

ENVIRONMENTAL FACILITIES CORPORATION

MISSION

The Environmental Facilities Corporation (EFC) is a public benefit corporation that promotes 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.

EFC's largest program is the Clean Water State Revolving Fund (CWSRF). This program, administered jointly with the Department of Environmental Conservation (DEC), 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 (DWSRF), 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 DWSRF. Administration of these programs is also supported with a portion of the Federal Capitalization Grant and fees charged on financings.

EFC also administers other funding programs including the Industrial Finance Program and the Clean Vessel Assistance Program (in conjunction with DEC). In addition, technical assistance is provided 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 Senate. The Board of Directors appoints the Corporation President and Corporate Officers.

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.

The Executive Budget recommends **\$12.7 million** for EFC, made up entirely of non-General Fund spending. This is a continuation of 2010-11 enacted budget levels. In addition, State funds are included in the DEC and Department of Health's capital budgets for the required match to Federal funding for the CWSRF and DWSRF programs.

EFC will continue to provide approximately \$3.5 million for DEC employees who are assigned administratively to the Corporation.

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PROGRAM HIGHLIGHTS

EFC currently administers four major programs: the Clean Water State Revolving Fund (CWSRF), the Drinking Water State Revolving Fund (DWSRF), the Industrial Finance Program (IFP) and the Technical Advisory Services Program (TAS).

The American Recovery and Reinvestment Act of 2009 (ARRA) allocated \$433 million for the CWSRF and \$87 million for the DWSRF. The ARRA funding supported 45 CWSRF ARRA projects, 16 DWSRF ARRA projects and 49 Green Innovation ARRA grants, over and above EFC's conventional Federal funding. The ARRA projects will receive 50 percent of the project costs as a low-cost loan and the remaining 50 percent as principal forgiveness.

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 \$3.2 billion and \$633 million, respectively. The State Revolving Fund has made financings totaling \$15.3 billion to 511 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 \$2.7 billion to 342 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 \$738 million and \$265 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 \$2.7 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.

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TECHNICAL ADVISORY SERVICES PROGRAM

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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	12,310,000	12,310,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	343,000	343,000	0	1,991,000
Total	<u>12,653,000</u>	<u>12,653,000</u>	<u>0</u>	<u>1,991,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2010-11 Estimated FTEs 03/31/11	2011-12 Estimated FTEs 03/31/12	FTE Change
Administration			
Special Revenue Funds - Other	88	88	0
Total	<u>88</u>	<u>88</u>	<u>0</u>

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Other	12,310,000	12,310,000	0
Total	<u>12,310,000</u>	<u>12,310,000</u>	<u>0</u>

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

Program	Available 2010-11	Recommended 2011-12	Change
Administration			
Special Revenue Funds - Other	12,310,000	12,310,000	0
Total	<u>12,310,000</u>	<u>12,310,000</u>	<u>0</u>

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STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	12,310,000	0	7,429,000	0
Total	12,310,000	0	7,429,000	0

Program	Nonpersonal Service	
	Amount	Change
Administration	4,881,000	0
Total	4,881,000	0

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

Comprehensive Construction Program	Available 2010-11	Recommended 2011-12	Change	Reappropriations 2011-12
Pipeline for Jobs Program				
Capital Projects Fund - Authority Bonds	0	0	0	1,305,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	343,000	343,000	0	686,000
Total	343,000	343,000	0	1,991,000