



# OLR RESEARCH REPORT

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## **QUESTIONS FOR CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY CHAIRPERSON NOMINEE**

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### **CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA) CHAIRPERSON (CGS § 10a-179)**

The agency provides financing to nonprofit colleges and health care institutions to support construction of facilities such as dormitories, academic buildings, athletic facilities, clinics, hospitals, and laboratories. The legislature must confirm the appointment of a board member as chairperson. The legislature does not confirm the appointment of other board members.

### **QUESTIONS FOR REAPPOINTED CHAIRPERSON**

1. Why was CHEFA established and what is its purpose?
2. What challenges have you faced in your role as chairperson? What would you do differently should you be reappointed?
3. What are the greatest challenges facing CHEFA and what is the authority doing to address them?
4. What measures does CHEFA use to gauge its success or determine in what areas it most needs improvement?

5. CHEFA provides financing for a wide range of entities, from hospitals and higher education institutions to private and charter schools and child care centers. Does CHEFA have the expertise needed to evaluate projects in all these areas? Is CHEFA's charge too broad?
6. There is legislation before the Appropriations Committee that would require CHEFA to establish the Green Connecticut Loan Guaranty Fund to help finance energy efficiency and renewable energy projects for individuals, nonprofit organizations, and small businesses. The bill (1) imposes various requirements on CHEFA in administering this program and (2) specifies mandatory terms of CHEFA's financial assistance program. What impact will this have on CHEFA's current operations?
7. How should CHEFA's board of directors balance its responsibilities toward participating institutions, the people being served by those institutions, bondholders, and the state?
8. In their most recent audit of your agency, the state auditors found instances of failure to follow procedures in regards to purchasing and applications for loans/bonds. The auditors recommended that CHEFA "strengthen internal control by enforcing current policies to ensure compliance in all areas of business operations." What steps, if any, is CHEFA taking or planning to take on this recommendation?
9. According to CHEFA's website and its most recent financial statements (June 30, 2010), CHEFA does not award new grants. In 2009, both client grant and open grant programs were suspended by the board in response to the state's Deficit Mitigation Plan and no grants were awarded in FY 2010. Does CHEFA currently provide any grants? Will the suspended grant programs be reinstated? Is there a timeframe for reinstating these programs?
10. According to its most recent financial statements, CHEFA's bond issuance in FYs 08-10 varied considerably. Does CHEFA project increased levels of activity in FY 11? Over the next five years? How do these variations in volume affect CHEFA's revenue? Is CHEFA going to be able to meet its operating expenses with these fluctuations?

JB:ts