

***TESTIMONY PRESENTED TO THE HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT COMMITTEE
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Testimony Supporting Senate Bill No. 29

AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY

Senator Bye, Representative Willis and distinguished members of the Higher Education and Employment Advancement Committee, thank you for the opportunity to offer testimony on Senate Bill No. 29, AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY.

This bill makes the Connecticut Higher Education Supplemental Loan Authority (CHESLA) a subsidiary of the Connecticut Health and Educational Facilities Authority (CHEFA), and provides for their administrative consolidation. CHESLA will remain a quasi-public authority. Both boards are performing their due diligence reviews of this proposal and have expressed their support, and we are awaiting formal action from both boards.

Currently, CHESLA operates with a personal services agreement with the Connecticut Conference of Independent Colleges (CCIC) under a three year contract expiring June 30, 2012. This consolidation provides a framework for long term stability and continuity of management, as contrasted with continued reliance on short term management contracts.

Additionally, it provides a structure that would facilitate a continued focus on CHESLA's mission. The consolidation preserves both CHESLA's separate identity and reputation in the bond market while preserving its separate identity with financial aid officers, students and families. It minimizes the impact on CHESLA's outstanding bonds and bond documentation. Finally, and perhaps most importantly, it allows CHESLA to achieve economies of scale and access CHEFA resources without loss of its separate identity. Ultimately, these savings will translate into reduced borrowing costs for students.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.