

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 waste water treatment, and solid and hazardous waste disposal facilities. The Environmental Facilities Corporation's largest program is the Clean Water State Revolving Loan 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 Loan Fund. Funding for these programs is provided by a Federal grant and a corresponding State match. The State match for the Drinking Water Revolving Loan 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 16 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.

A total of \$7,162,800 is provided in 1999-2000 for the Corporation. State funds are also included in the Department of Environmental Conservation's and the Department of Health's budgets for the required match to Federal funding for the Clean Water State Revolving Loan Fund and Drinking Water State Revolving Loan Fund programs.

PROGRAM HIGHLIGHTS

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

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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. The program is supported by Federal and State appropriations which total \$1.8 billion and \$360 million, respectively, since 1989. The State Revolving Fund has made loans totaling \$4.1 billion to 290 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 Loan Fund program. This program, modeled after the Clean Water State Revolving Loan 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. Federal funding provided for the Drinking Water State Revolving Loan Fund requires a 20 percent State match. In 1999-2000, the program is supported by \$178.4 million in Federal awards, requiring a State match of \$35.7 million. The State's share of the Drinking Water State Revolving Loan Fund will be provided from the Clean Water/Clean Air Bond Act.

INDUSTRIAL FINANCE PROGRAM

Since 1976, the Industrial Finance Program has provided more than \$910 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 waste water 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 will be funded at \$30 million each and will be used to assist small businesses in targeted sectors to procure capital equipment necessary to prevent pollution. The Environmental Facilities Corporation will work with village, town and city governments to identify businesses in need of assistance.

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ALL FUNDS APPROPRIATIONS

<u>Category</u>	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations	\$6,837,400	\$6,863,800	+ \$26,400	. . . .
Aid To Localities . . . . .	. . . .	. . . .	. . . .	. . . .
Capital Projects	292,000	299,000	+ 7,000	. . . .
Total	\$7,129,400	\$7,162,800	+ \$33,400	. . . .

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

<u>Program</u>	Available 1998-99	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	Change
Administration					
Special Revenue Funds — Other	96	96	. . . .	96	. . . .
Clean Water/Clean Air Administration Program					
Capital Project Funds	6	6	. . . .	6	. . . .
Total	102	102	. . . .	102	. . . .

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	Available 1998-99	Recommended 1999-00	Change
Special Revenue Funds — Other	\$6,837,400	\$6,863,800	+ \$26,400
Total	\$6,837,400	\$6,863,800	+ \$26,400
Adjustments:			
Transfer(s) From			
Environmental Conservation, Department of			
Special Revenue Funds — Other	-258,200		
Appropriated 1998-99	\$6,579,200		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	Available 1998-99	Recommended 1999-00	Change
Administration			
Special Revenue Funds — Other	\$6,837,400	\$6,863,800	+ \$26,400
Total	\$6,837,400	\$6,863,800	+ \$26,400

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STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$6,863,800	+ \$26,400	\$4,479,800	+ \$256,200
Total	<u>\$6,863,800</u>	<u>+ \$26,400</u>	<u>\$4,479,800</u>	<u>+ \$256,200</u>

Program	Nonpersonal Service	
	Amount	Change
Administration	\$2,384,000	-\$229,800
Total	<u>\$2,384,000</u>	<u>-\$229,800</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Comprehensive Construction Programs	Available 1998-99	Recommended 1999-00	Change	Reappropriations 1999-00
Clean Water, Clean Air Implementation Clean Water Clean Air Implementation Fund	\$292,000	\$299,000	+ \$7,000	. . . .
Total	<u>\$292,000</u>	<u>\$299,000</u>	<u>+ \$7,000</u>	<u>. . . .</u>