

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 [2018-R-0056](#). **This report has been updated by OLR Report [2022-R-0176](#).**

How Many Quasi-Public Agencies does Connecticut Have?

Connecticut has 17 quasi-public agencies ([CGS § 1-120\(1\)](#)), as amended by [PA 19-25](#) (§ 24) and [PA 19-117](#) (§ 225)):

1. Connecticut Innovations, Incorporated (CI);
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;
8. Capital Region Development Authority (CRDA);
9. Connecticut Lottery Corporation;
10. Connecticut Airport Authority;
11. Connecticut Health Insurance Exchange (doing business as Access Health CT);
12. Connecticut Green Bank;
13. Connecticut Retirement Security Authority;
14. Connecticut Port Authority;

15. State Education Resource Center (SERC);
16. Paid Family and Medical Leave Insurance Authority; and
17. Connecticut Municipal Redevelopment Authority (MRDA).

Generally, Why Were They Created?

The major reason for establishing quasi-public agencies 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. (In the table, "executive branch officials" refers to appointed officials in the executive branch, such as the Office of Policy and Management (OPM) secretary or state agency commissioners.)

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

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
Connecticut Innovations, Incorporated (CI) (CGS § 32-32 et seq.)	Provide capital and support entrepreneurs need to research, develop, and market new and early stage technologies	17-member board of directors Four legislative appointees Nine gubernatorial appointees Three executive branch officials State treasurer Governor selects chairperson	None; CI's programs were initially funded with general obligation bonds; subsequent loan repayments were used to establish self-sustaining revolving loan funds	Interest on loans, income from investment of funds, state and federal grants, and application and license fees
Connecticut Health and Education Facilities Authority (CHEFA) (CGS §10a-176 et seq.)	Provide financing to nonprofit colleges and health care institutions to support construction of facilities such as dormitories, academic buildings, athletic facilities, clinics, hospitals, and laboratories	10-member board of directors Eight gubernatorial appointees OPM secretary State treasurer Governor selects chairperson, who is subject to confirmation by both houses of the legislature	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 higher education institutions In addition, CHEFA may issue up to \$100 million in special obligation funds secured by a SCRF to finance equipment acquisitions by hospitals	Fees charged to conduit borrowers on its portfolio of bonds
Connecticut Higher Education Supplemental Loan Authority	As a subsidiary of CHEFA, CHESLA makes direct loans to college students and their parents to help finance the costs	Nine-member board of directors	Authorized to issue its own bonds, notes, and other obligations	Service fees, loan repayments, and grants

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
(CHESLA) (CGS § 10a-179a) (CGS § 10a-221 et seq.)	of undergraduate and graduate education	Four appointments made by the CHEFA board CHEFA board chairperson CHEFA executive director Two executive branch officials State treasurer CHEFA board chairperson serves as CHESLA board chairperson		
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 CSLF holds and administers a portfolio of loans and bonds but no longer makes or guarantees new loans	The CHESLA board also serves as the board of directors for CSLF (see above)	Authorized to issue bonds, notes, and other obligations	Interest on loans
Connecticut Housing Finance Authority (CHFA) (CGS § 8-241 et seq.)	Alleviate the shortage of housing for low- and moderate-income individuals and families and promote or maintain the state's economic development through employer-assisted housing efforts	16-member board of directors Four legislative appointees Seven gubernatorial appointees Four executive branch officials State treasurer	Authorized to issue bonds and other obligations; 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

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
		Governor selects chairperson		
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 Three appointees of the CHFA board CHFA board appoints chairperson	None	Loan repayments
Materials Innovation and Recycling Authority (CGS § 22a-257 et seq.)	Plan, design, build, finance, and operate solid waste disposal, volume reduction, recycling, and intermediate processing and resource recovery facilities	11-member board of directors Eight legislative appointees Three gubernatorial appointees Governor selects chairperson, who is subject to confirmation by both houses of the legislature	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	14-member board of directors Two legislative appointees Four gubernatorial appointees Four executive branch officials The mayors of Hartford and East Hartford	Authorized to issue bonds, notes, and other obligations	State grants and appropriations, including a \$6.2 million General Fund appropriation in FYs 20 and 21 Parking and utility fees, investments, revenue bonds, and facility revenues

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
	economic development in the capital region	Two appointees of Hartford's mayor Governor selects chairperson		
Connecticut Lottery Corporation (CGS § 12-800 et seq.)	Operate the state lottery	13-member board of directors Six legislative appointees Five gubernatorial appointees OPM secretary State treasurer Governor selects chairperson	None	Ticket sales, retail commissions, and processing fees
Connecticut Airport Authority (CGS § 15-120aa et seq.)	Manage, operate, and develop Bradley International Airport and other airports, including the state-owned general aviation airports	11-member board of directors Four legislative appointees Four gubernatorial appointees Two executive branch officials State treasurer Governor selects chairperson	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 (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) Six legislative appointees Two gubernatorial appointees	Authorized to issue bonds, notes, and other obligations.	Issuance of bonds, health carrier fees, investment revenue, and federal and state grants.

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
		<p>Three executive branch officials</p> <p>Three additional executive branch officials serve as non-voting members</p> <p>Governor selects chairperson</p>		
<p>Connecticut Green Bank</p> <p>(CGS §16-245n) (CGS § 16-245ll) (CGS § 16a-40c et seq.)</p>	<p>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</p>	<p>12-member board of directors (11 voting and one non-voting)</p> <p>Four legislative appointees</p> <p>Four gubernatorial appointees</p> <p>Two executive branch officials</p> <p>State treasurer</p> <p>Green Bank president (elected by the board) is a non-voting member</p> <p>Governor selects chairperson</p>	<p>May issue clean energy bonds secured by the Clean Energy Fund</p>	<p>Fees, issuance of bonds, investment returns, federal and state grants, and charitable contributions</p>
<p>Connecticut Retirement Security Authority</p> <p>(CGS § 31-416 et seq.)</p>	<p>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</p>	<p>15-member board of directors</p> <p>Six legislative appointees</p> <p>Four gubernatorial appointees</p> <p>Three executive branch officials</p> <p>State treasurer and state comptroller</p>	<p>None</p>	<p>Administrative fees on participants' IRAs</p>

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
		Governor selects chairperson		
Connecticut Port Authority (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 Six legislative appointees Four gubernatorial appointees Four executive branch officials State treasurer Board members elect a chairperson	May issue bonds	\$400,000 Special Transportation Fund appropriation in FYs 20 and 21 Authority also receives rental and lease revenue
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 Six legislative appointees Four gubernatorial appointees Two appointments by the State Board of Education Education commissioner Governor selects chairperson, who is subject to confirmation by both houses of the legislature	None	Funds allocated by the education commissioner
Paid Family and Medical Leave Insurance Authority (PA 19-25, §§ 1-16,	Establish and administer the Family and Medical Leave Insurance program to provide wage replacement benefits to certain employees taking leave for reasons allowed under the	15-member board of directors (13 voting and two non-voting) Six legislative appointees	None	\$5.1 million General Fund appropriation in FY 20 Beginning in January 2021, individuals covered by the program must annually

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
24 & 25; as amended by PA 19-117 , §§ 232-234)	state's Family and Medical Leave Act or the family violence leave law	Three gubernatorial appointees Four executive branch officials State comptroller and state treasurer are non-voting members Governor selects chairperson		contribute a portion of their wages or self-employment income
Connecticut Municipal Redevelopment Authority (MRDA) (PA 19-117 , §§ 212-227)	Develop property and manage facilities in the areas around transit stations and downtowns (i.e., "development districts") to stimulate economic and transit-oriented development	13-member board of directors Six legislative appointees Two gubernatorial appointees Five executive branch officials Governor selects chairperson	May issue bonds, notes, and other obligations	\$500,000 General Fund appropriation in FYs 20 and 21 Fees, rents, and other charges for using, occupying, or operating authority development projects May enter into agreements with property owners in which the owners make payments to MRDA in lieu of property taxes

Source: derived from state statutes, public acts, 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.

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

Control	Applicability	Citation
Budget	No	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning budgeting
Personnel	No	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning personnel policies
Purchasing	No (except for SERC)	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning purchasing SERC is subject to rules, regulations, and restrictions on purchasing, procurement, personal service agreements, and the disposition of assets generally applicable to state agencies (CGS § 10-357b(c))
Contracting	No (except for SERC)	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning contracting SERC is subject to rules, regulations, and restrictions on purchasing, procurement, personal service agreements, and the disposition of assets generally applicable to state agencies (CGS § 10-357b(c))
Affirmative Action	Yes	Required by individual quasi-public agencies' authorizing statutes
Uniform Administrative Procedure Act (UAPA)	No	The law requires all quasi-public agencies to follow certain guidelines when adopting its procedures; these guidelines are 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 must post a conspicuous

Control	Applicability	Citation
		link to the eRegulations System on their website (CGS § 4-173b(b))
Code of Ethics	Yes	CGS § 1-79(11-13) , as amended by PA 19-117 (§ 224) (In 2019 the legislature added MRDA to the Code of Ethics definition of “quasi-public agency” but did not similarly add the Paid Family and Medical Leave Insurance Authority)
Freedom of Information Act (FOIA)	Yes	CGS § 1-200(1)(A) (Under FOIA, “public agencies” include political subdivisions of the state; since quasi-public agencies are political subdivisions, they are thus covered by this definition)
State Auditors	Yes	CGS § 1-122

Source: derived from state statutes

In addition to these controls, the state exercises controls that are specific to quasi-public agencies, as described below.

Reporting. The law requires each quasi-public agency except CRDA and MRDA (see below) to submit an annual report to the governor and auditors of public accounts. The report must, at a minimum, include the following:

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 complete set of financial statements;
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\(a\)](#)).

CRDA and MRDA each must submit a similar report to the governor, auditors, and Finance, Revenue and Bonding Committee within the first 90 days of each fiscal year ([CGS § 32-605](#) & [PA 19-117](#) (§ 217)).

Each quasi-public agency must also submit two quarterly reports to the Office of Fiscal Analysis. 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\(b\)&\(c\)](#)).

Lastly, each quasi-public agency must submit to the comptroller any information he requests for maintaining electronic databases of state and quasi-public agency expenditures, including disaggregated payments and data relating to quasi-public agencies' contracts, grants, and payroll ([CGS § 2-53I](#), as amended by [PA 19-102](#)).

Prohibited Acts. The law prohibits quasi-public agencies from contracting with the same financial auditor or auditing firm for more than six consecutive fiscal years ([CGS § 1-127](#)). Additionally, all quasi-public agencies except the Connecticut Lottery Corporation and the Paid Family and Medical Leave Insurance Authority 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](#), as amended by [PA 19-117](#) (§ 226)).

The law also prohibits quasi-public agencies, on or after October 1, 2018, from making a payment exceeding \$50,000 to a departing employee in order to avoid litigation costs or as part of a non-disparagement agreement. Such a settlement or agreement cannot prohibit a departing employee from making a complaint or providing information under the state's whistleblower law ([CGS § 1-125a](#)).

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