

# ***ENVIRONMENTAL FACILITIES CORPORATION***

## ***MISSION***

The Environmental Facilities Corporation (EFC) is a public benefit corporation whose mission is to promote environmental quality by providing low cost financing and technical assistance to municipalities, businesses and State agencies for environmental and public health projects in New York State.

The Environmental Facilities Corporation's largest program is the Clean Water State Revolving Fund. This program, administered jointly with the Department of Environmental Conservation, provides reduced interest rate financing to municipalities for infrastructure projects that control water pollution. EFC, in conjunction with the New York State Department of Health, also administers the Drinking Water State Revolving Fund, which provides reduced interest rate financing and grants to community and private water systems for safe drinking water projects. A Federal grant and corresponding State match provide funding for these programs. The Clean Water/Clean Air Bond Act provides a State match for the Drinking Water State Revolving Fund. Administration of these programs is also supported with a portion of the Federal Capitalization Grant and fees charged on financings.

The Environmental Facilities Corporation also administers other funding programs including the Financial Assistance to Business, Industrial Finance, Pipeline for Jobs, Beginning Farmer, and the Clean Vessel Assistance Program (in conjunction with the Department of Environmental Conservation). It also provides technical assistance through its New York City Watershed Programs and Small Business Environmental Assistance Program.

## ***ORGANIZATION AND STAFFING***

A seven-member Board of Directors governs the Corporation. Ex-Officio board members include the Commissioner of the Department of Environmental Conservation, who serves as the Board Chair, the Commissioner of the Department of Health, and the Secretary of State. The four remaining board members serve six-year terms and require nomination by the Governor and confirmation by the State Senate. The Board of Directors appoints the Corporation President and Corporate Officers. The Environmental Facilities Corporation will have a 2007-08 workforce of 98, including six staff of the Department of Environmental Conservation who are assigned administratively to the Corporation.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

Corporate operations are funded by:

- Financing fees and annual fees charged to recipients 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.

## ***ENVIRONMENTAL FACILITIES***

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For fiscal year 2007-08, a total of \$13.9 million 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 seven major programs: the two State Revolving Funds, the Industrial Finance Program, Technical Advisory Services, the Clean Water/Clean Air Bond Act's business environmental compliance assistance programs, the Pipeline for Jobs Program and New York Beginning Farmer Loan Program.

#### ***CLEAN WATER STATE REVOLVING FUND PROGRAM***

This program was established in 1989 to help municipalities comply with the Federal Clean Water Act by providing low-interest rate financings to build or upgrade water pollution control facilities. Since 1989, the program has received Federal and State appropriations totaling \$2.9 billion and \$581 million, respectively. The State Revolving Fund has made financings totaling \$12 billion to 466 recipients 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 financings substantially reduce the cost of water pollution control projects for borrowers, making environmental compliance and protection more attainable.

#### ***DRINKING WATER STATE REVOLVING FUND PROGRAM***

In 1996, Congress enacted Federal legislation authorizing the Drinking Water State Revolving Fund program. This program, modeled after the Clean Water State Revolving Fund program, provides reduced interest rate financings 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 and grants totaling \$1.7 billion to 305 recipients across the State. Federal funding provided for the Drinking Water State Revolving Fund requires a 20 percent State match. Since 1996, the program has received Federal and State appropriations totaling \$602.7 million and \$120.5 million, respectively. 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 \$2.0 billion in low-interest rate loans to businesses and State agencies for environmental improvement projects. Projects eligible for loans include solid waste management facilities, hazardous waste management facilities, and water supply and wastewater management facilities. Loans under the program are financed from the proceeds of special obligation revenue bonds issued by the Corporation.

## **ENVIRONMENTAL FACILITIES**

### **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 such issues as air pollution control and compliance, multi-media waste management, inactive hazardous waste site remediation, water and wastewater management, and solid waste management and landfill closure. This program is funded by fees paid by Corporation clients who contract for these services.

### **FINANCIAL ASSISTANCE TO BUSINESS**

The 1996 Clean Water/Clean Air Bond Act provides \$60 million to assist 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 businesses in targeted sectors to achieve environmental compliance including procurement of new capital equipment. The Corporation works 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. The recommendation for this program includes \$11.3 million in reappropriations.

### **NEW YORK BEGINNING FARMER LOAN PROGRAM**

The New York Beginning Farmer Loan Program provides low interest loans of up to \$250,000 to individuals for the purchase of agricultural property and equipment. The purpose of this program is to attract and support New York's next generation of farmers.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2006-07</b>	<b>Appropriations Recommended 2007-08</b>	<b>Change</b>	<b>Reappropriations Recommended 2007-08</b>
State Operations	12,774,500	13,552,000	777,500	0
Aid To Localities	0	0	0	0
Capital Projects	5,343,000	343,000	(5,000,000)	11,648,000
Total	18,117,500	13,895,000	(4,222,500)	11,648,000

# ENVIRONMENTAL FACILITIES

## ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
Special Revenue Funds - Other	88	88	0
Clean Water/Clean Air Administration Program			
Capital Projects Funds - Other	4	4	0
Total	92	92	0

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	12,774,500	13,552,000	777,500
Total	12,774,500	13,552,000	777,500

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
Special Revenue Funds - Other	12,774,500	13,552,000	777,500
Total	12,774,500	13,552,000	777,500

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	13,552,000	777,500	8,158,000	421,000
Total	13,552,000	777,500	8,158,000	421,000

Program	Nonpersonal Service	
	Amount	Change
Administration	5,394,000	356,500
Total	5,394,000	356,500

## CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Pipeline for Jobs Program				
Capital Projects Fund - Authority Bonds	5,000,000	0	(5,000,000)	11,305,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	343,000	343,000	0	343,000
Total	5,343,000	343,000	(5,000,000)	11,648,000