



## Quarterly Report on Status of the Beverage Container Recycling Fund

Department of Resources Recycling and Recovery

January 2011



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## OVERVIEW

As required by Public Resource Code (PRC) Section 14581(c)(1), the Department of Resources Recycling and Recovery (CalRecycle) has completed a quarterly review of actual and projected revenues and expenditures for the Beverage Container Recycling Fund (Recycling Fund). This review reports on the expected adequacy of funds in the Recycling Fund to make the payments specified in PRC 14581 as well as the processing fee reductions required by PRC 14575. The review also provides information about handling fees, processing fees, processing payments, and projections of sales and returns of beverage containers.

This report is based upon sales of beverage containers and recycling (or "returns") of beverage containers in California. Any assessment of the Recycling Fund's ability to support program activities must rest on both actual observed sales/returns activity and on projections of those sales and returns. For this report, actual sales, and actual returns data are current through the September 2010 reporting period. Data after that reporting period are projections and the methodology used for the projections in this report is described on the CalRecycle website

at: <http://www.calrecycle.ca.gov/BevContainer/Notices/2010/FundModeling.pdf>

At this time, the Quarterly Status Report reflects information available for the Governor's Budget, to be released on January 10, 2011. Sales and returns projections for FY 2010-2011 and FY 2011-2012 are based on the projection methodology discussed above. Revenues and expenditures, however, are incomplete for FY 2009-2010, as a result of an on-going effort to close accounting records for this fiscal year between the Department of Conservation and CalRecycle.

On January 1, 2010, Senate Bill 63 merged the California Integrated Waste Management Board (org 3910) with the Division of Recycling, a division of the Department of Conservation (org 3480), into the new organization Department of Resources Recycling and Recovery (CalRecycle) (org 3500). Final results on fiscal operations for FY 2009-2010 are still under review, and accounting records are not yet finalized. The midyear merge resulted in several unforeseen accounting and budgeting

complexities, such as the posting of day to day operations, among differing account methods and business practices. These complexities arose while the accounting system itself was still being constructed. Financial staff at both agencies, as well as the State Controller's Office, are continuing to reconcile account balances to ensure that there is agreement among all the organizations, and to verify that these extraordinary complications have not impacted our ability to assure interested parties that activities have been captured accurately and in conformance with all governing laws and applicable financial standards.

The revenues and expenditures included in the Governor's Budget and in this Quarterly Status Report are still subject to revision as the respective departments work to close the accounting records. A supplemental Quarterly Status Report may be released prior to the Spring 2011 Quarterly Status Report when the relevant accounting records are closed. While CalRecycle recognizes that this introduces some uncertainty into the Recycling Fund projection/outlook, loan repayments have been increased to \$98.2 million in FY 2010-11 and \$88 million in FY 2011-12 to help minimize the possibility of proportionate reduction.

The provisions of AB 7 (8X) (Chapter 5 of Eighth Extraordinary Session, Statutes of 2010) suspend certain programs and limit the amount that can be used to reduce processing fee offsets continue through FY 2010-2011 (see discussion on page 15). Continued repayment of prior year loans will be required to maintain a prudent reserve and make all of the payments authorized by AB 7(8X). The need for loan repayment revenues is largely a result of statutorily-set expenditures that the Recycling Fund cannot support as long as the program experiences high recycling rates. This Quarterly Status Report includes a repayment of \$68.2 million from the General Fund to the Beverage Container Recycling Fund, as approved by the Joint Legislative Budget Conference Committee, and which occurred in December, 2010. This report also includes an additional \$30 million in loan repayment from the General Fund which is included in the FY 2011-12 Governor's budget.

Current projections of sales and returns through the end of FY 2011-2012 indicate an on-going need to continue with loan repayments to the Recycling Fund if all obligations of the Recycling Fund are to be paid. This report assumes that the minimum amount required to be repaid from the General Fund is repaid in FY 2011-2012. This amount -- \$88 million -- is included in the Quarterly Status Report and in the Governor's Budget for FY 2011-2012. Note that this amount reflects a need that may require revision, pending 2009/2010 final financial reports. Further, should unexpected economic conditions arise, the need for loan repayment may change or proportionate reduction may need to be considered.

**Projections:** As noted in the October Quarterly Status Report, the Department acknowledged the need for a revised projections methodology. This recognition was mirrored in the Bureau of State Audits June 2010 report on the Beverage Container Recycling Program. The Department considers trends in beverage container sales and recycling and tests multiple projection methodologies in making quarterly projections. Prior projections are tested against actual values, as are alternate methodologies tested against now-actual values to determine an appropriate methodology for the each quarterly projection. Because sales trends do not necessarily mimic recycling trends, it is neither necessary nor desirable to apply the same methodology to both projections. The methodology for this report, described below, has been evaluated as a projection tool against past data and will continue to be tested monthly as actual sales and returns data are received. As with prior quarterly reports, the methodology in this report may continue to be used for subsequent reports or may be revised, depending on the reliability of projections compared to observed actual values.

For the January 2011 Quarterly Status Report, CalRecycle has determined that current economic circumstances warrant use of a trend line analysis for making projections. This methodology first identifies trends for sales and returns. These trends are identified by examining each individual month's sales/returns values with neighboring months' values (two months of data on either side of the target month) to "flatten" seasonal and monthly variations. For sales, the trend line used for this projection reaches back 48 months to project forward the next 12 months. For returns, this model

uses a 12 month trend line, reflecting uncertainty of the economy. Once a trend line is identified, monthly fluctuations are restored based upon historical differences in actual reported data away from the trend line. Values for each month's sales and returns are developed for the entire projection period, leading to ending values for sales, returns and fund balance. Projected payments to program participants are similarly calculated on the projected containers sold/returned and then included as expenditures (i.e., the container-based payments such as Processing Fee Offsets and Handling Fees).

As noted in the October 2010 Report, this report includes a comparison of how well the prior projections predicted the three additional months of actuals sales and returns data. The following chart shows the comparison.

Sales	Jul-10	Aug-10	Sep-10
October 2010 Projection	\$94,997,805	\$94,585,847	\$84,588,634
Actual	\$96,577,242	\$103,361,154	\$100,853,213
% Difference	-1.7%	-9.3%	-19.2%

Returns	Jul-10	Aug-10	Sep-10*
October 2010 Projection	\$96,257,546	\$86,012,089	\$78,331,820
Actual	\$96,460,585	\$101,895,612	\$100,985,663
% Difference	-0.2%	-18.5%	-28.9%

***\*The trend line for returns is an area of concern which is being closely monitored by CalRecycle.***

**Report Content:** This report is divided into four main sections:

- A detailed *Quarterly Status Report* with certain entries that require explanation, and are labeled to correspond with specific notations that follow the chart.
- *Sales and Returns Estimates* that display actual and projected numbers of containers sold and returned, and associated revenues and expenditures, by material type and container size.
- *Handling Fees* and associated assumptions.

- *Processing Fees and Processing Payments* that includes the amount used for actual and projected processing fees, and processing fee offsets, by material type.

## **QUARTERLY STATUS REPORT**

The following Quarterly Status Report shows three columns of fiscal data, one column per fiscal year. As noted above, data for FY 2009-2010 in this report and Governor's Budget are estimates until accounting records are reconciled for FY 2009-2010. All values of sales, returns, revenues and expenditures for FY 2010-2011 and 2011-2012 are projections.

Several of the line items in the Revenues and Transfers section and the Expenditures section are notated for further description. Those descriptions immediately follow the Quarterly Status Report on page 8. The Quarterly Status Report presented here also is available in Excel format at the following URL on the CalRecycle website:

<http://www.calrecycle.ca.gov/BevContainer/RecycleFund/2011/JanCondition.xls>

Please note the following display does not match the fund condition included in the Governor's Budget due to difference in the point in time the data are collected for budget development and for this report.

Quarterly Status Report for the Beverage Container Recycling Fund				
Projected Revenues and Expenditures as of January 1, 2011				
		FY 2009-10	FY 2010-11	FY 2011-12
<b>Balance Forward</b>		160,347,000	6,593,578	14,454,596
	Prior Year Adjustment	(61,577,000)		
<b>Balance Adjusted (A)</b>		98,770,000		
<b>Revenues and Transfers</b>				
<b>Receipts</b>				
	CRV In <i>[Note 1]</i>	1,069,417,000	1,039,021,701	1,053,449,441
	Other Income	1,005,578	886,121	901,467
	<b>Total Receipts (B)</b>	1,070,422,578	1,039,907,822	1,054,350,908
<b>Transfers</b>				
	Loans for AB 32 Implementation <i>[Note 2]</i>	(35,000,000)		
	Loans to General Fund	(99,400,000)		
	Loan to Department of Conservation	(5,000,000)		
	Repayment of AB 32 Implementation Loan		21,300,000	21,300,000
	Repayment of General Fund Loan <i>[Note 3]</i>	29,853,000	98,170,000	88,000,000
	Transfers to Glass Processing Fee Account <i>[Note 4]</i>	(24,146,000)	(47,187,971)	(47,410,162)
	Transfers to Plastic Processing Fee Account <i>[Note 4]</i>	(16,686,000)	(29,793,298)	(27,294,594)
	Loan from Alternative Renewable Fuel & Vehicle Technology Fund <i>[Note 5]</i>	8,250,000		
	<b>Total Transfers (C)</b>	(142,129,000)	42,488,731	34,595,244
	<b>Total Transfers and Receipts (B+C)</b>	928,293,578	1,082,396,553	1,088,946,152
	<b>Total Resources (D) = (A+B+C)</b>	1,027,063,578	1,088,990,131	1,103,400,748
<b>Expenditures <i>[Note 6]</i></b>				
<b>Disbursements (CalRecycle)</b>				
	CRV Out <i>[Note 7]</i>	907,271,942	919,921,598	919,921,598
	Division of Recycling Administration	42,529,352	46,359,000	48,525,000
	Handling Fees <i>[Note 8]</i>	24,522,179	38,139,474	38,139,474
	Curbside Supplemental Payments	8,250,000	15,000,000	15,000,000
	Local Conservation Corps Grants <i>[Note 9]</i>	10,702,824	19,543,673	19,543,673
	City/County Payments	5,543,226	10,500,000	10,500,000
	Competitive Grants <i>[Note 11]</i>			750,000
	Public Education and Information <i>[Note 12]</i>	177,831		2,500,000
	Quality Incentive Payments	977,193	10,000,000	10,000,000
	Market Development Grants <i>[Note 11]</i>			
	Recycler Incentive Program	5,499,282		
	Plastic Market Development	2,228,989	10,000,000	10,000,000
	Pro Rata	4,460,182	4,933,790	5,627,000
	<b>Total Disbursements (CalRecycle) (E)</b>	1,012,163,000	1,074,397,535	1,080,506,745
<b>Disbursements (Other)</b>				
	State Controller	57,000	138,000	
	California Conservation Corps (one-time) <i>[Note 10]</i>	8,250,000		
	<b>Total Disbursements (Other) (F)</b>	8,307,000	138,000	
	<b>Total Expenditures (G) = (E+F)</b>	1,020,470,000	1,074,535,535	1,080,506,745
<b>FUND BALANCE (D-G) <i>[Note 13]</i></b>		6,593,578	14,454,596	22,894,003

Note: Expenditures on Processing Fee Offsets are not shown as "Expenditures" but are shown as "Transfers" from the Recycling Fund. By statute, Offsets are a transfer of money from the Recycling Fund to the respective Processing Fee Accounts. For clarity Offset expenditures per fiscal year are presented in the table below:

Offset	FY 2009-10	FY 2010-11	FY 2011-12
Glass Processing Fee	\$24,146,000	\$47,187,971	\$47,410,162
Plastic Processing Fee	\$16,686,000	\$29,793,298	\$27,294,594

Notes:

**[Note 1]** – “CRV In” is derived from projections of beverage container sales, added to known actual sales volumes. Actual sales are current through the September 2010 reporting period; all subsequent sales are projections. Sales for FY 2009-2010 include the “13<sup>th</sup> distributor payment” that occurred as a result of the one-month acceleration of beverage distributor reporting and payment enacted by AB 7(8X). Data for FY 2009-2010 in this report and Governor’s Budget are estimates until accounting records are reconciled for FY 2009-2010.

**[Note 2]** – Loan repayment from ARB for the AB 32 implementation loans is scheduled for FY 2010-2011 and FY 2011-2012.

**[Note 3]** – The “Repayment of General Fund” amount for FY 2010-2011 includes both the \$68.2 million already repaid in December 2010 and an additional \$30 million that is now included in the Governor’s Budget. The amount shown as loan repayment for FY 2011-2012 is an estimate only of expected need as of this date.

**[Note 4]** – “Transfers to Glass/Plastic Processing Fee Accounts” are the expenditures for the Processing Fee Offsets authorized in PRC 14581 and PRC 14575. They are capped per AB 7(8X) for calendar years 2010 and 2011 at the level expended, by material type, in the 2008 calendar year. The total amount for FY 2009-2010 reflects half-year appropriation under proportionate reduction and half-year appropriation under the terms of AB 7(8X). Please see discussion of Processing Fees found later in this report regarding FY2011-2012 Processing Fee, Payment, and Processing Fee Offset amounts displayed in this report.

**[Note 5]** – “Loan from Alternative Renewable Fuel and Vehicle Technology Fund” is a one-time loan to the Recycling Fund enacted in the FY 2009-2010 budget. The amount matches the “California Conservation Corps (one-time)” expenditure shown in the Quarterly Status Report. **[See Note 10]**.

**[Note 6]** – “Expenditures” section is derived primarily from the list of appropriations found in PRC 14581. Fiscal Year 2009-2010 expenditures list the amounts authorized for six months under proportionate reduction and six months for full funding of programs authorized under AB 7(8X). FY 2011-2012 amounts include the mid-year reinstatement of certain programs suspended by AB 7(8X) until January 1, 2012. All values are estimates until the accounting cycle for FY2009-2010 is completed.

**[Note 7]** – “CRV Out” is derived from projections of recycling volumes, combined with actual recycling volumes. Actual recycling volumes are known through the September 2010 reporting period.

**[Note 8]** – The total annual amount of “Handling Fees” authorized is not fixed and the amount expended every year fluctuates based upon the per container amount and the number of containers recycled. Handling Fee rates change annually on July 1. For FY 2010-2011, the per-container Handling Fee is \$0.00859, down from \$0.0098 in FY 2009-2010. For Fiscal Year 2009-2010, the per container handling fee rates were affected by proportionate reduction.

For more information regarding handling fees, see the Processing Fee and Handling Fee Cost Surveys, Handling Fee Final Report at the following web-site:

<http://www.calrecycle.ca.gov/BevContainer/Fees/Handling/FinalReport.pdf>.

**[Note 9]** – Local Conservation Corp grants are annually adjusted for the cost of living from a baseline of \$15 million, which began in the 2000 calendar year. Source for adjustment rate is: [http://www.dof.ca.gov/html/fs\\_data/latestEconData/fs\\_price.htm](http://www.dof.ca.gov/html/fs_data/latestEconData/fs_price.htm).

**[Note 10]** – As stated in **[Note 5]** above, this \$8.25 million expenditure amount is a one-time authorization in FY 2009-2010 for local community conservation corps, with funds coming from a loan to the Recycling Fund from the Alternative Renewable Fuel and Vehicle Technology Fund. The loan is rescheduled for repayment in FY 2012-2013.

**[Note 11]** – Both the “Competitive Grants” and “Market Development Grants” expenditure entries are, with this report, shown as zero amounts. As noted in prior Quarterly Reports, CalRecycle did not solicit or award grants against these funds, since

the fund levels were too low to justify a full solicitation. The “Market Development Grants” program is sunset as of January 1, 2012. However, the competitive grant program was only suspended by AB 7(8X) through the end of CY 2011. This Quarterly Status Report shows a half-year of funding available in FY 2011-2012, reflecting the end of the two-calendar-year suspension AB 7(8X) established for that program. CalRecycle is evaluating the reasonability and potential effectiveness of offering these grants in that 6-month period at the beginning of CY 2012 / end of FY 2011-2012.

**[Note 12]** – The amount authorized in FY 2009-2010 for “Public Education and Information” was 5 percent of the total authorized for the full fiscal year, which equates to the 85 percent proportionate reduction level for three months applied to all program expenditures prior to passage of AB 7 (8X). The Quarterly Status Report indicates a half-year of funding available in FY 2011-2012, reflecting the end of the two-calendar-year suspension AB 7(8X) established for that program.

**[Note 13]** – Fund Balance does not include any prudent reserve calculation. The prudent reserve pursuant to PRC 14580(a)(2) would be 5 percent of the total amount paid to processors. For FY 2011-2012 that amount would be approximately \$51 million. The projected ending balance of \$23.1 million for FY 2011-2012. As explained above in Note 4, the amount of General Fund loan repayment directly influences the demonstrated prudent reserve. Without loan repayments, the Recycling Fund does not have a prudent reserve, as required by law, and must implement proportionate reduction.

## **SALES AND RETURNS ESTIMATES**

The tables below show projections of sales and returns for FY 2009-2010 through FY 2011-12. The table for FY 2009-2010 shows actual values for both container sales and container returns. Data regarding sales and returns for FY 2010-2011 and 2011-2012 include only projections for sales and returns.

<b>Sales and Returns FY 2009-10</b>					
	Over 24 oz.	Under 24 oz.	Container Sales (\$)	Containers Returned	Containers Returned (\$)
AL	505,397,249	8,950,374,940	\$490,587,595	8,383,840,455	\$471,157,151
GL	306,878,953	2,884,431,016	\$172,285,804	2,501,196,873	\$140,562,884
PET	1,395,587,441	7,081,325,719	\$486,220,655	5,818,746,263	\$327,003,350
HDPE	177,394,028	173,526,180	\$26,019,476	344,634,025	\$19,367,829
Total	2,385,257,672	19,089,657,855	\$1,175,113,530	17,048,417,616	\$958,091,213

<b>Sales and Returns FY 2010-11 (Projected)</b>					
	Over 24 oz.	Under 24 oz.	Container Sales (\$)	Containers Returned	Containers Returned (\$)
AL	495,353,474	8,015,221,034	\$443,541,966	7,239,785,204	\$392,714,785
GL	217,998,051	2,558,748,445	\$147,491,173	3,174,347,459	\$181,927,654
PET	1,191,628,192	6,225,089,181	\$423,961,032	4,364,153,366	\$286,905,457
HDPE	174,264,974	139,338,677	\$24,027,530	673,044,904	\$58,373,702
Total	2,079,244,691	16,938,397,337	\$1,039,021,701	15,451,330,933	\$919,921,598

<b>Sales and Returns FY 2011-12 (Projected)</b>					
	Over 24 oz.	Under 24 oz.	Container Sales (\$)	Containers Returned	Containers Returned (\$)
AL	503,394,232	7,933,639,454	\$440,316,088	7,239,785,204	\$392,714,785
GL	312,475,547	2,356,173,264	\$146,820,379	3,174,347,459	\$181,927,654
PET	1,152,394,188	6,785,990,047	\$447,720,851	4,364,153,366	\$286,905,457
HDPE	138,755,066	99,994,911	\$18,592,124	673,044,904	\$58,373,702
Total	2,107,019,033	17,175,797,676	\$1,053,449,441	15,451,330,933	\$919,921,598

Reported recycling rates will not match exactly to a formula of “returns divided by sales” for a given year. This is because the dollar amounts include reduced payment from distributors and extra payments to processors and recyclers for administrative fees, as well as accrual considerations. The Department can provide further information upon request.

Furthermore, sales and returns data for this report reflect the actual containers sold and tons recycled that correlate to the payments described in this report. For instance, because of the lag in reporting, sales revenues for July through June of a fiscal year actually reflect container sales from May through the subsequent April. CRV expenditures for a fiscal year generally will reflect recycling that occurred in June through the subsequent May, again due to the lag in collection of CRV from the state after initial payment of CRV to a consumer.

Lastly, the table above for FY09-10 reflects container sales and tonnages returned (converted to container counts) as reported by program participants. Dollar amounts tied to those counts may not match to the actual Quarterly Status Report sheet earlier in this report, though those should reconcile, pending 2009/2010 final financial reports.

## HANDLING FEES

Handling fees are a set amount per container, regardless of container type. The table below shows three years of handling fee payments. Note that the total amount of Handling Fees for FY 2009-2010 remains an estimate, pending final 2009/2010 financial records. Actual Handling Fee claims have been received through the June 2010 reporting period. For the FY 2010-2011 and FY 2011-2012 periods, the total amount is based entirely on projections. For more information regarding handling fees, see the link to the Processing Fee and Handling Fee Cost Surveys, Handling Fee Final Report contained in Note 8 above.

<b>Fiscal Year</b>	<b>Handling Fee</b>	<b>Containers</b>
2009-10	\$24,475,147	4,069,142,200
2010-11 (Projected)	\$38,139,474	4,439,985,332
2011-2012 (Projected)	\$38,139,474	4,439,985,332

## **PROCESSING FEES/PAYMENTS**

Processing Fees are collected from beverage manufacturers that package their beverages in plastic and glass. Processing Payments are made to recyclers from the Processing Fees paid by manufacturers, plus the Processing Fee Offsets transferred from the unredeemed redemption payments.

For FY 2009-2010 Processing Fees were increased and Processing Payments were reduced from the levels they would otherwise have been because of proportional reductions. Processing Fee Offsets were reduced and, with these reductions, the amount manufacturers were required to pay as a Processing Fee increased.

For FY 2010-2011 Processing Fees and Processing Payments are again influenced by limitations on the amount of Processing Fee Offsets. The offsets for calendar years 2010 and 2011 were capped by AB 7 (8X) at the amount expended per container type in the 2008 calendar year. This cap increases the amount required from manufacturers, when compared to the other statutory provisions establishing Processing Fees. With the reduced amount available for Processing Fee Offsets, manufacturer-paid Processing Fees have been increased. The cap on Processing Fee Offsets and the annual basis for setting Processing Fees may result in the generation of insufficient revenues to pay all Processing Payments. At this point, however, the observed changes in scrap values and inflation adjustments to costs of recycling, coupled with projections in recycling volumes, have resulted in Processing Payment levels that require less offset for glass and PET plastic than was used in the 2008 baseline year. Processing Payments for HDPE would otherwise require more Processing Fee Offset than the law allows and, as such, Processing Fees for HDPE are higher than they would be if there was no cap on offsets.

<b>FY 2009-10</b>			
	Processing Fees	Processing Fee Offsets	Processing Payments
Glass	\$29,601,620	\$27,461,205	\$54,544,493
PET	\$28,433,309	\$15,610,273	\$42,667,623
HDPE	\$4,489,923	\$2,566,464	\$6,772,372
Total	\$62,524,852	\$45,637,942	\$103,984,488

<b>FY 2010-11 (Projected)</b>			
	Processing Fees	Processing Fee Offsets	Processing Payments
Glass	\$6,729,460	\$47,187,971	\$53,917,431
PET	\$13,150,749	\$25,204,921	\$38,355,670
HDPE	\$3,384,556	\$4,588,377	\$7,972,933
Total	\$23,264,765	\$76,981,269	\$100,246,034

<b>FY 2011-12 (Projected)</b>			
	Processing Fees	Processing Fee Offsets	Processing Payments
Glass	\$6,551,688	\$47,410,162	\$53,961,850
PET	\$4,035,365	\$22,224,097	\$26,259,462
HDPE	\$1,057,554	\$5,070,497	\$6,128,051
Total	\$11,644,607	\$74,704,756	\$86,349,363

Processing Fees plus Processing Fee Offsets may not equal Processing Payments in a given fiscal year. The Department estimates the amount of Processing Fee Offset to

be transferred from unredeemed CRV into the Processing Fee Accounts. That estimate is based on past volumes to generate expected future return. Prior to AB 7(8X), the amount of Offset was not capped. When the amount of transferred unredeemed CRV was less than eventually needed, adjustments were made to ensure recyclers received full Processing Payments. If the amount of Offset transferred exceeded what was needed to make Processing Payments, subsequent year transfers of unredeemed CRV were reduced. In neither scenario were the Processing Fee rates affected. Under AB 7(8X), the amount of Processing Fee Offsets is now capped for CY 2010 and 2011, which will require the Department to ensure that the Processing Fee is appropriately set such that sufficient Fee revenues match allowed Offsets.

Processing Fees, Payments, and Offsets may all change in the middle of 2011-2012. The AB 7 (8X) cap on total offsets by material type is scheduled to become inoperative on January 1, 2012. The Processing Payment amount is unknowable at this time, as it will result from cost of recycling surveys that have not yet started and scrap values gleaned from market conditions that have not yet occurred. Processing Fees are a function of the Payments, less the amount of allowed Offsets. These inter-relations combined with fundamentally unknowable details at this point, result in there being no way of identifying Processing Fees and Payments for FY 2011-2012. For purposes of this report, however, CalRecycle has used the CY 2011 values as a proxy for FY 2011-2012, except that the values for HDPE reflect the lifting of the Offset cap effective January 1, 2012. As CalRecycle is better able to determine those values, they will be reflected in subsequent reports.