



California Department of Resources Recycling and Recovery

# Semi-Annual Report on the Status of the Beverage Container Recycling Fund

## July – December 2023

**July 18, 2024**



**State of California**  
Gavin Newsom  
Governor

**California Environmental Protection Agency**  
Yana Garcia  
Secretary

**Department of Resources Recycling and Recovery (CalRecycle)**  
Zoe Heller  
Director

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

**Publication # DRRR-2024-1734**

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

Copyright © 2024 by the California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved. This publication, or parts thereof, may not be reproduced in any form without permission. This Report was prepared by staff of CalRecycle to provide information or technical assistance.

The state makes no warranty, expressed or implied, and assumes no liability for the information contained in the succeeding text. Any mention of commercial products or processes shall not be construed as an endorsement of such products or processes.

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

## Table of Contents

Executive Summary.....	1
I. Fund Condition Statement.....	3
II. Adequate Funds Determination .....	16
Structural Deficit and Surplus .....	16
1. Fiscal Year 2022-23 Structural Surplus .....	16
2. Fiscal Year 2023-24 Projected Structural Deficit.....	16
3. Fiscal Year 2024-25 Projected Structural Deficit.....	16
4. Cash Balance .....	18
III. Recycling Rates Inferred from CRV Revenues and Expenditures .....	19
IV. Projected Sales, Returns and Payments.....	20
A. Sales and Returns by Material Type .....	20
B. Projected Handling Fee Payments.....	21
C. Projected Processing Payments.....	22
V. Significant Changes .....	23
Appendix I. Updated Fund Conditions Processing Fee and Penalty Accounts.....	25
Appendix II. Public Resources Code (PRC) References .....	30
Appendix III. Endnotes.....	31

# 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) Semi-Annual Report (Report). The 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 first half of Fiscal Year (FY) 2023-24 and reflects data for sales and returns of beverage containers through December 2023. This Report includes:

- An updated 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 projections and, if applicable, changes in the Department's forecasting methodology; and
- Projected sales, returns, handling fee and processing payments, and grants awarded.

The Fund condition reports the amount of revenue in the Fund at the end of the reporting period. The Fund condition for FY 2022-23 actuals is \$819,215,000. The FY 2023-24 fund condition is projected to be \$328,608,650, and the FY 2024-25 fund condition is projected to be \$140,168,150. Based on the information presented in this Report, CalRecycle projects that the Fund should have adequate resources to support all mandated payments through FY 2024-25.

A structural surplus occurs when revenues in (CRV-in) exceeds expenditures out (CRV-out and all other program payments) of the Fund within the reported period. A structural deficit occurs when program payments exceed program revenue for the reported period. Importantly, a positive or negative Fund balance does not indicate whether there is a structural surplus or deficit for the reported period.

CalRecycle reports a projected structural deficit of \$362 million for FY 2023-24 and a structural deficit of \$182 million in FY 2024-25.

Based on data from July 2023 to December 2023, a 1 percent increase or decrease in CRV-in would result in a corresponding change to the Fund balance of approximately \$14.8 million per year. Alternatively, a 1 percent increase or decrease in CRV-out would result in a corresponding change in the Fund balance of approximately \$10.8 million per year.

CalRecycle projects the overall recycling rate inferred from CRV-in and CRV-out (excluding administrative fees) to be 73.1 percent for FY 2023-24.<sup>1</sup>

CalRecycle welcomes your feedback. Please send questions and comments to [opa@calrecycle.ca.gov](mailto: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, 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 (first paid by beverage distributors when selling beverages within the state and then charged to consumers when beverages are purchased) and CRV-out (refunds paid for the return 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.

Table 1a presents the revenues, transfers, and total resources for FY 2022-23 actuals, FY 2023-24 projections, and FY 2024-25 projections.

Table 1b presents the expenditures and Fund balance for FY 2022-23 actuals, FY 2023-24 projections, and FY 2024-25 projections. For more information on Fund condition statements for the processing fee and penalty accounts, see Appendix I.

Table 2a presents revenues, transfers, and total resources for July 2023 through June 2024; Table 2b presents expenditures for the same time period. 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 are low because these transactions generally apply to the previous fiscal year. Accordingly, end-of-year 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.

Pursuant to PRC Section 14556(a)(7), the total grants awarded during the 2022-23 fiscal year was \$18,946,018.00.

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

**Table 1a: Beverage Container Recycling Fund (BCRF) 0133 Fund Condition Statement May Revise (May 14, 2024) — Revenues, Transfers, and Total Resources**

Category	Description	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
<b>Resources</b>	<b>Beginning Fund Balance</b>	<b>\$671,977,000</b>	<b>\$819,215,000</b>	<b>\$328,608,650</b>
Resources	Prior Year Adjustment	\$17,082,000.00	TBD	TBD
<b>Resources</b>	<b>Adjusted Beginning Fund Balance</b>	<b>\$689,059,000</b>	<b>\$819,215,000</b>	<b>\$328,608,650</b>
Revenue - 4120000	Beverage Container Redemption Fees (CRV-in)	\$1,480,678,000	\$1,511,282,000	\$1,635,750,000
Revenue - 4163000	Income from Surplus Money Investments	\$14,897,000	\$24,100,000	\$1,067,000
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$457,000	\$294,000	\$294,000
Revenue - 4172500	Option B Payments	\$9,507,000	\$10,628,000	\$5,426,500
Revenue - 4173500	Settlements and Judgements	\$0	\$593,000	\$593,000
Revenue - 417300	Penalty Assessments	\$294,000	\$252,000	\$252,000
<b>Revenue</b>	<b>Total Revenue</b>	<b>\$1,505,833,000</b>	<b>\$1,547,149,000</b>	<b>\$1,643,382,500</b>
Transfer in	Operating Transfer for Covid Relief Fund	\$140,000	\$0	\$0
Transfer	Glass Processing Fee Account, TO 0269, 615-0133-1995	-\$64,042,000	-\$76,793,000	-\$103,663,000
Transfer	PET Processing Fee Account, TO 0278, 616-0133-1995	-\$37,944,000	-\$98,890,000	-\$98,053,000
<b>Transfers</b>	<b>Total Transfers</b>	<b>-\$101,846,000</b>	<b>-\$175,683,000</b>	<b>-\$201,716,000</b>

Loan	Loan from the Beverage Container Recycling Fund (0133) to the Hazardous Waste Control Account (0014) per Item 3970-012-0133, Budget Act of 2023	\$0	-\$40,000,000	\$0
Loan	Loan from the Beverage Container Recycling Fund (0133) to the General Fund (0001) per Item 3970-013-0133, Budget Act of 2023	\$0	-\$100,000,000	\$0
Loan Repayment	Loan Repayment from General Fund (0001) to the Beverage Container Recycling Fund (0133)	\$0	\$100,000,000	\$0
Loan	Loan from the Beverage Container Recycling Fund (0133) to the California Circular Economy Fund (3408) .	-\$11,200,000	-\$10,263,000	-\$9,563,000
<b>Loans</b>		<b>-\$11,200,000</b>	<b>-\$50,263,000</b>	<b>-\$9,563,000</b>
<b>Revenues, Transfers, and Loans</b>	<b>Totals, Revenues and Transfers</b>	<b>\$1,392,787,000</b>	<b>\$1,321,203,000</b>	<b>\$1,432,103,500</b>
<b>Resources</b>	<b>Total Resources</b>	<b>\$2,081,846,000</b>	<b>\$2,140,418,000</b>	<b>\$1,760,712,150</b>

**Table 1b: BCRF 0133 Expenditures & Fund Balance**

Category	Description	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
Expenditures – (3970-001-0133-20xx)	Beverage Container Recycling Program Administration	\$56,482,000	\$81,966,000	\$89,509,000
Expenditures – (3970-592-0133-2022)	EO 22-XX 5% Admin from 101-0133	\$0	\$9,667,000	\$0
Expenditures – (3970-592-0133-2023)	EO 22-XX 5% Admin from 101-0133	\$0	\$6,041,650	\$0
Expenditures – (3970-008-0133-2018)	Budget Act (Program 3715) - Space Optimization Project (one time appropriation)	\$893,000	\$0	\$0
Expenditures – (3970-601-0133-1992)	Handling Fees	\$64,096,000	\$63,967,000	\$67,477,000
Expenditures – (3970-603-0133-1986)	CRV-out	\$1,080,523,000	\$1,137,613,000	\$1,257,577,000
Expenditures – (3970-604-0133-1995)	Curbside Supplemental Payments	\$15,000,000	\$17,247,000	\$15,000,000
Expenditures – (3970-605-0133-2006)	Plastic Market Development Payments	\$10,000,000	\$0	\$0
Expenditures – (3970-606-0133-1992)	Grants - Local	\$10,946,000	\$15,312,000	\$8,475,000
Expenditures – (3970-608-0133-1999)	City/County Payments	\$8,822,000	\$22,206,000	\$10,500,000
Expenditures – (3970-609-0133-1992)	Grants - Other	\$1,214,000	\$11,693,000	\$1,500,000
Expenditures – (3970-610-0133-1999)	Public Education and Information	\$0	\$24,422,000	\$2,500,000
Expenditures – (3970-611-0133-2006)	Quality Incentive Payment (Glass PRC 14581 (7))	\$8,060,000	\$35,302,000	\$15,000,000
Expenditures – (3970-101-0133-2021)	Pilot Project Grants	\$5,500,000	\$4,500,000	\$0

Expenditures – (3970-102-0133-2021)	Quality Incentive Payment (AB 179 (Ting, Chapter 249, Budget Act of 2022)) (Appropriation was reverted \$40M under SB 101 (Skinner, Chapter 12, Budget Act of 2023))	\$0	\$0	\$0
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$0	\$1,184,000	\$3,611,000
Expenditures	Assessment for Supplemental Pension Payments	\$1,095,000	\$1,095,000	\$862,000
Expenditures – (3970-XXX-0133-2023)	Glass Transportation, Operations, and Log Payment SB 353 (Dodd, Chapter 868, Statutes of 2023)	\$0	\$2,136,000	\$3,200,000
Expenditures – (3970-101-0133-2022) (1)	Consumer Recycling Credits and Market Incentives AB 179 (Ting, Chapter 249, Budget Act of 2022)	\$0	\$69,666,350	\$0
Expenditures – (3970-101-0133-2022) (2)	Quality Incentive Payment – Glass (authorized in AB 179 (Ting, Chapter 249, Budget Act of 2022),	\$0	\$47,500,000	\$0
Expenditures – (3970-101-0133-2022) (4)	Startup Loans AB 179 (Ting, Chapter 249, Budget Act of 2022),	\$0	\$28,500,000	\$0
Expenditures – (3970-101-0133-2022) (5)	Workforce Development AB 179 (Ting, Chapter 249, Budget Act of 2022),	\$0	\$4,750,000	\$0
Expenditures – (3970-101-0133-2022) (6)	Plastic Mkt Development AB 179 (Ting, Chapter 249, Budget Act of 2022),	\$0	\$9,500,000	\$0
Expenditures – (3970-101-0133-2022) (7)	Reusable Container Deposit-Return System AB 179 (Ting, Chapter 249, Budget Act of 2022),	\$0	\$23,750,000	\$0

Expenditures – (3970-101-0133-2023) (1)	Consumer Recycling Credits and Market Incentives SB 101 (Skinner, Chapter 12, Budget Act of 2023)	\$0	\$69,666,350	\$0
Expenditures – (3970-101-0133-2023) (2)	Plastic Mkt Development SB 101 (Skinner, Chapter 12, Budget Act of 2023)	\$0	\$44,650,000	\$0
Expenditures – (3970-101-0133-2023) (4)	San Francisco Bottle Bank SB 101 (Skinner, Chapter 12, Budget Act of 2023)	\$0	\$475,000	\$0
Expenditures – (3970-101-0133-2024) (1)	Consumer Recycling Credits and Market Incentives (Third year of SB 179 programs)	\$0	\$0	\$73,333,000
Expenditures – (3970-101-0133-2024) (2)	Plastic Market Development (Third year of SB 179 programs)	\$0	\$0	\$3,000,000
Expenditures – (3970-603-0133-2022)	Recycled Glass Processing Incentive Grants SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$4,000,000	\$4,000,000
Expenditures – (3970-604-0133-2022)	Recycling of Empty Glass Beverage Container Grants SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$4,000,000	\$4,000,000
Expenditures – (3970-605-0133-2022)	Empty Glass Beverage Transportation Grants SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$1,000,000	\$1,000,000
Expenditures – (3970-601-0133-2022)	Local Conservation Corps SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$10,000,000	\$0
Expenditures – (3970-602-0133-2022)	Glass Market Development Payments SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$60,000,000	\$60,000,000
<b>Expenditures</b>	<b>Total Expenditures</b>	<b>\$1,262,631,000</b>	<b>\$1,811,809,350</b>	<b>\$1,620,544,000</b>

<b>Resources</b>	<b>Total Resources</b>	<b>\$2,081,846,000</b>	<b>\$2,140,418,000</b>	<b>\$1,760,712,150</b>
<b>Resources</b>	<b>Ending Fund Balance</b>	<b>\$819,215,000</b>	<b>\$328,608,650</b>	<b>\$140,168,150</b>

**Table 2a: FY 2023-24 Fund Condition Breakout by 6-Month Period — Revenues, Transfers, and Total Resources**

Category	Description	6-Month Period Ending 12/31/2023 Actual	6-Month Period Ending 6/30/2024 Projected	FY 2023-24 Total
Revenue - 4120000	Beverage Container Redemption Fees	\$1,516,258,054.99	-\$4,976,054.99	\$1,511,282,000.00
Revenue - 4135000	Local Agencies - Misc Revenue	\$210.00	\$0	\$210.00
Revenue - 4163000	Invest Inc-Surplus Money Invest	\$18,299,273.31	\$5,800,726.69	\$24,100,000.00
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$1,642,612.52	-\$1,348,612.52	\$294,000.00
Revenue - 4172500	Miscellaneous Revenue	\$6,626,540.00	\$4,001,460.00	\$10,628,000.00
Revenue - 4173500	Settlements and Judgements	\$0	\$593,000.00	\$593,000.00
Revenue - 4173000	Penalty Assessments -Other	\$355,134.20	-\$103,134.20	\$252,000.00
<b>Revenue</b>	<b>Total Revenue</b>	<b>\$1,543,181,825.02</b>	<b>\$3,967,384.98</b>	<b>\$1,547,149,210.00</b>
Transfers	Transfers To Glass Processing Fee Account (Glass 0269), Processing Fee Offset	-\$18,907,353.00	-\$50,490,560.00	-\$76,793,000.00
Transfers	Transfers To PET Processing Fee Account (PET 0278), Processing Fee Offset	-\$23,843,842.00	-\$104,633,651.00	-\$98,890,000.00
<b>Transfers</b>	<b>Total Transfers</b>	<b>-\$42,751,195.00</b>	<b>-\$155,124,211.00</b>	<b>-\$175,683,000.00</b>
Loan	Loan from the Beverage Container Recycling Fund (0133) to the Hazardous Waste Control Account (0014) per Item 3970-012-0133, Budget Act of 2023	-\$40,000,000.00	\$0	-\$40,000,000.00

Loan	Loan from the Beverage Container Recycling Fund (0133) to the General Fund (0001) per Item 3970-013-0133, Budget Act of 2023	\$0	-\$100,000,000.00	-\$100,000,000.00
Loan Repayment	Loan Repayment from General Fund (0001) to the Beverage Container Recycling Fund (0133)	\$100,000,000.00	\$0	\$100,000,000.00
Loan	Loan from the Beverage Container Recycling Fund (0133) to the California Circular Economy Fund (3408)	\$0	-\$10,263,000.00	-\$10,263,000.00
<b>Loans</b>		<b>\$60,000,000.00</b>	<b>-\$110,263,000.00</b>	<b>-\$50,263,000.00</b>
<b>Revenues, Transfers, and Loans</b>	<b>Totals, Revenues, Transfers and Loans</b>	<b>\$1,560,430,630.02</b>	<b>-\$261,419,826.02</b>	<b>\$1,321,203,210.00</b>
<b>Resources</b>	<b>Total Resources</b>	<b>\$2,379,645,630.02</b>	<b>\$557,795,173.98</b>	<b>\$2,140,418,210.00</b>

**Table 2b: FY 2023-24 Fund Condition Breakout by 6-Month Period —Total Expenditures**

Category	Description	6-Month Period Ending 12/31/2023 Actuals	6-Month Period Ending 6/30/2024 Projections	Total
Expenditures - (3970-001- 0133-20xx)	Beverage Container Recycling Program Administration	\$23,378,944	\$58,587,056	\$81,966,000
Expenditures - (3970-592- 0133-2022)	EO 23/24-208 5% Admin from 101-0133	\$239,019	\$9,427,981	\$9,667,000
Expenditures - (3970-592- 0133-2023)	EO 23/24-226 5% Admin from 101-0133	\$0	\$6,041,650	\$6,041,650
Expenditures - (3970-008- 0133-2018)	Budget Act (Program 3715) - Space Optimization Project (one time appropriation)	\$0	\$0	\$0
Expenditures - (3970-601- 0133-1992)	Handling Fees	\$25,389,685	\$38,577,315	\$63,967,000
Expenditures - (3970-603- 0133-1986)	CRV-out	\$505,329,886	\$632,283,114	\$1,137,613,000
Expenditures - (3970-604- 0133-1995)	Curbside Supplemental Payments	\$0	\$17,247,000	\$17,247,000
Expenditures - (3970-605- 0133-2006)	Plastic Market Development Payments	\$0	\$0	\$0

Expenditures - (3970-606-0133-1992)	Grants - Local	\$1,674,582	\$13,637,418	\$15,312,000
Expenditures - (3970-608-0133-1999)	City/County Payments	\$110,078	\$22,095,922	\$22,206,000
Expenditures - (3970-609-0133-1992)	Grants - Other	\$0	\$11,693,000	\$11,693,000
Expenditures - (3970-610-0133-1999)	Public Education and Information	\$0	\$24,422,000	\$24,422,000
Expenditures - (3970-611-0133-2006)	Quality Incentive Payment (Glass PRC 14581 (7))	\$0	\$35,302,000	\$35,302,000
Expenditures - (3970-101-0133-2021)	Pilot Project Grants	\$0	\$4,500,000	\$4,500,000
Expenditures - (3970-102-0133-2021)	Quality Incentive Payment SB 170 (Skinner, Chapter 240 Budget Act of 2021)	\$0	\$0	\$0
Expenditures	Assessment for Statewide General Administrative Expenditures (Pro Rata)	\$0	\$1,184,000	\$1,184,000
Expenditures	Assessment for Supplemental Pension Payments	\$0	\$1,095,000	\$1,095,000
Expenditures (3970-XXX-0133-2023)	Glass Transportation, Operations, and Log Payment SB 353 (Dodd, Chapter 868, Statutes of 2023)	\$0	\$2,136,000	\$2,136,000

Expenditures (3970-101-0133-2022) (1)	Consumer Recycling Credits and Market Incentives AB 179 (Ting, Chapter 249, Budget Act of 2022)	\$0	\$69,666,350	\$69,666,350
Expenditures (3970-101-0133-2022) (2)	Quality Incentive Payment - Glass (authorized in AB 179 (Ting, Chapter 249, Budget Act of 2022))	\$0	\$47,500,000	\$47,500,000
Expenditures (3970-101-0133-2022) (4)	Startup Loans AB 179 (Ting, Chapter 249, Budget Act of 2022)	\$0	\$28,500,000	\$28,500,000
Expenditures (3970-101-0133-2022) (5)	Workforce Development AB 179 (Ting, Chapter 249, Budget Act of 2022)	\$0	\$4,750,000	\$4,750,000
Expenditures (3970-101-0133-2022) (6)	Plastic Mkt Development AB 179 (Ting, Chapter 249, Budget Act of 2022)	\$0	\$9,500,000	\$9,500,000
Expenditures (3970-101-0133-2022) (7)	Reusable Container Deposit-Return System AB 179 (Ting, Chapter 249, Budget Act of 2022)	\$0	\$23,750,000	\$23,750,000
Expenditures (3970-101-0133-2023) (1)	Consumer Recycling Credits and Market Incentives SB 101 (Skinner, Chapter 12, Budget Act of 2023)	\$0	\$69,666,350	\$69,666,350
Expenditures (3970-101-0133-2023) (2)	Plastic Market Development SB 101 (Skinner, Chapter 12, Budget Act of 2023)	\$0	\$44,650,000	\$44,650,000
Expenditures (3970-101-0133-2023) (4)	San Francisco Bottle Bank SB 101 (Skinner, Chapter 12, Budget Act of 2023)	\$0	\$475,000	\$475,000
Expenditures (3970-101-0133-2024) (1)	Consumer Recycling Credits and Market Incentives (Third year of SB 179 programs)	\$0	\$0	\$0
Expenditures (3970-101-0133-2024) (2)	Plastic Market Development (Third year of SB 179 programs)	\$0	\$0	\$0

Expenditures (3970-603-0133-2022)	Recycled Glass Processing Incentive Grants SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$4,000,000	\$4,000,000
Expenditures (3970-604-0133-2022)	Recycling of Empty Glass Beverage Container Grants SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$4,000,000	\$4,000,000
Expenditures (3970-605-0133-2022)	Empty Glass Beverage Transportation Grants SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$1,000,000	\$1,000,000
Expenditures (3970-601-0133-2022)	Local Conservation Corps SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$10,000,000	\$10,000,000
Expenditures (3970-602-0133-2022)	Glass Market Development Payments SB 1013 (Atkins, Chapter 610, Statutes of 2022)	\$0	\$60,000,000	\$60,000,000
<b>Expenditures</b>	<b>Total Expenditures</b>	<b>\$556,122,194</b>	<b>\$1,255,687,157</b>	<b>\$1,811,809,350</b>

## **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 CRV refunds and continue to operate the BCRP.<sup>2</sup>

Based on the information presented in this Report, CalRecycle projects that the Fund should have adequate resources to support all mandated payments through FY 2024-25.

### ***Structural Deficit and Surplus***

BCRP operations are funded by unclaimed CRV within the Fund balance. As the recycling rate increases more CRV is paid out of the Fund, less funding is available to make the budgeted payments prescribed in statute, including CRV-out, BCRP administration, local conservation corps grants, and other payments and transfers outlined in PRC Section 14581. A structural deficit occurs when expenditures exceed revenues in the same period. Alternatively, as the recycling rate decreases, expenditures decrease (due to a reduction of CRV-out), and/or revenues increase (due to an increase of CRV-in), the structural deficit will shrink and lead to a structural surplus. Information on projected sales, returns, and payments can be found in Section IV.

#### **1. Fiscal Year 2022-23 Structural Surplus**

As outlined in Table 3, the Fund had a structural surplus of \$117.2 million for FY 2022-23.

#### **2. Fiscal Year 2023-24 Projected Structural Deficit**

For FY 2023-24, CalRecycle projects a structural deficit of \$473.9 million.

#### **3. Fiscal Year 2024-25 Projected Structural Deficit**

For FY 2024-25, CalRecycle projects a structural deficit of \$182 million.

**Table 3: BCRF 0133: Structural Deficit / Surplus**

Description	FY 2022/23 Actual	FY 2023/24 Projected	FY 2024/25 Projected
CRV-in	\$1,480,678,000	\$1,511,282,000	\$1,635,750,000
CRV-out	-\$1,080,523,000	-\$1,137,613,000	-\$1,257,577,000
Program Administration	-\$56,482,000	-\$81,966,000	-\$89,509,000
EO 22/23-208 5% Admin from 101-0133	\$0	-\$9,667,000	\$0
EO 23/24-226 5% Admin from 101-0133	\$0	-\$6,041,650	\$0
Space Optimization Project	-\$893,000	\$0	\$0
<b>Total Available for PRC 14581 Programs</b>	<b>\$342,780,000</b>	<b>\$275,994,350</b>	<b>\$288,664,000</b>
Grants - Local	-\$10,946,000	-\$15,312,000	-\$8,475,000
Processing Fee Offset - Glass	-\$64,042,000	-\$76,793,000	-\$103,663,000
Processing Fee Offset - Plastic	-\$37,944,000	-\$98,890,000	-\$98,053,000
Handling Fees	-\$64,096,000	-\$63,967,000	-\$67,477,000
Curbside Supplemental Payments	-\$15,000,000	-\$17,247,000	-\$15,000,000
City/County Payments	-\$8,822,000	-\$22,206,000	-\$10,500,000
Grants - Other	-\$1,214,000	-\$11,693,000	-\$1,500,000
Public Education and Information	\$0	-\$24,422,000	-\$2,500,000
Quality Incentive Payment	-\$8,060,000	-\$35,302,000	-\$15,000,000
Pilot Project Grants	-\$5,500,000	-\$4,500,000	\$0
Recycled Glass Processing Incentive Grants (SB 1013)	\$0	-\$4,000,000	-\$4,000,000
Recycling of Empty Glass Beverage Container Grants (SB 1013)	\$0	-\$4,000,000	-\$4,000,000
Empty Glass Beverage Transportation Grants (SB 1013)	\$0	-\$1,000,000	-\$1,000,000
Local Conservation Corps (SB 1013)	\$0	-\$10,000,000	\$0
Glass Market Development Payments (SB 1013)	\$0	-\$60,000,000	-\$60,000,000
<b>Total Expenditures PRC 14581 Programs</b>	<b>-\$215,624,000</b>	<b>-\$449,332,000</b>	<b>-\$391,168,000</b>
<b>Total Available One Time Programs</b>	<b>\$127,156,000</b>	<b>-\$173,337,650</b>	<b>-\$102,504,000</b>
Consumer Recycling Credits and Market Incentives	\$0	-\$139,332,700	-\$73,333,000
Glass Transportation, Operations, and Log Payment (SB 353)	\$0	-\$2,136,000	-\$3,200,000
Quality Incentive GRANT (AB 179)	\$0	-\$47,500,000	\$0
Startup Loans (AB 179)	\$0	-\$28,500,000	\$0
Plastic Market Development Payments	-\$10,000,000	-\$54,150,000	-\$3,000,000
Workforce Development (AB 179)	\$0	-\$4,750,000	\$0
Reusable Container Deposit-Return System	\$0	-\$23,750,000	\$0
San Francisco Bottle Bank	\$0	-\$475,000	\$0
<b>Total Expenditures One Time Programs</b>	<b>-\$10,000,000</b>	<b>-\$300,593,700</b>	<b>-\$79,533,000</b>

<b>Total Structural Deficit / Surplus</b>	<b>\$117,156,000</b>	<b>-\$473,931,350</b>	<b>-\$182,037,000</b>
---	----------------------	-----------------------	-----------------------

#### **4. Cash Balance**

CalRecycle monitors the cash balance of the Fund on a quarterly basis to ensure there are sufficient program funds to maintain BCRP and administrative operations.

CalRecycle projects sufficient cash reserves to support BCRP payments through the period. However, minor changes in sales and returns can translate to significant effects on the cash balance. Currently, a 1 percent change in CRV-in would result in an approximately \$14.8 million change to the Fund balance. Additionally, a 1 percent change in CRV-out would change the balance by approximately \$10.8 million.

The cash balance changes often and 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. Payments out of the Fund (refunds, administration fees, and processing payments) are required to be paid within two working days after notification from the processor to the Department. Other expenditures and payments required by statute are paid according to specific schedules. Handling fee payments, for example, are paid monthly.

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

In accordance with PRC Section 14556(a)(2), this section provides the recycling rates inferred from CRV-in and CRV-out for FY 2023-24 and FY 2024-25.<sup>3</sup> Table 5a displays the ratio of CRV-out to CRV-in, 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.<sup>4</sup> In contrast, Table 5b excludes those administrative fees and displays the ratio of refund value to redemption fees.

The projected overall recycling rates (excluding administrative fees) for all beverage container material types combined for FY 2023-24 is 73.1 percent.

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

Material Type	FY 2023-24 Projected	FY 2024-25 Projected
Aluminum	80.90%	78.80%
Glass	65.80%	62.20%
PET Plastic	74.70%	72.20%
HDPE Plastic	59.10%	63.00%
<b>Overall</b>	<b>76.10%</b>	<b>73.70%</b>

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

Material Type	FY 2023-24 Projected	FY 2024-25 Projected
Aluminum	77.80%	75.70%
Glass	63.20%	59.80%
PET Plastic	71.70%	69.40%
HDPE Plastic	56.80%	60.50%
<b>Overall</b>	<b>73.10%</b>	<b>70.80%</b>

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 Section 14556(a)(4)(5)(6) et seq., the sections below provide information for projected sales, handling fee payments, and processing payments for FY 2023-24 and FY 2024-25.

## A. Sales and Returns by Material Type

Tables 6 and 7 reflect California sales and returns of beverage containers by material and size. The counts for containers sold are derived from reports that beverage distributors send directly to CalRecycle. In contrast, the counts for containers recycled 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, Projections**

Material Type	Size	FY 2023-24 Projected	FY 2024-25 Projected
Aluminum	< 24 oz.	9,762,476,443	9,967,672,719
Aluminum	≥ 24 oz.	669,967,791	682,684,368
Aluminum	<b>All sizes</b>	<b>10,432,444,234</b>	<b>10,650,357,087</b>
Glass	< 24 oz.	2,388,174,235	2,471,353,903
Glass	≥ 24 oz.	666,315,515	1,141,652,559
Glass	<b>All sizes</b>	<b>3,054,489,750</b>	<b>3,613,006,462</b>
PET Plastic	< 24 oz.	11,947,644,029	12,424,230,772
PET Plastic	≥ 24 oz.	1,432,763,122	1,603,269,490
PET Plastic	<b>All sizes</b>	<b>13,380,407,151</b>	<b>14,027,500,262</b>
HDPE Plastic	< 24 oz.	85,467,468	75,568,048
HDPE Plastic	≥ 24 oz.	99,262,363	111,707,942
HDPE Plastic	<b>All sizes</b>	<b>184,729,831</b>	<b>187,275,990</b>
Bimetal and Other Plastics	< 24 oz.	278,723,716	258,332,179
Bimetal and Other Plastics	≥ 24 oz.	19,999,502	21,889,162
Bimetal and Other Plastics	<b>All sizes</b>	<b>298,723,218</b>	<b>280,221,341</b>
<b>All Material Types</b>	< 24 oz.	24,462,485,891	25,197,157,621
<b>All Material Types</b>	≥ 24 oz.	2,888,308,293	3,561,203,521
<b>Total, All Materials</b>	<b>All Sizes</b>	<b>27,350,794,184</b>	<b>28,758,361,142</b>

**Table 7: Returns in Containers by Material, Projections**

<b>Material Type</b>	<b>FY 2023-24 Projected</b>	<b>FY 2024-25 Projected</b>
<b>Aluminum</b>	7,708,755,076	7,658,452,203
<b>Glass</b>	1,937,472,183	2,198,081,243
<b>PET Plastic</b>	9,878,735,107	10,020,419,087
<b>HDPE Plastic</b>	100,800,213	108,697,449
<b>Bimetal and Other Plastics</b>	51,067,483	50,782,368
<b>Boxes, Bladders, Pouches</b>	15,191,795	30,383,590
<b>Total</b>	<b>19,692,021,857</b>	<b>20,066,815,940</b>

## ***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 on the per container handling fee rate and the total number of containers returned at eligible recycling centers.

The handling fee per container rate for FY 2023-24 is \$0.01092 and is based on the passage of AB 203 (Chapter 60, Statutes of 2022). The handling fee per container includes the cost-of-living adjustment.<sup>5</sup>

**Table 8: Handling Fees Payments, Rates, and Containers, Projections**

<b>Handling Fees</b>	<b>FY 2023-24 Projected</b>	<b>FY 2024-25 Projected</b>
Handling Fee Payments	\$72,999,203	\$76,719,003
Fee per Container	0.01092	0.01092
<b>Estimated Number of Containers</b>	<b>6,143,604,828</b>	<b>7,025,549,720</b>

## C. Projected Processing Payments

This section includes actual and projected processing fee offsets, processing fees, and processing payments by beverage container material type.<sup>6</sup>

**Table 9: Processing Fees, Processing Payments, and Processing Offsets by Material Type, Projections**

Fiscal Year	Material Type	Processing Fees	Processing Fee Offsets	Processing Payments
FY 2023-24	Glass	\$17,730,28	\$85,308,701	\$104,981,941
FY 2023-24	PET plastic	\$8,049,019	\$65,647,908	\$77,887,090
FY 2023-24	HDPE plastic	\$1,411,335	\$4,192,248	\$5,636,006
FY 2023-24	All Other Plastics and Bimetal	\$11,627,181	\$297,195	\$1,699,984
FY 2023-24	Boxes, Bladders, Pouches	\$644,311	\$0	\$782,377
FY 2023-24	<b>Total</b>	<b>\$39,462,125</b>	<b>\$155,446,053</b>	<b>\$190,987,398</b>
FY 2024-25	Glass	\$22,115,888	\$103,663,037	\$127,782,713
FY 2024-25	PET plastic	\$15,394,355	\$93,953,962	\$111,289,947
FY 2024-25	HDPE plastic	\$1,420,890	\$4,099,101	\$5,519,991
FY 2024-25	All Other Plastics and Bimetal	\$10,998,130	\$0	\$1,360,079
FY 2024-25	Boxes, Bladders, Pouches	\$1,288,622	\$0	\$1,564,755
FY 2024-25	<b>Total</b>	<b>\$51,217,884</b>	<b>\$201,716,099</b>	<b>\$247,517,484</b>

Note: Processing fee and payment values reflect new cost of recycling measurements for calendar year (CY) 2023 and 2024 and a “reasonable financial return” (an element in the processing payment calculation) of 10 percent for all recyclers for CY 2023 and 2024.

Projections for processing fees, processing payments, and processing fee offsets are based on the rates in effect when the projections were made.

The sum of the processing fees and processing fee offsets do not equal processing payments due to multiple factors:

- 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.
- Processing fees for Bimetal and All Other Plastics (Plastics #3 – #7) are greater than processing payments due to low redemption volume.
- Quarterly transfers from the Fund to the processing fee accounts (offsets for the quarter) are based on estimates of fees and payments for the upcoming calendar year.
- Processing payments may fluctuate due to quarterly changes in scrap value.
- Transfers to processing fee accounts are 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 Report.

With the passage of new legislation, the California Beverage Container Recycling Program has seen significant changes beginning in 2022. The Department has modified its forecasting methodology to account for the financial impacts to the program associated with the changes including the addition and expansion of beverage containers to the program. The significant changes to the program are as follow:

Assembly Bill (AB) 179 (Ting, Chapter 249, Budget Act of 2022):

- Provided \$223.3 million for recycling programs and infrastructure; \$10 million for plastic market development payments; and loans of \$11.2 million to Circular Economy Fund.

Senate Bill (SB) 1013 (Atkins, Chapter 610, Statute of 2022):

- Added wine and distilled spirits into the California Beverage Container Recycling Program effective January 1, 2024, increasing revenue to the Beverage Recycling Container Fund. (Public Resources Code Section 14504).
- Authorized the Department to make quality incentive payments for color-sorted glass beverage containers that are used in the manufacturing of glass beverage containers in the state. The Department may expend up to \$15 million annually on payments that shall not exceed fifty dollars (\$50) per ton. (Public Resources Code Section 14549.1 (c)(1) and Section 14581(a)(7))
- Authorized the Department, beginning January 2023, to issue glass market development (GMD) payments not to exceed fifty dollars (\$50) per ton (Public Resources Code Section 14549.7) to a glass beverage container manufacturer who purchases recycled glass collected within the state for use in manufacturing of new beverage containers in the state. The Department may expend up to sixty million dollars (\$60,000,000) annually for payments until December 31, 2027 (Public Resources Code Section 14581 (a)(13)).
- Created Dealer Cooperatives which allows a nonprofit organization, in an unserved convenience zone, implement a redemption plan to provide consumer convenience and receive CRV reimbursement and other program payments; also eliminates Dealers from paying \$100/day fee in lieu of redeeming beverage containers.
- Established new grant programs including a one-time appropriation to the local corps and continuous appropriations of \$9 million to support glass collection and recycling.

SB 101 (Skinner, Chapter 12, Budget Act of 2023)

- Redirected \$40 million from AB 179 (Ting, Chapter 249, Budget Act of 2022) for plastic market development payments through June 30, 2027. SB 211 (Chapter 574, Statutes of 2022) allows the Department to expend the funds appropriated

for the plastic market development payments till June 30, 2026. (Public Resources Code Section 14581 (a)(8)(A)).

SB 353 (Dodd, Chapter 868, Statutes of 2023)

- Added all fruit and vegetable juice regardless of size to the Beverage Container Recycling Program as of January 1, 2024, increasing revenue to the Beverage Recycling Container Fund. (Public Resources Code Section 14504)
- Established the Transportation, Operations, and Logistics payment for the handling of glass beverage containers returned to a recycling center in a rural region, as defined by Public Resources Code Section 14525.5.1, or rural county, as defined by Public Resources Code Section 40184. The payment may exceed \$60 per ton (Public Resources Code 14573.1).
- Amended the process of how the quarterly adjustment to the processing payment is determined by allowing the Department to adjust using the preceding 3-month or 12-month average scrap value, whichever is lower. (Public Resources Code Section 14575(f))
- Amended Public Resources Code Section 14575(k) stipulating that the processing fee and processing payment for wine or distilled spirits contained in a beverage container that is a box, bladder, or pouch, or similar container be equal to the processing fee and processing payment for HDPE beverage containers until January 1, 2026. (Public Resources Code Section 14575(k))

# Appendix I. Updated Fund Conditions Processing Fee and Penalty Accounts

---

This section contains the fund condition statements for the Processing Fee and Penalty accounts covering FYs 2022-23 through 2024-25. The values are based on the FY 2023-24 Governor's Budget except for updated values derived from subsequent forecasts.

Below is a brief description of each of the accounts:

**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: May Revise (May 14, 2024) — Glass Processing Fee Fund Condition Statement (Fund 0269)**

Category	Description	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
<b>Resources</b>	<b>Beginning Fund Balance</b>	<b>\$32,050,000</b>	<b>\$20,349,000</b>	<b>\$18,780,000</b>
Resources	Prior Year Adjustment	-\$14,299,000	TBD	TBD
<b>Resources</b>	<b>Adjusted Beginning Fund Balance</b>	<b>\$17,751,000</b>	<b>\$20,349,000</b>	<b>\$18,780,000</b>
Revenue - 4120000	Processing Fees	\$13,281,000	\$15,569,000	\$18,115,000
Revenue - 4163000	Income from Surplus Money Investments	\$515,000	\$57,000	\$57,000
Revenue - 4171400	Escheat of Unclaimed Checks, Warrants, Bonds and Coupon	\$2,000	\$0	\$0
<b>Revenue</b>	<b>Total Revenue</b>	<b>\$13,798,000</b>	<b>\$15,626,000</b>	<b>\$18,172,000</b>
Transfers	From Beverage Container Fund (BCRF)	\$64,042,000	\$76,793,000	\$103,663,000
<b>Transfers</b>	<b>Total Transfers</b>	<b>\$64,042,000</b>	<b>\$76,793,000</b>	<b>\$103,663,000</b>
<b>Revenues and Transfers</b>	<b>Totals, Revenues and Transfers</b>	<b>\$77,840,000</b>	<b>\$92,419,000</b>	<b>\$121,835,000</b>
<b>Resources</b>	<b>Total Resources</b>	<b>\$95,591,000</b>	<b>\$96,985,000</b>	<b>\$94,852,000</b>
Expenditures - (3970-601-0269)	Processing Payments	\$75,242,000	\$93,988,000	\$107,442,000
<b>Expenditures</b>	<b>Total Expenditures</b>	<b>\$75,242,000</b>	<b>\$93,988,000</b>	<b>\$107,442,000</b>
<b>Resources</b>	<b>Ending Fund Balance</b>	<b>\$20,349,000</b>	<b>\$18,780,000</b>	<b>\$33,173,000</b>

**Table 11a: May Revise (May 14, 2024) — Plastic Processing Fee Fund Condition Statement (Fund 0278)**

Category	Description	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
<b>Resources</b>	<b>Beginning Fund Balance</b>	<b>\$36,682,000</b>	<b>\$31,657,000</b>	<b>\$88,032,000</b>
Resources	Prior Year Adjustment	-\$9,703,000	TBD	TBD
<b>Resources</b>	<b>Adjusted Beginning Fund Balance</b>	<b>\$26,979,000</b>	<b>\$31,657,000</b>	<b>\$88,032,000</b>
Revenue - 4120000	Processing Fees	\$14,395,000	\$15,586,000	\$15,672,000
Revenue - 4163000	Income from Surplus Money Investments	\$619,000	\$76,000	\$76,000
<b>Revenue</b>	<b>Total Revenue</b>	<b>\$15,014,000</b>	<b>\$15,662,000</b>	<b>\$15,748,000</b>
Transfers	From Beverage Container Fund (BCRF)	\$37,944,000	\$98,890,000	\$98,053,000
<b>Transfers</b>	<b>Total Transfers</b>	<b>\$37,944,000</b>	<b>\$98,890,000</b>	<b>\$98,053,000</b>
<b>Revenues and Transfers</b>	<b>Totals, Revenues and Transfers</b>	<b>\$52,958,000</b>	<b>\$114,552,000</b>	<b>\$113,801,000</b>
<b>Resources</b>	<b>Total Resources</b>	<b>\$79,937,000</b>	<b>\$146,209,000</b>	<b>\$201,833,000</b>
Expenditures - (3970-601-0278)	Processing Payments	\$48,280,000	\$58,177,000	\$58,370,000
<b>Expenditures</b>	<b>Total Expenditures</b>	<b>\$48,280,000</b>	<b>\$58,177,000</b>	<b>\$58,370,000</b>
<b>Resources</b>	<b>Ending Fund Balance</b>	<b>\$31,657,000</b>	<b>\$88,032,000</b>	<b>\$143,463,000</b>

**Table 12a: May Revise (May 14, 2024) — Bimetal Processing Fee Fund Condition Statement (Fund 0277)**

Category	Description	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
<b>Resources</b>	<b>Beginning Fund Balance</b>	<b>\$32,487,000</b>	<b>\$37,706,000</b>	<b>\$40,449,000</b>
Resources	Prior Year Adjustment	\$1,004,000	TBD	TBD
<b>Resources</b>	<b>Adjusted Beginning Fund Balance</b>	<b>\$33,491,000</b>	<b>\$37,706,000</b>	<b>\$40,449,000</b>
Revenue - 4120000	Processing Fees	\$3,841,000	\$3,108,000	\$3,108,000
Revenue - 4163000	Income from Surplus Money Investments	\$778,000	\$68,000	\$68,000
<b>Revenue</b>	<b>Total Revenue</b>	<b>\$4,619,000</b>	<b>\$3,176,000</b>	<b>\$3,176,000</b>
<b>Revenues and Transfers</b>	<b>Totals, Revenues and Transfers</b>	<b>\$4,619,000</b>	<b>\$3,176,000</b>	<b>\$3,176,000</b>
<b>Resources</b>	<b>Total Resources</b>	<b>\$38,110,000</b>	<b>\$40,882,000</b>	<b>\$43,625,000</b>
Expenditures - (3970-601-0277)	Processing Payments	\$404,000	\$433,000	\$433,000
<b>Expenditures</b>	<b>Total Expenditures</b>	<b>\$404,000</b>	<b>\$433,000</b>	<b>\$433,000</b>
<b>Resources</b>	<b>Ending Fund Balance</b>	<b>\$37,706,000</b>	<b>\$40,449,000</b>	<b>\$43,192,000</b>

**Table 13a: May Revise (May 14, 2024) — Penalty Account Fund Condition Statement (Fund 0276)**

Category	Description	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
<b>Resources</b>	<b>Beginning Fund Balance</b>	<b>\$2,184,000</b>	<b>\$3,026,000</b>	<b>\$3,185,000</b>
Resources	Prior Year Adjustment	\$27,000	TBD	TBD
<b>Resources</b>	<b>Adjusted Beginning Fund Balance</b>	<b>\$2,211,000</b>	<b>\$3,026,000</b>	<b>\$3,185,000</b>
Revenue - 4163000	Income from Surplus Money Investments	\$51,000	\$4,000	\$4,000
Revenue - 4171400	Escheat of Unclaimed Checks and Warrants	\$2,000	\$0	\$0
Revenue - 4173000	Penalty Assessments	\$777,000	\$170,000	\$170,000
<b>Revenue</b>	<b>Total Revenue</b>	<b>\$830,000</b>	<b>\$174,000</b>	<b>\$174,000</b>
<b>Revenues and Transfers</b>	<b>Totals, Revenues and Transfers</b>	<b>\$156,000</b>	<b>\$174,000</b>	<b>\$174,000</b>
<b>Resources</b>	<b>Total Resources</b>	<b>\$3,041,000</b>	<b>\$3,200,000</b>	<b>\$3,359,000</b>
Expenditures	Assessment for Supplemental Pension Payments	\$15,000	\$15,000	\$11,000
<b>Expenditures</b>	<b>Total Expenditures</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$11,000</b>
<b>Resources</b>	<b>Ending Fund Balance</b>	<b>\$3,026,000</b>	<b>\$3,185,000</b>	<b>\$3,348,000</b>

# 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)

# Appendix III. Endnotes

---

- <sup>1</sup> This Report discusses 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://www2.calrecycle.ca.gov/Docs/Web/117417>
- <sup>2</sup> PRC Section 14581(c)
- <sup>3</sup> Statute requires this 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.
- <sup>4</sup> PRC Section 14574(a)(1)
- <sup>5</sup> Handling Fee changes and reports can be found on CalRecycle's website at: <https://www.calrecycle.ca.gov/BevContainer/Notices/#HandlingFees>
- <sup>6</sup> Processing Payments are adjusted based on the cost of recycling and average scrap value for each beverage container material type. Processing Payment information is available on the CalRecycle website at: <https://www.calrecycle.ca.gov/BevContainer/Notices/#Processing>