

0974 California Pollution Control Financing Authority

California Pollution Control Financing Authority (CPCFA) is committed to stimulating local economies in California by delivering innovative financing for projects that protect and restore the environment, and making capital more accessible to small businesses. Over the last thirty years, CPCFA has evolved to meet California's needs as follows:

- In the solid waste, recycling, water, and wastewater industries through its Pollution Control Tax-Exempt Bond Program.
- For small businesses through the California Capital Access Program (CalCAP).
- With the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program (CALReUSE).

The CPCFA consists of the State Treasurer (Chairperson), the State Controller, and the Director of the Department of Finance.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10 Pollution Control Tax-Exempt Bond Program	11.0	12.0	12.0	\$406	\$450	\$500
20 California Capital Access Program for Small Businesses	9.7	8.8	8.8	715	28,605	30,506
30 California Recycle Underutilized Sites Program	2.0	4.0	4.0	12,745	21,646	19,299
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	22.7	24.8	24.8	\$13,866	\$50,701	\$50,305
FUNDING				2012-13*	2013-14*	2014-15*
0890 Federal Trust Fund				\$-	\$27,823	\$28,666
0930 Pollution Control Financing Authority Fund				13,866	22,878	21,639
TOTALS, EXPENDITURES, ALL FUNDS				\$13,866	\$50,701	\$50,305

The California Pollution Control Financing Authority funding is not subject to Budget Act appropriation. This budget display is for informational purposes only. The informational budget presented here reflects the department's best estimate of the budgets for 2013-14 and 2014-15.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 44500-44563.

DETAILED BUDGET ADJUSTMENTS

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	\$6	-	\$-	\$8	-
• Retirement Rate Adjustment	-	10	-	-	10	-
• Capital Access Program for Small Businesses	-	362	-	-	1,440	-
• State Small Business Credit Initiative - Federal Funds Adjustment	-	-843	-	-	-	-
• California Recycle Underutilized Sites Program	-	1,929	-	-	-390	-
Totals, Other Workload Budget Adjustments	\$-	\$1,464	-	\$-	\$1,068	-
Totals, Workload Budget Adjustments	\$-	\$1,464	-	\$-	\$1,068	-
Totals, Budget Adjustments	\$-	\$1,464	-	\$-	\$1,068	-

PROGRAM DESCRIPTIONS

10 - POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM

* Dollars in thousands, except in Salary Range.

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The objective of this program is to provide bond financing to California businesses, irrespective of company size, for the acquisition, construction, or installation of qualified pollution control, waste disposal, water furnishing, wastewater treatment, waste recovery facilities, and the acquisition and installation of new equipment. CPCFA financing assists municipalities in complying with waste diversion mandates of the California Integrated Waste Management Act of 1989. As of June 30, 2013, bonds totaling approximately \$14 billion have been issued by CPCFA.

20 - CALIFORNIA CAPITAL ACCESS PROGRAM FOR SMALL BUSINESSES

The objective of this program is to encourage banks and other financial institutions to make loans to small businesses. CalCAP for Small Businesses is a form of loan portfolio insurance that may provide up to 100% coverage on certain loan defaults. By participating in CalCAP, lenders have available to them a proven financing mechanism to meet the financing needs of California's small businesses. The strength of CalCAP rests in its simplicity and its leverage of state funds. The program works through the creation of a loan loss-reserve fund for each participating financial institution. The CPCFA funds this reserve together with the financial institution and the borrower. The reserve serves to reduce loan-loss risk, allowing banks to lend to targeted California small businesses. Chapter 731, Statutes of 2010, appropriated \$6 million General Fund to CalCAP to increase lending efforts, especially in high unemployment areas. As of June 30, 2013, approximately \$1.3 million of the \$6 million have been used to assist small businesses.

In addition, California was awarded an allocation of federal funds in the amount of \$168.6 million from the federal State Small Business Credit Initiative (SSBCI). CalCAP and the Business, Transportation, and Housing Agency (succeeded by the Governor's Office of Business and Economic Development) equally share this allocation and will have available \$84.3 million each. The funds will be allocated in three installments, with CPCFA receiving approximately \$27 million in March 2011. It is anticipated that the second installment of \$27 million will be requested in the third quarter of 2013. It is expected that these new funds will lead to a rapid and significant expansion of the CalCAP program. In the first quarter of 2013 CPCFA launched the Collateral Support Program in order to assist more small businesses and utilize the SSBCI Federal funds. Additional incentives are provided to lend to businesses located in specified economically depressed areas including Enterprise Zones.

CalCAP has partnered with the Air Resources Board to assist diesel truck and equipment owners in meeting new clean air requirements. CalCAP has also partnered with the Department of Resources, Recycling, and Recovery to assist recycling related businesses.

30 - CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM

The CALReUSE program assists with the reuse and redevelopment of underutilized properties with real or perceived contamination issues (brownfields). CALReUSE addresses a funding and information gap in the development of brownfields to help bring these properties into productive reuse. The CALReUSE Assessment Program provides forgivable loans of up to \$300,000 per brownfield site, or \$500,000 for sites that will ultimately result in housing. The funds assist with brownfield site assessment and characterization, technical assistance, remedial action plans and site access. Eligible projects include sites with potential beneficial reuse not currently redeveloped due to lack of information about real or perceived contamination, uncertainty about clean-up costs, or concerns regarding time frames and the regulatory process. Priority is given to projects located in distressed neighborhoods with demonstrated community support. Additionally, Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, included provisions to fund brownfield cleanup that resulted in the expansion of CALReUSE. The CALReUSE Remediation Program received \$60 million in Proposition 1C funds and provides up to \$5 million per project in loans and grants for the purpose of brownfield cleanup that promotes infill residential and mixed-used development, consistent with regional and local land use plans.

DETAILED EXPENDITURES BY PROGRAM

	2012-13*	2013-14*	2014-15*
PROGRAM REQUIREMENTS			
10 POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM			
State Operations:			
0930 Pollution Control Financing Authority Fund	\$406	\$450	\$500
Totals, State Operations	\$406	\$450	\$500
PROGRAM REQUIREMENTS			
20 CALIFORNIA CAPITAL ACCESS PROGRAM FOR SMALL BUSINESSES			
State Operations:			
0930 Pollution Control Financing Authority Fund	\$715	\$782	\$1,840
Totals, State Operations	\$715	\$782	\$1,840
Local Assistance:			
0890 Federal Trust Fund	\$-	\$27,823	\$28,666
Totals, Local Assistance	\$-	\$27,823	\$28,666
PROGRAM REQUIREMENTS			

* Dollars in thousands, except in Salary Range.

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	2012-13*	2013-14*	2014-15*
30 CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM			
State Operations:			
0930 Pollution Control Financing Authority Fund	\$12,745	\$21,646	\$19,299
Totals, State Operations	\$12,745	\$21,646	\$19,299
TOTALS, EXPENDITURES			
State Operations	\$13,866	\$22,878	\$21,639
Local Assistance	-	27,823	28,666
Totals, Expenditures	\$13,866	\$50,701	\$50,305

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	22.7	24.8	24.8	\$1,229	\$1,410	\$1,446
Salary Adjustment	-	-	-	-	2	2
Net Totals, Salaries and Wages	22.7	24.8	24.8	\$1,229	\$1,412	\$1,448
Staff Benefits	-	-	-	492	562	578
Totals, Personal Services	22.7	24.8	24.8	\$1,721	\$1,974	\$2,026
OPERATING EXPENSES AND EQUIPMENT				\$12,145	\$20,904	\$19,613
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$13,866	\$22,878	\$21,639

2 Local Assistance

	Expenditures		
	2012-13*	2013-14*	2014-15*
Grants and Subventions	\$-	\$27,823	\$28,666
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$-	\$27,823	\$28,666

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
0930 Pollution Control Financing Authority Fund			
APPROPRIATIONS			
Health and Safety Code Section 44526	\$13,151	\$22,116	\$19,799
Health and Safety Code Section 44526 (California Capital Access Program for Small Business)	715	762	1,840
TOTALS, EXPENDITURES	\$13,866	\$22,878	\$21,639
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$13,866	\$22,878	\$21,639
2 LOCAL ASSISTANCE	2012-13*	2013-14*	2014-15*
0890 Federal Trust Fund			
APPROPRIATIONS			
Health and Safety Code section 44526 (e) and (f)	\$-	\$27,823	\$28,666
TOTALS, EXPENDITURES	\$-	\$27,823	\$28,666
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$-	\$27,823	\$28,666
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$13,866	\$50,701	\$50,305

* Dollars in thousands, except in Salary Range.

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CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
Totals, Authorized Positions	22.7	24.8	24.8	\$1,229	\$1,410	\$1,446
Salary Adjustments	-	-	-	-	2	2
Total Adjustments	-	-	-	\$-	\$2	\$2
TOTALS, SALARIES AND WAGES	22.7	24.8	24.8	\$1,229	\$1,412	\$1,448

* Dollars in thousands, except in Salary Range.