

**Quarterly Report on the Status of the  
Beverage Container Recycling Fund  
(FY 2015-16 – 1<sup>st</sup> and 2<sup>nd</sup> Quarters)**



California Department of Resources Recycling and Recovery

**June 28, 2016**

STATE OF CALIFORNIA

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# Executive Summary

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

This edition reports on Quarter 1 and Quarter 2 for Fiscal Year 2015–16 and reflects:

- Actual and projected program expenditures and payments, including transfers
- Actual and projected revenues
- An assessment of the fund's structural deficit
- A fund adequacy determination necessary to support program expenditures, and
- A projection of when program expenditures would face reductions because of insufficient financial resources.

This report also provides projections for sales, recycling volumes (returns), processing payments, processing fees, and processing fee offsets, by material type, and handling fees. Finally, the report provides an explanation of significant changes between the current projections and those presented in the Q4 FY 2014–2015 quarterly report (January 2016).

In brief, this Quarterly Report projects the structural deficit, over the course of 2016–17, at \$82.9 million. This is an \$8.2 million increase in the deficit for the same period reflected in the January 2016 Quarterly Report. Based on this structural deficit, and considering the current cash balance, the Department estimates that in early Fiscal Year 2017–18, there will be insufficient funds to fully support program payments and maintain a minimal reserve for operations. Should this occur, the Department will be compelled to enter into proportional reductions to best manage remaining financial resources. The Department will notify program participants and the Legislature well in advance.

The Department continues to analyze how best to temper the reductions over a period of time, consistent with available funding, to mitigate sudden and severe reductions in program payments.

The structural deficit's continued increase reflects the fund's volatility and the impact from minor revenue or expenditure changes. While recent programmatic changes such as increased processor oversight, and industry matters such as recycling center closures, may result in reduced expenditures, absent policy changes to eliminate the structural deficit and secure the fund's financial future, proportional reductions remain the program's only remedy to address funding shortfalls.

Given the current challenges facing the recycling industry, in particular low commodity prices, proportional reductions could have serious and negative short-term and long-term effects on the program. CalRecycle is committed to exploring efforts and opportunities to support a stable recycling infrastructure in California.

CalRecycle is examining the appropriateness of basing the proportional reduction determination solely on a statutorily defined prudent reserve. The Quarterly Report's authorizing statute requires the Department to determine "if adequate funds exist" to pay disbursements. Historically, the Department has used a statutorily defined "prudent reserve" (i.e., Public Resources Code section 14580(a)(2)) as the threshold for "adequate funds." The "prudent reserve" is \$59 million. However, the Department's ongoing analysis suggests this threshold may not be an operationally appropriate reserve, given historic revenue and expenditure volatility. In other words, cash flow issues may arise before the projected cash balance falls to \$59 million. For purposes of this report, and until such time we can fully analyze and define a more appropriate level of adequate funds, we will continue to define an appropriate reserve as \$59 million.

### **Format Changes**

This edition includes several formatting changes compared with prior reports, and it eliminates several charts and data tables. As the program begins to approach proportional reductions, our focus and resource demands are concentrated on presenting clear and fundamental data, consistent with the Quarterly Report's authorizing statute, without compromising information necessary to inform stakeholders. Many of the program data points and informational tables previously published in quarterly reports will be available separately via the CalRecycle website.

A notable change is that CalRecycle has revised the fund condition methodology to reflect projected fund balances consistent with the Governor's Budget method of preparing this statement. The report also eliminates the consolidated fund condition statement, a comprehensive display of the program fund and subaccounts. Instead, we focus on the Beverage Container Recycling Fund (Fund 0133). Starting with the Quarter 3 Fiscal Year 2014–15 report (September 2015), CalRecycle adopted the consolidated fund condition statement to reflect what is required in statute and to be responsive to stakeholder requests for more data. The Quarter 4 Fiscal Year 2014–15 report (January 2016) also included a consolidated fund condition methodology.

While the data in those reports were correct, consolidated fund condition statements led readers to draw incorrect bottom-line conclusions regarding balances available for program expenditures.

For example, Processing Fee subaccount balances cannot fund program expenditures other than processing payments. Processing fee revenues, paid by beverage manufacturers, go directly into the Processing Fee subaccounts, with transfers from Fund 0133 providing the balance of processing payment funding. Once transferred, Fund 0133 moneys within the subaccounts cannot be transferred back.

In summary, the consolidated Fund Condition statement unintentionally attributed the transfers into the Processing Fee Accounts as available Fund 0133 revenue.

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

## I. Fund Condition Statement

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Pursuant to Public Resources Code (PRC) section 14556(a)(1), this section provides an updated fund condition statement<sup>1</sup> including revenues, transfers, and expenditures into and out of the Beverage Container Recycling Fund (the Fund or Fund 0133). The Fund is the Program's primary financial account because it is the depository of California Redemption Value (CRV). As a result, the primary revenues and expenditures from the Fund is CRV paid into the program and CRV refunds paid out to consumers for redeeming their beverage containers.

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

Table shows the fund condition statements for the Fund for FY 2014–2015 and projections for current FY 2015–2016 and for FY 2016–17. For more information and fund condition statements for the processing fee accounts and penalty account, see Appendix I.

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<sup>1</sup> The updated fund condition statement may differ from the Governor's Budget fund condition statement. See Appendix I for an explanation of differences between Governor's Budget and quarterly reports.

Table 1: Beverage Container Recycling Fund 0133 – Fund Condition Statement FY 2014–2015 and FY 2015–2016 and Projections for FY 2016–2017 (Dollars in Thousands)

	2016-17 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2014/15*	FY 2015/16	FY 2016/17
<b>BEGINNING BALANCE</b>	\$219,354,000	\$296,562,000	\$246,264,000	\$219,354,000	\$298,034,000	\$217,007,547
Prior Year Adjustments	\$25,121,000			\$25,113,000		
<b>Balance, Adjusted</b>	<b>\$244,475,000</b>	<b>\$296,562,000</b>	<b>\$246,264,000</b>	<b>\$244,467,000</b>	<b>\$298,034,000</b>	<b>\$217,007,547</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$1,247,968,000	\$1,247,968,000	\$1,247,968,000	\$1,247,968,000	\$1,255,322,000	\$1,255,322,000
150500 Interest income from GF Loans	\$12,472,000	\$0	\$0	\$12,472,000	\$0	\$0
150300 Income from surplus money investments	\$224,000	\$224,000	\$224,000	\$224,000	\$321,000	\$321,000
161000 Escheat of unclaimed checks & warrants	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
161400 Miscellaneous Revenue	\$4,000	\$4,000	\$4,000	\$4,000	\$1,335,307	\$1,335,307
161300 Settlements/Judgements	\$87,000	\$0	\$0	\$87,000	\$10,240	\$10,240
164300 Penalty Assessment	\$289,000	\$289,000	\$289,000	\$289,000	\$289,000	\$289,000
<b>Total Revenues</b>	<b>\$1,261,061,000</b>	<b>\$1,248,502,000</b>	<b>\$1,248,502,000</b>	<b>\$1,261,061,000</b>	<b>\$1,257,294,547</b>	<b>\$1,257,294,547</b>
Transfers From Other Funds:						
FD0001 General Fund Loan Repayment per item 3480-011-0001, BA 2003	\$72,277,000	\$0	\$0	\$72,277,000		
FD0269 Operating Transfer from 0269 to 0133				\$1,601,000		
FD0001 General Fund Loan Repayment per item 3480-001-0011, BA 2009	\$10,000,000	\$0	\$0	\$10,000,000		
General Fund Loan Repayment from DDC						
<b>Total Transfers From</b>	<b>\$82,277,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$83,878,000</b>	<b>\$0</b>	<b>\$0</b>
Transfers to Other Funds:						
TD0269 To Glass Processing Fee Account, CBCRF per F PRC 14581(a)	-\$54,700,000	-\$55,293,000	-\$55,293,000	-\$56,809,000	-\$54,950,000	-\$54,950,000
TD0278 To PET Processing Fee Account, CBCRF per PF PRC 14581(a)	-\$4,345,000	-\$20,154,000	-\$25,064,000	-\$4,345,000	-\$33,946,000	-\$33,946,000
<b>Total Transfers To</b>	<b>-\$59,045,000</b>	<b>-\$75,447,000</b>	<b>-\$80,357,000</b>	<b>-\$61,154,000</b>	<b>-\$88,896,000</b>	<b>-\$88,896,000</b>
<b>Totals, Revenues and Transfers</b>	<b>\$1,283,693,000</b>	<b>\$1,173,055,000</b>	<b>\$1,168,145,000</b>	<b>\$1,283,185,000</b>	<b>\$1,168,398,547</b>	<b>\$1,168,398,547</b>
<b>Total Resources</b>	<b>\$1,528,168,000</b>	<b>\$1,469,617,000</b>	<b>\$1,414,409,000</b>	<b>\$1,527,652,000</b>	<b>\$1,466,432,547</b>	<b>\$1,385,406,094</b>
<b>EXPENDITURES</b>						
Disbursements:						
8880 Financial Information System for CA (FI#Cal)	\$41,000	\$84,000	\$62,000	\$41,000	\$84,000	\$62,000
3970 CalRecycle						
State Operations	\$43,247,000	\$49,653,000	\$50,763,000	\$41,259,000	\$49,653,000	\$50,763,000
Base (3970-001-0133)				\$41,259,000	\$49,653,000	\$50,763,000
<b>Local Assistance</b>	<b>\$1,188,318,000</b>	<b>\$1,173,616,000</b>	<b>\$1,168,959,000</b>	<b>\$1,188,318,000</b>	<b>\$1,199,688,000</b>	<b>\$1,195,031,000</b>
Base (3970-601-0133) Handling Fees PRC 14581(a)(1)				\$45,631,000	\$52,529,000	\$52,529,000
Base (3970-602-0133) Penalty Account PRC 14581(a)				\$0	\$0	\$0
Base (3970-603-0133) CRV Out PRC 14580				\$1,088,933,000	\$1,091,245,000	\$1,091,245,000
Base (3970-604-0133) Curbside PRC 14581(a)(2)				\$15,000,000	\$15,000,000	\$15,000,000
Base (3970-605-0133) Plastic Mkt Developmen PRC 14581(a)(10)				\$5,000,000	\$10,000,000	\$5,000,000
Base (3970-606-0133) Grants - Local CCCs PRC 14581(a)(3)(A)				\$13,526,000	\$6,414,000	\$6,757,000
Base (3970-608-0133) Payments to Cities and C PRC 14581(a)(4)				\$10,500,000	\$10,500,000	\$10,500,000
Base (3970-609-0133) Grants - other PRC 14581(a)(5)				\$1,348,000	\$1,500,000	\$1,500,000
Base (3970-610-0133) Public Education PRC 14581(a)(7)				\$0	\$2,500,000	\$2,500,000
Base (3970-611-0133) Quality Incentive Paymer PRC 14581(a)(8)				\$8,380,000	\$10,000,000	\$10,000,000
<b>Total Expenditures</b>	<b>\$1,231,606,000</b>	<b>\$1,223,353,000</b>	<b>\$1,219,784,000</b>	<b>\$1,229,618,000</b>	<b>\$1,249,425,000</b>	<b>\$1,245,856,000</b>
<b>FUND BALANCE</b>	<b>\$296,562,000</b>	<b>\$246,264,000</b>	<b>\$194,625,000</b>	<b>\$298,034,000</b>	<b>\$217,007,547</b>	<b>\$139,550,094</b>

values in red font, identify those values that are different than those displayed in the 2016-17 Governor's Budget  
 \*Although unusual, there were adjustments submitted to control agencies as the result of a final reconciliation with the State Controller's final reports that resulted in adjustments. These adjustments are reflected in 14/15 above.

More detailed information regarding the status of this particular quarter is broken out below:

Table 2: FY 2015–16 Fund Condition Breakout by Quarter

Fiscal Year 2015-2016	Q1 (July-Sept) (Actual)	Q2 (Oct-Dec) (Actual*)	Q3 (Jan-March) (Projected)	Q4 (Apr-June) (Projected)	TOTAL FY 15-16 (Projected)
CRV IN	\$151,716,119	\$307,147,046	\$302,169,015	\$494,289,820	\$1,255,322,000
Income from Surplus	\$0	\$169,469	\$68,743	\$82,788	\$321,000
Unclaimed checks	\$6,628	\$0	\$4,531	\$5,841	\$17,000
Penalty Assessment	\$21,477	\$30,945	\$8,528	\$228,050	\$289,000
Miscellaneous Revenue	234,046	\$381,191	\$462,272	\$257,798	\$1,335,307
Settlements/Judgements	\$7,200	\$0	\$3,040	\$0	\$10,240
<b>TOTAL REVENUES</b>	<b>\$151,985,470</b>	<b>\$307,728,651</b>	<b>\$302,716,129</b>	<b>\$494,864,297</b>	<b>\$1,257,294,547</b>
Transfer to Glass	\$(19,826,145)	\$(19,826,145)	\$0	\$(15,297,710)	\$(54,950,000)
Transfer to PET	\$0	\$0	\$0	\$(33,946,000)	\$(33,946,000)
<b>Total Transfer and Revenue</b>	<b>\$132,159,325</b>	<b>\$287,902,506</b>	<b>\$302,716,129</b>	<b>\$445,620,587</b>	<b>\$1,168,398,547</b>
CRV OUT	\$252,608,882	\$277,129,237	\$230,943,344	\$330,563,537	\$1,091,245,000
Handling Fees	\$4,869,904	\$13,991,745	\$11,520,622	\$22,146,729	\$52,529,000
Curbside	\$0	\$0	\$0	\$15,000,000	\$15,000,000
Plastic Market Development	\$0	\$0	\$2,499,599	\$7,500,401	\$10,000,000
LCC Grants	\$4,670,300	\$415,401	\$(960,257)	\$2,288,556	\$6,414,000
Cities and Counties	\$0	\$0	\$0	\$10,500,000	\$10,500,000
Other Grants	\$1,354,047	\$0	\$0	\$145,953	\$1,500,000
Public Education	\$0	\$0	\$0	\$2,500,000	\$2,500,000
QIP	\$0	\$0	\$0	\$10,000,000	\$10,000,000
State Operations	\$12,314,760	\$12,492,342	\$9,885,063	\$14,960,835	\$49,653,000
Fi\$Cal	\$0	\$0	\$84,000	\$0	\$84,000
<b>TOTAL COSTS</b>	<b>\$275,817,893</b>	<b>\$304,028,725</b>	<b>\$253,972,371</b>	<b>\$415,606,011</b>	<b>\$1,249,425,000</b>

### **Structural Deficit**

Program operations are traditionally funded by unclaimed CRV. As the recycling rate increases, there is less funding available to cover planned expenditures to make all of the budgeted payments prescribed in the Act, including, CRV-out, administration of the program, Local Conservation Corp grants, and finally, PRC 14581 payments and transfers. The amount by which program expenditures exceed program revenues is the structural deficit.

Calculation of the structural deficit is a formulaic approach. It is detailed below, based on the current budget plan.

Table 3: Structural Deficit

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Base (Source 125100) CRV-In	\$1,247,968,000	\$1,255,322,000	\$1,255,322,000	\$1,255,322,000
Base (3970-603-0133) CRV-Out	-\$1,088,933,000	-\$1,091,245,000	-\$1,091,245,000	-\$1,091,245,000
Base (3970-001-0133) Program Administration	-\$41,999,000	-\$49,653,000	-\$50,763,000	-\$50,763,000
Base (3970-606-0133) Grants - Local CCCs	-\$13,526,000	-\$6,414,000	-\$6,757,000	-\$7,100,000
<b>Subtotal</b>	<b>\$103,510,000</b>	<b>\$108,010,000</b>	<b>\$106,557,000</b>	<b>\$106,214,000</b>
<b><u>14581 Programs</u></b>				
Base (3970-615-0133) Proc Fee Offset - Glass	-\$56,809,000	-\$54,950,000	-\$54,950,000	-\$54,950,000
Base (3970-616-0133) Proc Fee Offset - PET	-\$4,945,000	-\$33,946,000	-\$33,946,000	-\$33,946,000
Base (3970-601-0133) Handling Fees	-\$45,631,000	-\$52,529,000	-\$52,529,000	-\$52,529,000
Base (3970-604-0133) Curbside	-\$15,000,000	-\$15,000,000	-\$15,000,000	-\$15,000,000
Base (3970-605-0133) Plastic Mkt Development	-\$5,000,000	-\$10,000,000	-\$5,000,000	\$0
Base (3970-608-0133) Payments to Cities and Counties	-\$10,500,000	-\$10,500,000	-\$10,500,000	-\$10,500,000
Base (3970-609-0133) Grants - NPO	-\$1,348,000	-\$1,500,000	-\$1,500,000	-\$1,500,000
Base (3970-610-0133) Public Education	\$0	-\$2,500,000	-\$2,500,000	-\$2,500,000
Base (3970-611-0133) Quality Incentive Payment	-\$8,380,000	-\$10,000,000	-\$10,000,000	-\$10,000,000
<b>Total 14581 Programs</b>	<b>-\$147,613,000</b>	<b>-\$190,925,000</b>	<b>-\$185,925,000</b>	<b>-\$180,925,000</b>
<b>Total Structural Deficit</b>	<b>-\$44,103,000</b>	<b>-\$82,915,000</b>	<b>-\$79,368,000</b>	<b>-\$74,711,000</b>

## II. Adequate Funds Determination

In accordance with PRC section 14556(c), this section helps determine whether there are sufficient funds to make all program payments. If CalRecycle determines there are insufficient funds, the Department shall proportionally reduce<sup>2</sup> specified program expenditures to ensure the program is able to provide consumers their California Redemption Value refunds and to continue to operate the program.

Given that the program is currently experiencing a structural deficit, it is critical to evaluate the timing of actual revenue and disbursements to determine at what point cash flow will be insufficient to maintain uninterrupted programmatic and administrative operations. A careful analysis of cash flow and cash balances ultimately indicate at what point the Department will need to invoke measures to ensure cash solvency.

The cash forecast is used for cash flow management and revenue and expenditures tracking. The cash flow forecast is used to estimate the date when the cash balance will be

<sup>2</sup> PRC section 14581(c).

below the required minimum reserve. Proportional reduction measures would need to be implemented with enough time so the schedule of payments can be adjusted accordingly.

Currently, CalRecycle is projecting that there will be insufficient funds to make program payments sometime in early FY 2017–18. This is consistent with the previous FY 14–15 Q4 Report, which anticipated the Fund experiencing insufficient funds at some point in FY 17–18.

As of December 31, 2015, the cash balance of Fund 0133 is estimated to be \$157,875,300.

Table 4: Cash Balance Summary (As of December 31, 2015)

	Q1 (July – Sept) (As of Sept 30 2015)	Q2 (Oct – Dec) (As of Dec 31 2015)	Q3 (Jan – Mar) (Projected for Mar 30 2016)	Q4 (Apr – June) (Projected for June 30 2016)
<b>Cash Balance</b>	\$194,356,687	\$157,875,300	\$157,047,575	\$150,034,513

The Fund is required to advance funds due to the different timing of receipts and payments for any given month. Receipts into the fund made by distributors shall be made not later than the last day of the month following the sale of the beverage container.<sup>3</sup> Payments out of the fund for refunds, administration fee and processing payments are paid typically within the month of the transaction or, on average, two weeks after the end of the month.<sup>4</sup> Other expenditures and payments under Section 14581 are paid according to a specific schedule. Handling fee payments are paid on a monthly basis after reviewing the claims filed with the Department no later than the first day of the second month following the month for which the handling fee is claimed as a condition of receiving any handling fee.<sup>5</sup>

### III. Recycling Rates

In accordance with PRC section 14556(a)(2), this section provides information regarding the recycling rate inferred from revenues.<sup>6</sup> The projected recycling rate for all beverage container material types combined for FY 2015–2016, is 83.5 percent.

<sup>3</sup> Section 14574(a)(2) of California Public Resources Code.

<sup>4</sup> Section 14573(a) requires the Department to pay the processor upon presentation of a completed processor invoice accompanied by a shipping report from the supplier of the material.

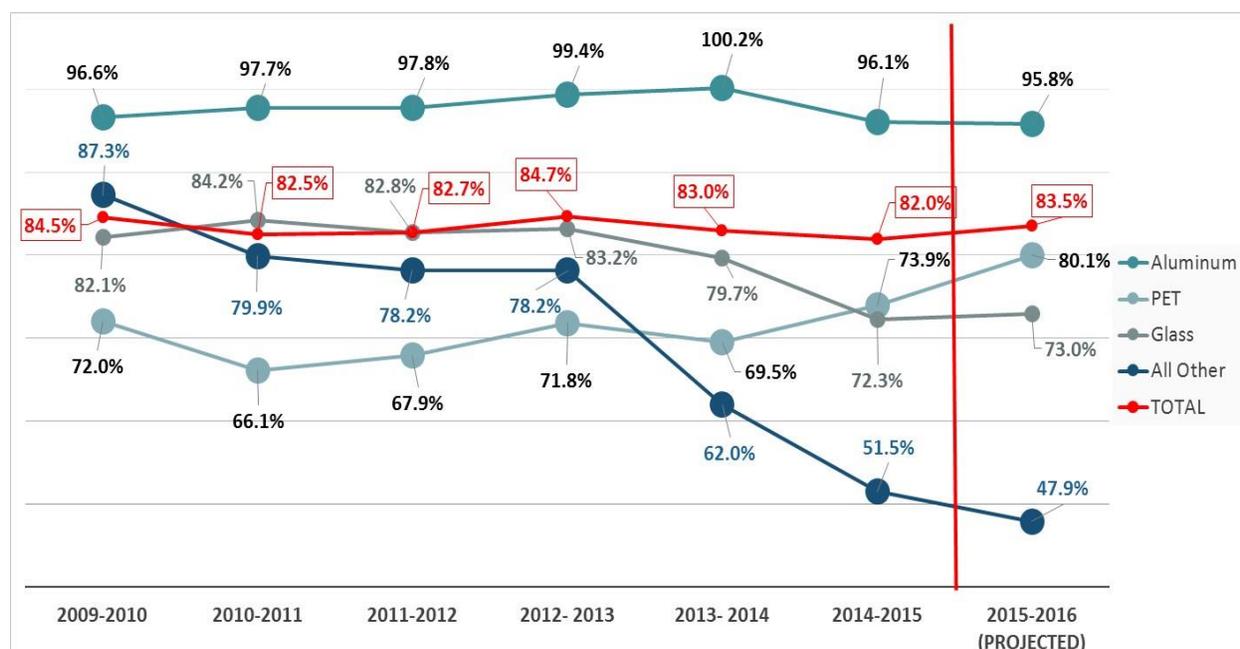
<sup>5</sup> Section 14585(a)(1) of California Public Resources Code.

<sup>6</sup> Statute requires the quarterly report to include a recycling rate inferred from revenues. This rate is calculated differently than the rate in CalRecycle’s Biannual Report of Beverage Container Sales, Returns, Redemption, and Recycling Rates (Biannual Report), which is issued twice a year based on a formula dictated in PRC 14551.

The projections show a slight decrease in the total recycling rate from 83.7 percent estimated in the FY 2014–15 Q4 Report to the current projected rate of 83.5 percent.

Projections related to the recycling rate displayed here, and container sales and returns shown below are based on data reported to CalRecycle in the Division of Recycling Integrated Information System (DORIIS). The data reported in DORIIS contains records of the most recent transactions processed by CalRecycle. While these projections will eventually translate into financial actuals reflected in the fund condition statement, DORIIS data is the most up-to-date source of information available for forecasting purposes.

Table 5: Historical Recycling Rate Trends, Inferred Using Revenues, and FY 2015–2016 Projections



The projected rate of growth for CRV revenues between FY 2015–16 and FY 2014–15 is approximately 1.1 percent. Quarterly projections for FY 2015–16 are estimated by material type based on sales data from the previous five fiscal years. Projections include adjustments for seasonality on a monthly basis. In estimating the rates of growth for projections, other factors such as population growth, demographics, economic activity, temperature, and precipitation are also taken into consideration. This rate of growth varies by material type and by quarter.

## IV. Projections and Estimates

Pursuant to PRC 14556(a)(4) *et seq.*, this section provides information for projected sales and returns, handling fee payments, and processing payments for FY 2015–16.

## Actual and Projected Sales and Returns by Material Type

Similar to the recycling rate displayed above, projected sales and returns rely on specific records reported in DORIIS. These records reflect the most recently available data for forecasting purposes.

Sold container counts are derived from reports received by CalRecycle directly from beverage distributors, whereas recycled container counts are derived from the redemption weight, from shipping reports, multiplied by the current container per pound rate, which is regularly adjusted to reflect changes in beverage containers. While the number of containers sold on data that correlates with the amount of CRV-in, the nature of recycling (e.g., breakage) requires container returns to be calculated based on weight and the container per pound rate. Container per pound rates are adjusted regularly to reflect market changes (e.g., light-weighting of plastic bottles).

As such, the calculated number of returns will not align perfectly with the recycling rate noted above, which is inferred solely on CRV-in and CRV-out as reported in DORIIS.

### Aluminum Containers

Table 6: Aluminum Containers Sold and Returned

Aluminum	Q1 (Jul-Sept) (Actual)	Q2 (Oct-Dec) (Projected)	Q3 (Jan-Mar) (Projected)	Q4 (Apr-Jun) (Projected)	FY 2015-2016 (Projected)	Previous Projection (FY 14-15 Q4 Report)
<b>Units Sold</b>	<b>2,180,943,592</b>	<b>1,950,991,249</b>	<b>1,800,844,117</b>	<b>2,146,744,484</b>	<b>8,079,523,442</b>	<b>8,150,586,575</b>
Under 24 oz.	2,008,501,057	1,809,474,562	1,665,380,185	1,975,612,890	7,458,968,694	7,542,184,067
Over 24 oz.	172,442,535	141,516,687	135,463,931	171,131,595	620,554,748	608,402,508
<b>Units Returned</b>	<b>2,083,908,911</b>	<b>1,878,485,580</b>	<b>1,760,227,375</b>	<b>1,919,442,209</b>	<b>7,642,064,075</b>	<b>7,816,681,487</b>
Units Not Returned	97,034,681	72,505,669	40,616,741	227,302,275	437,459,366	333,905,088
Return Rate	95.55%	96.28%	97.74%	89.41%	94.59%	95.90%

### PET Containers

Table 7: PET Containers Sold and Returned

PET (Plastic #1)	Q1 (Jul-Sept) (Actual)	Q2 (Oct-Dec) (Projected)	Q3 (Jan-Mar) (Projected)	Q4 (Apr-Jun) (Projected)	FY 2015-2016 (Projected)	Previous Projection (FY 14-15 Q4 Report)
<b>Units Sold</b>	<b>3,110,627,358</b>	<b>2,488,258,218</b>	<b>2,501,000,540</b>	<b>2,851,057,502</b>	<b>10,950,943,618</b>	<b>10,858,509,177</b>
Under 24 oz.	2,674,886,441	2,106,222,979	2,141,463,464	2,451,586,412	9,374,159,297	9,278,884,656
Over 24 oz.	435,740,917	382,035,239	359,537,076	399,471,090	1,576,784,322	1,579,624,521

<b>Units Returned</b>	<b>2,449,475,247</b>	<b>2,075,874,046</b>	<b>2,018,941,909</b>	<b>2,308,252,659</b>	<b>8,852,543,861</b>	<b>8,678,301,448</b>
<i>Units Not Returned</i>	<i>661,152,111</i>	<i>412,384,172</i>	<i>482,058,631</i>	<i>542,804,843</i>	<i>2,098,399,757</i>	<i>2,180,207,729</i>
<i>Return Rate</i>	<i>78.75%</i>	<i>83.43%</i>	<i>80.73%</i>	<i>80.96%</i>	<i>80.84%</i>	<i>79.92%</i>

## **Glass Containers**

Table 8: Glass Containers Sold and Returned

<b>Glass</b>	<b>Q1 (Jul-Sept) (Actual)</b>	<b>Q2 (Oct-Dec) (Projected)</b>	<b>Q3 (Jan-Mar) (Projected)</b>	<b>Q4 (Apr-Jun) (Projected)</b>	<b>FY 2015-2016 (Projected)</b>	<b>Previous Projection (FY 14-15 Q4 Report)</b>
<b>Units Sold</b>	<b>877,032,606</b>	<b>802,397,900</b>	<b>690,649,421</b>	<b>942,859,940</b>	<b>3,312,939,866</b>	<b>3,308,837,892</b>
<i>Under 24 oz.</i>	<i>821,884,709</i>	<i>734,340,827</i>	<i>638,711,477</i>	<i>883,927,660</i>	<i>3,078,864,672</i>	<i>3,067,476,825</i>
<i>Over 24 oz.</i>	<i>55,147,897</i>	<i>68,057,073</i>	<i>51,937,944</i>	<i>58,932,280</i>	<i>234,075,194</i>	<i>241,361,068</i>
<b>Units Returned</b>	<b>648,702,388</b>	<b>562,353,461</b>	<b>556,639,729</b>	<b>600,931,816</b>	<b>2,368,627,392</b>	<b>2,381,251,784</b>
<i>Units Not Returned</i>	<i>228,330,218</i>	<i>240,044,439</i>	<i>134,009,692</i>	<i>341,928,124</i>	<i>944,312,474</i>	<i>927,586,108</i>
<i>Return Rate</i>	<i>73.97%</i>	<i>70.08%</i>	<i>80.60%</i>	<i>63.74%</i>	<i>71.50%</i>	<i>71.97%</i>

### **A. Projected Handling Fee Payments**

This section includes handling fee payments, the per beverage container handling fee amount, and the number of beverage containers projected to be eligible for a handling fee payment for Q1 and Q2 FY 2015–16 and projections for Q3 and Q4 FY 2015–2016 for handling fee payments.

Table 9: Handling Fee Payments and Containers Eligible by Quarter FY 2015–2016

	<b>Q1 (July-Sept) (Actual)</b>	<b>Q2 (Oct-Dec) (Actual)</b>	<b>Q3 (Jan-March) (Projected)</b>	<b>Q4 (Apr-June) (Projected)</b>	<b>Current Projection Total FY 2015-2016</b>	<b>Previous Projection (FY 14-15 Q4 Report)</b>
<b>Handling Fees</b>	\$14,536,357	\$12,475,086	\$12,147,351	\$13,370,741	\$52,529,535	\$52,510,512
Per Beverage Container Handling Fee Amount	\$0.01046	\$0.01046	\$0.01046	\$0.01046	\$0.01046	\$0.01046
Containers Eligible for Handling Fee Payment	1,389,709,109	1,192,646,859	1,161,314,611	1,278,273,524	5,021,944,103	5,020,125,430

The total annual amount of handling fees authorized is not fixed: The amount fluctuates annually based upon the per-container rate and the number of containers recycled.

The projected handling fees for FY 2015–2016 are calculated based on a handling fee per-container rate of \$0.01046 derived from the latest cost survey.<sup>7</sup>

Handling fee projections are based on the previous year ratio of handling fees to returns of beverage containers and increased by the projected rate of growth by material type combined with the 1 percent rate of growth of the handling fee per container. The result is a projected rate of growth of 3.4 percent for handling fees for FY 2015–2016. Projections for FY 2016–2017 and 2017–2018 are assumed to remain at the same level as FY 2015–2016 until better information to refine the projections is available. CalRecycle is planning to publish the updated *Handling Fee Cost Survey Report* and the new per beverage container handling fee amount on July 1, 2016.

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<sup>7</sup> The Handling Fee Cost Survey Final Report can be found on the CalRecycle website at <http://www.calrecycle.ca.gov/BevContainer/Notices/#HandlingFees>.

## B. Projected Processing Payments

This section includes all processing payments<sup>8</sup> by type and beverage container material type since the last reporting period and projections for processing fee offsets, processing fees, and processing payments by beverage container material type for the current fiscal year.

Table 10: Processing Fees, Processing Payments and Processing Offsets by Material Type by Quarter of FY 2015–2016.

PET (Plastic #1)	Q1 (July-Sep) Actual	Q2 (Oct-Dec) Projected	Q3 (Jan-Mar) Projected	Q4 (Apr-Jun) Projected	FY 2015-2016 (Projection)	Previous Projection (FY 14-15 Q4 Report)
Processing Fees	\$500,096	\$765,880	\$863,885	\$834,135	\$2,963,996	\$3,200,171
Processing Payments	\$8,563,607	\$9,280,056	\$8,227,477	\$11,121,794	\$37,192,934	\$32,001,708
Processing Fee Offsets	(\$8,063,511)	(\$8,514,176)	(\$7,363,592)	(\$10,287,660)	(\$34,228,939)	(\$28,801,537)
<b>Glass</b>						
Processing Fees	\$1,683,885	\$1,757,333	\$1,489,672	\$1,748,061	\$6,678,951	\$6,378,660
Processing Payments	\$16,321,219	\$14,519,386	\$14,896,718	\$15,891,465	\$61,628,787	\$60,956,219
Processing Fee Offsets	(\$14,637,334)	(\$12,762,053)	(\$13,407,046)	(\$14,143,404)	(\$54,949,836)	(\$54,577,559)
<b>All Other Material</b>						
Processing Fees	\$1,234,161	\$1,226,376	\$983,970	\$1,051,681	\$4,496,187	\$4,547,284
Processing Payments	\$1,034,740	\$1,089,608	\$1,069,532	\$1,143,131	\$4,337,012	\$4,557,919
Processing Fee Offsets	\$199,421	\$136,768	(\$85,563)	(\$91,451)	\$159,176	(\$10,634)
<b>Total</b>						
Processing Fees	\$3,418,142	\$3,749,589	\$3,337,526	\$3,633,877	\$14,139,134	\$14,126,115
Processing Payments	\$25,919,566	\$24,889,050	\$24,193,727	\$28,156,390	\$103,158,733	\$97,515,845
Processing Fee Offsets	(\$22,501,424)	(\$21,139,461)	(\$20,856,200)	(\$24,522,514)	(\$89,019,599)	(\$83,389,729)

Projections for processing fees, processing payments, and processing fee offsets for the Q4 are based on processing payment rates effective April 1, 2016.

Total processing payments are projected to increase by 15 percent between FY 2014–2015 and FY 2015–2016. Processing payments for PET are projected to increase by 53 percent between FY 2015–2016 and FY 2014–2015. Applying the April 1, 2016, rates to

<sup>8</sup> Processing Payments are adjusted based on the average scrap value for each beverage container material type. Processing Payment information is available at: <http://www.calrecycle.ca.gov/BevContainer/Notices/#Processing>

FY 2016–2017, it is projected that the total processing payment amount will increase by an additional 8 percent, to \$111 million.

### C. Other Fund Expenditures

Table 11: Projected “Other Fund Expenditures”

Other Fund Expenditures	Q1 FY 2015- 2016 (Actual)	Q2 FY 2015- 2016 (Actual)	Q3 FY 2015- 2016 (Projected)	Q4 FY 2015- 2016 (Projected)	FY 2015-2016 (Budget)
<b>Fixed Cost -14581 Program</b>	<b>\$6,024,347</b>	<b>\$415,401</b>	<b>\$1,500,277</b>	<b>\$47,973,975</b>	<b>\$55,914,000</b>
<i>Beverage Container Recycling Grants</i>	\$1,354,047	\$0	\$0	\$145,953	\$1,500,000
<i>City/County Payments</i>	\$0	\$0	\$0	\$10,500,000	\$10,500,000
<i>Curbside Supplemental Payments</i>	\$0	\$0	\$0	\$15,000,000	\$15,000,000
<i>Local Conservation Corps Grants</i>	\$4,670,300	\$415,401	\$(960,257)	\$2,288,556	\$6,414,000
<i>Plastic Market Development</i>	\$0	\$0	\$2,499,599	\$7,500,401	\$10,000,000
<i>Public Information and Education</i>	\$0	\$0	\$0	\$2,500,000	\$2,500,000
<i>Quality Incentive Payment</i>	\$0	\$0	\$0	\$10,000,000	\$10,000,000
<b>Fixed Cost -Administration</b>	<b>\$12,226,227</b>	<b>\$12,516,010</b>	<b>\$9,922,770</b>	<b>\$15,031,993</b>	<b>\$49,737,000</b>
<i>Fiscal</i>	\$0	\$0	\$84,000	\$0	\$84,000
<i>Program Administration</i>	\$12,266,227	\$12,516,010	\$9,838,770	\$15,031,993	\$49,653,000
<i>State Controller Expenses</i>	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$18,290,574</b>	<b>\$12,931,411</b>	<b>\$11,423,047</b>	<b>\$63,005,968</b>	<b>\$105,651,000</b>

Projections are based on current appropriations and sunset dates specified in PRC sections 14581 and 14581.1. Additionally, expenditures for Local Conservation Corps grants from the Fund were reduced by \$7.5 million in FY 2014–2015 and \$15 million beginning in FY 2015–2016 pursuant to SB 861 (Chapter 35, Statutes of 2014). The total CalRecycle funding for Local Conservation Corps grants generally remains unchanged, as the remainder of support will come from other CalRecycle funds.

## V. Significant Changes

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Pursuant to PRC 14556 (a) and (c), this section explains 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.

### **Change in Methodology**

Some stakeholder concerns have been brought to our attention due to the different factors involved in preparing the Quarterly Report and Governor's Budget. CalRecycle has incorporated these concerns into this report, and will be presenting data from a financial standpoint per the financial book of record and the Governor's Budget. Additionally, this report focuses on the Fund 0133, as it is the resources in this fund alone that constitutes what is available for expenditure on all the items subject to proportional reduction.

Financial data for the most recent quarterly reports was derived from container counts reported in DORIIS and did not correlate exactly to the financial reports contained in CalRecycle's financial book of record due to timing differences, rate changes, and the variability in containers per ton. The financial elements displayed in this report, as well as projections on the future sustainability of the program, are based on the financial reports and final statements. However, as noted above, projections related to the recycling rate, container sales, and container returns continue to rely on DORIIS records, which are more frequently updated.

To summarize:

- Financial data is no longer derived or extrapolated from container counts. It is based on actuals as reported in official financial reports.
- Fund 0133 is the focus of this report and is no longer combined with other funds that do not support 14581 payments.
- Proportional reduction is based on the availability of adequate cash in the fund to support operations.
- The structural deficit is now a set number based on the annual governor's budget as updated with most recent data.

# Appendix I. Updated Fund Condition Report 2016–2017 Governor’s Budget

This section contains Governor’s Budget fund condition statements for all five program funds based on current projections and the fund balance at the end of FY 2014–2015. Each fund condition statement shows one column per fiscal year. Amounts for FY 2015–2016 and FY 2016–2017 are projections.

The fund condition statements presented here are also available in Excel format at <http://www.calrecycle.ca.gov/BevContainer/RecycleFund/2015/AprCondition.xls> on the CalRecycle website.

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

**Beverage Container Recycling Fund, Fund 0133** – This fund serves as a depository for redemption payments by beverage distributors. The fund is the source for paying California Refund Value for recycling empty beverage containers and funding programs that (1) develop and maintain an infrastructure for beverage container recycling, and (2) promote markets for recycled beverage container material.

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

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

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

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

Table 22: Beverage Container Recycling Fund Condition Statement (Fund 0133)

CA BEVERAGE CONTAINER RECYCLING FUND (0133)						
FUND CONDITION REPORT						
	2016-17 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2014/15*	FY 2015/16	FY 2016/17
<b>BEGINNING BALANCE</b>	\$219,354,000	\$296,562,000	\$246,264,000	\$219,354,000	\$298,034,000	\$217,007,547
Prior Year Adjustments	\$25,121,000			\$25,113,000		
<b>Balance, Adjusted</b>	<b>\$244,475,000</b>	<b>\$296,562,000</b>	<b>\$246,264,000</b>	<b>\$244,467,000</b>	<b>\$298,034,000</b>	<b>\$217,007,547</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	\$1,247,968,000	\$1,247,968,000	\$1,247,968,000	\$1,247,968,000	\$1,255,322,000	\$1,255,322,000
150500 Interest Income from GF Loans	\$12,472,000	\$0	\$0	\$12,472,000	\$0	\$0
150300 Income from surplus money investments	\$224,000	\$224,000	\$224,000	\$224,000	\$321,000	\$321,000
161000 Escheat of unclaimed checks & warrants	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
161400 Miscellaneous Revenue	\$4,000	\$4,000	\$4,000	\$4,000	\$1,335,307	\$1,335,307
161300 Settlements/Judgements	\$87,000	\$0	\$0	\$87,000	\$10,240	\$10,240
164300 Penalty Assessment	\$289,000	\$289,000	\$289,000	\$289,000	\$289,000	\$289,000
<b>Total Revenues</b>	<b>\$1,261,061,000</b>	<b>\$1,248,502,000</b>	<b>\$1,248,502,000</b>	<b>\$1,261,061,000</b>	<b>\$1,257,294,547</b>	<b>\$1,257,294,547</b>
Transfers From Other Funds:						
FO0001 General Fund Loan Repayment per Item 3480-011-0001, BA 2003	\$72,277,000	\$0	\$0	\$72,277,000	\$0	\$0
FO0269 Operating Transfer from 0269 to 0133	\$10,000,000	\$0	\$0	\$1,601,000	\$0	\$0
FO0001 General Fund Loan Repayment per Item 3480-001-0011, BA 2009	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0
General Fund Loan Repayment from DOC						
<b>Total Transfers From</b>	<b>\$82,277,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$83,878,000</b>	<b>\$0</b>	<b>\$0</b>
Transfers to Other Funds:						
TO0269 To Glass Processing Fee Account, CBCRF per PR PRC 14581 (a)	-\$54,700,000	-\$55,293,000	-\$55,293,000	-\$56,809,000	-\$54,950,000	-\$54,950,000
TO0278 To PET Processing Fee Account, CBCRF per PRC PRC 14581 (a)	-\$4,945,000	-\$20,154,000	-\$25,064,000	-\$4,945,000	-\$33,946,000	-\$33,946,000
<b>Total Transfers To</b>	<b>-\$59,645,000</b>	<b>-\$75,447,000</b>	<b>-\$80,357,000</b>	<b>-\$61,754,000</b>	<b>-\$88,896,000</b>	<b>-\$88,896,000</b>
<b>Totals, Revenues and Transfers</b>	<b>\$1,283,693,000</b>	<b>\$1,173,055,000</b>	<b>\$1,168,145,000</b>	<b>\$1,283,185,000</b>	<b>\$1,168,398,547</b>	<b>\$1,168,398,547</b>
<b>Total Resources</b>	<b>\$1,528,168,000</b>	<b>\$1,469,617,000</b>	<b>\$1,414,409,000</b>	<b>\$1,527,652,000</b>	<b>\$1,466,432,547</b>	<b>\$1,385,406,094</b>
<b>EXPENDITURES</b>						
Disbursements:						
8880 Financial Information System for CA (FISCa)	\$41,000	\$84,000	\$62,000	\$41,000	\$84,000	\$62,000
3970 CalRecycle						
State Operations	\$43,247,000	\$49,653,000	\$50,763,000	\$41,259,000	\$49,653,000	\$50,763,000
Base (3970-001-0133)				\$41,259,000	\$49,653,000	\$50,763,000
Local Assistance	\$1,188,318,000	\$1,173,616,000	\$1,168,959,000	\$1,188,318,000	\$1,199,688,000	\$1,195,031,000
Base (3970-601-0133) Handling Fees PRC 14581 (a)(1)				\$45,631,000	\$52,529,000	\$52,529,000
Base (3970-602-0133) Penalty Account PRC 14581 (a)				\$0	\$0	\$0
Base (3970-603-0133) CRV Out PRC 14580				\$1,088,933,000	\$1,091,245,000	\$1,091,245,000
Base (3970-604-0133) Curbside PRC 14581 (a)(2)				\$15,000,000	\$15,000,000	\$15,000,000
Base (3970-605-0133) Plastic Mkt Development PRC 14581 (a)(10)				\$5,000,000	\$10,000,000	\$6,000,000
Base (3970-606-0133) Grants - Local CCCs PRC 14581 (a)(3)(A)				\$13,526,000	\$6,414,000	\$6,757,000
Base (3970-608-0133) Payments to Cities and Cou PRC 14581 (a)(4)				\$10,500,000	\$10,500,000	\$10,500,000
Base (3970-609-0133) Grants - other PRC 14581 (a)(5)				\$1,348,000	\$1,500,000	\$1,500,000
Base (3970-610-0133) Public Education PRC 14581 (a)(7)				\$0	\$2,500,000	\$2,500,000
Base (3970-611-0133) Quality Incentive Payment PRC 14581 (a)(8)				\$8,380,000	\$10,000,000	\$10,000,000
<b>Total Expenditures</b>	<b>\$1,231,606,000</b>	<b>\$1,223,353,000</b>	<b>\$1,219,784,000</b>	<b>\$1,229,618,000</b>	<b>\$1,249,425,000</b>	<b>\$1,245,856,000</b>
<b>FUND BALANCE</b>	<b>\$296,562,000</b>	<b>\$246,264,000</b>	<b>\$194,625,000</b>	<b>\$298,034,000</b>	<b>\$217,007,547</b>	<b>\$139,550,094</b>

values in red font, identify those values that are different than those displayed in the 2016-17 Governor's Budget  
 \*Although unusual, there were adjustments submitted to control agencies as the result of a final reconciliation with the State Controller's final reports that resulted in adjustments. These adjustments are reflected in 14/15 above.

Table 33: Glass Processing Fee Fund Condition Statement (Fund 0269)

GLASS PROCESSING FEE ACCOUNT, CBCRF (0269) FUND CONDITION REPORT						
	2016-17 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2014/15	FY 2015/16	FY 2016/17
<b>BEGINNING BALANCE</b>	8,139,000	10,231,000	8,265,000	8,139,000	10,231,000	10,265,000
Prior Year Adjustment	1,035,000			1,035,000		
<b>Balance, Adjusted</b>	<b>9,174,000</b>	<b>10,231,000</b>	<b>8,265,000</b>	<b>9,174,000</b>	<b>10,231,000</b>	<b>10,265,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	6,660,000	5,935,000	7,464,000	6,660,000	6,679,000	6,679,000
150300 Income from Surplus Money Investments	34,000	34,000	33,000	34,000	34,000	33,000
150500 Interest Income from Inter-fund loans						
161000 Escheat of Unclaimed Checks, Warrants, Bonds and Coupon						
<b>Total Revenues</b>	<b>6,694,000</b>	<b>5,969,000</b>	<b>7,497,000</b>	<b>6,694,000</b>	<b>6,713,000</b>	<b>6,712,000</b>
Transfers:						
FO0133 From CA Beverage Container Fund per PRC Sec. 14580	54,700,000	55,293,000	55,293,000	54,700,000	54,950,000	54,950,000
FO001 GF Loan Repayment (\$39M in FY 13/14)						
<b>Total Transfers From</b>	<b>54,700,000</b>	<b>55,293,000</b>	<b>55,293,000</b>	<b>54,700,000</b>	<b>54,950,000</b>	<b>54,950,000</b>
<b>Total Revenues and Transfers</b>	<b>61,394,000</b>	<b>61,262,000</b>	<b>62,790,000</b>	<b>61,394,000</b>	<b>61,663,000</b>	<b>61,662,000</b>
<b>Total Resources</b>	<b>70,568,000</b>	<b>71,493,000</b>	<b>71,055,000</b>	<b>70,568,000</b>	<b>71,894,000</b>	<b>71,927,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
8880 Financial Information System for CA (FISCal)	44,000			44,000		
3970 CalRecycle - Local Assistance						
Local Assistance (Ref 601)	60,293,000	63,228,000	63,228,000	60,293,000	61,629,000	61,629,000
<b>Total Expenditures</b>	<b>60,337,000</b>	<b>63,228,000</b>	<b>63,228,000</b>	<b>60,337,000</b>	<b>61,629,000</b>	<b>61,629,000</b>
<b>FUND BALANCE</b>	<b>10,231,000</b>	<b>8,265,000</b>	<b>7,827,000</b>	<b>10,231,000</b>	<b>10,265,000</b>	<b>10,298,000</b>

values in red font, identify those values that are different than those displayed in the 2016-17 Governor's Budget

Table 44: Plastic Processing Fee Fund Condition Statement (Fund 0278)

PET PROCESSING FEE ACCOUNT, CBCRF (0278) FUND CONDITION REPORT						
	2016-17 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2014/15	FY 2015/16	FY 2016/17
<b>BEGINNING BALANCE</b>	24,841,000	2,211,000	5,250,000	24,841,000	2,259,000	1,323,000
Prior Year Adjustment	80,000			128,000		
<b>Balance, Adjusted</b>	<b>24,921,000</b>	<b>2,211,000</b>	<b>5,250,000</b>	<b>24,969,000</b>	<b>2,259,000</b>	<b>1,323,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	4,660,000	7,095,000	7,095,000	4,660,000	6,344,000	6,344,000
150300 Income from Surplus Money Investments	31,000	21,000	15,000	31,000	21,000	15,000
<b>Total Revenues</b>	<b>4,691,000</b>	<b>7,116,000</b>	<b>7,110,000</b>	<b>4,691,000</b>	<b>6,365,000</b>	<b>6,359,000</b>
Transfers:						
FO0133 From CA Beverage Container Fund per PRC Sec. 14580	4,945,000	20,154,000	25,064,000	4,945,000	33,946,000	33,946,000
<b>Total Transfers From</b>	<b>4,945,000</b>	<b>20,154,000</b>	<b>25,064,000</b>	<b>4,945,000</b>	<b>33,946,000</b>	<b>33,946,000</b>
<b>Total Revenues and Transfers</b>	<b>9,636,000</b>	<b>27,270,000</b>	<b>32,174,000</b>	<b>9,636,000</b>	<b>40,311,000</b>	<b>40,305,000</b>
<b>Total Resources</b>	<b>34,557,000</b>	<b>29,481,000</b>	<b>37,424,000</b>	<b>34,605,000</b>	<b>42,570,000</b>	<b>41,628,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
3970 CalRecycle - Local Assistance	32,346,000	24,231,000	24,231,000	32,346,000	41,247,000	41,247,000
<b>Total Expenditures</b>	<b>32,346,000</b>	<b>24,231,000</b>	<b>24,231,000</b>	<b>32,346,000</b>	<b>41,247,000</b>	<b>41,247,000</b>
<b>FUND BALANCE</b>	<b>2,211,000</b>	<b>5,250,000</b>	<b>13,193,000</b>	<b>2,259,000</b>	<b>1,323,000</b>	<b>381,000</b>

values in red font, identify those values that are different than those displayed in the 2016-17 Governor's Budget

Table 55: Bimetal Processing Fee Fund Condition Statement (Fund 0277)

<b>BIMETAL PROCESSING FEE ACCOUNT, CBCRF (0277)</b>						
<b>FUND CONDITION REPORT</b>						
	2016-17 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2014/15	FY 2015/16	FY 2016/17
<b>BEGINNING BALANCE</b>	16,301,000	17,487,000	18,380,000	16,301,000	17,487,000	18,380,000
Prior Year Adjustment	153,000			153,000		
<b>Balance, Adjusted</b>	<b>16,454,000</b>	<b>17,487,000</b>	<b>18,380,000</b>	<b>16,454,000</b>	<b>17,487,000</b>	<b>18,380,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125100 Beverage Container Redemption Fees	1,490,000	1,116,000	1,116,000	1,490,000	1,116,000	1,116,000
150300 Income from Surplus Money Investments	43,000	60,000	60,000	43,000	60,000	60,000
<b>Total Revenues</b>	<b>1,533,000</b>	<b>1,176,000</b>	<b>1,176,000</b>	<b>1,533,000</b>	<b>1,176,000</b>	<b>1,176,000</b>
<b>Total Revenues and Transfers</b>	<b>1,533,000</b>	<b>1,176,000</b>	<b>1,176,000</b>	<b>1,533,000</b>	<b>1,176,000</b>	<b>1,176,000</b>
<b>Total Resources</b>	<b>17,987,000</b>	<b>18,663,000</b>	<b>19,556,000</b>	<b>17,987,000</b>	<b>18,663,000</b>	<b>19,556,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
3970 CalRecycle - Local Assistance	500,000	283,000	283,000	500,000	283,000	283,000
<b>Total Expenditures</b>	<b>500,000</b>	<b>283,000</b>	<b>283,000</b>	<b>500,000</b>	<b>283,000</b>	<b>283,000</b>
<b>FUND BALANCE</b>	<b>17,487,000</b>	<b>18,380,000</b>	<b>19,273,000</b>	<b>17,487,000</b>	<b>18,380,000</b>	<b>19,273,000</b>

values in red font, identify those values that are different than those displayed in the 2016-17 Governor's Budget

Table 16: Penalty Account Fund Condition Statement (Fund 0276)

<b>PENALTY ACCOUNT, CBCRF (0276)</b>						
<b>FUND CONDITION REPORT</b>						
	2016-17 GOVERNOR'S BUDGET			UPDATED - FORECASTED VALUES		
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2014/15	FY 2015/16	FY 2016/17
<b>BEGINNING BALANCE</b>	24,613,000	5,732,000	4,195,000	24,613,000	5,732,000	4,195,000
Prior Year Adjustment	(18,765,000)			(18,765,000)		
<b>Balance, Adjusted</b>	<b>5,848,000</b>	<b>5,732,000</b>	<b>4,195,000</b>	<b>5,848,000</b>	<b>5,732,000</b>	<b>4,195,000</b>
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
150300 Income from Surplus Money Investments	14,000	18,000	18,000	14,000	18,000	18,000
164300 Penalty Assessments	479,000	212,000	212,000	479,000	212,000	212,000
<b>Total Revenues</b>	<b>493,000</b>	<b>230,000</b>	<b>230,000</b>	<b>493,000</b>	<b>230,000</b>	<b>230,000</b>
<b>Total Revenues and Transfers</b>	<b>493,000</b>	<b>230,000</b>	<b>230,000</b>	<b>493,000</b>	<b>230,000</b>	<b>230,000</b>
<b>Total Resources</b>	<b>6,341,000</b>	<b>5,962,000</b>	<b>4,425,000</b>	<b>6,341,000</b>	<b>5,962,000</b>	<b>4,425,000</b>
<b>EXPENDITURES</b>						
Disbursements:						
8880 Financial Information System for CA (FI\$Cal)			3,000			3,000
3970 CalRecycle - State Operations	609,000	1,767,000	802,000	609,000	1,767,000	802,000
<b>Total Expenditures</b>	<b>609,000</b>	<b>1,767,000</b>	<b>805,000</b>	<b>609,000</b>	<b>1,767,000</b>	<b>805,000</b>
<b>FUND BALANCE</b>	<b>5,732,000</b>	<b>4,195,000</b>	<b>3,620,000</b>	<b>5,732,000</b>	<b>4,195,000</b>	<b>3,620,000</b>

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