

OFA BILL ANALYSIS

sHB 5931

AN ACT CONCERNING THE POWERS OF THE STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

SUMMARY: The bill allows the Connecticut Health and Educational Facilities Authority (CHEFA) to assist nursing homes, in addition to institutions of higher education, health care institutions and qualified nonprofit organizations in the construction, financing and refinancing of capital projects. Nursing homes include those which provide chronic and convalescent care, rest homes, homes for the aged and continuing care facilities. Further the bill specifies the University of Connecticut and the Connecticut State Universities as those public educational institutions qualifying for CHEFA assistance.

The bill allows UConn and CSU (with the approval of the Governor and the Office of Policy and Management) to deed, transfer or lease State owned land to CHEFA for financing or refinancing the planning, development, acquisition, construction and equipping of dormitories. The Authority would then lease or sublease the student housing facilities in order to pay debt service on the bonds issued. Currently, the Universities (pursuant to CGS Sec. 10a-90 as amended by PA 91-256, Sec. 23) may enter into lease-purchase agreements with private developers.

This bill requires CHEFA to issue revenue bonds secured by the Special Capital Reserve Fund (with a State fill-up requirement). The private nursing home providers will pay the principal and interest on the bonds with the interest considered a significant factor in setting rates under the State's Medicaid reimbursement system. The debt service for dormitory projects at the Universities is supported by revenue raised through student fees. The legislation requires that CHEFA, determine prior to the issuance of bonds, that the revenues from the project are sufficient to pay principal and interest on the bonds, maintain required reserves and pay any other costs of the project including regular maintenance.

EFFECTIVE DATE: Upon Passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 37 Nay 0

GF/HL J 4-21-92

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