



New York State Comptroller
THOMAS P. DiNAPOLI

Environmental Facilities Corporation

An Overview of Major Water Quality
Improvement Programs

April 2024

Message from the Comptroller

April 2024

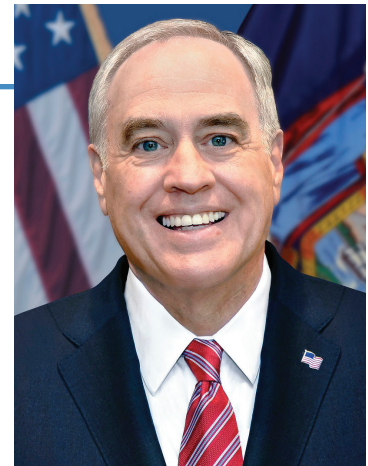
New York State is fortunate to have an abundance of natural resources, including water. At the same time, aging infrastructure and a long history of underinvestment in water system maintenance have resulted in a significant backlog of water quality improvement projects needed to protect the waters that sustain our environment and supply our homes and businesses. In fact, recent reports by the Environmental Facilities Corporation (EFC) identify nearly \$17.9 billion of Clean Water and nearly \$8.3 billion of Drinking Water projects awaiting funding.

EFC serves a critical role in protecting the State's water by working with the Departments of Environmental Conservation and Health to finance wastewater, drinking water and other water related infrastructure improvements. New York has spent more for Clean Water and Drinking Water projects than any other State; however, the need remains significant and more can be done to reach communities which have not accessed funding.

EFC should continue and expand efforts to streamline administration of the Clean Water and Drinking Water revolving loan fund programs, as many local governments struggle to manage the application and project management requirements for these complicated capital improvements. Additional transparency and working with existing networks can also facilitate improvements to the operations and reach of the programs.

Working together, we can ensure that New Yorkers now, and in the future, have access to the safe drinking water and the clean water resources that are so essential to our lives.

Thomas P. DiNapoli
State Comptroller



Executive Summary

The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation that provides financial assistance through grants, loans, and technical expertise to State and local entities, as well as certain businesses in New York State. The Corporation receives State and federal funds and allocates them as grants and loans to participating entities. Major programs include the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). The CWSRF and DWSRF are federally supported with capitalization grants and the State providing a 20 percent match. EFC uses the federal and State funding to provide subsidized loans, and on certain occasions grants, to municipalities for water quality and safety, wastewater treatment and other projects.

The funds “revolve” when borrowers repay principal and interest on their loans and those payments are then used to finance new projects. EFC also issues revenue bonds to increase the capital available to fund projects. From the inception of the programs, New York has cumulatively spent \$18.2 billion for the CWSRF and \$5.5 billion for the DWSRF in Project Assistance Disbursed. New York’s cumulative Project Assistance Disbursed far surpassed the amounts for California, Texas, Florida and Pennsylvania.

To supplement CWSRF and DWSRF and help communities afford projects, EFC also awarded State grants of \$2.6 billion through programs that include the New York State Water Infrastructure Improvement Act of 2015 (WIIA), New York State Clean Water Infrastructure Act of 2017 (CWIA), Intermunicipal Grants (IMG) and other programs. The State has fully disbursed \$1.4 billion out of \$5.4 billion appropriated since 2015.

Despite New York’s position as the largest revolving fund program in the nation, the State’s local water infrastructure needs are significant, and a lengthy backlog of projects remains. The most recent Environmental Protection Agency (EPA) reports on clean and drinking water needs assessed a 20-year capital improvement need for New York of \$28.7 billion for clean water infrastructure as of 2016 (based on 2012 data), and \$35.1 billion for drinking water infrastructure as of 2023 (based on 2021 data).

The backlog of projects is also large. The 2024 Intended Use Plan (IUP) Multi-Year Lists for both revolving funds include 1,880 projects with a total cost of \$26.1 billion. While low and no-interest loans benefit some municipalities, the feasibility of repaying loans, or even completing the application process, for many communities is daunting. Even with WIIA and other grants awarded, State spending has lagged available funding.

State and federal policymakers should consider multiple actions to ensure that critical water quality projects are completed as quickly as possible. At the federal level, continuing or increasing funding for capitalization grants for the revolving funds, ensuring that future funding is based on the traditional formula (rather than earmarks) and allowing for more access to hardship grants should be considered.

At the State level, additional transparency is necessary to evaluate the efficacy of spending. In addition to providing a comprehensive list, description and location of projects funded and completed, the State should also evaluate new methods of assisting local governments in accessing revolving fund resources by streamlining application processes and providing technical assistance.

Funding Water Infrastructure Needs

EFC Overview

In the 1960s and 1970s, New York State and the federal government established programs to protect the environment in response to a growing public concern with air and water pollution. Among these programs were the federal Clean Air Act passed in 1970 and the federal Clean Water Act (CWA) passed in 1972.

The New York State Environmental Facilities Corporation (EFC) was created as a public benefit corporation under Chapter 744 of the Laws of 1970, to broaden the powers of the “New York State Pure Waters Authority.” Chapter 744 expanded the authority’s original duties of technical expertise and assistance to communities for planning, financing, building and operation of sewage treatment facilities, to include more specific purposes including combatting air pollution, stormwater management and solid waste disposal. EFC’s powers were also expanded to invest undisbursed federal government funds.¹

EFC’s mission is to provide access to low-cost capital and grants to assist New York communities in undertaking critical water quality infrastructure projects. EFC receives State and federal funds and allocates them as grants and loans to participating municipalities. EFC also provides technical assistance in applying for and accessing State and federal funding.²

The authority is governed by a seven-member board of directors, which is chaired by the Commissioner of the Department of Environmental Conservation (DEC). The other board members include the Commissioner of the Department of Health (DOH), the Secretary of State, and four members appointed by the Governor and confirmed by the State Senate.

Federal Revolving Loan Funds

Major federally funded programs administered by EFC include the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF).³ The federal government created the CWSRF with amendments to the CWA in 1987. In 1996, amendments to the federal Safe Drinking Water Act established the DWSRF.⁴

The Clean and Drinking Water State Revolving Funds (SRFs) provide financial assistance for essential water quality projects through capitalization grants, allocated annually by the Environmental Protection Agency (EPA) (based on quadrennial assessments). The federal government requires a 20 percent State match. The funds “revolve” when borrowers repay principal and interest on their loans and those payments are then used to finance new projects.⁵ EFC also issues revenue bonds to increase the capital available to fund projects. EFC uses SRF assets as security for the bonds, as well as repayment.⁶

States may allocate SRF funding for loans, refinancing, purchasing, or guaranteeing local debt and purchasing bond insurance. States may also set specific loan terms, including interest rates from zero percent to market rate, and repayment periods of up to 30 years. The proceeds of the bonds are provided to the recipients.⁷ EFC reported \$5.6 billion in outstanding debt on its Fiscal Year End (FYE) March 31, 2023, the majority of which, \$5.5 billion, was debt issued for the SRFs.⁸

FIGURE 1
Federally Funded State Revolving Funds

	Partner Agency	Eligible Applicants	Eligible Projects
CWSRF	DEC	<ul style="list-style-type: none"> • Municipalities • Indian reservations • Water authorities 	<ul style="list-style-type: none"> • Municipally owned treatment works projects • Stormwater/Non-Point Source pollution control • National Estuary projects • Construction, repair, or replacement of municipal decentralized wastewater treatment systems • Creating green infrastructure projects
DWSRF	DOH	<ul style="list-style-type: none"> • Municipalities • School districts • Indian reservations • Water authorities 	<ul style="list-style-type: none"> • Municipally owned community water systems • Drinking water treatment • Water distribution, fixing leaky or old pipes • Replacing or construction of water storage tanks • Infrastructure projects to protect public health

Note: Indian reservations must be wholly within New York State

Source: Environmental Facilities Corporation (EFC) Federal Fiscal Year (FFY) 2024 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP), and FFY 2024 Drinking Water State Revolving Fund (DWSRF) IUP

To receive DWSRF or CWSRF funding, recipients must be included on a list in the Intended Use Plan (IUP), which states update each federal fiscal year (FFY). The CWSRF and DWSRF each have an IUP. The IUP has an Annual Project Priority List (Annual List) for projects that EFC may provide funding for in that IUP period, and a Multi-Year Project Priority List (Multi-Year List) for which applicants have expressed interest in receiving financial assistance. Recipients may only receive funding in that period if they are on the Annual List. Applications are screened for eligibility, scored, ranked, and then added to the list if approved. Applicants receive a score based on the criteria, and those with the highest scores appear higher on the list.⁹

FIGURE 2
IUP List Requirements

Multi-Year List Requirements	Annual List Requirements*
<ul style="list-style-type: none"> • Description of the project • Project scope • Budget and schedule 	<ul style="list-style-type: none"> • Engineering report • Any consent orders • Financing application, which includes a Smart Growth Assessment Form

*In addition to requirements for the Multi-Year List

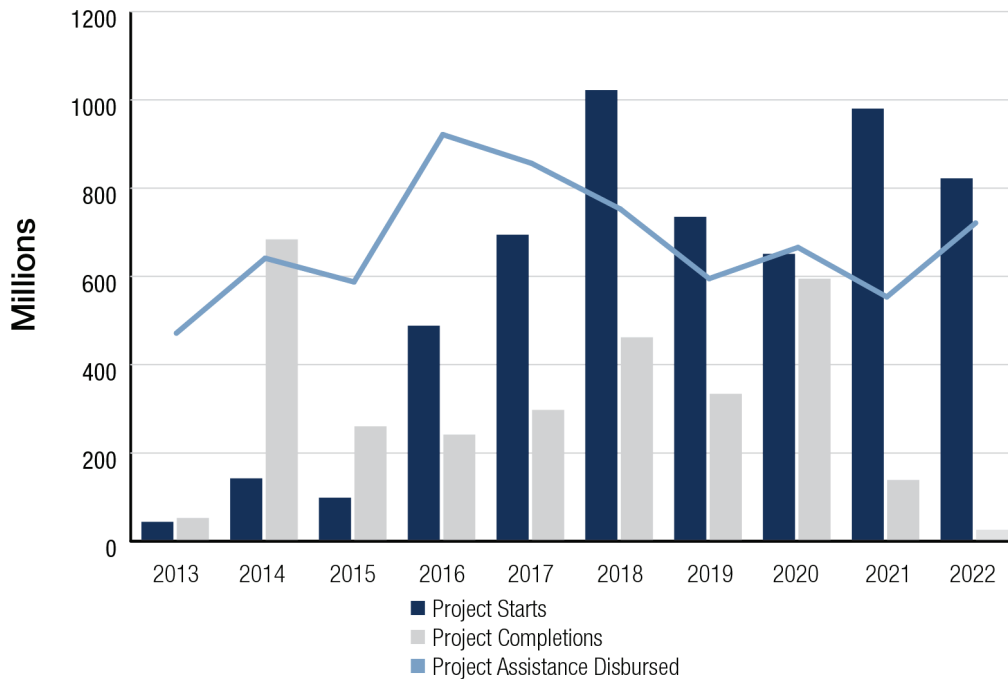
Source: EFC CWSRF and DWSRF IUPs

Applicants may qualify for interest-free hardship financing,¹⁰ based on median household income and poverty level, as well as whether a project serves, protects, and benefits residents of a potential Environmental Justice area¹¹ or Disadvantaged Community (DAC).¹² Funding from the recent federal Infrastructure Investment and Jobs Act (IIJA) also provides interest-free financing, as well as grants for the neediest projects, and is intended to be more inclusive of applicants that are from small, rural and disadvantaged communities.¹³

The CWSRF also offers competitive grants through the State’s Green Innovation Grant Program, which are awarded annually to projects that improve water quality and mitigate the effects of climate change through the implementation of one or more of the following green practices: Green Stormwater Infrastructure, Energy Efficiency, and Water Efficiency and Environmental Innovation. In 2022, eight projects were awarded \$15.8 million through the Regional Economic Development Councils.¹⁴

The EPA reported \$18.2 billion in CWSRF Project Assistance Disbursed¹⁵ for New York from 1990 to 2022.¹⁶ Project Assistance Disbursed annually over the past 10 years for New York has ranged from a low of \$471.2 million in 2013 to a high of \$921.2 million in 2016.

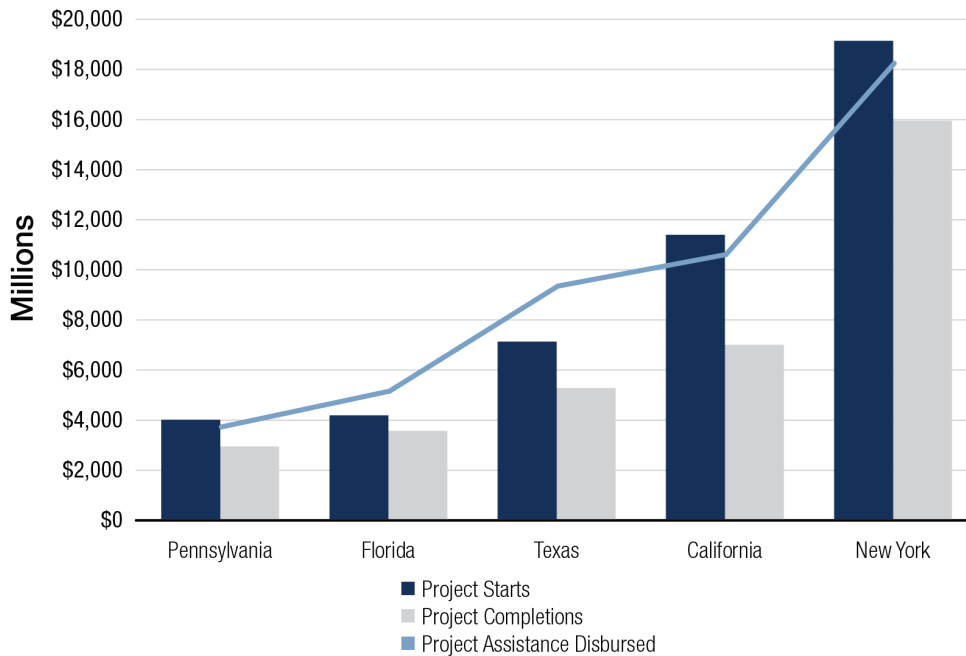
FIGURE 3
New York Annual Spending on CWSRF Project Starts, Completions,
and Project Assistance Disbursed, 2013 – 2022



Source: EPA CWSRF National Information Management System (NIMS)

New York had higher cumulative spending on CWSRF Project Assistance Disbursed than peer states based on population,¹⁷ including California, Texas, Florida, and Pennsylvania. With \$18.2 billion in cumulative spending, New York had almost double the amount of Project Assistance Disbursed as the next highest spender, California, which had \$10.6 billion. Moreover, New York disbursed the most out of all states since the beginning of the program, and cumulative spending on project starts and completions also surpassed the other states.

FIGURE 4
Cumulative Spending on CWSRF Project Starts and Completions, and Project Assistance Disbursed, Most Populous States, 1990 – 2022



Source: EPA CWSRF NIMS

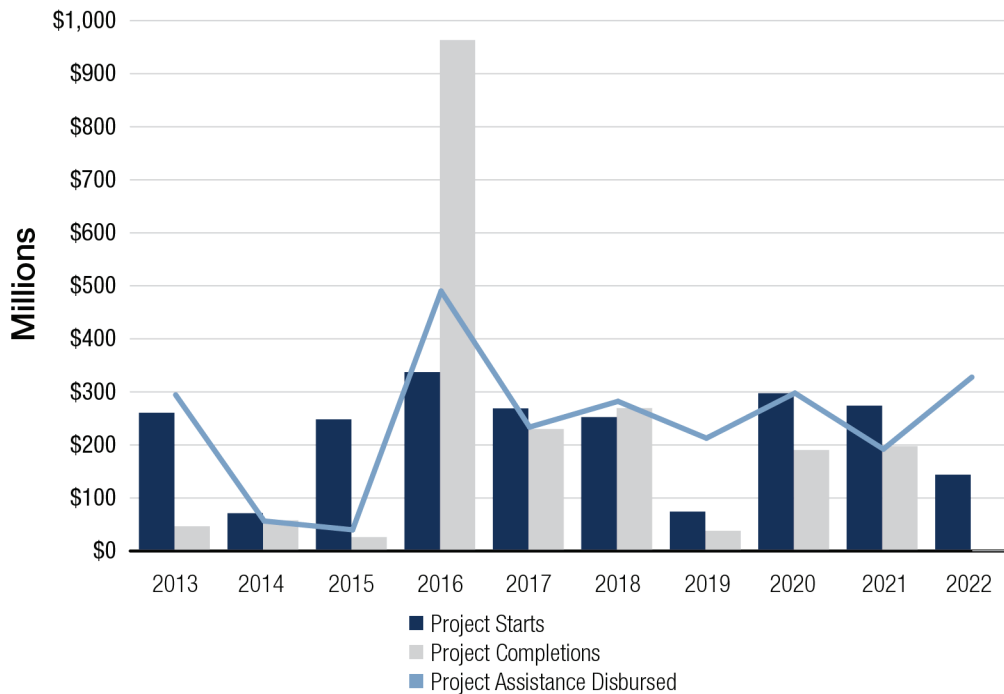
The EPA reports on funds disbursed to the states, but only at the aggregate level, with no specifics about projects. EFC does not report on completed CWSRF or DWSRF projects. Eligible projects are listed in the IUPs and the Governor’s office announces awards, but there are no lists of completed projects publicly available.

Examples of project awards include \$4.4 million in CWSRF long-term, interest-free financing and a \$277,498 WIIA grant for the Albany Municipal Water Finance Authority in Albany County. The funding will support the design and construction of the Beaver Creek Sewershed Overflow Abatement and Flood Mitigation Project.¹⁸

The City of Albany, along with the cities of Cohoes, Rensselaer, Troy and Watervliet, and the Village of Green Island, collectively own and operate Combined Sewer Overflows (CSOs) that discharge rainwater and untreated wastewater into the Hudson and Mohawk Rivers following large storms. As the largest polluter in the Hudson, Beaver Creek Sewershed is part of the 15-year Long Term Control Plan approved by DEC that will be completed in 2027.¹⁹

The EPA reported that New York’s DWSRF cumulative spending on Project Assistance Disbursed was \$5.5 billion. Over the last 10 years, New York’s annual spending has ranged from \$39.7 million in 2015 to \$489.9 million in 2016. The State cumulatively spent \$5.4 billion on 985 project starts, and \$3.2 billion on 421 project completions since implementing the DWSRF.²⁰

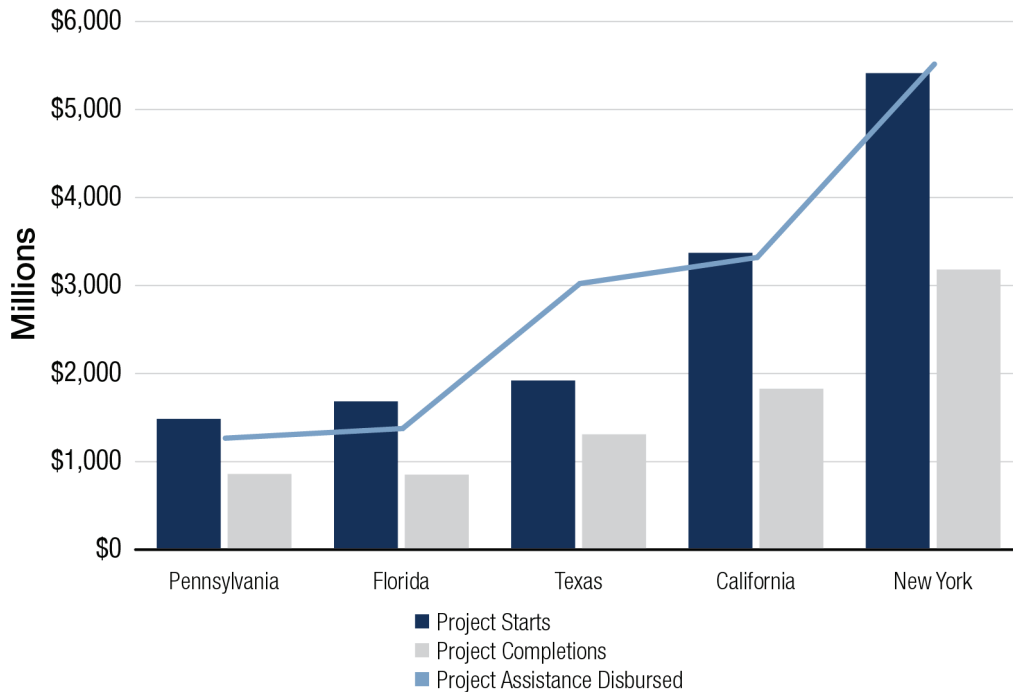
FIGURE 5
New York Annual Spending on DWSRF Project Starts and Completions, and Project Assistance Disbursed, 2013 – 2022



Source: EPA DWSRF NIMS

Compared with peer states in population size, New York had the highest cumulative spending on Project Assistance Disbursed, project starts and project completions. New York’s cumulative spending on Project Assistance Disbursed accounted for 38.0 percent of cumulative spending by all five states.

FIGURE 6
States Cumulative Spending on DWSRF Project Starts and Completions,
and Project Assistance Disbursed, 1999 – 2022



Source: EPA DWSRF NIMS

An example of a DWSRF project is in the Village of Fort Edward in Washington County, which received \$1.8 million in short-term, market-rate financing, and a \$2.8 million WIIA grant to replace more than 7,500 linear feet of antiquated and corroded water mains, replace a 200,000-gallon water storage tank and upgrade the existing booster pump station.²¹

Federal Infrastructure Investment and Jobs Act

The federal Infrastructure Investment and Jobs Act of 2021 (IIJA), provides additional funding for the revolving funds from FFY 2022 through 2026. New York will receive approximately \$426 million in IIJA funding in FFY 2022²², \$482 million in FFY 2023²³, and \$511 million in FFY 2024²⁴ for the revolving funds. The Federal Funds Information for States (FFIS) estimated that New York State would receive a total of \$2.5 billion from IIJA for these programs.²⁵

FIGURE 7
Total Estimated Funding for IIJA Programs (in millions)

CWSRF: Existing Program	\$1,233.8
DWSRF: Existing Program	\$ 456.6
CWSRF: Emerging Contaminants	\$ 105.3
DWSRF: Emerging Contaminants	\$ 155.6
DWSRF: Lead Service Line Replacement	\$ 583.8
Total Estimated IIJA Funding	\$2,535.1

Source: Federal Funds Information for States (FFIS)

Typically, SRF financing is available to all eligible projects, but IIJA splits funding into categories. All projects are eligible for the portion allotted for General Supplemental Funding. Part of the IIJA funding, totaling more than \$260 million, is targeted specifically for projects that address emerging contaminants, such as Polyfluoroalkyl Substances (PFAS), and \$583.8 million in funding is aimed at lead service line replacement. The EPA recently announced a proposed federal Lead and Copper rule change that would require all water systems in the United States to remove all lead service lines within 10 years.²⁶ In addition, CWSRF projects should also tackle resilience to threats from natural disasters, climate change or bioterrorism, support jobs, and invest in disadvantaged communities to build and maintain projects.²⁷

IIJA funding is awarded to projects in the same way that traditional SRF funds are awarded, though IIJA funding also provides assistance through principal forgiveness and grants, rather than only financing options. Fifty percent of DWSRF projects are required to be grants for projects that meet DAC criteria. Projects must be on the Annual List to receive funds.²⁸

IIJA grants are available for General Supplemental projects that meet the hardship financing criteria, as well as emerging contaminants and lead service line projects.²⁹

FIGURE 8
IIJA Additional Grants

	Percent of Eligible Costs	Maximum Amount
IIJA CWSRF General Supplemental ¹	50%	\$ 25 million
IIJA DWSRF General Supplemental ¹	70%	\$ 5 million
IIJA CWSRF Emerging Contaminants	100%	\$ 25 million
IIJA DWSRF Emerging Contaminants ²	70-100%	\$ 5 million
IIJA DWSRF Lead Service Lines ³	70-100%	\$2-10 million

1. Projects may be awarded additional subsidies and interest-free financing

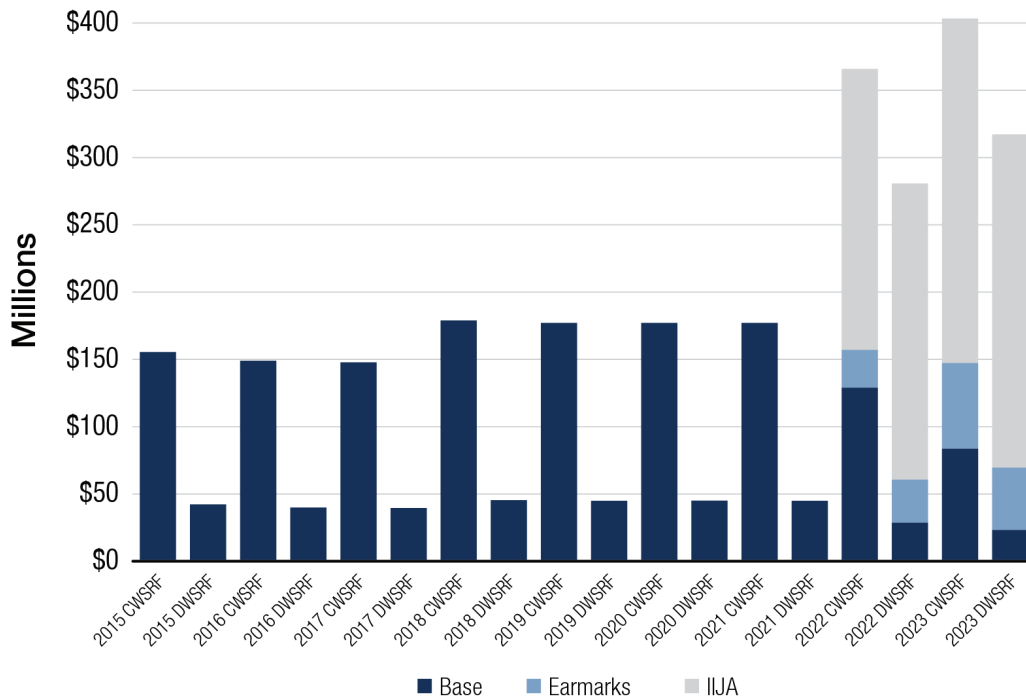
2. DAC are eligible for 100 percent of costs, non-disadvantaged communities for up to 70 percent of costs

3. Replacement 70 percent up to \$10 million, and inventory 100 percent up to \$2 million

Source: [EFC Community Assistance Program Guide](#)

Traditionally, federal budget appropriations include earmarks as separate line items outside of base allocations. But in FFY 2022 and 2023, earmarks for the CWSRF and DWSRF were embedded in the base appropriations for the revolving funds, leaving less for formularized base allocations. Earmarks restrict the use of the funds for specific purposes, rather than general program use. Figure 9 shows New York received increased funding in total due to additional IIJA support for the CWSRF and DWSRF; however, base allocations from federal appropriations declined by more than half for both programs between 2021 and 2023, with New York’s base allocation declining from \$175 million in 2021 to \$83.6 million in 2023 for the CWSRF and from \$44.9 million in 2021 to \$23.1 million in 2023 for the DWSRF. While adding Congressional earmarks brings the total closer to the typical annual appropriation, the practice of Congress earmarking specific projects is atypical and takes decision-making ability away from states.³⁰

FIGURE 9
Revolving Fund Annual Allocations, Earmarks and IJA Allocations, 2015 – 2023



Source: EPA, FFIS

Between State Fiscal Year (SFY) 2013-14 and SFY 2021-22, New York State appropriated \$175 million annually for the CWSRF in the DEC capital budget. New York appropriated \$383.5 million in the SFY 2022-23 capital budget and \$430 million in the SFY 2023-24 capital budget, which reflects its anticipation of increased funding from the federal government.³¹ Between SFY 2013-14 and SFY 2021-22, New York State appropriated \$70 million annually for the DWSRF in the DOH capital budget and appropriated \$300 million in SFYs 2022-23 and 2023-24 capital budget, in anticipation of IJA funding from the federal government.³²

Funding through IJA will continue through 2026. If the federal budget allocations remain at current reduced base levels after 2026, the number of projects funded would decline considerably.

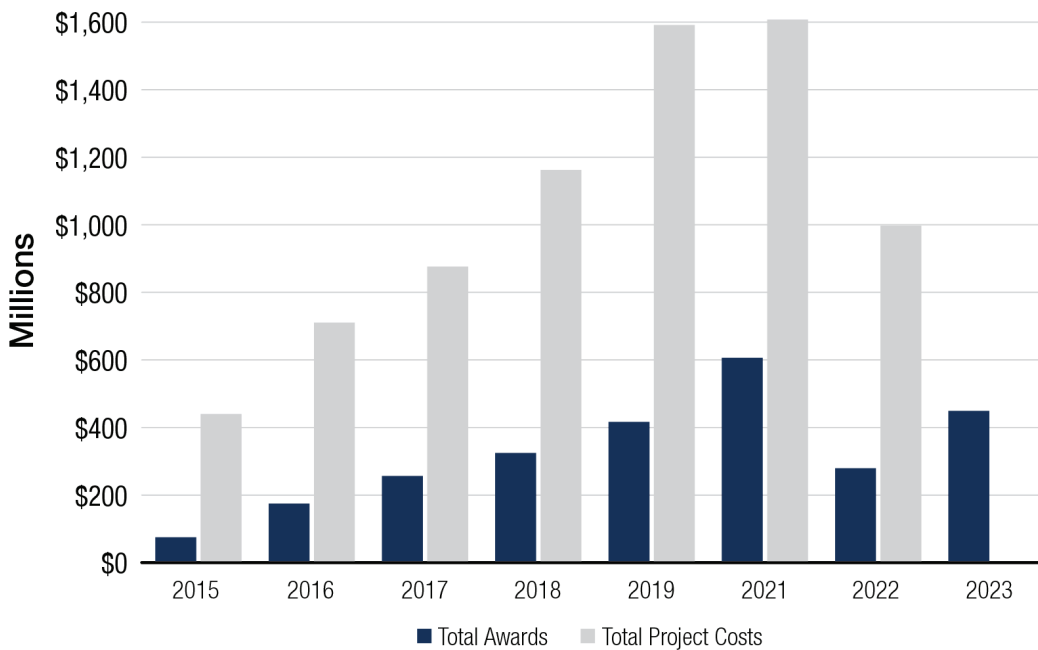
State Water Funding

State programs include the New York State Clean Water Infrastructure Act of 2017 (CWIA), the New York State Water Infrastructure Improvement Act of 2015 (WIIA), the Septic System Replacement Fund, the Emergency Financial Assistance Program, the Intermunicipal Grant program (IMG), Industrial Finance Program, and the Engineering Planning Grant program, among others.³³

These CWIA, WIIA and IMG competitive grants are funded through State capital appropriations, and eligible projects include non-agricultural nonpoint source control, municipal wastewater treatment, municipal separate storm sewer system and intermunicipal water infrastructure projects, and municipal water quality assistance programs that do not qualify for or may require additional State support, among others. Some projects receive both federal financing through the revolving funds and State grants.

State budgets have appropriated \$5.4 billion for these programs since 2015.³⁴ EFC has awarded \$2.6 billion of these funds through 2023³⁵, but only \$1.4 billion has been spent, leaving \$4.0 billion in appropriations to disburse.³⁶

FIGURE 10
State Water Grant Awards and Total Project Costs



Source: EFC

Note: There were no awards in 2020, and 2023 awards did not include total project costs

On November 8, 2022, New Yorkers approved the \$4.2 billion Clean Water, Clean Air and Green Jobs Environmental Bond Act. These funds will support projects to address flood risks, open space conservation, climate change mitigation, and water quality, among other purposes. At least \$650 million will be invested in protecting water for safe drinking and from water pollution.³⁷ In the 2023 CWIA, WIIA and IMG awards, the announcements listed \$199.9 million of the total \$449.0 million as using the Bond Act as a source of the grants.³⁸

Challenges in Meeting the Needs

Unmet Needs Far Exceed Available Funding

Despite New York’s position as the largest revolving fund program in the nation, its infrastructure needs remain significant. Some water infrastructure systems in the State go back centuries. New York City’s first reservoir was built in 1776 and distributed water through pipes made from hollow logs.³⁹

The Environmental Protection Agency (EPA) has assessed capital improvement needs for New York State. For the CWSRF the EPA released estimated needs of \$28.7 billion in 2016 based on 2012 data.⁴⁰ For the DWSRF, the estimate in 2023 based on 2021 data was \$35.1 billion. According to the EPA, New York has over 494,000 lead service lines in need of replacement, one of the highest in the nation.⁴¹

While the revolving fund programs have financed many vital projects, the CWSRF has a backlog of 876 projects for a cost of \$17.9 billion, while the DWSRF has 1,004 projects, with a total cost of \$8.3 billion on their IUP Multi-Year lists, together totaling \$26.1 billion.⁴²

The total amount for projects in need of SRF funding dwarfs the amount available for projects in the pipeline. Based on traditional annual EPA allotments, it would take 261 years of annual EPA allocations to reach the funding level required to address the needs documented by the EPA reports. While some of these needs have likely been addressed, this analysis provides context for the magnitude of the challenge facing the State given current funding levels. It would take 107 years to address the needs on the current IUP Multi-Year lists for both revolving funds.

FIGURE 11
Water Infrastructure Funding Needs in New York State (in millions)

	EPA Report Need	Multi-Year List Total
CWSRF Total Need	\$28,724.0	\$17,872.3
DWSRF Total Need	\$35,147.7	\$ 8,275.4
CWSRF and DWSRF Total Need	\$63,871.7	\$26,147.7
Typical Annual EPA Allotment	\$ 245.0	\$ 245.0
Number of Years Allotment Needed	261	107

Note: EPA reported needs reflect different time periods. CWSRF was reported in 2016 based on 2012 survey data. DWSRF was reported in 2023 based on 2021 survey data. Due to these differences, the cumulative total is illustrative.

Typical annual EPA allotment based on the federal capitalization grant amounts included in the DEC and DOH capital budgets from SFY 2013-14 to SFY 2020-21

Source: EPA, EFC, New York State Budgets, Office of the State Comptroller (OSC) Analysis

Accessing Funding for Local Governments

Many communities struggle to apply for and afford water infrastructure projects. Some communities do not have a tax base that can finance the infrastructure improvements that are needed, or struggle with the technical and administrative capacity needed to apply for this assistance.

In a positive development, IIJA provides grants through the SRFs for some communities that can show need, allowing them the opportunity to take on these projects. EFC also administers Engineering Planning Grants that assist hardship communities in developing an engineering report, which is a requirement for being listed on the IUP's Annual List.

Due to the number of projects still requiring assistance and outstanding reappropriations, EFC created Community Assistance Teams in February 2023 to reach out to small, rural, and disadvantaged communities. The Teams provide on-site or virtual consultations, and host regional events to connect communities with experts who can facilitate broad water infrastructure project needs.⁴³

It is unclear why the State water grant program has awarded less than half of the appropriated funding, although the program began eight years ago. With \$4.0 billion in State grant appropriations to disburse, EFC should investigate why the program has faltered, and assess how to award funding more effectively and efficiently to projects. Currently, WIIA grants can only fund up to 25 percent of total net eligible project costs.⁴⁴ Engineering planning grants require a 20 percent local match. More municipalities may show more interest in accessing these funds if a higher percentage of project costs could be funded through the grants. Additionally, waiving the local match may enhance the attraction for communities.

On January 15th, the Executive announced that \$325 million in grants would be available for communities to apply for in the next round of funding, starting on February 5, 2024. An award date was not announced. The Executive also directed EFC to increase awards from 25 percent to 50 percent of net eligible project costs for water infrastructure grants for small rural communities, as well as 60 percent to 70 percent for emerging contaminants projects.⁴⁵ These changes are meant to help communities, especially ones that are smaller or disadvantaged, with affordability.

Limited Transparency on Project Completions

EFC does not report on completed CWSRF or DWSRF projects. Eligible projects are listed in the IUPs and the Executive announces awards, but there are no lists of completed projects. The provision of this information could provide better insight into how well the programs are working, and what may be needed to better support water infrastructure projects.

EFC shows lists and a map of projects awarded State grants on its website, but like the SRFs, no lists of completed projects are available.

Conclusion

Spending through New York's CWSRF and DWSRF programs is moving at a robust pace, especially when compared with other states. Federal capital funds and multiple supplementary funding sources, including State grants and bonding to leverage more capital funding, may be contributing to New York's success in starting and completing more projects than other peer states.

The federal IIJA has augmented the traditional annual allotments. New York State stands to receive at least an additional \$2.5 billion for water infrastructure projects. However, the federal government must ensure base allocations return to former levels after the IIJA funding ends in 2026. With base federal allocations for the revolving funds currently at half of traditional amounts, when IIJA funding concludes, Congress will need to increase annual allotments through federal budget appropriations to pre-IIJA levels without earmarks. If the federal budget allocations continued at current levels after 2026, the number of projects funded would decline significantly.

While the CWSRF and DWSRF have addressed a backlog of projects for clean drinking water and preventing pollution, the Multi-Year Lists are hundreds of pages long, with thousands of projects worth billions of dollars, highlighting the need for these integral and necessary programs. Despite the progress made, many communities cannot afford to fund critical projects through loans alone. More funding for grants from the State and federal government to meet the needs of municipalities that cannot afford to repay loans may encourage more communities to apply.

The State has taken some positive steps, such as offering grant opportunities to complement low- or no-interest loans through the WIIA and CWIA. With \$2.8 billion unawarded, the availability exists. Part of the recently enacted \$4.2 billion Clean Water, Clean Air and Green Jobs Environmental Bond Act has also been targeted for water infrastructure purposes, and should continue to be awarded to supplement other funding sources. Increasing State grant funding within the confines of the overall Financial Plan could aid in funding more projects.

Connecting these Teams with established municipal associations, such as the New York State Conference of Mayors, New York State Association of Counties, and Association of Towns, would facilitate the spread of education about programs and strategies to navigate the application process. Working with existing associations like these could also allow for partnerships between municipalities that may be more rural and in need of connections.

EFC provides eligible project lists, and the State announces funding awarded for projects. However, a listing of completed projects and their locations is not publicly available. EFC should post this information and total funding disbursed on its website. More transparency for completed projects would ensure that the public is informed that the billions of dollars spent has resulted in important projects that protect the health of communities and New York's environment. It would also provide a better picture of which projects have received funding, as well as those that haven't, which could create more insight into programs that have funds waiting to be spent.

Appendix A: EFC Programs

Program Name	Description	Grant/ Finance/ Other Assistance	Funding Source
Engineering Planning Grants	Grants of up to \$100,000 for municipalities to help fund an engineering report, which is required for the EFC financing application process.	Grant	State
Green Innovation Grant Program (GIGP)	Competitive grants are awarded annually from CWSRF funding to projects that improve water quality and mitigate the effects of climate change through the implementation of one or more of the following green practices: Green Stormwater Infrastructure, Energy Efficiency, Water Efficiency and Environmental Innovation.	Grant	Federal
Intermunicipal grants (IMG)	Grants for joint wastewater or drinking water projects undertaken by two or more communities to consolidate services, such as a shared water quality infrastructure project or the interconnection of multiple municipal water systems.	Grant	State
Water Infrastructure Improvement (WIIA)	Competitive grants to help municipalities fund critical wastewater and drinking water infrastructure projects.	Grant	State
Clean Water State Revolving Fund	Interest-free or low-interest rate financing for wastewater and sewer infrastructure projects to municipalities for projects, including construction or restoration of sewers and wastewater treatment facilities, stormwater management, landfill closures, as well as habitat restoration and protection projects.	Financing	Federal
Drinking Water State Revolving Fund	Provides financial assistance for drinking water projects. Examples include, but are not limited to treatment plants, distribution mains and storage facilities. EFC provides both short and long-term financings to accommodate communities of all population sizes with varying financial needs. Interest-free financing and grants may be available to qualifying communities with demonstrated financial hardship.	Financing	Federal
Emergency Financial Assistance	Available to municipalities for wastewater and drinking water system issues that pose hazards to public health, public welfare or the environment. The amount is based on the reasonable costs immediately necessary to address the emergency. The financial assistance is to be repaid within one year.	Financing	State

Appendix A: EFC Programs: continued

Program Name	Description	Grant/ Finance/ Other Assistance	Funding Source
Asset Management Initiative	EFC partnered with DEC to develop an Asset Management initiative, a process that municipalities can use to effectively manage infrastructure investments. It includes defined procedures to inventory, assess, and track infrastructure throughout its lifecycle, improving its longevity and supporting municipal planning. No out-of-pocket costs for municipalities to participate.	Program/Service	State
Clean Vessel Assistance Program (CVAP)	Reimbursement grant program that provides three types of grants to marinas for the installation, renovation, and replacement of pumpout stations for the removal and disposal of recreational boater septic waste. The purpose is to help keep boater septic waste out of waters.	Program/Service	Federal
East of Hudson Septic System Rehabilitation Reimbursement Program	Provides reimbursement to property owners in priority portions of the NYC Watershed to assist in the cost of rehabilitating their failing septic system. Property owners in the targeted areas who meet the program's eligibility criteria can obtain a portion of the eligible costs to replace or repair their failing septic system.	Program/Service	State
Industrial Finance Program (IFP)	Provides low-cost financings to businesses for projects related to waste management, pollution control, drinking water, wastewater and solid waste facility improvements, and environmental regulation compliance.	Program/Service and financing (of at least \$10M) through special obligation revenue bonds.	State
Septic System Replacement Fund Program	Provides funding to counties to help homeowners replace cesspools and septic systems. Participating counties provide grants for their eligible septic system projects. DEC and DOH determined priority geographic areas, and property owners are eligible if there is: <ul style="list-style-type: none"> • A presence of a sole-source aquifer used for drinking water; • Known water quality impairment linked to failing septic systems; and/or • The ability for septic system upgrades to mitigate water quality impairments. 	Program/Service and grant to reimburse property owners for up to 50% of the costs (up to a maximum of \$10,000).	State

Source: <https://efc.ny.gov/>

Appendix B: EFC Balance Sheet

	Corporate Activities	CWSRF	DWSRF	Total
Current assets:				
Cash and cash equivalents	\$25,556,210	—	—	\$ 25,556,210
Contractual services and fees receivable	1,921,991	—	—	1,921,991
Restricted assets:				
Cash and cash equivalents	—	392,248,161	216,616,266	608,864,427
Interest receivable on bonds and direct financings	—	61,170,897	14,385,673	75,556,570
Interest receivable on cash and cash equivalents and investments	596,093	17,519,168	2,712,825	20,828,086
Annual fees receivable	—	12,501,156	1,288,240	13,789,396
Prepaid expense	—	820,000	65,000	885,000
Short-term financings receivable	—	191,487,787	42,251,485	233,739,272
Direct financing receivable	—	98,020,322	33,204,797	131,225,119
Bonds receivable	—	326,321,265	73,731,468	400,052,733
Other restricted funds	262,909	—	—	262,909
Total current assets	\$28,337,203	\$ 1,100,088,756	\$ 384,255,754	\$ 1,512,681,713
Noncurrent assets:				
Restricted assets:				
Investments	—	1,804,571,807	248,814,609	2,053,386,416
Short-term financings receivable	—	353,314,381	113,757,547	467,071,928
Direct financings receivable	—	2,568,996,295	746,708,969	3,315,705,264
Bonds receivable	—	5,111,635,472	1,193,919,169	6,305,554,641
Net pension asset	452,769	1,362,532	382,406	2,197,707
Total noncurrent assets	452,769	9,839,880,487	2,303,582,700	12,143,915,956
Total assets	28,789,972	10,939,969,243	2,687,838,454	13,656,597,669
Deferred outflows of resources related to pensions and OPEB liability	1,351,423	8,025,868	1,737,055	11,114,346
Total assets and deferred outflow of resources	\$30,141,395	\$10,947,995,111	\$2,689,575,509	\$13,667,712,015

Appendix B: EFC Balance Sheet: continued

	Corporate Activities	CWSRF	DWSRF	Total
Current Liabilities:				
Accrued interest payable on bonds	—	52,738,722	14,188,995	66,927,717
Accrued interest subsidy	—	24,149,142	2,366,284	26,515,426
Bonds payable	—	263,595,000	62,370,000	325,965,000
Other restricted funds	262,909	—	—	262,909
Accounts payable and accrued expenses	11,213,913	12,777,468	2,543,587	26,534,968
Interfund balances	(1,169,028)	959,167	209,861	—
Debt service funds payable		4,302,243	830,032	5,132,275
Other liabilities	—	111,423,684	33,521,294	144,944,978
Other post-employment benefits	211,754	804,666	42,351	1,058,771
Total current liabilities	\$10,519,548	\$ 470,750,092	\$ 116,072,404	\$ 597,342,044
Noncurrent liabilities:				
Bonds payable	—	4,170,828,141	1,121,771,359	5,292,599,500
Other post-employment benefits	5,412,886	25,611,892	6,562,436	37,587,214
Total noncurrent liabilities	5,412,886	4,196,440,033	1,128,333,795	5,330,186,714
Total liabilities	15,932,434	4,667,190,125	1,244,406,199	5,927,528,758
Deferred inflows of resources related to pensions and OPEB liability	4,340,134	17,678,170	4,373,540	26,391,844
Total liabilities and deferred inflows of resources	\$20,272,568	\$ 4,684,868,295	\$1,248,779,739	\$ 5,953,920,602
Net Position:				
Restricted for revolving loan fund programs	—	6,263,126,816	1,440,795,770	7,703,922,586
Unrestricted	9,868,827	—	—	9,868,827
Total net position	\$9,868,827	\$6,263,126,816	\$1,440,795,770	\$ 7,713,791,413

Source: EFC FYE 2023 Certified Financial Audit

Endnotes

- 1 Chapter 722 of 1967 and Public Authorities Law sections 1283 and 1284.
- 2 Municipality means any county, city, town, village, district corporation, county or town improvement district, school district, Indian reservation wholly within New York State, any public benefit corporation or public authority established pursuant to the laws of New York or any agency of New York State which is empowered to construct and operate an eligible project, or any two or more of the foregoing which are acting jointly in connection with an eligible project.
- 3 Other federal programs include the [Clean Vessel Assistance Program](#), and the [Green Innovation Grant Program](#).
- 4 Clean Water Act 33 United States Code (U.S.C.) §1251 et seq (1972).
- 5 See Appendix B for more information.
- 6 New York State Environmental Facilities Corporation and Department of Environmental Conservation. *Final Intended Use Plan, Clean Water State Revolving Fund, Federal Fiscal Year 2024*. October 2023.
- 7 KPMG. *New York State Environmental Facilities Corporation, Basic Financial Statements*. March 31, 2023.
- 8 Data reported by EFC in the Public Authorities Reporting Information System for Fiscal Year End March 31, 2023.
- 9 New York State Environmental Facilities Corporation and Department of Environmental Conservation. *Final Intended Use Plan, Clean Water State Revolving Fund, Federal Fiscal Year 2024*. October 2023. And *New York State Environmental Facilities Corporation and Department of Health. Final Intended Use Plan, Drinking Water State Revolving Fund, Federal Fiscal Year 2024*. October 2023.
- 10 New York State Environmental Facilities Corporation. [New York State Clean Water State Revolving Fund Hardship Financing and Additional Subsidy Eligibility Policy](#), effective October 1, 2023.
- 11 Defined as “a minority or low-income community that may bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, State, local, and tribal programs and policies.” [Per New York State Department of Environmental Conservation Commissioner Policy 29](#).
- 12 Per Environmental Conservation Law §75-0101, “disadvantaged communities” means communities that bear burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate-income households, as identified pursuant to section 75-0111 of Environmental Conservation Law.
- 13 New York State Environmental Facilities Corporation. *Performance Measurements Report*. FYE March 31, 2023.
- 14 New York State Environmental Facilities Corporation, *Green Innovation Grant Recipients 2022* at <https://efc.ny.gov/gigp-2022> (accessed December 7, 2023).
- 15 Dollar amount of CWSRF assistance that has been disbursed from the CWSRF to assistance recipients for projects during the reporting period. Includes all types of assistance for projects (i.e., loans, refinancing, guarantee of and insurance for local debt, and sub-state revolving loan funds). For pass-through and linked deposit assistance, includes the amount disbursed by the intermediary to subrecipients. Does not include amounts for administration of the CWSRF.
- 16 Environmental Protection Agency, *Clean Water SRF Program Information for the State of New York*, at <https://www.epa.gov/sites/default/files/2021-02/documents/ny.pdf>, page 49.
- 17 United States Census Bureau, *Annual Estimates of Resident Population for the United States, Regions, States, District of Columbia and Puerto Rico: April 1, 2020 to July 1, 2022 (NST-EST2022-POP)*, at <https://www.census.gov/data/tables/time-series/demo/popest/2020s-state-total.html#v2022>.
- 18 Governor Kathy Hochul, press release (Water Infrastructure Awards), March 12, 2022 at <https://www.governor.ny.gov/news/governor-hochul-announces-725-million-fund-water-infrastructure-projects>.
- 19 City of Albany, NY, Department of Water, *Long Term Control Plan*, at <https://www.albanyny.gov/1923/Long-Term-Control-Plan> (accessed December 8, 2023).
- 20 Environmental Protection Agency *Drinking Water SRF Program Information for the State of New York*, at <https://www.epa.gov/system/files/documents/2023-06/New%20York%20NIMS%202022.pdf>, pages 21 and 32.
- 21 Governor Kathy Hochul, press release (Water Project Awards), April 7, 2022 at <https://www.governor.ny.gov/news/governor-hochul-announces-189-million-fund-water-infrastructure-projects>.
- 22 New York State Environmental Facilities Corporation. *Public Authorities Law Compliance Report. State Fiscal Year, April 1, 2022 – March 31, 2023*.

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- 23 New York State Environmental Facilities Corporation and Department of Environmental Conservation. *Final Intended Use Plan: Clean Water State Revolving Fund, Federal Fiscal Year 2023*. October 2022.
 - 24 New York State Environmental Facilities Corporation and Department of Environmental Conservation. *Final Intended Use Plan, Clean Water State Revolving Fund, Federal Fiscal Year 2024*. October 2023.
 - 25 Federal Funds information for States. *State Funding in I/JA*. February 28, 2023.
 - 26 United States Environmental Protection Agency press release (Strengthen Lead and Copper Rule), at <https://www.epa.gov/newsreleases/biden-harris-administration-proposes-strengthen-lead-and-copper-rule-protect-all#:~:text=This%20includes%20%2415%20billion%20dedicated,line%20replacement%20across%20the%20country>.
 - 27 United States Environmental Protection Agency, "Memorandum on Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law" at https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf, (accessed December 8, 2023).
 - 28 Environmental Facilities Corporation and Department of Environmental Conservation. *Final Intended Use Plan: Clean Water State Revolving Fund, Federal Fiscal Year 2024*. October 2023. And Environmental Facilities Corporation and Department of Health *Final Intended Use Plan: Drinking Water State Revolving Fund, Federal Fiscal Year 2024*. October 2023.
 - 29 New York State Environmental Facilities Corporation *Community Assistance EFC Program Guide*, at <https://efc.ny.gov/system/files/documents/2023/07/program-guide-6-23.pdf>, (accessed December 8, 2023).
 - 30 Federal Funds Information for States. *Issue Brief 23-08*. July 31, 2023.
 - 31 New York State Capital Budget, Department of Environmental Conservation SFYs 2013-14 through 2023-24.
 - 32 New York State Capital Budget, Department of Health SFYs 2013-14 through 2023-24.
 - 33 For more information on EFC programs, visit <https://efc.ny.gov/> or see Appendix A.
 - 34 New York State SFY 2024 Enacted Capital Program and Financing Plan.
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 - 40 United States Environmental Protection Agency. *Drinking Water Infrastructure Needs Survey and Assessment: 7th Report to Congress. EPA 810R23001*. September 2023.
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Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4044

www.osc.ny.gov

Prepared by the Office of Budget Policy and Analysis

Maria Doulis, Deputy Comptroller
Pasquale Reale, Assistant Deputy Comptroller
Todd Scheuermann, Assistant Deputy Comptroller
Alison Jenkins, Policy Analyst
John Stouffer, Director of Environmental Initiatives

