

ENVIRONMENTAL FACILITIES CORPORATION

MISSION

The Environmental Facilities Corporation is a public benefit corporation established to help local governments, state agencies and private industry comply with State and Federal environmental laws and regulations. The Corporation works with these entities to design, construct, operate and finance air pollution control, water and wastewater treatment, and solid and hazardous waste disposal facilities. The Environmental Facilities Corporation's largest program is the Clean Water State Revolving Fund, which provides low-interest rate loans to municipalities to construct water pollution control facilities. The Corporation, in conjunction with the New York State Department of Health, jointly administers the Drinking Water State Revolving Fund. Funding for these programs is provided by a Federal grant and a corresponding State match. The State match for the Drinking Water Revolving Fund is provided from the Clean Water/Clean Air Bond Act. Administration of these programs is also supported by fees and interest generated through program operations.

ORGANIZATION AND STAFFING

The Environmental Facilities Corporation is governed by a seven-member Board of Directors who serve without compensation: the Commissioner of Environmental Conservation who serves as the chairman, the Commissioner of Health, the Secretary of State, and four members nominated to six-year terms by the Governor with Senate confirmation.

The Corporation is operated by a President appointed by the Board of Directors and has a workforce of 118, including 14 staff of the Department of Environmental Conservation who are assigned administratively to the Corporation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The operations of the Environmental Facilities Corporation are funded by:

- Financing fees and annual fees charged to municipalities that receive Revolving Fund loans and a portion of State and Federal grants made for the Clean Water and Drinking Water programs; and
- User fees paid by businesses, municipalities and industrial clients for the Corporation's technical and financial services.

For fiscal year 2000-01, a total of \$7,435,800 is recommended for operations of the Corporation. In addition, State funds are included in the Department of Environmental Conservation and Department of Health's capital budgets for the required match to Federal funding for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs.

PROGRAM HIGHLIGHTS

The Environmental Facilities Corporation currently administers six major programs: the two State Revolving Funds, Industrial Finance Services, Technical Advisory Services, the Clean Water/Clean Air Bond Act's small business environmental compliance assistance programs, and the Pipeline for Jobs Program.

ENVIRONMENTAL FACILITIES

CLEAN WATER STATE REVOLVING LOAN FUND

This program was established in 1989 to help municipalities comply with the Federal Clean Water Act by providing low-interest rate loans to build water pollution control facilities. Since 1989, the program has received Federal and State appropriations totaling \$1.7 billion and \$345 million, respectively. The State Revolving Fund has made loans totaling \$4.8 billion to 334 municipalities across the State. Interest rates range from as low as zero percent to no more than two-thirds of the market rate. These low-interest rate loans substantially reduce the cost of water pollution control projects for municipal borrowers making environmental compliance and protection more attainable.

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

In 1996, Congress enacted Federal authorizing legislation for the Drinking Water State Revolving Fund program. This program, modeled after the Clean Water State Revolving Fund program, provides low interest rate loans to community and private water systems to finance safe drinking water projects. In cases of financial hardship, funds are also available from the Clean Water/Clean Air Bond Act to make grants for the construction of drinking water facilities. The Drinking Water Program has made loans totaling \$435.5 million and grants totaling \$62 million to 110 recipients across the State. Federal funding provided for the Drinking Water State Revolving Fund requires a 20 percent State match. In 2000-01, the program is supported by \$245.9 million in Federal awards, requiring a State match of \$49.2 million. The State's share of the Drinking Water State Revolving Fund is provided from the Clean Water/Clean Air Bond Act.

INDUSTRIAL FINANCE PROGRAM

Since 1976, the Industrial Finance Program has provided more than \$942 million in low-interest rate loans and \$188 million in loan refinancing to businesses and State agencies for environmental improvement projects. Projects eligible for loans include solid waste management facilities, hazardous waste site remediation, and water supply and wastewater management facilities. Loans under the program are financed from the proceeds of special obligation bonds issued by the Corporation.

TECHNICAL ADVISORY SERVICES

The Technical Advisory Services Program advises businesses, industrial clients, State agencies and municipalities on pollution prevention, waste management and compliance with environmental laws and regulations. The Corporation also provides fund management and loan and grant servicing to its clients. The Environmental Facilities Corporation addresses issues such as air pollution control; treatment, storage and disposal of industrial hazardous waste; inactive hazardous waste site remediation; water and waste water management; and resource recovery and recycling. This program is funded through fees paid by Corporation clients who use the services.

FINANCIAL ASSISTANCE TO BUSINESS

The Clean Water/Clean Air Bond Act provides \$60 million to assist small businesses in achieving compliance with environmental laws and regulations pertaining to air and water quality. The air and water quality programs are funded at \$30 million each and are used to assist small businesses in targeted sectors to procure capital equipment necessary to prevent pollution and achieve environmental compliance.

ENVIRONMENTAL FACILITIES

The Environmental Facilities Corporation will work with village, town and city governments to identify businesses in need of assistance.

PIPELINE FOR JOBS

The Pipeline For Jobs Program was created in 1999 to provide low-cost loans and financial assistance to municipalities, public utilities, public benefit corporations and businesses. The purpose of the program is to encourage and support water supply and cold water supply improvement projects which provide an economic development benefit to the State. A total of \$22.5 million was authorized and appropriated for this program in 1999-00. EFC is beginning to implement this program by developing regulations with the departments of Health, Economic Development and Environmental Conservation. These regulations will define the roles of the various agencies in the selection of projects and the disbursements of funds.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$7,014,700	\$7,143,800	+ \$129,100	.....
Aid To Localities	22,799,000	292,000	-22,507,000	\$22,500,000
Capital Projects	\$29,813,700	\$7,435,800	-\$22,377,900	\$22,500,000
Total	29,813,700	7,435,800	-22,377,900	22,500,000

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
Special Revenue Funds - Other	98	98	.....	98	.....
Clean Water/Clean Air Administration Program					
Capital Projects Funds - Other	6	6	.....	6	.....
Total	104	104	.....	104	.....

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
Special Revenue Funds - Other	\$7,014,700	\$7,143,800	+ \$129,100
Total	\$7,014,700	\$7,143,800	+ \$129,100
Adjustments:			
Transfer(s) From			
Environmental Conservation, Department of Special Revenue Funds - Other	-150,900		
Appropriated 1999-00	\$6,863,800		

ENVIRONMENTAL FACILITIES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration			
Special Revenue Funds - Other	\$7,014,700	\$7,143,800	+ \$129,100
Total	\$7,014,700	\$7,143,800	+ \$129,100

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$7,143,800	+ \$129,100	\$4,674,300	+ \$78,000
Total	\$7,143,800	+ \$129,100	\$4,674,300	+ \$78,000

Program	Nonpersonal Service	
	Amount	Change
Administration	\$2,469,500	+ \$51,100
Total	\$2,469,500	+ \$51,100

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

	Available 1999-00	Recommended 2000-01	Change	Reappropriations 2000-01
Comprehensive Construction Program				
Pipeline for Jobs Program				
Capital Projects Fund	\$22,500,000	. . . .	-\$22,500,000	\$22,500,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	299,000	\$292,000	-7,000	. . . .
Total	\$22,799,000	\$292,000	-\$22,507,000	\$22,500,000