



CHEFA

CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY
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Testimony Presented to the Public Health Committee

March 2, 2016

Raised Bill No. 5454

**“AN ACT CONCERNING THE CONNECTICUT HEALTH AND
EDUCATIONAL FACILITIES AUTHORITY”**

(In Opposition)

Presented by

Jeanette W. Weldon

**Executive Director, Connecticut Health and Educational Facilities Authority
 (“CHEFA”)**

Good afternoon Representative Ritter, Senator Gerratana, and distinguished committee members. My name is Jeanette W. Weldon and I am here speaking on behalf of the Connecticut Health and Educational Facilities Authority (“CHEFA”) to offer testimony in opposition to Raised Bill No. 5454, “An Act Concerning the Connecticut Health and Educational Facilities Authority”.

I understand that there are a significant number of bills under review today, so my testimony will be brief.

CHEFA is a quasi-public agency that issues tax-exempt revenue bonds on behalf of Connecticut’s not-for-profit hospitals, so that they can access lower cost investor dollars to fund capital projects. Raised Bill 5454 seeks to

enhance the ability of community hospitals to attract private investors by allowing these hospitals to issue tax exempt revenue bonds with state backing through a Special Capital Reserve Fund ("SCRF"). I am testifying against Raised Bill 5454 based on concerns raised by the Administration. Of particular concern is the reduced role of the Office of Policy and Management and Office of the Treasurer in reviewing the creditworthiness of institutions qualifying for use of the SCRF and the increased likelihood of a draw on the SCRF.

The proposed bill also gives CHEFA the authority to provide financing to projects outside the State of Connecticut when the borrower is a Connecticut entity. CHEFA is generally in support of this specific provision and previously submitted a separate bill in this regard. We believe that this provision may help secure a role for the state in the out-of-state activities of its health care systems.

Again, thank you for your time. I would be happy to answer any questions you may have.