
OLR Bill Analysis

sSB 1104

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY.

SUMMARY

By law, the Connecticut Health and Education Financing Authority (CHEFA) can issue bonds to fund projects at higher education institutions, health care institutions, nursing homes, and nonprofits. The bill expands this authority by also allowing CHEFA to fund projects at these institutions that involve programs or services that further their organization or mission.

Under current law, projects at higher education and health care institutions exclude fuel, supplies, and other current customary operating charges (as well as books for higher education institutions). The bill removes this exclusion.

The bill also broadens certain other expenses of a project CHEFA can fund through bonds. It does so by removing the limitation that these other expenses must be necessary and incident to the project's construction and acquisition. Instead, the bill allows it to include all other costs and expenses necessary or incident to the project, its operation and financing, and getting it into operation.

The bill repeals obsolete provisions related to nursing home debt service, including provisions limiting CHEFA bonding authority for bonds secured by a special capital reserve fund (SCRF) that finances certain nursing home projects. These provisions allowed refinancing of certain SCRF-backed bonds that no longer exist. It also eliminates CHEFA's authority under current law to finance up to an aggregate of \$100 million for equipment for participating health care institutions. (This authority is at the discretion of the OPM secretary and the

treasurer under current law.)

The bill also repeals the (1) obsolete Captive Insurance Demonstration Program Grant Fund, (2) program to provide nonprofit hospitals assistance with the digitization of patient records, and (3) program to provide certain nursing homes assistance to install automatic fire extinguishers.

EFFECTIVE DATE: July 1, 2023

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 22 Nay 0 (03/07/2023)