Expenditures</b>			<b>\$280,169,298</b>	<b>\$923,562,702</b>	<b>\$1,203,732,000</b>

<sup>1</sup> Numbers are rounded to be displayed the same as Governor's Budget

<sup>2</sup> Includes Option B Payments

<sup>3</sup> Includes 3 yr Reconciliation

## Structural Deficit and Surplus

BCRP operations are funded by unclaimed CRV from the same period. As the recycling rate increases, less funding is available to make all of the budgeted payments prescribed in statute, including CRV-out (i.e., refunds to consumers), BCRP administration, local conservation corps grants, and finally, PRC Section 14581 payments and transfers. The amount by which expenditures exceed revenues in the same period is the structural deficit. Similarly, as expenditures decrease due to a reduction of CRV-out, the structural deficit will shrink and lead to a structural surplus.

For FY 2017-18, CRV-in (i.e., \$1,308,290,227) decreased by \$4.7 million when compared to redemption fee revenue projections published in the Q4 report (i.e. \$1,312,957,000). Additionally, CRV-out decreased by \$10.8 million, which further extends the gap between revenues and expenditures: \$1,059,596,000 (Q4 report)

compared to \$1,048,819,000 (Q1 report). These changes result in a structural deficit of \$6.2 million. This is a \$3.1 million decrease from previous projections for this same period.

In FY 2018-19, CRV-in projections decreased by \$5.3 million and CRV-out projections decreased by \$11.3 million. These changes result in a forecasted structural surplus of \$36.8 million for a total difference of \$3 million when compared to prior forecasts.

*Table 3: Structural Deficit and Surplus*

<b>CA BEVERAGE CONTAINER RECYCLING FUND (0133)</b>			
<b>STRUCTURAL DEFICIT &amp; SURPLUS</b>			
<u>Base Revenue/Expenditures</u>	<b>FY 2017/18</b>	<b>FY 2018/19</b>	<b>FY 2019/20</b>
(Source 125100) CRV-In	1,308,290,000	1,334,703,000	1,361,366,000
(3970-603-0133) CRV-Out	(1,048,819,000)	(1,037,891,000)	(1,026,353,000)
(3970-001-0133) Program Administration	(53,913,000)	(53,759,000)	(53,756,000)
(3970-606-0133) Grants - Local CCCs	(7,170,000)	(7,813,000)	(8,475,000)
<b>Total Available for 14581 Programs</b>	<b>198,388,000</b>	<b>235,240,000</b>	<b>272,782,000</b>
<u>14581 Programs</u>			
(3970-615-0133) Proc Fee Offset - Glass	(55,868,000)	(57,445,000)	(54,886,000)
(3970-615-0133) Proc Fee Offset - Glass 3yr Reconciliation Payback	(7,392,000)	(7,392,000)	0
(3970-616-0133) Proc Fee Offset - PET	(44,192,000)	(41,500,000)	(37,674,000)
(3970-616-0133) Proc Fee Offset - PET 3yr Reconciliation Payback	(3,256,000)	(3,256,000)	0
(3970-601-0133) Handling Fees	(49,330,000)	(49,307,000)	(49,226,000)
(3970-604-0133) Curbside	(15,000,000)	(15,000,000)	(15,000,000)
(3970-605-0133) Plastic Mkt Development	(5,000,000)	0	0
(3970-608-0133) Payments to Cities and Counties	(10,500,000)	(10,500,000)	(10,500,000)
(3970-609-0133) Grants - NPO	(1,500,000)	(1,500,000)	(1,500,000)
(3970-610-0133) Public Education	(2,500,000)	(2,500,000)	(2,500,000)
(3970-611-0133) Quality Incentive Payment	(10,000,000)	(10,000,000)	(10,000,000)
<b>Total 14581 Programs</b>	<b>(204,538,000)</b>	<b>(198,400,000)</b>	<b>(181,286,000)</b>
<b>Total Structural Deficit</b>	<b>(6,150,000)</b>	<b>36,840,000</b>	<b>91,496,000</b>



## II. Adequate Funds Determination

In accordance with PRC Section 14556(c), this section explains whether there are sufficient funds to make all BCRP payments. If CalRecycle determines there are insufficient funds, the department shall proportionally reduce specified payments to ensure it is able to provide consumers their CRV refunds and to continue to operate the BCRP.<sup>3</sup>

Given the impact of minor revenue and expenditure changes, it is critical to evaluate the timing of actual revenue and disbursements to assess the risk of an insufficient cash balance to maintain uninterrupted BCRP and administrative operations. A careful analysis of cash flow and cash balances indicate if the department needs to invoke measures to ensure cash solvency.

The cash forecast is used for cash flow management and revenue and expenditure tracking. Additionally, this forecast is used to estimate the date when the cash balance will be below the required minimum reserve. Proportional reduction measures would need to be implemented with enough time to adjust the schedule of payments accordingly. Based on current forecasts, CalRecycle projects sufficient cash reserves to support BCRP payments through the forecast period. Therefore, proportional reductions may not occur within the forecasted period (i.e., until after FY 2019-20). However, even minor changes in sales and returns can translate to significant effects on cash reserves. Currently, a one percent change in CRV-in will have an impact of \$13.1 million on the Fund. Consequently, a one percent change in CRV-out will have an impact of \$10.6 million. Therefore, the department remains cautious about the Fund's long-term stability.

As of September 30, 2017, the cash balance of Fund 0133 is \$185,874,940.

*Table 4: Cash Balance Summary (As of April 30, 2018)*

2016/17		2017/18		2018/19		2019/20		
1st Qtr	Jul (Actual)	\$ 142,950,020.82	Jul (Actual)	\$ 208,512,782.38	Jul (Projected)	\$ 152,796,394.39	Jul (Projected)	\$ 172,895,243.23
	Aug (Actual)	\$ 129,858,831.49	Aug (Actual)	\$ 169,217,834.78	Aug (Projected)	\$ 142,358,434.83	Aug (Projected)	\$ 194,590,315.99
	Sept (Actual)	\$ 132,655,341.57	Sept (Actual)	\$ 185,874,939.51	Sept (Projected)	\$ 151,682,012.87	Sept (Projected)	\$ 210,013,276.58
2nd Qtr	Oct (Actual)	\$ 149,991,356.40	Oct (Actual)	\$ 134,755,942.60	Oct (Projected)	\$ 146,722,385.70	Oct (Projected)	\$ 210,439,656.42
	Nov (Actual)	\$ 168,334,269.53	Nov (Actual)	\$ 187,832,943.70	Nov (Projected)	\$ 172,359,394.80	Nov (Projected)	\$ 239,756,133.24
	Dec (Actual)	\$ 185,581,308.57	Dec (Actual)	\$ 168,719,506.68	Dec (Projected)	\$ 192,169,851.66	Dec (Projected)	\$ 265,523,874.89
3rd Qtr	Jan (Actual)	\$ 184,130,253.68	Jan (Actual)	\$ 159,715,895.61	Jan (Projected)	\$ 154,066,818.48	Jan (Projected)	\$ 232,545,633.74
	Feb (Actual)	\$ 167,740,805.81	Feb (Actual)	\$ 168,356,555.26	Feb (Projected)	\$ 177,685,480.84	Feb (Projected)	\$ 258,190,905.89
	Mar (Actual)	\$ 177,977,488.07	Mar (Actual)	\$ 183,854,666.43	Mar (Projected)	\$ 183,256,479.10	Mar (Projected)	\$ 268,770,311.27
4th Qtr	April (Actual)	\$ 168,423,624.52	April (Actual)	\$ 152,944,695.68	April (Projected)	\$ 151,976,401.79	April (Projected)	\$ 242,246,587.63
	May (Actual)	\$ 153,535,565.09	May (Projected)	\$ 141,090,547.51	May (Projected)	\$ 168,460,148.48	May (Projected)	\$ 261,403,810.43
	June (Actual)	\$ 197,851,763.79	June (Projected)	\$ 130,879,700.89	June (Projected)	\$ 172,756,997.59	June (Projected)	\$ 270,731,848.78

<sup>3</sup> PRC Section 14581(c).

The cash balance of the Fund is impacted by different timing of receipts and payments for any given month. Receipts into the Fund made by distributors must be made no later than the last day of the month following the sale of the beverage container.<sup>4</sup> Payments out of the Fund (refunds, administration fees, and processing payments) are paid typically within the month of the transaction or, on average, two weeks after the end of the month.<sup>5</sup> Other expenditures and payments under PRC Section 14581 are paid according to specific schedules. Handling fee payments, for example, are paid monthly.<sup>6</sup>

### III. Recycling Rates Inferred from CRV Revenues and Expenditures

---

In accordance with PRC Section 14556(a)(2), this section provides information regarding the recycling rates inferred from CRV-in and CRV-out.<sup>7</sup> The recycling rates inferred from CRV-in and CRV-out for FY 2017-18 and FY 2018-19 are shown in the tables below. Table 5a displays the ratio of CRV expenditures to CRV revenues, net of both the administrative fee (2.5 percent of CRV-out) paid by the department to processors and recyclers by law, and of the administrative fee (1.5 percent of CRV-in) distributors keep, by law. In contrast, table 5b excludes those administrative fees and just displays the ratio of CRV expenditures to CRV revenues.

The projected overall recycling rate inferred from CRV-in and CRV-out (excluding administrative fees) for all beverage container material types combined for FY 2017-18 is 77.0 percent.

Projections related to the recycling rates inferred from CRV revenues and expenditures displayed here, and container sales and returns shown below, are based on data reported to CalRecycle in the Division of Recycling Integrated Information System (DORIIS). The data reported in DORIIS contains records of the most recent transactions processed by CalRecycle and available for forecasting purposes.

---

<sup>4</sup> PRC Section 14574(a)(2).

<sup>5</sup> PRC Section 14573 requires the department to pay the processor upon presentation of a completed processor invoice accompanied by a shipping report from the supplier of the material.

<sup>6</sup> PRC Section 14585(a)(1).

<sup>7</sup> Statute requires the Quarterly Report to include a “recycling rate” inferred from revenues. This rate is calculated by dividing CRV-out by CRV-in. The recycling rates displayed in CalRecycle’s Biannual Report of Beverage Container Sales, Returns, Redemption, and Recycling Rates (Biannual Report) are based on a formula dictated in PRC Section 14551 that is used to estimate the percent of *containers* recycled.

*Table 5a: Recycling Rates Inferred from CRV Revenues and Expenditures (including Administrative Fees)*

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Aluminum	92.0%	89.2%
Glass	72.4%	73.7%
PET Plastic	75.6%	72.6%
HDPE Plastic	81.5%	81.0%
Overall	80.2%	77.8%

Note: other beverage container materials (bimetal and other plastics) are included in the overall rate but not shown on their own lines because they are sold and recycled in small volumes. This table satisfies the statutory requirement for “recycling rates” inferred from revenues.

*Table 5b: Recycling Rates Inferred from CRV Revenues and Expenditures (excluding Administrative Fees)*

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Aluminum	88.4%	85.7%
Glass	69.6%	70.8%
PET Plastic	72.7%	69.7%
HDPE Plastic	78.3%	77.9%
Overall	77.0%	74.7%

Note: other beverage container materials (bimetal and other plastics) are included in the overall rate but not shown on their own lines because they are sold and recycled in small volumes. This table satisfies the statutory requirement for “recycling rates” inferred from revenues.

## IV. Projections and Estimates

Pursuant to PRC Sections 14556(a)(4) et seq., this section provides information for projected sales, handling fee payments, and processing payments for FY 2017-18 and FY 2018-19.

### A. Sales and Returns by Material Type

Similar to the recycling rate displayed above, the sales and returns figures are based on specific records reported in DORIIS. These records reflect the data most recently available for forecasting purposes and are shown in the following tables.

Sold container counts are derived from reports that beverage distributors send directly to CalRecycle, whereas recycled container counts are calculated from the redemption weight reported on shipping reports, multiplied by the current container per pound rate, which is regularly adjusted to reflect changes in the mix of beverage containers in the state. As such, the calculated number of returns will not align perfectly with the recycling rates noted above, which are inferred based on CRV-in and CRV-out as reported in DORIIS.

Table 6: Sales in Containers by Material and Size, Actuals and Forecasts

		FY 2017-18	FY 2018-19
Aluminum	< 24 oz.	7,493,040,149	7,581,822,319
	≥ 24 oz.	628,755,037	614,440,828
	All sizes	<b>8,121,795,186</b>	<b>8,196,263,147</b>
Glass	< 24 oz.	2,951,941,234	2,898,362,464
	≥ 24 oz.	207,166,082	215,142,700
	All sizes	<b>3,159,107,316</b>	<b>3,113,505,164</b>
PET Plastic	< 24 oz.	10,794,144,609	11,307,889,306
	≥ 24 oz.	1,549,695,162	1,552,078,464
	All sizes	<b>12,343,839,771</b>	<b>12,859,967,770</b>
HDPE Plastic	< 24 oz.	106,172,761	104,183,228
	≥ 24 oz.	106,490,199	105,748,665
	All sizes	<b>212,662,960</b>	<b>209,931,893</b>
Bimetal and other plastics	< 24 oz.	170,552,132	171,044,224
	≥ 24 oz.	32,102,354	31,227,279
	All sizes	<b>202,654,486</b>	<b>202,271,503</b>
All materials	< 24 oz.	21,515,850,885	22,063,301,541
	≥ 24 oz.	2,524,208,834	2,518,637,936
<b>Total, all materials and all sizes</b>		<b>24,040,059,719</b>	<b>24,581,939,477</b>

Table 7: Returns in Containers by Material, Actuals and Forecast

	FY 2017-18	FY 2018-19
Aluminum	6,955,986,282	6,788,639,480
Glass	2,175,396,508	2,187,292,780
PET Plastic	8,889,201,757	8,851,566,069
HDPE Plastic	142,272,454	139,887,411
Bimetal and other plastics	39,194,164	45,349,834
<b>Total</b>	<b>18,202,051,166</b>	<b>18,012,735,574</b>

### **B. Projected Handling Fee Payments**

This section includes handling fee payments, the per-beverage container handling fee amount, and the number of beverage containers projected to be eligible for a handling fee payment. The total annual amount of handling fees authorized fluctuates annually based upon the per-container rate and the number of containers recycled.

Table 8: Handling Fee Payments, Rates, and Containers, Actuals and Forecasts

	FY 2017-18	FY 2018-19
Handling fee payments	\$49,330,274	\$49,307,341
Fee per container	\$0.00978	\$0.00978
Estimated number of containers	5,043,995,297	5,041,650,409

The projected handling fees for FY 2017-18 are calculated based on a handling fee per container rate of \$0.00978 derived from the cost survey effective July 1, 2017.<sup>8</sup> The FY 2018-19 handling fee rate will be derived from the most recent cost survey, effective July 1, 2018, and will be reflected in future quarterly reports.

### **C. Projected Processing Payments**

This section includes actual and projected processing fee offsets, processing fees, and processing payments by beverage container material type.<sup>9</sup>

<sup>8</sup>The Handling Fee Cost Survey Final Report can be found on the CalRecycle website at <http://www.calrecycle.ca.gov/BevContainer/Notices/2017/HFCChanges.pdf>.

<sup>9</sup> Processing Payments are adjusted based on the average scrap value for each beverage container material type. Processing Payment information is available on the CalRecycle website at <http://www.calrecycle.ca.gov/BevContainer/Notices/#Processing>.

Table 9: Processing Fees, Processing Payments, and Processing Offsets by Material Type, Actuals and Forecasts

		Processing Fees	Processing Fee Offsets	Processing Payments
<b>FY 2017-18</b>	Glass	\$8,086,125	\$55,868,106	\$65,967,410
	PET plastic	\$4,572,224	\$40,597,428	\$47,163,158
	HDPE plastic	\$753,867	\$3,594,079	\$4,347,946
	All other plastics and bimetal	\$5,350,965	\$56 *	\$764,566
	<b>Total</b>	<b>\$18,763,180</b>	<b>\$100,059,669</b>	<b>\$118,243,079</b>
<b>FY 2018-19</b>	Glass	\$8,642,027	\$57,444,704	\$68,086,006
	PET plastic	\$4,661,335	\$37,870,715	\$44,513,117
	HDPE plastic	\$830,015	\$3,629,681	\$4,459,696
	All other plastics and bimetal	\$5,390,575	\$0 *	\$798,646
	<b>Total</b>	<b>\$19,523,952</b>	<b>\$98,945,100</b>	<b>\$117,857,466</b>

\* Among all other plastics and bimetal, PVC plastic is the only material with an offset because only its recycling rate exceeded the 30 percent threshold in statute. The offset amount is small due the low recycling volume for PVC plastic.

Note: Processing fee and payment values reflect a “reasonable financial return” (an element in the processing payment calculation) of -5.85 percent for calendar year 2017 (based on regulations in effect in at the time); 16.6 percent for rural recycling centers and 11.5 percent for all other recyclers for calendar year 2018 (based on a recent, temporary regulatory change affecting only 2018); and 2.01 percent for calendar year 2019 (assumed to be the value that would have been in effect for 2018, had the regulations not been changed for 2018).

Projections for processing fees, processing payments, and processing fee offsets for this report are based on the rates in effect at the time the projections were made. The sum of the processing fees and processing fee offsets do not equal processing payments. This discrepancy is due to two factors.

First, beverage manufacturers receive \$2 million in discounts (direct reductions of manufacturers’ processing fee liabilities taken from the processing fee accounts) for glass and PET plastic processing fees. The processing fee amounts for glass and PET displayed in Table 9 above reflect these discounts.

Second, the processing fee offset (transfers from the Fund to the processing fee accounts) includes an annual reconciliation covering the most recent calendar year. The fact that reconciliation is on a calendar year basis, while this report displays fiscal year amounts, means there will always be a discrepancy between the processing payments and the sum of the offsets and processing fees when shown on a fiscal year basis.

Overall, the factors below impact the processing fee offset:

- Quarterly transfers from the Fund to the processing fee accounts (offsets for the quarter) are based on estimates of fees and payments for the upcoming calendar year.
- Changes to the processing payments due to quarterly changes in scrap value may change the offset.
- The department is required to maintain a minimum balance of five percent of expenditures of the last fiscal year in all accounts. If this reserve is not maintained, transfers (offsets) are used to increase the balance.

## V. Significant Changes

---

Pursuant to PRC Section 14556 (a) and (c), this section details changes to the methodology used for forecasting the fund condition statement and any other significant changes to the fund condition statement from the previous Quarterly Report.

Since the Q4 FY 2016-17 report (March 2018), the redemption weight calculation methodology changed and retroactively applied to all prior transactions for the processor invoice and shipping report tables. The result of the redemption recalculation was a decline of approximately one percent in the total number of containers returned due to the redeemed weights being slightly lower with the new calculation method. Consequently, the recycling rate dropped slightly lower than what would have been calculated under the prior methodology.

## Appendix I. Updated Fund Condition Report 2018-2019 Governor's Budget

This section contains the Governor's Budget fund condition statements for all five BCRP funds based on current projections and the fund balance at the end of FY 2016-17 and FY 2017-18. Each fund condition statement shows one column per fiscal year. Amounts for FY 2018-19 are projections.

Below is a brief description of each of the BCRP funds:

**Beverage Container Recycling Fund, Fund 0133** – This fund serves as a depository for redemption payments by beverage distributors. The fund is the source for paying CRV for recycling empty beverage containers and funding programs that (1) develop



and maintain an infrastructure for beverage container recycling, and (2) promote markets for recycled beverage container material.

**Glass Processing Fee Account, Fund 0269** – This fund serves as a depository for glass processing fees paid by beverage manufacturers who package products in glass bottles. The fund is the source for paying processing payments to certified recyclers for handling empty glass beverage containers.

**Plastic Processing Fee Account, Fund 0278** – This fund serves as a depository for plastic processing fees paid by beverage manufacturers who package products in any type of plastic bottle having a scrap value that is less than the cost of recycling. The fund is the source for paying processing payments to certified recyclers for handling empty plastic beverage containers.

**Bimetal Processing Fee Account, Fund 0277** – This fund serves as a depository for bimetal processing fees paid by beverage manufacturers who package products in bimetal cans. The fund is the source for paying processing payments to certified recyclers for handling empty bimetal beverage containers.

**Penalty Account, Fund 0276** – This fund serves as a depository for civil penalties and fines. The purpose of the fund is to assist in carrying out the activities specified in the Beverage Container Recycling and Litter Reduction Act as specified in PRC Section 14580(d).



Table 10: Beverage Container Recycling Fund Condition Statement (Fund 0133)

CA BEVERAGE CONTAINER RECYCLING FUND (0133)						
FUND CONDITION REPORT						
	2018-19 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2016-17	FY 2017-18	FY 2018-19
<b>BEGINNING BALANCE</b>	<b>\$241,448,000</b>	<b>\$275,401,000</b>	<b>\$282,303,000</b>	<b>\$241,448,000</b>	<b>\$275,401,000</b>	<b>\$272,441,000</b>
Prior Year Adjustments	\$16,929,000			\$16,929,000		
<b>Balance, Adjusted</b>	<b>\$258,377,000</b>	<b>\$275,401,000</b>	<b>\$282,303,000</b>	<b>\$258,377,000</b>	<b>\$275,401,000</b>	<b>\$272,441,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$1,316,801,000	\$1,311,056,000	\$1,334,541,000	\$1,316,801,000	\$1,308,290,000	\$1,334,703,000
141200 Sales of Documents	\$3,000	\$0	\$0	\$3,000	\$0	\$0
150300 Income from surplus money investments	\$602,000	\$370,000	\$370,000	\$602,000	\$602,000	\$602,000
161000 Escheat of unclaimed checks & warrants	\$69,000	\$92,000	\$92,000	\$69,000	\$92,000	\$92,000
161400 Miscellaneous Revenue (option B)	\$3,769,000	\$2,538,000	\$2,538,000	\$3,769,000	\$2,538,000	\$2,538,000
163000 Settlements/Judgements	\$84,000	\$44,000	\$44,000	\$84,000	\$44,000	\$44,000
164300 Penalty Assessment	\$109,000	\$260,000	\$260,000	\$109,000	\$260,000	\$260,000
164700 Court Filing Fees	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$1,321,437,000</b>	<b>\$1,314,360,000</b>	<b>\$1,337,845,000</b>	<b>\$1,321,437,000</b>	<b>\$1,311,826,000</b>	<b>\$1,338,239,000</b>
Transfers From Other Funds:						
<b>Total Transfers From</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfers to Other Funds:						
TO0269 To Glass Processing Fee Account (Glass) (0269), PRC 14581 (a)(5)(	-\$50,157,000	-\$51,733,000	-\$51,733,000	-\$50,157,000	-\$55,868,000	-\$57,445,000
TO0278 To PET Processing Fee Account (PET) (0278), PRC 14581 (a)(5)(A)	-\$46,813,000	-\$40,970,000	-\$38,882,000	-\$46,813,000	-\$44,192,000	-\$41,500,000
TO0269 To Glass (0269), 3 Yr Reconciliation Payback	-\$7,392,000	-\$7,392,000	-\$7,392,000	-\$7,392,000	-\$7,392,000	-\$7,392,000
TO0278 To PET (0278), 3 Yr Reconciliation Payback	-\$3,256,000	-\$3,256,000	-\$3,256,000	-\$3,256,000	-\$3,256,000	-\$3,256,000
<b>Total Transfers To</b>	<b>-\$107,618,000</b>	<b>-\$103,351,000</b>	<b>-\$101,263,000</b>	<b>-\$107,618,000</b>	<b>-\$110,708,000</b>	<b>-\$109,593,000</b>
<b>Totals, Revenues and Transfers</b>	<b>\$1,213,819,000</b>	<b>\$1,211,009,000</b>	<b>\$1,236,582,000</b>	<b>\$1,213,819,000</b>	<b>\$1,201,118,000</b>	<b>\$1,228,646,000</b>
<b>Total Resources</b>	<b>\$1,472,196,000</b>	<b>\$1,486,410,000</b>	<b>\$1,518,885,000</b>	<b>\$1,472,196,000</b>	<b>\$1,476,519,000</b>	<b>\$1,501,087,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
0555 Secretary for Environmental Protection	\$0	\$0	\$375,000	\$0	\$0	\$375,000
8880 Financial Information System for CA (FISCal)	\$62,000	\$63,000	\$6,000	\$62,000	\$63,000	\$6,000
9900 Statewide General Administrative Expenditures (Pro Rata)	\$0	\$283,000	\$2,109,000	\$0	\$283,000	\$2,109,000
9892 Supplemental Pension Payments	\$0	\$0	\$490,000	\$0	\$0	\$490,000
3970 CalRecycle						
State Operations						
(3970-001-0133) Departmental Support	\$46,328,000	\$53,913,000	\$53,759,000	\$46,328,000	\$53,913,000	\$53,759,000
Local Assistance						
(3970-601-0133) Handling Fees, PRC 14581 (a)(1)	\$47,209,000	\$49,050,000	\$49,553,000	\$47,209,000	\$49,330,000	\$49,307,000
(3970-603-0133) CRV Out, PRC 14580	\$1,051,867,000	\$1,049,128,000	\$1,035,594,000	\$1,051,867,000	\$1,048,819,000	\$1,037,891,000
(3970-604-0133) Curbside, PRC 14581 (a)(2)	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
(3970-605-0133) Plastic Mkt Development, PRC 14581 (a)(8)(A)	\$10,000,000	\$5,000,000	\$0	\$10,000,000	\$5,000,000	\$0
(3970-606-0133) Grants - Local CCCs, PRC 14581.1	\$6,405,000	\$7,170,000	\$7,592,000	\$6,405,000	\$7,170,000	\$7,813,000
(3970-608-0133) Pmts to Cities and Counties, PRC 14581 (a)(3)(A)	\$8,659,000	\$10,500,000	\$10,500,000	\$8,659,000	\$10,500,000	\$10,500,000
(3970-609-0133) Grants - other, PRC 14581 (a)(4)	\$1,460,000	\$1,500,000	\$1,500,000	\$1,460,000	\$1,500,000	\$1,500,000
(3970-610-0133) Public Education, PRC 14581 (a)(6)	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000	\$2,500,000
(3970-611-0133) Quality Incentive Payment PRC 14581 (a)(7)	\$9,805,000	\$10,000,000	\$10,000,000	\$9,805,000	\$10,000,000	\$10,000,000
<b>Total Expenditures</b>	<b>\$1,196,795,000</b>	<b>\$1,204,107,000</b>	<b>\$1,188,978,000</b>	<b>\$1,196,795,000</b>	<b>\$1,204,078,000</b>	<b>\$1,191,250,000</b>
<b>FUND BALANCE</b>	<b>\$275,401,000</b>	<b>\$282,303,000</b>	<b>\$329,907,000</b>	<b>\$275,401,000</b>	<b>\$272,441,000</b>	<b>\$309,837,000</b>

Notes:  
 Final values continuous appns in the GB will not tie out to the qtr breakout because they include activity from previous fiscal years, while qtr breakout is for FY 2017 specifically.  
 \* SMF projections adjusted to match PY actuals to give a more accurate calculation

Table 11: Glass Processing Fee Fund Condition Statement (Fund 0269)

GLASS PROCESSING FEE ACCOUNT (0269) FUND CONDITION REPORT						
	2018-19 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2016/17	FY 2017/18	FY 2018/19
<b>BEGINNING BALANCE</b>	\$ 7,591,000	\$ 13,106,000	\$ 18,523,000	\$ 7,591,000	\$ 13,106,000	\$ 18,817,000
Prior Year Adjustment	\$ 215,000			\$ 215,000		
<b>Balance, Adjusted</b>	<b>\$ 7,806,000</b>	<b>\$ 13,106,000</b>	<b>\$ 18,523,000</b>	<b>\$ 7,806,000</b>	<b>\$ 13,106,000</b>	<b>\$ 18,817,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$ 7,507,000	\$ 7,058,000	\$ 7,058,000	\$ 7,507,000	\$ 8,086,000	\$ 8,642,000
150300 Income from Surplus Money Investments	\$ 74,000	\$ 40,000	\$ 40,000	\$ 74,000	\$ 74,000	\$ 74,000
150500 Interest Income from Inter-fund loans						
161000 Escheat of Unclaimed Checks, Warrants, Bonds and Coupon						
<b>Total Revenues</b>	<b>\$ 7,581,000</b>	<b>\$ 7,098,000</b>	<b>\$ 7,098,000</b>	<b>\$ 7,581,000</b>	<b>\$ 8,160,000</b>	<b>\$ 8,716,000</b>
Transfers:						
FO0133 From CA Beverage Container Fund (CBCRF), PRC 14581 (a)	\$ 49,899,000	\$ 51,475,000	\$ 51,475,000	\$ 49,899,000	\$ 55,868,000	\$ 57,445,000
FO0133 From CBCRF, 3 Yr Reconciliation Payback	\$ 7,650,000	\$ 7,650,000	\$ 7,650,000	\$ 7,650,000	\$ 7,650,000	\$ 7,650,000
<b>Total Transfers From</b>	<b>\$ 57,549,000</b>	<b>\$ 59,125,000</b>	<b>\$ 59,125,000</b>	<b>\$ 57,549,000</b>	<b>\$ 63,518,000</b>	<b>\$ 65,095,000</b>
<b>Total Revenues and Transfers</b>	<b>\$ 65,130,000</b>	<b>\$ 66,223,000</b>	<b>\$ 66,223,000</b>	<b>\$ 65,130,000</b>	<b>\$ 71,678,000</b>	<b>\$ 73,811,000</b>
<b>Total Resources</b>	<b>\$ 72,936,000</b>	<b>\$ 79,329,000</b>	<b>\$ 84,746,000</b>	<b>\$ 72,936,000</b>	<b>\$ 84,784,000</b>	<b>\$ 92,628,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
<b>3970 CalRecycle - Local Assistance</b> (3970-601-0269) Processing Payments	\$ 59,830,000	\$ 60,806,000	\$ 60,806,000	\$ 59,830,000	\$ 65,967,000	\$ 68,086,000
<b>Total Expenditures</b>	<b>\$ 59,830,000</b>	<b>\$ 60,806,000</b>	<b>\$ 60,806,000</b>	<b>\$ 59,830,000</b>	<b>\$ 65,967,000</b>	<b>\$ 68,086,000</b>
<b>FUND BALANCE</b>	<b>\$ 13,106,000</b>	<b>\$ 18,523,000</b>	<b>\$ 23,940,000</b>	<b>\$ 13,106,000</b>	<b>\$ 18,817,000</b>	<b>\$ 24,542,000</b>

\* SMF projections adjusted to match PY actuals to give a more accurate calculation

Table 12: Plastic Processing Fee Fund Condition Statement (Fund 0278)

PLASTIC PROCESSING FEE ACCOUNT (0278) FUND CONDITION REPORT						
	2018-19 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2016/17	FY 2017/18	FY 2018/19
<b>BEGINNING BALANCE</b>	\$10,633,000	\$ 17,579,000	\$ 22,242,000	\$10,633,000	\$ 17,579,000	\$ 22,361,000
Prior Year Adjustment	\$ (243,000)			\$ (243,000)		
<b>Balance, Adjusted</b>	<b>\$10,390,000</b>	<b>\$ 17,579,000</b>	<b>\$ 22,242,000</b>	<b>\$10,390,000</b>	<b>\$ 17,579,000</b>	<b>\$ 22,361,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$ 7,110,000	\$ 8,013,000	\$ 8,013,000	\$ 7,110,000	\$ 9,297,000	\$ 9,428,000
150300 Income from Surplus Money Investments	\$ 63,000	\$ 35,000	\$ 35,000	\$ 63,000	\$ 63,000	\$ 63,000
<b>Total Revenues</b>	<b>\$ 7,173,000</b>	<b>\$ 8,048,000</b>	<b>\$ 8,048,000</b>	<b>\$ 7,173,000</b>	<b>\$ 9,360,000</b>	<b>\$ 9,491,000</b>
Transfers:						
FO0133 From CBCRF, PRC 14581 (a)	\$46,813,000	\$ 40,970,000	\$ 38,882,000	\$46,813,000	\$ 44,192,000	\$ 41,500,000
FO0133 From CBCRF, 3 Yr Reconciliation Payback	\$ 3,256,000	\$ 3,256,000	\$ 3,256,000	\$ 3,256,000	\$ 3,256,000	\$ 3,256,000
<b>Total Transfers From</b>	<b>\$50,069,000</b>	<b>\$ 44,226,000</b>	<b>\$ 42,138,000</b>	<b>\$50,069,000</b>	<b>\$ 47,448,000</b>	<b>\$ 44,756,000</b>
<b>Total Revenues and Transfers</b>	<b>\$57,242,000</b>	<b>\$ 52,274,000</b>	<b>\$ 50,186,000</b>	<b>\$57,242,000</b>	<b>\$ 56,808,000</b>	<b>\$ 54,247,000</b>
<b>Total Resources</b>	<b>\$67,632,000</b>	<b>\$ 69,853,000</b>	<b>\$ 72,428,000</b>	<b>\$67,632,000</b>	<b>\$ 74,387,000</b>	<b>\$ 76,608,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
<b>3970 CalRecycle - Local Assistance</b> (3970-601-0278) Processing Payments	\$50,053,000	\$ 47,611,000	\$ 47,611,000	\$50,053,000	\$ 52,026,000	\$ 49,527,000
values in <b>Total Expenditures</b>	<b>\$50,053,000</b>	<b>\$ 47,611,000</b>	<b>\$ 47,611,000</b>	<b>\$50,053,000</b>	<b>\$ 52,026,000</b>	<b>\$ 49,527,000</b>
<b>FUND BALANCE</b>	<b>\$17,579,000</b>	<b>\$ 22,242,000</b>	<b>\$ 24,817,000</b>	<b>\$17,579,000</b>	<b>\$ 22,361,000</b>	<b>\$ 27,081,000</b>

Table 13: Bimetal Processing Fee Fund Condition Statement (Fund 0277)

BIMETAL PROCESSING FEE ACCOUNT (0277)						
FUND CONDITION REPORT						
	2018-19 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2016/17	FY 2017/18	FY 2018/19
<b>BEGINNING BALANCE</b>	\$ 18,966,000	\$ 20,191,000	\$ 21,247,000	\$ 18,966,000	\$ 20,191,000	\$ 21,464,000
Prior Year Adjustment	\$ (123,000)			\$ (123,000)		
<b>Balance, Adjusted</b>	<b>\$ 18,843,000</b>	<b>\$ 20,191,000</b>	<b>\$ 21,247,000</b>	<b>\$ 18,843,000</b>	<b>\$ 20,191,000</b>	<b>\$ 21,464,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$ 1,395,000	\$ 1,240,000	\$ 1,240,000	\$ 1,395,000	\$ 1,380,000	\$ 1,454,000
150300 Income from Surplus Money Investments	\$ 143,000	\$ 60,000	\$ 60,000	\$ 143,000	\$ 143,000	\$ 143,000
161000 Escheat- Unclaimed checks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 1,538,000</b>	<b>\$ 1,300,000</b>	<b>\$ 1,300,000</b>	<b>\$ 1,538,000</b>	<b>\$ 1,523,000</b>	<b>\$ 1,597,000</b>
<b>Total Revenues and Transfers</b>	<b>\$ 1,538,000</b>	<b>\$ 1,300,000</b>	<b>\$ 1,300,000</b>	<b>\$ 1,538,000</b>	<b>\$ 1,523,000</b>	<b>\$ 1,597,000</b>
<b>Total Resources</b>	<b>\$ 20,381,000</b>	<b>\$ 21,491,000</b>	<b>\$ 22,547,000</b>	<b>\$ 20,381,000</b>	<b>\$ 21,714,000</b>	<b>\$ 23,061,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
<b>3970 CalRecycle - Local Assistance</b>						
(3970-601-0277) Processing Payments	\$ 190,000	\$ 244,000	\$ 244,000	\$ 190,000	\$ 250,000	\$ 244,000
<b>Total Expenditures</b>	<b>\$ 190,000</b>	<b>\$ 244,000</b>	<b>\$ 244,000</b>	<b>\$ 190,000</b>	<b>\$ 250,000</b>	<b>\$ 244,000</b>
<b>FUND BALANCE</b>	<b>\$ 20,191,000</b>	<b>\$ 21,247,000</b>	<b>\$ 22,303,000</b>	<b>\$ 20,191,000</b>	<b>\$ 21,464,000</b>	<b>\$ 22,817,000</b>

\* SMIF projections adjusted to match PY actuals to give a more accurate calculation

Table 14: Penalty Account Fund Condition Statement (Fund 0276)

PENALTY ACCOUNT (0276)						
FUND CONDITION REPORT						
	2018-19 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2016/17	FY 2017/18	FY 2018/19
<b>BEGINNING BALANCE</b>	\$ 6,632,000	\$ 5,441,000	\$ 5,636,000	\$ 6,632,000	\$ 5,441,000	\$ 5,815,000
Prior Year Adjustment	\$ (1,139,000)			\$ (1,139,000)		
<b>Balance, Adjusted</b>	<b>\$ 5,493,000</b>	<b>\$ 5,441,000</b>	<b>\$ 5,636,000</b>	<b>\$ 5,493,000</b>	<b>\$ 5,441,000</b>	<b>\$ 5,815,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
150300 Income from Surplus Money Investments	\$ 40,000	\$ 18,000	\$ 18,000	\$ 40,000	\$ 40,000	\$ 40,000 *
164300 Penalty Assessments	\$ 369,000	\$ 212,000	\$ 212,000	\$ 369,000	\$ 369,000	\$ 369,000 *
<b>Total Revenues</b>	<b>\$ 409,000</b>	<b>\$ 230,000</b>	<b>\$ 230,000</b>	<b>\$ 409,000</b>	<b>\$ 409,000</b>	<b>\$ 409,000</b>
<b>Total Revenues and Transfers</b>	<b>\$ 409,000</b>	<b>\$ 230,000</b>	<b>\$ 230,000</b>	<b>\$ 409,000</b>	<b>\$ 409,000</b>	<b>\$ 409,000</b>
<b>Total Resources</b>	<b>\$ 5,902,000</b>	<b>\$ 5,671,000</b>	<b>\$ 5,866,000</b>	<b>\$ 5,902,000</b>	<b>\$ 5,850,000</b>	<b>\$ 6,224,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
<b>8880 Financial Information System for CA (FISCal)</b>						
\$ 3,000	\$ 2,000	\$ -	\$ 3,000	\$ 2,000	\$ -	
<b>9900 Statewide General Administrative Expenditures (Pro Rata)</b>						
\$ 56,000	\$ 33,000	\$ 22,000	\$ 56,000	\$ 33,000	\$ 22,000	
<b>9892 Supplemental Pension Payments</b>						
\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ 6,000	
<b>3970 CalRecycle - State Operations</b>						
\$ 402,000	\$ -	\$ -	\$ 402,000	\$ -	\$ -	
<b>Total Expenditures</b>	<b>\$ 461,000</b>	<b>\$ 35,000</b>	<b>\$ 28,000</b>	<b>\$ 461,000</b>	<b>\$ 35,000</b>	<b>\$ 28,000</b>
<b>FUND BALANCE</b>	<b>\$ 5,441,000</b>	<b>\$ 5,636,000</b>	<b>\$ 5,838,000</b>	<b>\$ 5,441,000</b>	<b>\$ 5,815,000</b>	<b>\$ 6,196,000</b>

\* FY 17/18 and FY 18/19 Revenues have been updated to match the PY Actuals to provide a more accurate projection