

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 23-11—sSB 1104

Higher Education and Employment Advancement Committee

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

SUMMARY: By law, the Connecticut Health and Educational Facilities Authority (CHEFA) can issue bonds to fund specified projects at higher education institutions, health care institutions, nonprofits, and nursing homes. This act expands the types of projects CHEFA may fund at these institutions to include programs or services that further their organization or mission. For projects at higher education or health care institutions, it also eliminates an exclusion for the cost of fuel, supplies, and other items (including books for higher education institutions) that customarily result in a current operating charge, thus allowing these expenses to be included in CHEFA project funding.

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

The act repeals obsolete provisions related to the nursing home debt service assistance program, which generally allowed (1) CHEFA to extend deficiency loans to qualified nursing homes and (2) the state treasurer to advance funds to CHEFA to pay debt service on these bonds and avoid the state paying into a special capital reserve fund (SCRF) to back them. It also repeals conforming changes specifying how CHEFA may refinance certain SCRF-backed bonds that no longer exist. It also eliminates CHEFA's authority under prior law to use SCRF-backed bonds to finance up to \$100 million for participating health care institutions' equipment, at the Office of Policy and Management secretary's and state treasurer's discretion.

Finally, the act also repeals the:

1. obsolete Captive Insurance Demonstration Program Grant Fund and related requirement that CHEFA annually report to the legislature on the program;
2. requirement that CHEFA establish, within available resources, a program to help nonprofit hospitals access leases to finance the cost of digitizing patient records; and
3. requirement that CHEFA develop a loan program to help certain nursing homes install automatic fire extinguishers.

EFFECTIVE DATE: July 1, 2023