

Quarterly Report on the Status of the Beverage Container Recycling Fund

February 17, 2021



California Department of Resources Recycling and Recovery

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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 fourth quarter (Q4) for Fiscal Year (FY) 2019-20 (April through June 2020) and reflects:

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

FY 2019-20 budget information included in this report reflects the latest available projections. Final data will be available in future reports once year-end financial reports are completed.

In brief, this Quarterly Report projects a \$73.4 million structural surplus for FY 2019-20. This is a \$10.5 million change from the previous projection of a \$62.9 million structural surplus for the same period reflected in the FY 2019-20 Third Quarter Quarterly Report.¹

Based on FY 2019-20 fourth-quarter data, CRV-in is projected to increase while CRV-out will decrease during FY 2020-21 and FY 2021-22 as compared to the same periods reflected in the FY 2019-20 Third Quarter Quarterly Report. This results in a \$28.5 million structural deficit for FY 2020-21 and an \$11 million structural surplus in FY 2021-22.

Further details on the factors contributing 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 \$13.9 million. Alternatively, a 1 percent increase or decrease in CRV-out would result in a corresponding change in the Fund balance of approximately \$10.3 million.

In response to the COVID-19 pandemic, on April 22, 2020, Governor Newsom issued Executive Order (EO) N-54-20, which temporarily halted enforcement of the beverage container take-back requirements at retailers and allowed greater flexibility in the hours

of operation requirements for recycling centers. The EO was extended on June 22, 2020, for 60 days with EO N-70-20 and expired on August 21, 2020.

The impact of COVID-19 on recycling rates is still unknown as reporting data is not yet complete. However, the most current data shows consumers purchased 8 percent more beverages for March through June of 2020 when compared to the same period in 2019. Conversely, beverage container redemption decreased by 15 percent for March through June of 2020 when compared to the same period in 2019.

CalRecycle projects the overall recycling rate inferred from CRV-in and CRV-out (excluding administrative fees) to be 71.1 percent for FY 2019-20.² This projection is a 0.2 percent decrease from the third-quarter projection.

Based on fourth-quarter data, CalRecycle projects that the Fund should have adequate cash resources to support payments through FY 2021-22.

CalRecycle is cognizant that the significant economic disruptions related to the COVID-19 pandemic may have further impacts on the Fund. As additional data is available, future reports will reflect these impacts.

On September 29, 2020, Governor Newsom signed into law AB 107 (Committee on Budget, Chapter 264, Statutes of 2020) which, among other things, changed the frequency of reporting on the status of the Fund from every three months to every six months. The next report on the status of the Fund will reflect actual data for sales and returns of beverage containers for July through December 2020.

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,³ 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 2020-21 Governor's Budget and forecasted values. Tables 1c and 1d compare expenditures and the overall fund balance for FY 2018-19 and FY 2019-20 and projections for FY 2020-21. For more information on fund condition statements for the processing fee and penalty accounts, see Appendix I.

Tables 2a and 2b presents FY 2019-20 revenues, transfers, total resources, and expenditures broken out by quarter. 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 the first quarter) are low because these transactions are generally applicable to the previous fiscal year. Accordingly, fourth-quarter activity is high because the period includes actual expenditures and accruals. In other words, actual data show transactions CalRecycle made up to June 30 and transactions CalRecycle expects to be realized after June 30.

**Table 1a: Beverage Container Recycling Fund (BCRF) 0133 Fund Condition Statement 2020-21
Enacted Budget (July 1, 2020)—Revenues, Transfers, and Total Resources**

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$297,528,000	\$308,895,000	\$268,981,000
Resources	Prior Year Adjustment	\$14,200,000	Not Applicable ⁴	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$311,728,000	\$308,895,000	\$268,981,000
Revenue - 4120000	Beverage Container Redemption Fees (CRV-In)	\$1,323,898,000	\$1,330,220,000	\$1,291,947,000
Revenue - 4163000	Income from Surplus Money Investments*	\$4,659,000	\$3,869,000	\$3,869,000
Revenue - 4170400	Capital Asset Sales Proceeds	\$7,000	\$0	\$0
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$22,000	\$32,000	\$32,000
Revenue - 4172500	Option B Payments	\$6,396,000	\$3,229,000	\$3,229,000
Revenue - 4173500	Settlements and Judgements	\$46,000	\$82,000	\$82,000
Revenue - 417300	Penalty Assessments	\$177,000	\$61,000	\$61,000
Revenue	Total Revenue	\$1,335,205,000	\$1,337,493,000	\$1,299,220,000
Transfers	To Glass Processing Fee Account (Fund 0269), Processing Fee Offset	-\$51,698,000	-\$62,003,000	-\$70,148,000
Transfers	To Plastic Processing Fee Account (Fund 0278), Processing Fee Offset	-\$55,576,000	-\$63,752,000	-\$73,446,000
Transfers	To Glass Processing Fee Account (Fund 0269), 3-Year Reconciliation Payback	-\$7,392,000	\$0	\$0
Transfers	To Plastic Processing Fee Account (Fund 0278), 3-Year Reconciliation Payback	-\$3,256,000	\$0	\$0
Transfers	Total Transfers	-\$117,922,000	-\$125,755,000	-\$143,594,000
Revenues and Transfers	Totals, Revenues and Transfers	\$1,217,283,000	\$1,211,738,000	\$1,155,626,000
Resources	Total Resources	\$1,529,011,000	\$1,520,633,000	\$1,424,607,000

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

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected ⁵	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$297,528,000	\$308,895,000	\$389,004,000
Resources	Prior Year Adjustment	\$14,200,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$311,728,000	\$308,895,000	\$389,004,000
Revenue - 4120000	Beverage Container Redemption Fees (CRV-In)	\$1,323,898,000	\$1,387,972,000	\$1,366,190,000
Revenue - 4163000	Income from Surplus Money Investments	\$4,659,000	\$3,807,000	\$3,807,000
Revenue - 4170400	Capital Asset Sales Proceeds	\$7,000	\$0	\$0
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$22,000	\$32,000	\$32,000
Revenue - 4172500	Option B Payments	\$6,396,000	\$6,396,000	\$6,396,000
Revenue - 4173500	Settlements and Judgements	\$46,000	\$158,000	\$82,000
Revenue - 417300	Penalty Assessments	\$177,000	\$117,000	\$61,000
Revenue	Total Revenue	\$1,335,205,000	\$1,398,482,000	\$1,376,568,000
Transfers	To Glass Processing Fee Account (Fund 0269), Processing Fee Offset	-\$51,698,000	-\$61,831,000	-\$69,414,000
Transfers	To Plastic Processing Fee Account (Fund 0278), Processing Fee Offset	-\$55,576,000	-\$61,673,000	-\$77,650,000
Transfers	To Glass Processing Fee Account (Fund 0269), 3-Year Reconciliation Payback	-\$7,392,000	\$0	\$0
Transfers	To Plastic Processing Fee Account (Fund 0278), 3-Year Reconciliation Payback	-\$3,256,000	\$0	\$0
Transfers	Total Transfers	-\$117,922,000	-\$123,504,000	-\$147,064,000
Revenues and Transfers	Totals, Revenues and Transfers	\$1,217,283,000	\$1,274,978,000	\$1,229,504,000
Resources	Total Resources	\$1,529,011,000	\$1,583,873,000	\$1,618,508,000

Table 1c: BCRF 0133 Enacted Budget (July 1, 2020)—Expenditures & Fund Balance

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Expenditures - (3970-001-0133)	Beverage Container Recycling Program Administration	\$48,036,000	\$59,419,000	\$57,528,000
Expenditures - (3970-601-0133)	Handling Fees	\$44,396,000	\$46,268,000	\$46,997,000
Expenditures - (3970-603-0133)	CRV-out	\$1,066,573,000	\$1,071,678,000	\$1,070,524,000
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 - (3970-606-0133)	Grants - Local	\$7,723,000	\$8,475,000	\$8,475,000
Expenditures - (3970-608-0133)	City/County Payments	\$9,175,000	\$10,500,000	\$10,500,000
Expenditures - (3970-609-0133)	Grants - Other	\$1,371,000	\$1,500,000	\$1,500,000
Expenditures - (3970-610-0133)	Public Education and Information	\$0	\$5,000,000	\$5,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	\$9,862,000	\$10,000,000	\$10,000,000
Expenditures - (3970-620-0133)	Pilot Project Grants	\$0	\$5,000,000	\$0
Expenditures	Assessment for Secretary of Environmental Protection	\$375,000	\$375,000	\$0
Expenditures	Assessment for Financial Information System for California (Fi\$Cal)	\$6,000	-\$66,000	\$0
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$2,109,000	\$2,408,000	\$303,000
Expenditures	Assessment for Supplemental Pension Payments	\$490,000	\$1,095,000	\$1,095,000
Expenditures	Total Expenditures	\$1,220,116,000	\$1,246,652,000	\$1,236,922,000
Resources	Total Resources	\$1,529,011,000	\$1,520,633,000	\$1,424,607,000
Resources	Ending Fund Balance	\$308,895,000	\$273,981,000	\$187,685,000

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

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Expenditures - (3970-001-0133)	Beverage Container Recycling Program Administration	\$48,036,000	\$59,325,000	\$57,528,000
Expenditures - (3970-601-0133)	Handling Fees	\$44,396,000	\$39,088,000	\$45,110,000
Expenditures - (3970-603-0133)	CRV-Out	\$1,066,573,000	\$1,027,169,000	\$1,084,536,000
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 - (3970-606-0133)	Grants - Local	\$7,723,000	\$8,475,000	\$8,475,000
Expenditures - (3970-608-0133)	City/County Payments	\$9,175,000	\$10,500,000	\$10,500,000
Expenditures - (3970-609-0133)	Grants - Other	\$1,371,000	\$1,500,000	\$1,500,000
Expenditures - (3970-610-0133)	Public Education and Information	\$0	\$5,000,000	\$5,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	\$9,862,000	\$10,000,000	\$10,000,000
Expenditures - (3970-620-0133)	Pilot Project Grants	\$0	\$5,000,000	\$0
Expenditures	Assessment for Secretary of Environmental Protection	\$375,000	\$375,000	\$0
Expenditures	Assessment for Financial Information System for California (Fi\$Cal)	\$6,000	-\$66,000	\$0
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$2,109,000	\$2,408,000	\$303,000
Expenditures	Assessment for Supplemental Pension Payments	\$490,000	\$1,095,000	\$1,095,000
Expenditures	Total Expenditures	\$1,220,116,000	\$1,194,869,000	\$1,249,047,000
Resources	Total Resources	\$1,529,011,000	\$1,583,873,000	\$1,618,508,000
Resources	Ending Fund Balance	\$308,895,000	\$389,004,000	\$369,461,000

Table 2a: FY 2019-20 Fund Condition Breakout by Quarter—Revenues, Transfers, and Total Resources

Category	Description	FY 2019-20 Activity	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Projections	Total
Revenue - 4120000	Beverage Container Redemption	\$1,387,972,000	\$146,899,019	\$385,688,121	\$263,160,079	\$592,224,781	\$1,387,972,000
Revenue - 4163000	Income from Surplus Money Investments	\$3,807,000	\$0	\$951,832	\$999,886	\$1,855,282	\$3,807,000
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$32,000	\$13,716	-\$12,994	\$5,444	\$25,835	\$32,000
Revenue - 4172500	Option B Payments	\$6,396,000	\$638,600	\$1,588,025	\$1,840,750	\$2,328,625	\$6,396,000
Revenue - 4173500	Settlements and Judgements	\$158,000	\$0	\$0	\$155,000	\$3,000	\$158,000
Revenue - 4173000	Penalty Assessment	\$117,000	\$0	\$31,009	\$25,490	\$60,501	\$117,000
Revenue	Total Revenue	\$1,398,482,000	\$147,551,335	\$388,245,993	\$266,186,648	\$596,498,024	\$1,398,482,000
Transfers	Transfers to Glass Processing Fee Account (Glass 0269), Processing Fee Offset	-\$61,831,000	-\$14,654,868	-\$14,654,868	-\$17,245,380	-\$15,275,884	-\$61,831,000
Transfers	Transfers to Plastic Processing Fee Account (Plastic 0278), Processing Fee Offset	-\$61,673,000	-\$13,421,227	-\$13,421,227	-\$17,933,551	-\$16,896,995	-\$61,673,000
Transfers	Total Transfers	-\$123,504,000	-\$28,076,095	-\$28,076,095	-\$35,178,931	-\$32,172,879	-\$123,504,000
Resources	Total Resources	\$1,274,978,000	\$119,475,240	\$360,169,898	\$231,007,717	\$564,325,145	\$1,274,978,000

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 2019-20.

Table 2b: FY 2019-20 Fund Condition Breakout by Quarter—Total Expenditures

Category	Description	FY 2019-20 Activity	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Projections	Total
Expenditures - (3970-001-0133)	Beverage Container Recycling Program Administration	\$59,325,000	\$8,784,855	\$10,662,238	\$10,298,111	\$29,579,796	\$59,325,000
Expenditures - (3970-603-0133)	CRV-Out	\$1,027,169,000	\$254,978,279	\$258,852,306	\$243,715,843	\$269,622,572	\$1,027,169,000
Expenditures - (3970-601-0133)	Handling Fees	\$39,088,000	\$4,340,651	\$10,280,723	\$9,038,828	\$15,427,798	\$39,088,000
Expenditures - (3970-606-0133)	Grants - Local	\$8,475,000	\$0	\$2,536,388	\$1,687,092	\$4,251,520	\$8,475,000
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	\$15,376	\$134,757	\$10,349,867	\$10,500,000
Expenditures - (3970-610-0133)	Public Education and Information	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$5,000,000
Expenditures - (3970-605-0133)	Plastic Market Development Payments	\$10,000,000	\$0	\$0	\$2,500,000	\$7,500,000	\$10,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	\$10,000,000	\$0	\$0	\$4,211,922	\$5,788,078	\$10,000,000
Expenditures - (3970-620-0133)	Pilot Project Grants	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$5,000,000
Expenditures	Total Expenditures	\$1,191,057,000	\$268,103,784	\$282,347,030	\$271,586,554	\$369,019,632	\$1,191,057,000

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 BCRP.⁶

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.

1. Fiscal Year 2019-20 Projected Structural Surplus

As outlined in Table 3, CalRecycle projects a structural surplus of \$73.4 million for FY 2019-20. Previous projections for the same period projected a structural surplus of \$62.9 million; a \$10.5 million change from Q3. This change is primarily attributable to a projected \$12.8 million increase in CRV-in and a \$7 million increase in CRV-out. This equates to an approximately \$5.9 million increase in revenue from the previous projection.

2. Fiscal Year 2020-21 Projected Structural Deficit

For FY 2020-21, CalRecycle projects a swing from a structural surplus of \$73.4 million in FY 2019-20 to a structural deficit of \$28.5 million. This is primarily due to a projected \$21.8 million decrease in sales of beverage containers and a \$57.4 million increase in returns from FY 2019-20. The previous projection for the same period projected a structural deficit of \$126.4 million. The decreased deficit in this report is primarily attributable to a projected \$72 million increase in CRV-in and a \$29.1 million decrease in CRV-out from Q3.

3. Fiscal Year 2021-22 Projected Structural Surplus

CalRecycle projects that CRV-in will increase and CRV-out will decrease, while processing fee offsets will increase compared to FY 2020-21 projections, resulting in an \$11 million structural surplus for FY 2021-22. More information on processing fee offsets can be found in Section IV.

Table 3: BCRF 0133: Structural Deficit / Surplus

Category	Description	FY 2019/20	FY 2020/21	FY 2021/22
Revenue - 4120000	CRV-In	\$1,387,972,000	\$1,366,190,000	\$1,373,454,000
Expenditures - (3970-603-0133)	CRV-Out	-\$1,027,169,000	-\$1,084,536,000	-\$1,049,632,000
Expenditures - (3970-001-0133)	Program Administration	-\$59,325,000	-\$57,528,000	-\$57,420,000
Expenditures -(3970-606-0133)	Grants - Local	-\$8,475,000	-\$8,475,000	-\$8,475,000
Resources	Total Available for 14581 Programs	\$293,003,000	\$215,651,000	\$257,927,000
Expenditures -(3970-615-0133)	Proc Fee Offset - Glass	-\$61,831,000	-\$69,414,000	-\$70,452,000
Expenditures - (3970-616-0133)	Proc Fee Offset - Plastic	-\$61,673,000	-\$77,650,000	-\$79,254,000
Expenditures - (3970-601-0133)	Handling Fees	-\$39,088,000	-\$45,110,000	-\$45,192,000
Expenditures - (3970-604-0133)	Curbside Supplemental Payments	-\$15,000,000	-\$15,000,000	-\$15,000,000
Expenditures - (3970-605-0133)	Plastic Market Development Payments	-\$10,000,000	-\$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	-\$5,000,000	-\$5,000,000	-\$5,000,000
Expenditures - (3970-611-0133)	Quality Incentive Payment	-\$10,000,000	-\$10,000,000	-\$10,000,000
Expenditures - (3970-620-0133)	Pilot Project Grants	-\$5,000,000	\$0	\$0
Resources	Total 14581 Programs	-\$219,592,000	-\$244,174,000	-\$246,898,000
Resources	Total Structural Deficit / Surplus	\$73,411,000	-\$28,523,000	\$11,029,000

4. Cash Balance and Forecast

The cash balance is the primary factor for assessing the adequacy of resources in the Fund to make mandated payments and to support the administration of the BCRP. The cash balance forecast is used to determine if there are sufficient program funds to maintain BCRP and administrative operations.

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 \$13.9 million change to the Fund balance. Additionally, a 1 percent change in CRV-out would change the balance by approximately \$10.3 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.⁷ 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.⁸ Other expenditures and payments under PRC Section 14581 are paid according to specific schedules. Handling fee payments, for example, are paid monthly.⁹

Table 4: Cash Balance Summary (As of June 30, 2020)

Fiscal Year	Month	Amount
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 (Actual)	\$174,539,331
2018/19 4th Quarter	June (Actual)	\$215,362,601
2019/20 1st Quarter	Jul (Actual)	\$159,188,292
2019/20 1st Quarter	Aug (Actual)	\$142,850,863
2019/20 1st Quarter	Sept (Actual)	\$162,071,810
2019/20 2nd Quarter	Oct (Actual)	\$173,933,445
2019/20 2nd Quarter	Nov (Actual)	\$196,909,106
2019/20 2nd Quarter	Dec (Actual)	\$252,764,917
2019/20 3rd Quarter	Jan (Actual)	\$233,490,648
2019/20 3rd Quarter	Feb (Actual)	\$194,778,640
2019/20 3rd Quarter	Mar (Actual)	\$216,221,957
2019/20 4th Quarter	April (Actual)	\$210,001,252
2019/20 4th Quarter	May (Actual)	\$241,609,569
2019/20 4th Quarter	June (Actual)	\$300,621,042
2020/21 1st Quarter	July (Projected) ¹⁰	\$281,698,197
2020/21 1st Quarter	Aug (Projected)	\$226,475,645
2020/21 1st Quarter	Sept (Projected)	\$239,067,152
2020/21 2nd Quarter	Oct (Projected)	\$206,049,678
2020/21 2nd Quarter	Nov (Projected)	\$215,537,307
2020/21 2nd Quarter	Dec (Projected)	\$227,587,428
2020/21 3rd Quarter	Jan (Projected)	\$176,727,414
2020/21 3rd Quarter	Feb (Projected)	\$191,678,542
2020/21 3rd Quarter	Mar (Projected)	\$200,382,929
2020/21 4th Quarter	April (Projected)	\$182,637,029
2020/21 4th Quarter	May (Projected)	\$241,983,750
2020/21 4th Quarter	June (Projected)	\$256,482,923

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 2019-20 and FY 2020-21.¹¹ 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 2019-20 is 71.1 percent. This projection is a 0.2 percent decrease from the previous report.

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

Material Type	FY 2019-20	FY 2020-21
Aluminum	80.5%	85.6%
Glass	65.3%	66.8%
PET Plastic	72.6%	79.4%
HDPE Plastic	67.8%	59.2%
Overall	74.0%	79.4%

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

Material Type	FY 2019-20	FY 2020-21
Aluminum	77.4%	82.2%
Glass	62.7%	64.2%
PET Plastic	69.8%	76.3%
HDPE Plastic	65.1%	56.9%
Overall	71.1%	76.3%

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. Projected Sales, Returns, and Payments

Pursuant to PRC Sections 14556(a)(4) et seq., this section provides information for projected sales, handling fee payments, and processing payments for FY 2019-20 and FY 2020-21.

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 returned for recycling in the state. The container counts shown in Tables 6 and 7 will not align exactly with the recycling rates reported in Tables 5a and 5b, which are based on CRV-in and CRV-out.

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

Material Type	Size	FY 2019-20	FY 2020-21
Aluminum	< 24 oz.	8,792,384,366	8,660,470,786
Aluminum	≥ 24 oz.	666,170,213	667,277,303
Aluminum	All sizes	9,458,554,579	9,327,748,089
Glass	< 24 oz.	2,865,490,592	2,762,400,252
Glass	≥ 24 oz.	232,891,935	230,849,865
Glass	All sizes	3,098,382,527	2,993,250,118
PET Plastic	< 24 oz.	11,026,741,000	10,685,721,732
PET Plastic	≥ 24 oz.	1,568,019,934	1,641,175,760
PET Plastic	All sizes	12,594,760,934	12,326,897,492
HDPE Plastic	< 24 oz.	84,841,076	86,404,043
HDPE Plastic	≥ 24 oz.	103,832,203	102,437,176
HDPE Plastic	All sizes	188,673,279	188,841,219
Bimetal and Other Plastics	< 24 oz.	233,698,767	214,930,367
Bimetal and Other Plastics	≥ 24 oz.	18,595,534	23,241,429
Bimetal and Other Plastics	All sizes	252,294,301	238,171,796
All Material Types	< 24 oz.	23,003,155,801	22,409,927,181
All Material Types	≥ 24 oz.	2,589,509,818	2,664,981,532
Total, All Materials	All Sizes	25,592,665,620	25,074,908,714

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

Material Type	FY 2019-20	FY 2020-21
Aluminum	7,087,969,544	7,372,394,613
Glass	1,936,694,522	2,008,591,514
PET Plastic	8,775,442,134	9,390,638,334
HDPE Plastic	109,580,211	94,271,907
Bimetal and Other Plastics	39,001,308	42,831,010
Total	17,948,687,720	18,908,727,378

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 handling fees for FY 2019-20 are calculated based on a handling fee per container rate of \$0.00860 derived from the 2017 Handling Fee Cost Survey effective July 1, 2018, plus a cost of living adjustment.¹³ The handling fee per container rate for FY 2020-21 is \$0.00934 and is based on the 2019 Handling Fee Cost Survey effective July 1, 2020.

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

Handling Fees	FY 2019-20	FY 2020-21
Handling Fee Payments	\$39,087,809	\$45,110,117
Fee per Container	\$0.00860	\$0.00934
Estimated Number of Containers	4,545,094,098	4,829,776,932

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	Material Type	Processing Fees	Processing Fee Offsets	Processing Payments
FY 2019-20	Glass	\$10,151,173	\$61,830,879	\$73,987,603
FY 2019-20	PET Plastic	\$8,039,986	\$57,307,360	\$67,326,420
FY 2019-20	HDPE Plastic	\$848,521	\$4,365,424	\$5,213,945
FY 2019-20	All Other Plastics and Bimetal	\$6,058,025	\$0	\$996,015
FY 2019-20	Total	\$25,097,704	\$123,503,662	\$147,523,981
FY 2020-21	Glass	\$11,647,622	\$69,414,187	\$83,067,360
FY 2020-21	PET Plastic	\$10,513,828	\$71,898,368	\$84,391,270
FY 2020-21	HDPE Plastic	\$1,117,499	\$5,751,149	\$6,868,648
FY 2020-21	All Other Plastics and Bimetal	\$7,125,737	\$0	\$1,177,175
FY 2020-21	Total	\$30,404,687	\$147,063,704	\$175,504,453

Note: Processing fee and payment values reflect new cost of recycling measurements for calendar year (CY) 2020 and 2021 and a “reasonable financial return” (an element in the processing payment calculation) of 10 percent for all recyclers for CY 2020 and 2021.

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, processing fees for bimetal and Plastics #3–#7 are greater than processing payments due to low redemption volume. Overall, the following factors impact the processing fee offset:

- 1) 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;
- 2) Changes to the processing payments due to quarterly changes in scrap value; and
- 3) 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.

There have been no significant changes in the forecasting methodology since the Q1 FY 2019-2020 report. The forecasting methodology in the previous two Quarterly Reports (Q2 and Q3 for FY 2019-20) included assumptions for CRV-out for April 2020 through July 2020 based on preliminary data to model the fiscal impact of the COVID-19 pandemic and subsequent economic disruptions on the Fund. The projections in this report do not reflect those assumptions, which have mostly been superseded by actual data.

Appendix I. Updated Fund Condition Reports 2020-2021 Enacted Budget

This section contains the fund condition statements for the remaining four BCRP funds covering FYs 2018-19 through 2020-21. The values are based on the FY 2020-21 Enacted 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 account serves as a depository for glass processing fees paid by beverage manufacturers who package products in glass bottles. This account is the source for paying processing payments to certified recyclers for handling empty glass beverage containers.

Plastic Processing Fee Account, Fund 0278—This account 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 account is the source for paying processing payments to certified recyclers for handling empty plastic beverage containers.

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

Penalty Account, Fund 0276—This account serves as a depository for civil penalties and fines. The purpose of this account 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: Enacted Budget (July 1, 2020)—Glass Processing Fee Fund Condition Statement (Fund 0269)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$19,097,000	\$24,407,000	\$27,782,000
Resources	Prior Year Adjustment	\$322,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$19,419,000	\$24,407,000	\$27,782,000
Revenue - 4120000	Beverage Container Redemption Fees	\$8,935,000	\$8,642,000	\$8,642,000
Revenue - 4163000	Income from Surplus Money Investments	\$536,000	\$587,000	\$587,000
Revenue - 4171400	Escheat of Unclaimed Checks, Warrants, Bonds, and Coupon	-\$40,000	\$0	\$0
Revenue	Total Revenue	\$9,431,000	\$9,229,000	\$9,229,000
Transfers	From Beverage Container Fund (BCRF)	\$51,698,000	\$62,003,000	\$70,148,000
Transfers	From BCRF, 3-Year Reconciliation Payback	\$7,392,000	\$0	\$0
Transfers	Total Transfers	\$59,090,000	\$62,003,000	\$70,148,000
Revenues and Transfers	Totals, Revenues and Transfers	\$68,521,000	\$71,232,000	\$79,377,000
Resources	Total Resources	\$87,940,000	\$95,639,000	\$107,159,000
Expenditures - (3970-601-0269)	Processing Payments	\$63,533,000	\$67,862,000	\$65,985,000
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$0	-\$5,000	\$0
Expenditures	Total Expenditures	\$63,533,000	\$67,857,000	\$65,985,000
Resources	Ending Fund Balance	\$24,407,000	\$27,782,000	\$41,174,000

Table 10b: 2019-20 Q4 Forecasted Values—Glass Processing Fee Fund Condition Statement (Fund 0269)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$19,097,000	\$24,407,000	\$22,955,000
Resources	Prior Year Adjustment	\$322,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$19,419,000	\$24,407,000	\$22,955,000
Revenue - 4120000	Beverage Container Redemption Fees	\$8,935,000	\$10,151,000	\$11,648,000
Revenue - 4163000	Income from Surplus Money Investments	\$536,000	\$549,000	\$549,000
Revenue - 4172500	Escheat of Unclaimed Checks, Warrants, Bonds, and Coupon	-\$40,000	\$0	\$0
Revenue	Total Revenue	\$9,431,000	\$10,700,000	\$12,197,000
Transfers	From BCRF	\$51,698,000	\$61,831,000	\$69,414,000
Transfers	From BCRF, 3-Year Reconciliation Payback	\$7,392,000	\$0	\$0
Transfers	Total Transfers	\$59,090,000	\$61,831,000	\$69,414,000
Revenues and Transfers	Totals, Revenues and Transfers	\$68,521,000	\$72,531,000	\$81,611,000
Resources	Total Resources	\$87,940,000	\$96,938,000	\$104,566,000
Expenditures - (3970-601-0269)	Processing Payments	\$63,533,000	\$73,988,000	\$83,067,000
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$0	-\$5,000	\$0
Expenditures	Total Expenditures	\$63,533,000	\$73,983,000	\$83,067,000
Resources	Ending Fund Balance	\$24,407,000	\$22,955,000	\$21,499,000

Table 11a: Enacted Budget (July 1, 2020)—Plastic Processing Fee Fund Condition Statement (Fund 0278)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$18,377,000	\$25,070,000	\$39,392,000
Resources	Prior Year Adjustment	\$206,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$18,583,000	\$25,070,000	\$39,392,000
Revenue - 4120000	Beverage Container Redemption Fees	\$11,326,000	\$12,663,000	\$12,556,000
Revenue - 4163000	Income from Surplus Money Investments	\$408,000	\$544,000	\$544,000
Revenue	Total Revenue	\$11,734,000	\$13,207,000	\$13,100,000
Transfers	From BCRF	\$55,576,000	\$63,752,000	\$73,446,000
Transfers	From BCRF, 3-Year Reconciliation Payback	\$3,256,000	\$0	\$0
Transfers	Total Transfers	\$58,832,000	\$63,752,000	\$73,446,000
Revenues and Transfers	Totals, Revenues and Transfers	\$70,566,000	\$76,959,000	\$86,546,000
Resources	Total Resources	\$89,149,000	\$102,029,000	\$125,938,000
Expenditures - (3970-601-0278)	Processing Payments	\$64,079,000	\$62,640,000	\$61,649,000
Expenditures	Assessment for Financial Information System for California (Fi\$Cal)	\$0	-\$3,000	\$0
Expenditures	Total Expenditures	\$64,079,000	\$62,637,000	\$61,649,000
Resources	Ending Fund Balance	\$25,070,000	\$39,392,000	\$64,289,000

Table 11b: 2019-20 Q4 Forecasted Values—Plastic Processing Fee Fund Condition Statement (Fund 0278)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$18,377,000	\$25,070,000	\$27,389,000
Resources	Prior Year Adjustment	\$206,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$18,583,000	\$25,070,000	\$27,389,000
Revenue - 4120000	Beverage Container Redemption Fees	\$11,326,000	\$13,339,000	\$16,857,000
Revenue - 4163000	Income from Surplus Money Investments	\$408,000	\$516,000	\$516,000
Revenue	Total Revenue	\$11,734,000	\$13,855,000	\$17,373,000
Transfers	From BCRF	\$55,576,000	\$61,673,000	\$77,650,000
Transfers	From BCRF, 3-Year Reconciliation Payback	\$3,256,000	\$0	\$0
Transfers	Total Transfers	\$58,832,000	\$61,673,000	\$77,650,000
Revenues and Transfers	Totals, Revenues, and Transfers	\$70,566,000	\$75,528,000	\$95,023,000
Resources	Total Resources	\$89,149,000	\$100,598,000	\$122,412,000
Expenditures - (3970-601-0278)	Processing Payments	\$64,079,000	\$73,212,000	\$92,054,000
Expenditures	Assessment for Fi\$Cal	\$0	-\$3,000	\$0
Expenditures	Total Expenditures	\$64,079,000	\$73,209,000	\$92,054,000
Resources	Ending Fund Balance	\$25,070,000	\$27,389,000	\$30,358,000

Table 12a: Enacted Budget (July 1, 2020)—Bimetal Processing Fee Fund Condition Statement (Fund 0277)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$22,184,000	\$24,055,000	\$25,672,000
Resources	Prior Year Adjustment	\$106,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$22,290,000	\$24,055,000	\$25,672,000
Revenue - 4120000	Beverage Container Redemption Fees	\$1,542,000	\$1,387,000	\$1,387,000
Revenue - 4163000	Income from Surplus Money Investments	\$484,000	\$483,000	\$483,000
Revenue	Total Revenue	\$2,026,000	\$1,870,000	\$1,870,000
Revenues and Transfers	Totals, Revenues, and Transfers	\$2,026,000	\$1,870,000	\$1,870,000
Resources	Total Resources	\$24,316,000	\$25,925,000	\$27,542,000
Expenditures - (3970-601-0277)	Processing Payments	\$261,000	\$253,000	\$255,000
Expenditures	Total Expenditures	\$261,000	\$253,000	\$255,000
Resources	Ending Fund Balance	\$24,055,000	\$25,672,000	\$27,287,000

Table 12b: 2019-20 Q4 Forecasted Values—Bimetal Processing Fee Fund Condition Statement (Fund 0277)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$22,184,000	\$24,055,000	\$25,822,000
Resources	Prior Year Adjustment	\$106,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$22,290,000	\$24,055,000	\$25,822,000
Revenue - 4120000	Beverage Container Redemption Fees	\$1,542,000	\$1,608,000	\$1,900,000
Revenue - 4163000	Income from Surplus Money Investments	\$484,000	\$483,000	\$483,000
Revenue	Total Revenue	\$2,026,000	\$2,091,000	\$2,383,000
Revenues and Transfers	Totals, Revenues and Transfers	\$2,026,000	\$2,091,000	\$2,383,000
Resources	Total Resources	\$24,316,000	\$26,146,000	\$28,205,000
Expenditures - (3970-601-0277)	Processing Payments	\$261,000	\$324,000	\$383,000
Expenditures	Total Expenditures	\$261,000	\$324,000	\$383,000
Resources	Ending Fund Balance	\$24,055,000	\$25,822,000	\$27,822,000

Table 13a: Enacted Budget (July 1, 2020)—Penalty Account Fund Condition Statement (Fund 0276)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$5,605,000	\$6,541,000	\$1,802,000
Resources	Prior Year Adjustment	\$194,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$5,799,000	\$6,541,000	\$1,802,000
Revenue - 4163000	Income from Surplus Money Investments	\$123,000	\$106,000	\$106,000
Revenue - 4173000	Penalty Assessments	\$647,000	\$170,000	\$170,000
Revenue	Total Revenue	\$770,000	\$276,000	\$276,000
Revenues and Transfers	Totals, Revenues and Transfers	\$770,000	\$276,000	\$276,000
Resources	Total Resources	\$6,569,000	\$6,817,000	\$2,078,000
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$22,000	\$0	\$0
Expenditures	Assessment for Supplemental Pension Payments	\$6,000	\$15,000	\$15,000
Expenditures - (3970-001-0276)	State Operations	\$0	\$0	\$0
Expenditures - (3970-601-0276-2019)	Temporary Assistance	\$0	\$5,000,000	\$0
Expenditures	Total Expenditures	\$28,000	\$5,015,000	\$15,000
Resources	Ending Fund Balance	\$6,541,000	\$1,802,000	\$2,063,000

Table 13b: 2019-20 Q4 Forecasted Values—Penalty Account Fund Condition Statement (Fund 0276)

Category	Description	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
Resources	Beginning Fund Balance	\$5,605,000	\$6,541,000	\$1,802,000
Resources	Prior Year Adjustment	\$194,000	Not Applicable	Not Applicable
Resources	Adjusted Beginning Fund Balance	\$5,799,000	\$6,541,000	\$1,802,000
Revenue - 4163000	Income from Surplus Money Investments	\$123,000	\$106,000	\$106,000
Revenue - 4173000	Penalty Assessments	\$647,000	\$170,000	\$170,000
Revenue	Total Revenue	\$770,000	\$276,000	\$276,000
Revenues and Transfers	Totals, Revenues, and Transfers	\$770,000	\$276,000	\$276,000
Resources	Total Resources	\$6,569,000	\$6,817,000	\$2,078,000
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$22,000	\$0	\$0
Expenditures	Assessment for Supplemental Pension Payments	\$6,000	\$15,000	\$15,000
Expenditures - (3970-001-0276)	State Operations	\$0	\$0	\$0
Expenditures - (3970-601-0276-2019)	Temporary Assistance	\$0	\$5,000,000	\$0
Expenditures	Total Expenditures	\$28,000	\$5,015,000	\$15,000
Resources	Ending Fund Balance	\$6,541,000	\$1,802,000	\$2,063,000

Appendix II. Public Resources Code (PRC) References

California Beverage Container Recycling Fund: PRC Section 14581(a)

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

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

Handling Fees: PRC Section 14581(a)(1)

CRV-Out: PRC Section 14580

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

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

Grants - Local Conservation Corps (CCCs): PRC Section 14581.1

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

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

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

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

Pilot Project Grants: PRC Section 14581(a)(9)(A)

Temporary Assistance: Item 3970-101-0276 of Section 2.00 of the Budget Act of 2019
(Chapters 23 and 55, Statutes of 2019)

Appendix III. Endnotes

¹ Quarterly Report Third Quarter:

<https://www2.calrecycle.ca.gov/Publications/>

² 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:

<https://www.calrecycle.ca.gov/BevContainer/Notices/#Rates>

³ The updated fund condition statement may differ from the 2020-21 Governor's Budget Fund condition statement. See Appendix I for an explanation of differences between The Governor's Budget and BCRF Quarterly Reports.

⁴ The prior year adjustment amounts for Fiscal Years 2019-20 and 2020-21 have yet to be calculated.

⁵ Fiscal year 2019-20 budget information reflects the latest available projections pending final completion of the year-end financial reports.

⁶ PRC Section 14581(c)

⁷ PRC Section 14574(a)(2)

⁸ PRC Section 14573 requires CalRecycle to pay the processor upon presentation of a completed processor invoice accompanied by a shipping report from the supplier of the material.

⁹ 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 Handling Fee changes and reports can be found on CalRecycle's website:

<https://www.calrecycle.ca.gov/BevContainer/Notices/#HandlingFees>

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 CalRecycle's website:

<https://www.calrecycle.ca.gov/BevContainer/Notices/#Processing>.