

Quasi-Public Agencies

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Issue

This report answers several questions about Connecticut quasi-public agencies. Primarily, it addresses why they were established, their roles, how they are funded, and what oversight is built into state law. We address each question separately below. This report updates OLR Report [2005-R-0772](#).

How Many Quasi-Public Agencies are There in Connecticut?

Connecticut has 15 quasi-public agencies ([CGS § 1-120\(1\)](#)):

1. Connecticut Innovations, Incorporated (CII);
2. Connecticut Health and Educational Facilities Authority (CHEFA);
3. Connecticut Higher Education Supplemental Loan Authority (CHESLA);
4. Connecticut Student Loan Foundation (CSLF);
5. Connecticut Housing Finance Authority (CHFA);
6. State Housing Authority (SHA);
7. Materials Innovation and Recycling Authority (MIRA);
8. Capital Region Development Authority (CRDA);
9. Connecticut Lottery Corporation (CLC);
10. Connecticut Airport Authority (CAA);
11. Connecticut Health Insurance Exchange (CHIE, doing business as Access Health CT);
12. Connecticut Green Bank (CGB);
13. Connecticut Retirement Security Authority (CRSA);
14. Connecticut Port Authority (CPA); and
15. State Education Resource Center (SERC).

Generally, Why Were They Created?

The major reason for establishing quasi-public agencies here was their organizational location outside the structure of state government, which meant they could avoid many of the requirements and controls imposed on governmental agencies. Thus, they could respond to problems and opportunities faster and more efficiently than a comparable state agency, while maintaining a degree of oversight and accountability.

What is the Purpose, Governing Body, Bonding Authority, and Funding Source of Each Quasi-Public Agency?

Quasi-public agencies in Connecticut vary in these respects. Table 1 details each quasi-public agency's purpose, governing body, bonding authority, and funding source.

Table 1: Purpose, Governing Body, Bonding Authority and Funding of Quasi-Public Agencies

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>Connecticut Innovations, Incorporated (CII)</p> <p>(CGS § 32-32 et seq.)</p>	<p>Provides the capital and support entrepreneurs need to research, develop, and market new and early stage technologies.</p>	<p>17-member board of directors. The economic and community development commissioner, president of the Connecticut State Colleges and Universities, state treasurer, and Office of Policy and Management (OPM) secretary are <i>ex officio</i> members.</p>	<p>None. CII's programs were initially funded with general obligation bonds and subsequent loan repayments were used to establish self-sustaining revolving loan funds.</p>	<p>Interest on loans, income from investment of funds, state and federal grants, and application and license fees.</p>
<p>Connecticut Health and Education Facilities Authority (CHEFA)</p> <p>(CGS §10a-176 et seq.)</p>	<p>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.</p>	<p>10-member board. The state treasurer and OPM secretary are <i>ex officio</i> members.</p>	<p>CHEFA can issue its own bonds and other obligations. It also issues tax-exempt and taxable revenue bonds secured by a special capital reserve fund (SCRF) to finance projects for "participating nursing homes" or for housing, student centers, food service facilities and other auxiliary service facilities at public institutions of higher education. In addition, CHEFA is authorized to issue up to \$100 million in special obligation funds secured by a SCRF to finance equipment acquisitions by hospitals.</p>	<p>"Administrative fees"</p>

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
Connecticut Higher Education Supplemental Loan Authority (CHESLA) (CGS § 10a-179a) (CGS § 10a-221 et seq.)	As a subsidiary of CHEFA, CHESLA makes direct loans to college students and their parents to help finance the costs of undergraduate and graduate education.	Nine-member board of directors. The state treasurer, OPM secretary, and president of the Connecticut State Colleges and Universities are <i>ex officio</i> members.	CHESLA is authorized to issue its own bonds, notes, and other obligations.	Service fees, loan repayments, and grants.
Connecticut Student Loan Foundation (CSLF) (CGS § 10a-201 et seq.)	As a subsidiary of CHEFA, CSLF aims to improve educational opportunities and promote loan repayment.	The CHESLA board also serves as the board of directors for CSLF.	CSLF is authorized to issue bonds, notes, and other obligations.	"Administrative fees"
Connecticut Housing Finance Authority (CHFA) (CGS § 8-241 et seq.)	Alleviate the shortage of housing for low- and moderate-income individuals and families and to promote or maintain the economic development of the state through employer-assisted housing efforts.	16-member board of directors. The economic and community development, housing, and banking commissioners; OPM secretary; and state treasurer are <i>ex officio</i> members.	CHFA is authorized to issue bonds and other obligations. It issues its own bonds to finance the Housing Mortgage Finance Program, which is secured by a SCRF. The Special Needs Housing Mortgage Finance Program (for group homes) is funded by General Fund appropriations and secured with a SCRF.	Fees, loan repayments, and state appropriations.

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State Housing Authority (SHA) (CGS § 8-244b et seq.) (CGS § 8-119zz et seq.)	As a subsidiary of CHFA and a successor to the Connecticut Housing Authority (CHA), SHA manages state housing projects that CHA initiated or acquired. Since CHA stopped taking new projects after May 25, 1994, SHA's sole function is to oversee any CHA loan still ongoing.	Three-member board of directors.	None.	Loan repayments.
Materials Innovation and Recycling Authority (MIRA) (CGS § 22a-257 et seq.)	Plans, designs, builds, finances, and operates solid waste disposal, volume reduction, recycling, and intermediate processing and resource recovery facilities.	11-member board of directors.	MIRA is authorized to issue its own bonds and notes, subject to the state treasurer's approval.	Sale of bonds; sale of products, materials, fuels, and energy; federal loans or grants; municipal loan repayments; service fees; and municipal contracts.
Capital Region Development Authority (CRDA) (CGS § 32-600 et seq.)	Stimulate new investment within the capital region, provide support for multicultural destinations, attract entertainment and sporting events, encourage residential housing development, maintain and market the convention center, promote tourism, redevelop property within the city of Hartford, and stimulate economic development in the capital region.	14-member board of directors, including the mayors of East Hartford and Hartford. The OPM secretary and transportation, housing, and economic and community development commissioners serve as <i>ex-officio</i> members.	CRDA is authorized to issue bonds, notes, and other obligations.	State grants and appropriations, parking and utility fees, investments, revenue bonds, and facility revenues.

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
Connecticut Lottery Corporation (CLC) (CGS § 12-800 et seq.)	Operates the state lottery	13-member board of directors. The state treasurer and OPM secretary are <i>ex-officio</i> members. The law prohibits the consumer protection commissioner from serving as a director.	None.	Ticket sales, retail commissions, and processing fees.
Connecticut Airport Authority (CAA) (CGS § 15-120aa et seq.)	Manages, operates, and develops Bradley and other airports, including the state-owned general aviation airports.	11-member board of directors. The state treasurer and transportation and economic and community development commissioners serve as <i>ex-officio</i> members.	CAA is authorized to issue bonds, notes, and other obligations.	Landing and parking fees, terminal rent, rental car fees, concessions, issuance of bonds, state and federal grants, investment income, and other facility fees.
Connecticut Health Insurance Exchange (CHIE) (CGS § 38a-1080 et seq.)	Reduce the number of individuals without health insurance in the state and assist individuals and small businesses by offering health insurance options.	14-member board of directors (11 voting and three non-voting). The OPM secretary; healthcare advocate; and commissioners of insurance, public health, and mental health and addiction services serve as <i>ex-officio</i> members.	CHIE is authorized to issue bonds, notes, and other obligations.	Issuance of bonds, health carrier fees, investment revenue, and federal and state grants.
Connecticut Green Bank (CGB) (CGS §16-245n) (CGS § 16-245ll) (CGS § 16a-40c et seq.)	Finance and support clean energy investment in residential, municipal, small business, and larger commercial projects; stimulate a market for clean energy; and administer the Clean Energy Fund.	13-member board of directors (11 voting and two non-voting). The state treasurer and energy and environmental protection and community and economic development commissioners serve as <i>ex-officio</i> members.	The CGB may issue clean energy bonds secured by the Clean Energy Fund.	Fees, issuance of bonds, investment returns, federal and state grants, and charitable contributions.

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Connecticut Retirement Security Authority (CRSA) (CGS § 31-416 et seq.)	Promote and enhance retirement savings for private sector employees by providing those eligible with Roth individual retirement accounts (IRAs) through the Connecticut Retirement Security Exchange.	15-member board of directors. The state treasurer, comptroller, OPM secretary, and banking and labor commissioners serve as <i>ex-officio</i> members.	None.	Administrative fees on participant's IRA.
Connecticut Port Authority (CPA) (CGS § 15-31a et seq.)	Coordinate the development of Connecticut's ports and harbors, attract private and public investment for infrastructure improvements, and support and enhance overall development of the state's maritime commerce and industries.	15-member board of directors. The state treasurer; transportation, energy and environmental protection, and economic and community development commissioners; and OPM secretary are <i>ex-officio</i> members.	CPA may issue bonds.	Issuance of bonds and state and federal grants.
State Education Resource Center (SERC) (CGS § 10-357a et seq.)	Help the State Board of Education provide programs that promote educational equity and excellence, including training and professional development, publication of technical materials, research, and administering grants.	13-member board of directors, including the education commissioner.	None.	Funds allocated by the education commissioner.

Source: derived from state statutes and agency financial statements

What Control Does The State Have Over Quasi-Public Agencies?

Certain controls that the state has over state agencies also apply to quasi-public agencies. Table 2 shows these areas of control for each quasi-public agency. In instances where the controls do not apply, each quasi-public agency's board is required to develop its own procedures, or in some cases, such as issuing bonds, an agency must follow special requirements included in its enabling statute.

In addition to these controls, the state exercises controls that are specific to quasi-public agencies. The law requires each quasi-public agency to submit an annual report to the governor and auditors of public accounts. The report must, at a minimum, include:

1. a list of all bonds issued for the prior fiscal year, including their cumulative value, value of outstanding bonds, and the state's contingent liability;
2. a list of all projects, other than those pertaining to owner-occupied housing or student loans, receiving financial assistance during the preceding fiscal year, including each one's purpose, location, and funding amount;
3. a list of all outside individuals and firms receiving more than \$5,000 in loans, grants, or payments for services;
4. a balance sheet showing all revenues and expenditures;
5. the affirmative action policy statement, a description of the agency's workforce composition, and a description of its affirmative action efforts; and
6. a description of planned activities for the current fiscal year ([CGS § 1-123\(a\)](#)).

Each quasi-public agency must submit two quarterly reports to the Office of Fiscal Analysis (OFA). One report must include (1) the beginning fiscal year balance, (2) all funds expended and revenue collected by the end of the quarter, and (3) total expenditures and revenue estimated at the end of the fiscal year. The second report must include the (1) total number of employees at the end of the quarter, (2) positions vacated and filled by the end of the quarter, and (3) positions estimated to be vacant and filled by the end of the fiscal year ([CGS § 1-123\(b\)&\(c\)](#)).

The law also prohibits quasi-public agencies from contracting with the same financial auditor or auditing firm for more than six consecutive fiscal years ([CGS § 1-127](#)). Lastly, all quasi-public agencies except the Connecticut Lottery Corporation must obtain the state treasurer's approval before borrowing any money or issuing any bonds or notes that are guaranteed by the state or for which there is a capital reserve fund that the state contributes to or guarantees ([CGS § 1-124](#)).

Table 2: Applicability of State Government Controls to Quasi-Public Agencies

Control	CII	CHEFA	CHESLA	CSLF	CHFA	SHA	MIRA	CRDA	CLC	CAA	CHIE	CGB	CRSA	CPA	SERC
Budget	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Bonding	Yes	No	No	No	No	Yes	No	No	Yes	No	No	No	Yes	No	Yes
Personnel	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Purchasing	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Contracting	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Affirmative Action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UAPA**	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Code of Ethics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FOI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State Auditors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: derived from state statutes

UAPA= Uniform Administrative Procedure Act

FOI= Freedom of Information

**The law requires all quasi-public agencies to follow certain guidelines when adopting its procedures (similar to the UAPA's notice, publication, and approval requirements but without the need for legislative approval) (CGS § 1-121). Additionally, all quasi-public agencies are required to post a conspicuous web site link to the eRegulations system on their website (CGS § 4-173b(b)).

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