

## 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).

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		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
0860 Pollution Control Tax-Exempt Bond Program	4.0	4.0	4.0	\$660	\$544	\$544
0865 Capital Access Program for Small Business	10.5	12.0	15.0	49,742	30,610	42,088
0870 California Recycle Underutilized Sites Program	7.0	8.8	8.8	8,263	19,232	8,232
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>21.5</b>	<b>24.8</b>	<b>27.8</b>	<b>\$58,665</b>	<b>\$50,386</b>	<b>\$50,864</b>
<b>FUNDING</b>				<b>2013-14*</b>	<b>2014-15*</b>	<b>2015-16*</b>
0890 Federal Trust Fund				\$27,804	\$28,666	\$28,666
0930 Pollution Control Financing Authority Fund				30,861	21,720	22,198
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$58,665</b>	<b>\$50,386</b>	<b>\$50,864</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Health and Safety Code Sections 44500-44563.

### DETAILED BUDGET ADJUSTMENTS

	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Miscellaneous Baseline Adjustments	\$-	\$190	-	\$-	\$490	3.0
• Retirement Rate Adjustments	-	42	-	-	44	-
• Salary Adjustments	-	28	-	-	28	-
• Benefit Adjustments	-	11	-	-	11	-
• Pro Rata	-	-190	-	-	-13	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$-</b>	<b>\$81</b>	<b>-</b>	<b>\$-</b>	<b>\$560</b>	<b>3.0</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$-</b>	<b>\$81</b>	<b>-</b>	<b>\$-</b>	<b>\$560</b>	<b>3.0</b>
<b>Totals, Budget Adjustments</b>	<b>\$-</b>	<b>\$81</b>	<b>-</b>	<b>\$-</b>	<b>\$560</b>	<b>3.0</b>

### PROGRAM DESCRIPTIONS

#### 0860 - POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM

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. Tax-exempt financing issued by CPCFA assists municipalities in complying with waste diversion mandates of the California Integrated Waste Management Act of 1989. As of June 30, 2014, bonds totaling approximately \$14.3 billion have been issued by CPCFA.

#### 0865 - CALIFORNIA CAPITAL ACCESS PROGRAM (CalCAP) FOR SMALL BUSINESSES

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

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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 federal and 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. Additional incentives are provided to lend to businesses located in specified economically depressed areas including Enterprise Zones. 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. As of June 30, 2014, approximately \$1.5 million of the \$6 million has 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). CPCFA and the Governor's Office of Business and Economic Development (Go-BIZ) equally share this allocation and have available \$84.3 million each. These funds have enabled CPCFA to significantly expand the availability of its CalCAP program statewide. In addition, in the first quarter of 2013 CPCFA launched the Collateral Support Program to assist more small businesses and utilize the SSBCI Federal funds. The funds are allocated to California in three installments based on program progress, with CPCFA receiving approximately \$27 million in March 2011, and another \$27 million in December 2013. A memorandum of understanding between CPCFA and Go-BIZ transferred an additional \$10 million from Go-BIZ to CPCFA in the third quarter of 2014 to support CPCFA's high-demand programs. It is anticipated that the final installment of federal funds will be requested in the fourth quarter of 2014.

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

### 0870 - CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) 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.

### 0875 - ALTERNATIVE FINANCING PROGRAMS

Under its authority to provide alternative methods of financing facilities for pollution control, clean water supply and alternative energy production, CPCFA is developing alternative financing models to assist sister agencies with achieving the state's environmental goals. CPCFA is authorized to receive and accept contributions from other sources including federal and state agencies to carry out the purposes of its statutory authority.

### DETAILED EXPENDITURES BY PROGRAM

		2013-14*	2014-15*	2015-16*
<b>PROGRAM REQUIREMENTS</b>				
<b>0860</b>	<b>POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM</b>			
<b>State Operations:</b>				
0930	Pollution Control Financing Authority Fund	\$660	\$544	\$544
	<b>Totals, State Operations</b>	<b>\$660</b>	<b>\$544</b>	<b>\$544</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>0865</b>	<b>CAPITAL ACCESS PROGRAM FOR SMALL BUSINESS</b>			
<b>State Operations:</b>				
0930	Pollution Control Financing Authority Fund	\$21,938	\$1,944	\$2,422
	<b>Totals, State Operations</b>	<b>\$21,938</b>	<b>\$1,944</b>	<b>\$2,422</b>
<b>Local Assistance:</b>				
0890	Federal Trust Fund	\$27,804	\$28,666	\$28,666
0930	Pollution Control Financing Authority Fund	-	-	11,000

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**0974 California Pollution Control Financing Authority - Continued**

		2013-14*	2014-15*	2015-16*
<b>Totals, Local Assistance</b>		<b>\$27,804</b>	<b>\$28,666</b>	<b>\$39,666</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>0870</b>	<b>CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM</b>			
<b>State Operations:</b>				
0930	Pollution Control Financing Authority Fund	\$8,263	\$19,232	\$1,232
<b>Totals, State Operations</b>		<b>\$8,263</b>	<b>\$19,232</b>	<b>\$1,232</b>
<b>Local Assistance:</b>				
0930	Pollution Control Financing Authority Fund	\$-	\$-	\$7,000
<b>Totals, Local Assistance</b>		<b>\$-</b>	<b>\$-</b>	<b>\$7,000</b>
<b>TOTALS, EXPENDITURES</b>				
State Operations		30,861	21,720	4,198
Local Assistance		27,804	28,666	46,666
<b>Totals, Expenditures</b>		<b>\$58,665</b>	<b>\$50,386</b>	<b>\$50,864</b>

**EXPENDITURES BY CATEGORY**

	1 State Operations			Expenditures		
	Positions					
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	21.5	24.8	24.8	\$1,283	\$1,448	\$1,448
Total Adjustments	-	-	3.0	-	28	169
<b>Net Totals, Salaries and Wages</b>	<b>21.5</b>	<b>24.8</b>	<b>27.8</b>	<b>\$1,283</b>	<b>\$1,476</b>	<b>\$1,617</b>
Staff Benefits	-	-	-	521	631	698
<b>Totals, Personal Services</b>	<b>21.5</b>	<b>24.8</b>	<b>27.8</b>	<b>\$1,804</b>	<b>\$2,107</b>	<b>\$2,315</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>				\$29,057	\$19,613	\$1,883
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$30,861</b>	<b>\$21,720</b>	<b>\$4,198</b>

**2 Local Assistance**

	Expenditures		
	2013-14*	2014-15*	2015-16*
Grants and Subventions - Non-Governmental	27,804	28,666	46,666
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$27,804</b>	<b>\$28,666</b>	<b>\$46,666</b>

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS**

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
<b>0930 Pollution Control Financing Authority Fund</b>			
<b>APPROPRIATIONS</b>			
Health and Safety Code Section 44526	\$30,671	\$19,799	\$2,077
Adjustment for current service level	-	127	-
Allocation for employee compensation	-	14	-
Allocation for staff benefits	-	6	-
Local Assistance Expenditure Adjustments	-1	-	-
Pro rata Adjustment	-	-190	-
Section 3.60 pension contribution adjustment	-	20	-
Health and Safety Code Section 44526 (California Capital Access Program for Small Business)	191	1,839	2,121

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## 0974 California Pollution Control Financing Authority - Continued

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
Adjustment for current service level	-	63	-
Allocation for employee compensation	-	14	-
Allocation for staff benefits	-	6	-
Section 3.60 pension contribution adjustment	-	22	-
<b>TOTALS, EXPENDITURES</b>	<b>\$30,861</b>	<b>\$21,720</b>	<b>\$4,198</b>
<b>Total Expenditures, All Funds, (State Operations)</b>	<b>\$30,861</b>	<b>\$21,720</b>	<b>\$4,198</b>
2 LOCAL ASSISTANCE	2013-14*†	2014-15*	2015-16*
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
Health and Safety Code section 44526 (e) and (f)	\$27,804	\$28,666	\$28,666
<b>TOTALS, EXPENDITURES</b>	<b>\$27,804</b>	<b>\$28,666</b>	<b>\$28,666</b>
<b>0930 Pollution Control Financing Authority Fund</b>			
APPROPRIATIONS			
Health and Safety Code Section 44526	-	-	\$18,000
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$18,000</b>
<b>Total Expenditures, All Funds, (Local Assistance)</b>	<b>\$27,804</b>	<b>\$28,666</b>	<b>\$46,666</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$58,665</b>	<b>\$50,386</b>	<b>\$50,864</b>

### CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
<b>Totals, Authorized Positions</b>	21.5	24.8	24.8	\$1,283	\$1,448	\$1,448
<b>Salary and Other Adjustments</b>	-	-	3.0	-	28	169
<b>Totals, Adjustments</b>	-	-	<b>3.0</b>	<b>\$-</b>	<b>\$28</b>	<b>\$169</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>21.5</b>	<b>24.8</b>	<b>27.8</b>	<b>\$1,283</b>	<b>\$1,476</b>	<b>\$1,617</b>

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