

Quarterly Report on the Status of the Beverage Container Recycling Fund

(FY 2018-19 – Third Quarter)

January 30, 2020



California Department of Resources Recycling and Recovery

State of California
Gavin Newsom
Governor

California Environmental Protection Agency
Jared Blumenfeld
Secretary

Department of Resources Recycling and Recovery (CalRecycle)
Ken DaRosa
Acting Director

Public Affairs Office
1001 I Street (MS 22-B)
P.O. Box 4025
Sacramento, CA 95812-4025
<https://www2.calrecycle.ca.gov/Publications/>
1-800-RECYCLE (California only) or (916) 341-6300

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Executive Summary

Consistent with statutory requirements and the Department of Resources Recycling and Recovery's (CalRecycle) commitment to transparency, CalRecycle presents the Beverage Container Recycling Fund (Fund) Quarterly Status Report (Quarterly Report). The Quarterly Report reviews the Fund's adequacy to make Beverage Container Recycling Program (BCRP) payments. The Fund is the BCRP's primary financial account and is the depository of California Refund Value (CRV).

This edition reports on the third quarter (Q3) for Fiscal Year (FY) 2018-19 (January through March 2019) and reflects:

- A fund condition statement, including revenues, transfers, and expenditures;
- Assessments of the Fund's structural deficit and/or surplus and ability to make BCRP payments;
- Recycling rates inferred from revenues;
- Significant changes between current and previous projections and the methodology used for forecasting; and
- Projected sales, returns, handling fee and processing payments, and grants awarded.

Factors affecting the BCRP include decreased sales of CRV beverage containers and stable returns, resulting in a structural deficit.

In brief, this Quarterly Report projects a \$26.2 million structural deficit for FY 2018-19. This is a \$16 million change in the Fund status from the previous projection of a \$10.2 million structural deficit for the same period reflected in the FY 2018-19 Second Quarter Quarterly Report (<https://www2.calrecycle.ca.gov/Publications/Details/1659>).

For FY 2019-20, CRV-in and CRV-out are projected to remain stable, resulting in a \$12.9 million deficit due, primarily, to the completion of a three year reconciliation payback for processing fee offsets. For FY 2020-21, sales of beverage containers are projected to continue to decrease, resulting in a \$19.6 million deficit.

Further details on the factors attributable to structural deficits and surpluses can be found in Section II. Included in those factors are CRV-in and CRV-out. Currently, a 1 percent increase or decrease in CRV-in would result in a corresponding change to the Fund balance of approximately \$13.3 million. Alternatively, a 1 percent increase or decrease in CRV-out would result in a corresponding change in the Fund balance of approximately \$10.7 million.

CalRecycle projects the overall recycling rate inferred from CRV-in and CRV-out (excluding administrative fees) to be 77.4 percent for FY 2018-19.¹ This projection is a 0.5 percent increase from the Q2 projection.

Given the recent trends, CalRecycle projects that the Fund should have adequate cash resources to support payments through FY 2020-21.

The numbers contained in this report are based on actual data through March 2019 and projections as of April 2019. As such, the impact of the August 2019 recycling centers closures are not reflected in this Quarterly Report. The recycling center closures may impact future reports and will be reflected accordingly. In June 2019, the Governor's Budget appropriated \$5 million dollars from the Penalty Account to provide temporary assistance to low-volume recyclers for FY 2019-20². This is reflected in the Penalty Account Fund Condition Statement in Table 13 in Appendix I. In addition, AB 54 (Ting, Chapter 793, Statutes of 2019) allocated \$5 million dollars for supplemental payments to recycling centers and \$5 million dollars to support the Beverage Container Recycling Pilot Program.³ These numbers are not reflected in this Quarterly Report, but will be accounted for in future reports.

CalRecycle welcomes your feedback. Please send questions and comments to opa@calrecycle.ca.gov or contact the Office of Public Affairs at (916) 341-6300.

I. Fund Condition Statement

Pursuant to Public Resources Code (PRC) Section 14556(a)(1), this section provides an updated fund condition statement,⁴ which includes revenues, transfers, and expenditures into and out of the Fund. The primary revenues and expenditures from the Fund, the BCRP's primary financial account, are CRV-in (paid by beverage distributors when selling beverages within the state) and CRV-out (refunds paid for the collection of 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.

Tables 1a and 1b compare the revenues, transfers, and total resources between the Governor's budget and forecasted values. Tables 1c and 1d compare expenditures and the overall fund balance for FY 2017-18 and projections for FY 2018-19 and FY 2019-20. For more information on fund condition statements for the processing fee and penalty accounts, see Appendix I.

Table 2 presents more detailed information regarding the status of Q3. CalRecycle 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 CalRecycle expects to be processed before June 30 and transactions CalRecycle expects to be realized after June 30.

**Table 1a: Beverage Container Recycling Fund (BCRF) 0133 Fund Condition Statement 2019-20
(January 10, 2019) Governor's Budget—Revenues, Transfers, and Total Resources**

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$275,401,000	\$297,528,000	\$307,634,000
Resources	Prior Year Adjustment	\$995,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$276,396,000	\$297,528,000	\$307,634,000
Revenue - 4120000	Beverage Container Redemption Fees (CRV-in)	\$1,342,961,000	\$1,356,538,000	\$1,374,396,000
Revenue - 4140000	Sales of Documents	\$3,000	\$0	\$0
Revenue - 4163000	Income from Surplus Money Investments ⁵	\$1,991,000	\$1,991,000	\$1,991,000
Revenue - 4170400	Capital Asset Sales Proceeds	\$0	\$0	\$0
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$32,000	\$32,000	\$32,000
Revenue - 4172500	Miscellaneous Revenue	\$61,000	\$61,000	\$61,000
Revenue - 4172500	Option B Payments	\$3,168,000	\$3,168,000	\$3,168,000
Revenue - 4173500	Settlements and Judgements	\$6,000	\$82,000	\$82,000
Revenue - 417300	Penalty Assessments	\$61,000	\$61,000	\$61,000
Revenue	Total Revenue	\$1,348,283,000	\$1,361,933,000	\$1,379,791,000
Transfers	To Glass Processing Fee Account (Fund 0269), Processing Fee Offset	-\$55,789,000	-\$57,445,000	-\$54,886,000
Transfers	To Plastic Processing Fee Account (Fund 0278), Processing Fee Offset	-\$44,192,000	-\$41,500,000	-\$37,674,000
Transfers	To Glass Processing Fee Account (Fund 0269), 3-Year Reconciliation Payback	-\$7,392,000	-\$7,392,000	\$0
Transfers	To Plastic Processing Fee Account (Fund 0278), 3-Year Reconciliation payback	-\$3,256,000	-\$3,256,000	\$0
Transfers	Total Transfers	-\$110,629,000	-\$109,593,000	-\$92,560,000
Revenues and Transfers	Totals, Revenues and Transfers	\$1,237,654,000	\$1,252,340,000	\$1,287,231,000
Resources	Total Resources	\$1,514,050,000	\$1,549,868,000	\$1,594,865,000

Table 1b: BCRF 0133 Forecasted Values—Revenues, Transfers, and Total Resources

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$275,401,000	\$297,528,000	\$273,753,000
Resources	Prior Year Adjustment	\$995,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$276,396,000	\$297,528,000	\$273,753,000
Revenue - 4120000	Beverage Container Redemption Fees (CRV-in)	\$1,342,961,000	\$1,330,484,000	\$1,330,220,000
Revenue - 4140000	Sales of Documents	\$3,000	\$0	\$0
Revenue - 4163000	Income from Surplus Money Investments	\$1,991,000	\$4,659,000	\$4,659,000
Revenue - 4170400	Capital Asset Sales Proceeds	\$0	\$7,000	\$7,000
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$32,000	\$22,000	\$22,000
Revenue - 4172500	Miscellaneous Revenue	\$61,000	\$0	\$0
Revenue - 4172500	Option B Payments	\$3,168,000	\$6,396,000	\$6,396,000
Revenue - 4173500	Settlements and Judgements	\$6,000	\$46,000	\$46,000
Revenue - 417300	Penalty Assessments	\$61,000	\$177,000	\$177,000
Revenue	Total Revenue	\$1,348,283,000	\$1,341,791,000	\$1,341,527,000
Transfers	To Glass Processing Fee Account (Fund 0269), Processing Fee Offset	-\$55,789,000	-\$53,017,000	-\$56,691,000
Transfers	To Plastic Processing Fee Account (Fund 0278), Processing Fee Offset	-\$44,192,000	-\$57,764,000	-\$52,394,000
Transfers	To Glass Processing Fee Account (Fund 0269), 3-Year reconciliation payback	-\$7,392,000	-\$7,392,000	\$0
Transfers	To Plastic Processing Fee Account (Fund 0278), 3-Year reconciliation payback	-\$3,256,000	-\$3,256,000	\$0
Transfers	Total Transfers	-\$110,629,000	-\$121,429,000	-\$109,085,000
Revenues and Transfers	Totals, Revenues and Transfers	\$1,237,654,000	\$1,220,362,000	\$1,232,442,000
Resources	Total Resources	\$1,514,050,000	\$1,517,890,000	\$1,512,107,000

Table 1c: BCRF 0133 (January 10, 2019) Governor’s Budget—Expenditures & Fund Balance

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Expenditures - (3970-001-0133)	Beverage Container Recycling Program Administration	\$44,749,000	\$57,405,000	\$55,589,000
Expenditures - (3970-601-0133)	Handling Fees	\$50,548,000	\$44,446,000	\$45,802,000
Expenditures - (3970-604-0133)	CRV-out	\$1,073,509,000	\$1,075,090,000	\$1,070,782,000
Expenditures - (3970-604-0133)	Curbside Supplemental Payments	\$15,000,000	\$15,000,000	\$15,000,000
Expenditures - (3970-605-0133)	Plastic Market Development Payments	\$4,981,000	\$15,000,000	\$10,000,000
Expenditures - (3970-606-0133)	Grants - Local	\$7,142,000	\$7,813,000	\$8,475,000
Expenditures - (3970-608-0133)	City/County Payments	\$8,926,000	\$10,500,000	\$10,500,000
Expenditures - (3970-609-0133)	Grants - Other	\$1,412,000	\$1,500,000	\$1,500,000
Expenditures - (3970-610-0133)	Public Education and Information	\$0	\$2,500,000	\$5,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	\$9,909,000	\$10,000,000	\$10,000,000
Expenditures	Assessment for Secretary of Environmental Protection	\$0	\$375,000	\$375,000
Expenditures	Assessment for Financial Information System for California (FI\$Cal)	\$63,000	\$6,000	-\$139,000
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$283,000	\$2,109,000	\$2,408,000
Expenditures	Assessment for Supplemental Pension Payments	\$0	\$490,000	\$1,095,000
Expenditures	Total Expenditures	\$1,216,522,000	\$1,242,234,000	\$1,236,387,000
Resources	Total Resources	\$1,514,050,000	\$1,549,868,000	\$1,594,865,000
Resources	Ending Fund Balance	\$297,528,000	\$307,634,000	\$358,478,000

Table 1d: BCRF 0133 Forecasted Values—Expenditures & Fund Balance

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Expenditures - (3970-001-0133)	Beverage Container Recycling Program Administration	\$44,749,000	\$57,405,000	\$55,589,000
Expenditures - (3970-601-0133)	Handling Fees	\$50,548,000	\$44,027,000	\$46,268,000
Expenditures - (3970-604-0133)	CRV-out	\$1,073,509,000	\$1,071,500,000	\$1,071,678,000
Expenditures - (3970-604-0133)	Curbside Supplemental Payments	\$15,000,000	\$15,000,000	\$15,000,000
Expenditures - (3970-605-0133)	Plastic Market Development Payments	\$4,981,000	\$15,000,000	\$10,000,000
Expenditures - (3970-606-0133)	Grants - Local	\$7,142,000	\$7,813,000	\$8,475,000
Expenditures - (3970-608-0133)	City/County Payments	\$8,926,000	\$10,500,000	\$10,500,000
Expenditures - (3970-609-0133)	Grants - Other	\$1,412,000	\$1,500,000	\$1,500,000
Expenditures - (3970-610-0133)	Public Education and Information	\$0	\$2,500,000	\$5,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	\$9,909,000	\$10,000,000	\$10,000,000
Expenditures	Assessment for Secretary of Environmental Protection	\$0	\$375,000	\$375,000
Expenditures	Assessment for FI\$Cal	\$63,000	\$6,000	-\$139,000
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$283,000	\$2,109,000	\$2,408,000
Expenditures	Assessment for Supplemental Pension Payments	\$0	\$490,000	\$1,095,000
Expenditures	Total Expenditures	\$1,216,522,000	\$1,238,225,000	\$1,237,749,000
Resources	Total Resources	\$1,514,050,000	\$1,511,978,000	\$1,500,283,000
Resources	Ending Fund Balance	\$297,528,000	\$273,753,000	\$262,534,000

Table 2a: FY 2018-19 Fund Condition Breakout by Quarter—Revenues, Transfers, and Total Resources

Category	Description	FY 2018-19 Activity	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Projections	Total
Revenue - 4120000	Beverage Container Redemption	\$1,330,484,000	\$178,362,376	\$343,008,411	\$302,386,207	\$506,727,006	\$1,330,484,000
Revenue - 4163000	Income from Surplus Money Investments	\$4,659,000	\$0	\$1,036,706	\$1,224,253	\$2,398,041	\$4,659,000
Revenue - 4170400	Capital Asset Sales Proceeds	\$7,000	\$0	\$0	\$0	\$7,000	\$7,000
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$22,000	\$60,219	-\$39,511	\$22,218	-\$20,926	\$22,000
Revenue - 4172500	Option B Payments	\$6,396,000	\$313,010	\$671,701	\$2,191,011	\$3,220,278	\$6,396,000
Revenue - 4173500	Settlements and Judgements	\$46,000	\$0	\$0	\$183	\$45,817	\$46,000
Revenue - 4173000	Penalty Assessment	\$177,000	\$11,256	\$18,989	\$87,106	\$59,649	\$177,000
Revenue	Total Revenue	\$1,341,791,000	\$178,746,861	\$344,696,295	\$305,910,978	\$512,436,866	\$1,341,791,000
Transfers	Transfers To Glass Processing Fee Account (Fund 0269), Processing Fee Offset ⁶	-\$60,409,000	-\$16,848,805	-\$14,191,340	-\$16,502,785	-\$12,866,070	-\$60,409,000
Transfers	Transfers To Plastic Processing Fee Account (Fund 0278), Processing Fee Offset	-\$61,020,000	-\$12,145,644	-\$12,662,342	-\$14,235,227	-\$21,976,787	-\$61,020,000
Transfers To	Total Transfers To	-\$121,429,000	-\$28,994,449	-\$26,853,682	-\$30,738,012	-\$34,842,857	-\$121,429,000
Resources	Total Resources	\$1,220,362,000	\$149,752,412	\$317,842,613	\$275,172,966	\$477,594,009	\$1,220,362,000

Note: Final values for continuous appropriations in the Governor’s Budget will not equal the quarter breakout as they do not include activity from previous years and the quarter breakout is specifically for FY 2018/19.

Table 2b: FY 2018-19 Fund Condition Breakout by Quarter—Total Expenditures

Category	Description	FY 2018-19 Activity	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	Total
Expenditures - (3970-001-0133)	Beverage Container Recycling Program Administration	\$57,405,000	\$18,753,458	\$5,915,867	\$5,546,454	\$27,189,222	\$57,405,000
Expenditures - (3970-604-0133)	CRV-out	\$1,071,500,000	\$253,519,897	\$268,213,365	\$231,219,222	\$318,547,516	\$1,071,500,000
Expenditures - (3970-601-0133)	Handling Fees	\$44,027,000	\$4,032,748	\$11,946,018	\$10,171,904	\$17,876,329	\$44,027,000
Expenditures - (3970-606-0133)	Grants - Local	\$7,813,000	\$0	\$2,292,813	\$1,277,574	\$4,242,613	\$7,813,000
Expenditures - (3970-609-0133)	Grants - Other	\$1,500,000	\$0	\$0	\$0	\$1,500,000	\$1,500,000
Expenditures - (3970-604-0133)	Curbside Supplemental Payments	\$15,000,000	\$0	\$0	\$0	\$15,000,000	\$15,000,000
Expenditures - (3970-608-0133)	City/County Payments	\$10,500,000	\$0	-\$225,449	-\$9,010	\$10,734,459	\$10,500,000
Expenditures - (3970-610-0133)	Public Education and Information	\$2,500,000	\$0	\$0	\$0	\$2,500,000	\$2,500,000
Expenditures - (3970-605-0133)	Plastic Market Development Payments	\$15,000,000	\$0	\$4,999,863	\$2,500,003	\$7,500,135	\$15,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	\$10,000,000	\$0	\$0	\$4,766,100	\$5,233,900	\$10,000,000
Expenditures	Total Expenditures	\$1,235,245,000	\$276,306,458	\$293,142,867	\$255,472,454	\$410,323,222	\$1,235,245,000

II. Adequate Funds Determination

In accordance with PRC Section 14556(c), this section explains whether there are adequate funds to make all BCRP payments. If there are insufficient funds, CalRecycle shall proportionally reduce specified payments to ensure it is able to provide consumers their CRV refunds and to continue to operate the BCRP⁷.

Structural Deficit and Surplus

BCRP operations are funded by unclaimed CRV. As the recycling rate increases, less funding is available to make all of the budgeted payments prescribed in statute, including CRV-out, BCRP administration, local conservation corps grants, and payments and transfers outlined in PRC Section 14581. A structural deficit occurs when expenditures exceed revenues in the same period. Alternatively, as expenditures decrease (due to a reduction of CRV-out) and revenues increase (due to an increase of CRV-in) the deficit will shrink and lead to a structural surplus.

As outlined in Table 3, CalRecycle projects a structural deficit of \$26.2 million for FY 2018-19 due to changes in revenue and expenditures. Previous projections for the same period projected a structural deficit of \$10.2 million; a \$16 million change from previous projections from Q2. This is due primarily to a decrease in sales of beverage containers and a corresponding decrease of \$14.5 million in revenue.

In FY 2019-20, CalRecycle forecasts a \$12.9 million structural deficit. Previous projections for the same period projected a structural surplus of \$17.9 million; a \$30.8 million change from Q2. This \$30.8 million change is primarily attributable to a projected \$67.6 million decrease in CRV-in and a \$36.6 million decrease in CRV-out from previous projections resulting in a net decrease of \$31 million in CRV revenue to the BCRP.

For FY 2020-21, CalRecycle projects that CRV-in will continue to decrease and CRV-out will remain stable, resulting in a \$19.6 million structural deficit.

Table 3: BCRF 0133: Structural Deficit / Surplus

Category	Description	FY 2018/19	FY 2019/20	FY 2020/21
Revenue - 4120000	CRV-in	\$1,330,484,000	\$1,330,220,000	\$1,320,282,000
Expenditures - (3970-603-0133)	CRV-out	-\$1,071,500,000	-\$1,071,678,000	-\$1,070,524,000
Expenditures - (3970-001-0133)	Program Administration	-\$57,405,000	-\$55,589,000	-\$55,589,000
Expenditures -(3970-606-0133)	Grants - Local	-\$7,813,000	-\$8,475,000	-\$8,475,000
Resources	Total Available for 14581 Programs	\$193,766,000	\$194,478,000	\$185,694,000
Expenditures -(3970-615-0133)	Proc Fee Offset - Glass	-\$53,017,000	-\$56,691,000	-\$54,977,000
Expenditures - (3970-615-0133)	Proc Fee Offset - Glass 3-Year Reconciliation Payback	-\$7,392,000	\$0	\$0
Expenditures - (3970-616-0133)	Proc Fee Offset - Plastic	-\$57,764,000	-\$52,394,000	-\$51,342,000
Expenditures - (3970-616-0133)	Proc Fee Offset - Plastic 3-Year Reconciliation Payback	-\$3,256,000	\$0	\$0
Expenditures - (3970-601-0133)	Handling Fees	-\$44,027,000	-\$46,268,000	-\$46,997,000
Expenditures - (3970-604-0133)	Curbside Supplemental Payments	-\$15,000,000	-\$15,000,000	-\$15,000,000
Expenditures - (3970-605-0133)	Plastic Market Development Payments	-\$15,000,000	-\$10,000,000	-\$10,000,000
Expenditures - (3970-608-0133)	City/County Payments	-\$10,500,000	-\$10,500,000	-\$10,500,000
Expenditures - (3970-609-0133)	Grants - Other	-\$1,500,000	-\$1,500,000	-\$1,500,000
Expenditures - (3970-610-0133)	Public Education and Information	-\$2,500,000	-\$5,000,000	-\$5,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	-\$10,000,000	-\$10,000,000	-\$10,000,000
Resources	Total 14581 Programs	-\$219,956,000	-\$207,353,000	-\$205,316,000
Resources	Total Structural Deficit / Surplus	-\$26,190,000	-\$12,875,000	-\$19,622,000

Given the impact of minor CRV-in and CRV-out changes on revenue and expenditures, 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 indicates if CalRecycle needs to invoke measures to ensure cash solvency.

A cash forecast is used to manage cash flow, track revenue and expenditures, and estimate when the cash balance will be below the required minimum reserve. CalRecycle projects sufficient cash reserves to support BCRP payments through the forecast period. However, minor changes in sales and returns can translate to significant effects on cash reserves. Currently, a 1 percent change in CRV-in would result in an approximately \$13.3 million change to the Fund balance. Additionally, a 1 percent change in CRV-out would change the balance by approximately \$10.7 million.

The cash balance of the Fund (Table 4) 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.⁸ 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.⁹ Other expenditures and payments under PRC Section 14581 are paid according to specific schedules. Handling fee payments, for example, are paid monthly.¹⁰

Table 4: Cash Balance Summary (As of April 30, 2019)

Fiscal Year	Month	Amount
2017 /18 1st Quarter	Jul (Actual)	\$ 208,512,782
2017 /18 1st Quarter	Aug (Actual)	\$ 169,217,835
2017 /18 1st Quarter	Sept (Actual)	\$ 185,874,940
2017 /18 2nd Quarter	Oct (Actual)	\$ 134,755,943
2017 /18 2nd Quarter	Nov (Actual)	\$ 187,832,944
2017 /18 2nd Quarter	Dec (Actual)	\$ 168,719,507
2017 /18 3rd Quarter	Jan (Actual)	\$ 159,715,896
2017 /18 3rd Quarter	Feb (Actual)	\$ 168,356,555
2017 /18 3rd Quarter	Mar (Actual)	\$ 183,854,666
2017 /18 4th Quarter	April (Actual)	\$ 152,944,696
2017 /18 4th Quarter	May (Actual)	\$ 163,148,821
2017 /18 4th Quarter	June (Actual)	\$ 198,317,999
2018 /19 1st Quarter	Jul (Actual)	\$ 192,560,411
2018 /19 1st Quarter	Aug (Actual)	\$ 214,382,892
2018 /19 1st Quarter	Sept (Actual)	\$ 193,242,126
2018 /19 2nd Quarter	Oct (Actual)	\$ 205,812,701
2018 /19 2nd Quarter	Nov (Actual)	\$ 240,451,340
2018 /19 2nd Quarter	Dec (Actual)	\$ 228,664,826
2018/19 3rd Quarter	Jan (Actual)	\$ 213,410,488
2018 /19 3rd Quarter	Feb (Actual)	\$ 207,349,601
2018 /19 3rd Quarter	Mar (Actual)	\$ 218,061,884
2018 /19 4th Quarter	April (Actual)	\$ 217,569,682
2018/19 4th Quarter	May (Projected)	\$ 174,539,331
2018 /19 4th Quarter	June (Projected)	\$ 160,579,284
2019/20 1st Quarter	Jul (Projected)	\$ 174,458,564
2019/20 1st Quarter	Aug (Projected)	\$ 178,754,222
2019/20 1st Quarter	Sept (Projected)	\$ 196,981,852
2019/20 2nd Quarter	Oct (Projected)	\$ 193,938,409
2019/20 2nd Quarter	Nov (Projected)	\$ 213,482,515
2019/20 2nd Quarter	Dec (Projected)	\$ 246,125,641
2019/20 3rd Quarter	Jan (Projected)	\$ 213,861,427
2019/20 3rd Quarter	Feb (Projected)	\$ 231,690,010
2019/20 3rd Quarter	Mar (Projected)	\$ 243,560,257
2019/20 4th Quarter	April (Projected)	\$ 211,791,153
2019/20 4th Quarter	May (Projected)	\$ 204,298,755
2019/20 4th Quarter	June (Projected)	\$ 213,232,364

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 for FY 2018-19 and FY 2019-20¹¹. 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 CalRecycle to processors and recyclers by law, and of the administrative fee (1.5 percent of CRV-in) retained by distributors.¹² In contrast, Table 5b excludes those administrative fees and just displays the ratio of CRV expenditures to CRV revenues.

The projected overall recycling rate (excluding administrative fees) for all beverage container material types combined for FY 2018-19 is 77.4 percent. This projection is a 0.5 percent increase from the previous projection in Q2.

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

Material Type	FY 2018-19	FY 2019-20
Aluminum	88.4%	86.9%
Glass	69.1%	69.5%
PET Plastic	79.2%	80.1%
HDPE Plastic	85.3%	89.6%
Overall	80.5%	80.6%

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

Material Type	FY 2018-19	FY 2019-20
Aluminum	84.9%	83.5%
Glass	66.4%	66.8%
PET Plastic	76.1%	77.0%
HDPE Plastic	82.0%	86.1%
Overall	77.4%	77.4%

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 2018-19 and FY 2019-20.

A. Sales and Returns by Material Type

Tables 6 and 7 reflect California sales and returns of beverage containers by material and size.

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. The container per pound rate 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 exactly with the recycling rates reported above.

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

Material Type	Size	FY 2018-19	FY 2019-20
Aluminum	< 24 oz.	7,882,034,946	7,956,594,492
Aluminum	≥ 24 oz.	645,811,246	664,329,396
Aluminum	All sizes	8,527,846,193	8,620,923,887
Glass	< 24 oz.	2,950,604,874	2,869,684,528
Glass	≥ 24 oz.	200,988,765	188,478,307
Glass	All sizes	3,151,593,638	3,058,162,836
PET Plastic	< 24 oz.	10,505,192,536	10,326,754,966
PET Plastic	≥ 24 oz.	1,726,630,913	1,813,621,191
PET Plastic	All sizes	12,231,823,449	12,140,376,157
HDPE Plastic	< 24 oz.	77,303,342	69,756,162
HDPE Plastic	≥ 24 oz.	95,709,355	82,417,339
HDPE Plastic	All sizes	173,012,697	152,173,501
Bimetal and Other Plastics	< 24 oz.	204,389,346	219,922,978
Bimetal and Other Plastics	≥ 24 oz.	28,550,108	34,567,681
Bimetal and Other Plastics	All sizes	232,939,454	254,490,659
All Material Types	< 24 oz.	21,619,525,044	21,442,713,126
All Material Types	≥ 24 oz.	2,697,690,387	2,783,413,914
Total, All Materials	All Sizes	24,317,215,431	24,226,127,040

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

Material Type	FY 2018-19	FY 2019-20
Aluminum	7,059,158,948	6,997,556,204
Glass	2,079,533,002	2,016,352,574
PET Plastic	9,397,526,081	9,551,253,200
HDPE Plastic	125,403,935	114,277,442
Bimetal and Other Plastics	41,349,548	44,924,765
Total	18,702,971,515	18,724,364,185

B. Projected Handling Fee Payments

This section includes handling fee payments, the fee per container, 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 handling fee rate and the total number of containers returned at eligible recycling centers.

The projected handling fees for FY 2018-19 are calculated based on a handling fee per container rate of \$0.00833 derived from the cost survey effective July 1, 2018. The FY 2019-20 handling fee rate of \$0.00860 is derived from the most recent cost survey, effective July 1, 2019.¹³

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

Handling Fees	FY 2018-19	FY 2019-20
Handling Fee Payments	\$44,027,282	\$46,267,991
Fee per Container	\$0.00833	\$0.00860
Estimated Number of Containers	5,285,387,993	5,379,998,975

C. Projected Processing Payments

This section includes actual and projected processing fee offsets, processing fees, and processing payments by beverage container material type.¹⁴

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

FY 2018-19	Material Type	Processing Fees	Processing Fee Offsets	Processing Payments
FY 2018-19	Glass	\$9,236,395	\$53,017,199	\$69,265,070
FY 2018-19	PET Plastic	\$6,007,162	\$54,258,727	\$57,293,298
FY 2018-19	HDPE Plastic	\$861,193	\$3,505,475	\$4,354,282
FY 2018-19	All Other Plastics and Bimetal	\$5,992,938	\$0	\$819,712
FY 2018-19	Total	\$22,097,688	\$110,781,400	\$131,732,363
FY 2019-20	Glass	\$9,182,709	\$56,691,057	\$67,862,002
FY 2019-20	PET Plastic	\$6,815,205	\$50,300,722	\$59,116,768
FY 2019-20	HDPE Plastic	\$1,007,756	\$2,093,768	\$3,101,524
FY 2019-20	All Other Plastics and Bimetal	\$6,033,191	\$0	\$674,957
FY 2019-20	Total	\$23,038,860	\$109,085,547	\$130,755,251

Note: Processing fee and payment values reflect a “reasonable financial return” (an element in the processing payment calculation) of 16.6 percent for rural recycling centers and 11.5 percent for all other recyclers for calendar year 2018 and 2019, and 10.56 percent for calendar year 2020 (assumed to be the value that would have been in effect for 2019, if the regulations had not been extended).

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 polyethylene terephthalate (PET) plastic processing fees. The processing fee amounts for glass and PET displayed in Table 9 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. Reconciliation is on a calendar year basis, while this report displays fiscal year amounts. This accounts for the discrepancy between the processing payments and the sum of the offsets and processing fees.

Overall, the following factors impact the processing fee offset:

- Quarterly transfers from the Fund to the processing fee accounts (offsets for the quarter) based on estimates of fees and payments for the upcoming calendar year,
- Changes to the processing payments due to quarterly changes in scrap value, and
- Transfers to processing fee accounts as required to maintain a minimum balance of 5 percent of expenditures for the last fiscal year.

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 Q2 FY 2018-19 report (September 2019), there have been no significant methodological changes.

Appendix I. Updated Fund Condition Report 2019-2020 Governor's Budget

This section contains the fund condition statements for the remaining four BCRP funds covering FYs 2017-18 through 2019-20. The values are based on the FY 2019-20 Governor's Budget except for updated values derived from subsequent forecasts. Below is a brief description of each of the funds:

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. This 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 with a scrap value that is less than the cost of recycling. This 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. This 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 this 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 10a: (January 10, 2019) Governor’s Budget—Glass Processing Fee Fund Condition Statement (Fund 0269)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$13,106,000	\$19,097,000	\$24,751,000
Resources	Prior Year Adjustment	\$158,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$13,264,000	\$19,097,000	\$24,751,000
Revenue - 4120000	Beverage Container Redemption Fees	\$8,188,000	\$8,642,000	\$8,642,000
Revenue - 4163000	Income from Surplus Money Investments	\$261,000	\$261,000	\$261,000
Revenue - 4171400	Escheat of Unclaimed Checks, Warrants, Bonds and Coupon	\$42,000	\$0	\$0
Revenue	Total Revenue	\$8,491,000	\$8,903,000	\$8,903,000
Transfers	From CA Beverage Container Recycling Fund (CBCRF)	\$55,789,000	\$57,445,000	\$54,886,000
Transfers	From CBCRF, 3-Year Reconciliation Payback	\$7,392,000	\$7,392,000	\$0
Transfers	Total Transfers	\$63,181,000	\$64,837,000	\$54,886,000
Revenues and Transfers	Totals, Revenues and Transfers	\$71,672,000	\$73,740,000	\$63,789,000
Resources	Total Resources	\$84,936,000	\$92,837,000	\$88,540,000
Expenditures - (3970-601-0269)	Processing Payments	\$65,839,000	\$68,086,000	\$68,086,000
Expenditures	Assessment for FI\$Cal	\$0	\$0	-\$10,000
Expenditures	Total Expenditures	\$65,839,000	\$68,086,000	\$68,076,000
Resources	Ending Fund Balance	\$19,097,000	\$24,751,000	\$20,464,000

Table 10b: Forecasted Values—Glass Processing Fee Fund Condition Statement (Fund 0269)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$13,106,000	\$19,097,000	\$24,790,000
Resources	Prior Year Adjustment	\$158,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$13,264,000	\$19,097,000	\$19,738,524
Revenue - 4120000	Beverage Container Redemption Fees	\$8,188,000	\$9,236,395	\$9,182,709
Revenue - 4163000	Income from Surplus Money Investments	\$261,000	\$261,000	\$261,000
Revenue - 4172500	Escheat of Unclaimed Checks, Warrants, Bonds and Coupon	\$42,000	\$0	\$0
Revenue	Total Revenue	\$8,491,000	\$9,497,395	\$9,443,709
Transfers	From CA Beverage Container Fund (CBCRF)	\$55,789,000	\$53,017,199	\$56,691,057
Transfers	From CBCRF, 3-Year Reconciliation Payback	\$7,392,000	\$7,392,000	\$0
Transfers	Total Transfers	\$63,181,000	\$60,409,199	\$56,691,057
Revenues and Transfers	Totals, Revenues and Transfers	\$71,672,000	\$69,906,594	\$66,134,766
Resources	Total Resources	\$84,936,000	\$89,003,594	\$85,873,290
Expenditures - (3970-601-0269)	Processing Payments	\$65,839,000	\$69,265,070	\$67,862,002
Expenditures	Assessment FI\$Cal	\$0	\$0	-\$10,000
Expenditures	Total Expenditures	\$65,839,000	\$69,265,070	\$67,852,002
Resources	Ending Fund Balance	\$19,097,000	\$19,738,524	\$18,021,288

Table 11a: (January 10, 2019) Governor's Budget—Plastic Processing Fee Fund Condition Statement (Fund 0278)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$17,579,000	\$18,377,000	\$23,299,000
Resources	Prior Year Adjustment	\$708,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$18,287,000	\$18,377,000	\$23,299,000
Revenue - 4120000	Beverage Container Redemption Fees	\$9,767,000	\$9,428,000	\$8,605,000
Revenue - 4163000	Income from Surplus Money Investments	\$265,000	\$265,000	\$265,000
Revenue	Total Revenue	\$10,032,000	\$9,693,000	\$8,870,000
Transfers	From CA Beverage Container Recycling Fund (CBCRF)	\$44,192,000	\$41,500,000	\$37,674,000
Transfers	From CBCRF, 3-Year Reconciliation Payback	\$3,256,000	\$3,256,000	\$0
Transfers	Total Transfers	\$47,448,000	\$44,756,000	\$37,674,000
Revenues and Transfers	Totals, Revenues and Transfers	\$57,480,000	\$54,449,000	\$46,544,000
Resources	Total Resources	\$75,767,000	\$72,826,000	\$69,843,000
Expenditures - (3970-601-0278)	Processing Payments	\$57,390,000	\$49,527,000	\$49,527,000
Expenditures	Assessment for FISCAL	\$0	\$0	-\$6,000
Expenditures	Total Expenditures	\$57,390,000	\$49,527,000	\$49,521,000
Resources	Ending Fund Balance	\$18,377,000	\$23,299,000	\$20,322,000

Table 11b: Forecasted Values—Plastic Processing Fee Fund Condition Statement (Fund 0278)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$17,579,000	\$18,377,000	\$28,964,600
Resources	Prior Year Adjustment	\$708,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$18,287,000	\$18,377,000	\$28,964,600
Revenue - 4120000	Beverage Container Redemption Fees	\$9,767,000	\$11,510,870	\$12,663,133
Revenue - 4163000	Income from Surplus Money Investments	\$265,000	\$265,000	\$265,000
Revenue	Total Revenue	\$10,032,000	\$11,775,870	\$12,928,133
Transfers	From CA Beverage Container Recycling Fund (CBCRF)	\$44,192,000	\$57,764,202	\$52,394,490
Transfers	From CBCRF, 3-Year Reconciliation Payback	\$3,256,000	\$3,256,000	\$0
Transfers	Total Transfers	\$47,448,000	\$61,020,202	\$52,394,490
Revenues and Transfers	Totals, Revenues and Transfers	\$57,480,000	\$72,796,072	\$65,322,623
Resources	Total Resources	\$75,767,000	\$91,173,072	\$94,287,223
Expenditures - (3970-601-0278)	Processing Payments	\$57,390,000	\$62,208,472	\$62,640,045
Expenditures	Assessment for Fi\$Cal	\$0	\$0	-\$6,000
Expenditures	Total Expenditures	\$57,390,000	\$62,208,472	\$62,634,045
Resources	Ending Fund Balance	\$18,377,000	\$28,964,600	\$31,653,178

Table 12a: (January 10, 2019) Governor's Budget—Bimetal Processing Fee Fund Condition Statement (Fund 0277)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$20,191,000	\$22,184,000	\$23,669,000
Resources	Prior Year Adjustment	\$63,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$20,254,000	\$22,184,000	\$23,669,000
Revenue - 4120000	Beverage Container Redemption Fees	\$1,901,000	\$1,454,000	\$1,387,000
Revenue - 4163000	Income from Surplus Money Investments	\$275,000	\$275,000	\$275,000
Revenue	Total Revenue	\$2,176,000	\$1,729,000	\$1,662,000
Revenues and Transfers	Totals, Revenues and Transfers	\$2,176,000	\$1,729,000	\$1,662,000
Resources	Total Resources	\$22,430,000	\$23,913,000	\$25,331,000
Expenditures - (3970-601-0277)	Processing Payments	\$246,000	\$244,000	\$244,000
Expenditures	Total Expenditures	\$246,000	\$244,000	\$244,000
Resources	Ending Fund Balance	\$22,184,000	\$23,669,000	\$25,087,000

Table 12b: Forecasted Values—Bimetal Processing Fee Fund Condition Statement (Fund 0277)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$20,191,000	\$22,184,000	\$23,550,602
Resources	Prior Year Adjustment	\$63,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$20,254,000	\$22,184,000	\$23,550,602
Revenue - 4120000	Beverage Container Redemption Fees	\$1,901,000	\$1,350,423	\$1,193,019
Revenue - 4163000	Income from Surplus Money Investments	\$275,000	\$275,000	\$275,000
Revenue	Total Revenue	\$2,176,000	\$1,625,423	\$1,468,019
Revenues and Transfers	Totals, Revenues and Transfers	\$2,176,000	\$1,625,423	\$1,468,019
Resources	Total Resources	\$22,430,000	\$23,809,423	\$25,018,621
Expenditures - (3970-601-0277)	Processing Payments	\$246,000	\$258,821	\$253,204
Expenditures	Total Expenditures	\$246,000	\$258,821	\$253,204
Resources	Ending Fund Balance	\$22,184,000	\$23,550,602	\$24,765,417

Table 13a: (January 10, 2019) Governor’s Budget—Penalty Account Fund Condition Statement (Fund 0276)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$5,441,000	\$5,605,000	\$5,818,000
Resources	Prior Year Adjustment	-\$9,000	\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$5,432,000	\$5,605,000	\$5,818,000
Revenue - 4163000	Income from Surplus Money Investments	\$71,000	\$71,000	\$71,000
Revenue - 4173000	Penalty Assessments	\$170,000	\$170,000	\$170,000
Revenue	Total Revenue	\$241,000	\$241,000	\$241,000
Revenues and Transfers	Totals, Revenues and Transfers	\$241,000	\$241,000	\$241,000
Resources	Total Resources	\$5,673,000	\$5,846,000	\$6,059,000
Expenditures	Assessment for FISCAL	\$2,000	\$0	\$0
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$33,000	\$22,000	\$0
Expenditures	Assessment for Supplemental Pension Payments	\$0	\$6,000	\$15,000
Expenditures - (3970-001-0276)	State Operations	\$33,000	\$0	\$0
Expenditures - (3970-101-0276-2019)	Temporary Assistance	\$0	\$0	\$0
Expenditures	Total Expenditures	\$68,000	\$28,000	\$15,000
Resources	Ending Fund Balance	\$5,605,000	\$5,818,000	\$6,044,000

Status of the Beverage Container Recycling Fund FY 2018-19 Third Quarter

Table 13b: Forecasted Values—Penalty Account Fund Condition Statement (Fund 0276)

Category	Description	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 Projected
Resources	Beginning Fund Balance	\$5,441,000	\$5,605,000	\$5,818,000
Resources	Prior Year Adjustment		\$0	\$0
Resources	Adjusted Beginning Fund Balance	\$5,432,000	\$5,605,000	\$5,818,000
Revenue - 4163000	Income from Surplus Money Investments	\$71,000	\$71,000	\$71,000
Revenue - 4173000	Penalty Assessments	\$170,000	\$170,000	\$170,000
Revenue	Total Revenue	\$241,000	\$241,000	\$241,000
Revenues and Transfers	Totals, Revenues and Transfers	\$241,000	\$241,000	\$241,000
Resources	Total Resources	\$5,673,000	\$5,846,000	\$6,059,000
Expenditures	Assessment for FISCAL	\$2,000	\$0	\$0
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$33,000	\$22,000	\$0
Expenditures	Assessment for Supplemental Pension Payments	\$0	\$6,000	\$15,000
Expenditures - (3970-001-0276)	State Operations	\$33,000	\$0	\$0
Expenditures - (3970-101-0276-2019)	Temporary Assistance	\$0	\$0	\$5,000,000
Expenditures	Total Expenditures	\$68,000	\$28,000	\$5,015,000
Resources	Ending Fund Balance	\$5,605,000	\$5,818,000	\$1,044,000

Status of the Beverage Container Recycling Fund FY 2018-19 Third Quarter

Appendix II. Public Resources Code (PRC) References

California Beverage Container Recycling Fund: PRC 14581 (a)

Glass Processing Fee Account: PRC 14581 (a)(5)(A)

Plastic Processing Fee Account: PRC 14581 (a)(5)(A)

Handling Fees: PRC 14581 (a)(1)

CRV-out: PRC 14580

Curbside Supplemental Payments: PRC 14581 (a)(2)

Plastic Market Development Payments: PRC 14581 (a)(8)(A)

Grants - Local Conservation Corps (CCCs): PRC 14581.1

City/County Payments: PRC 14581 (a)(3)(A)

Grants - Other: PRC 14581 (a)(4)

Public Education and Information: PRC 14581 (a)(6)

Quality Incentive Payment: PRC 14581 (a)(7)

Appendix III. Endnotes

- ¹ 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 CalRecycle's [Biannual Reports](#).
- ² AB 74 Budget Act of 2019:
http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB74
- ³ AB 54 (Ting, Chapter 793, Statutes of 2019):
http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201920200AB54
- ⁴ The updated fund condition statement may differ from the Governor's Budget fund condition statement. See Appendix I for an explanation of differences between the Governor's Budget and BCRF Quarterly Reports.
- ⁵ Surplus Money Investment Fund projections are adjusted to match prior year actuals in order to provide a more accurate calculation.
- ⁶ The Glass and Plastic Processing Fee Accounts include a 3 year reconciliation transfer.
- ⁷ PRC Section 14581(c)
- ⁸ PRC Section 14574(a)(2)
- ⁹ PRC Section 14573 requires the CalRecycle to pay the processor upon presentation of a completed processor invoice accompanied by a shipping report from the supplier of the material.
- ¹⁰ PRC Section 14585(a)(1)
- ¹¹ Statute requires the Quarterly Report to include a recycling rate inferred from revenues, which 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 formulas stipulated in PRC Section 14551 used to calculate the percentage of containers recycled.
- ¹² PRC Section 14574(a)(1)
- ¹³ The Handling Fee Cost Survey Final Report can be found on the CalRecycle website at <https://www2.calrecycle.ca.gov/Publications/Download/1389>.

¹⁴ Processing Payments are adjusted based on the cost of recycling and average scrap value for each beverage container material type. Processing Payment information is available on the CalRecycle website at <https://www.calrecycle.ca.gov/BevContainer/Notices/#Processing>.