

# Implementation of AB 7(8X)

Plans and Progress

April 21, 2010



# Revenue Changes: Accelerated Distributor Payments

## CRV Report & Payment Due Date Change

- Report & Payment due the last day of the second month following the month of sale
- Effective February 2010 reporting month
- First accelerated payment due: April 30, 2010
- Reminder: January 2010 report & payment also due April 30, 2010
- Expires June 30, 2012
- Web link for Reporting and Payment Calendar:  
<http://www.calrecycle.ca.gov/BevContainer/BevDistMan/Resources/RptPayCal.pdf>

# Revenue Changes: Processing Fees

## Beverage Manufacturers: Processing Fee Payment Change

- New PF rates for Glass, Plastic #1, #2 and #4
- Effective January 2010 reporting month and going forward
- Credits were given for payments made prior to and after AB 7 (8X) enactment
- Web link for current and historical PF rates:

<http://www.calrecycle.ca.gov/BevContainer/BevDistMan/Resources/RateHistory.pdf>

# Revenue Changes: Monthly Participant Statement Showing Processing Fee Credit

Mr. Accounting Manager  
ABC Example Co  
123 Recycling Road  
Sacramento, CA 95814

BM9999

Principal Due:	\$0.00	Balance Due:	-\$38,501.03
Interest Due:	\$0.00	Remit By:	10-MAY-10
Reports Due:	0		

Tran Number	Description	Reporting Period	Due	Date	Date	Received	Principal Due	Interest Due	Summary Balance
0000D80348	Check Receipt				09-APR-10		-\$38,501.03		-\$38,501.03
								Balance	<u>-\$38,501.03</u>

\*\*\*\*\*End of Transactions\*\*\*\*\*



# Expenditure Changes: Overview

- AB 7 (8X) requires CalRecycle to retroactively pay in full any payments proportionally reduced during the period of January 1, 2010 through June 30, 2010
- In general, appropriations will be reduced to 55% of the original, appropriated amount for FY 09/10

# Expenditure Changes: Overview

- Expenditure changes to the following payments:
  - Processing Payment to Recyclers
  - Handling Fee Payment
  - Curbside Supplemental Payment
  - Recycling Incentive Payment
  - Quality Incentive Payment
  - Plastic Market Development Payment
  - City/County Payment
  - Local Conservation Corps Grants

# Expenditure Changes: Processing Payments

## Retroactive Processing Payment (Retro PP)

- CalRecycle will calculate Retro PP for all eligible materials delivered to a processor from January 1 – March 10, 2010
- Retro PP will be made directly to eligible certified recyclers who shipped materials to a processor

# Expenditure Changes: Processing Payments

- Eligible certified recyclers will receive cover letter and report for corresponding Retro PP in advance of payment
- Report will provide breakdown by shipping report & material type
- Certified processors will receive summary report for Retro PP made to certified recyclers that shipped materials to PR

# Expenditure Changes: Processing Payments

Shipper ID	OrganizationName	Receiver ID	FacilityName	Material Type	Total Redemption Weight	Retroactive Payment	RPA Date
CS9999	Curbside Operator	PR0999	Processor Operator	1 PETE	786.8	\$ 5.10	06-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	1 PETE	730.3	\$ 4.73	08-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	1 PETE	857.0	\$ 5.55	19-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	1 PETE	841.8	\$ 5.45	27-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	1 PETE	839.2	\$ 5.44	08-Feb-10
CS9999	Curbside Operator	PR0999	Processor Operator	1 PETE	851.3	\$ 5.52	17-Feb-10
			<b>TOTAL</b>	<b>1 PETE</b>	<b>4,906.4</b>	<b>\$ 31.79</b>	
CS9999	Curbside Operator	PR0999	Processor Operator	2 HDPE	160.8	\$ 9.88	12-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	2 HDPE	162.4	\$ 9.97	15-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	2 HDPE	161.7	\$ 9.93	27-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	2 HDPE	158.0	\$ 9.70	30-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	2 HDPE	335.9	\$ 20.63	17-Feb-10
			<b>TOTAL</b>	<b>2 HDPE</b>	<b>978.8</b>	<b>\$ 60.12</b>	
CS9999	Curbside Operator	PR0999	Processor Operator	GLASS	1,476.8	\$ 9.87	02-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	GLASS	533.3	\$ 3.56	04-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	GLASS	2,002.2	\$ 13.37	05-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	GLASS	1,053.7	\$ 7.04	06-Jan-10
CS9999	Curbside Operator	PR0999	Processor Operator	GLASS	1,460.5	\$ 9.76	07-Jan-10
			<b>TOTAL</b>	<b>GLASS</b>	<b>6,526.5</b>	<b>\$ 43.60</b>	
			<b>TOTAL PAYMENT</b>			<b>\$ 135.51</b>	

# Expenditure Changes: Processing Payments

PROCESSING PAYMENT RETROACTIVE PAYMENT – 1<sup>ST</sup> RUN DATE OF 04/14/10

Number of DR-6s: 51,612

Number of Payees: 1,969

Number of PRs: 142

Breakout of Retroactive Payments and Participant Types:

Program Type	Count	PET \$	HDPE \$	GLA \$	GLASS \$	GLF \$	GLG \$	Total \$
CP	76	\$8,535.99	\$16,533.77	\$703.67	\$32,067.99	\$1,935.83	\$4,278.83	<b>\$64,056.08</b>
CS	276	\$19,953.71	\$56,383.99	\$974.09	\$174,212.49	\$2,321.82	\$2,274.62	<b>\$256,120.71</b>
RC	1,585	\$298,924.54	\$424,025.18	\$53,144.75	\$960,531.90	\$63,274.36	\$32,026.36	<b>\$1,831,927.08</b>
SP	32	\$784.67	\$477.91	\$149.52	\$2,868.49	\$127.68	\$182.72	<b>\$4,591.00</b>
<b>Total</b>	<b>1,969</b>	<b>\$328,198.91</b>	<b>\$497,420.85</b>	<b>\$54,972.03</b>	<b>\$1,169,680.87</b>	<b>\$67,659.69</b>	<b>\$38,762.53</b>	<b>\$2,156,694.87</b>

# Expenditure Changes: Processing Payments

- Retro PP will be made in two installments
- 1<sup>st</sup> Installment targeted to be processed by end of April 2010. 2<sup>nd</sup> installment by July 2010
- DORIIS updated effective March 11, 2010. Current processing payment rate applied to all processing payment eligible materials delivered on and after March 11, 2010

# Expenditure Changes: Handling Fees

- No Handling Fees (HF) will be paid for November and December 2009 reporting months
- HFs for January – June 2010 reporting months will be paid in full at the current per container rate (\$.00980)
- Target date for payment of January 2010 HFs is 1<sup>st</sup> week in May 2010

# Expenditure Changes: Handling Fees

- Estimate total HFs payments for January – June 2010 to be \$25,656,745
- Expect Handling Fee per container rate to change effective for the July 2010 reporting month

# Expenditure Changes: Curbside Supplemental Payments

- Payment for Calendar Year 2009 is appropriated in Fiscal Year (FY) 2009/10. Therefore, payment is subject to proportionate reduction
- Amount available for CY 2009 is \$8.25 million  
(Statutory \$15 million x 55% = \$8.25 million)
- CY 2009 Supplemental Payments will be made in December 2010.

# Expenditure Changes: Recycler Incentive Payments

- Payment for July 2009 through December 2009 period is appropriated in Fiscal Year (FY) 2009/10. Therefore, payment is subject to proportionate reduction
- Amount available for July – December 2009 is \$750K (Statutory \$5 million x 15% = \$750K)
- Recycler Incentive Payment will be made before June 30, 2010
- Statutory provision for Recycler Incentive Payment sunsets on December 31, 2009

# Expenditure Changes: Quality Incentive Payments

- Up to \$10 million may be expended annually
- QIP paid for empty color sorted glass beverage containers only
- Only California Refund Value (CRV) glass beverage containers collected by curbside and drop off or collection programs are eligible for QIP
- July-December 2009 period will be paid at the proportionally reduced amount totaling \$749,250

# Expenditure Changes:

## Plastic Market Development Payments

- Up to \$10 million may be expended annually, with payments distributed on a quarterly basis
- Claim forms are due 45 days from the end of each quarter
- Third quarter of 2009 (July-September) will be paid at the proportionally reduced amount totaling \$187,500
- Fourth quarter of 2009 (October) will be paid at the proportionally reduced amount totaling \$62,500

# Expenditure Changes: City/County Payments

- City and counties will be paid at 55% of the total \$10.5 million appropriated for FY 09/10, or \$5.775 million
- The same formula for allocating the funds will be used
- Each city is eligible to receive a minimum of \$5,000 and each county is eligible to receive a minimum of \$10,000 or an amount calculated by the Department based on a per capita basis, whichever is greater
- Expect to release funds in June 2010

# Expenditure Changes: Local Conservation Corps Grants

- Certified Local Conservation Corps will be paid at 55% of the total statutory appropriation of \$19,459,686
- Total amount available for FY 09/10 is \$10,702,827  
(This amount does not include the one-time, \$8.25M appropriation authorized in PRC 14581 (a)(3)(C))
- Amending initial contract with new amounts

# Expenditure Changes: Suspended Programs

- Beverage Container and Litter Reduction Grants (14581(a)(5))
- Statewide Public Education and Information Campaigns (14585(a)(7))
- Grants for Recycling Market Development and Expansion (14585(a)(9))
- Regional Beverage Container and Recycling and Litter Reduction Programs (14585(a)(11))