
OLR Bill Analysis

sSB 103

AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY AND THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY.

SUMMARY

This bill expands the types of projects that the Connecticut Health and Education Facilities Authority (CHEFA) may finance to include projects for any use or purpose approved by the authority, including working capital, for a participating higher education or health care institution, qualified nonprofit organization, or nursing home. It also does the following:

1. eliminates a provision prohibiting CHEFA from financing purchases for higher education and health care institutions that typically result in an operating charge (e.g., books, fuel, and supplies);
2. expands the project costs CHEFA may finance to include any other expenses necessary to finance a project, in addition to the current list of eligible expenses (e.g., construction, property acquisition, machinery, and financing charges); and
3. allows CHEFA to make loans and transfer money, real estate, and personal property to any of its subsidiaries established by law, rather than just the subsidiaries it has established to carry out its public purposes (e.g., CHESLA).

The bill also authorizes the Connecticut Higher Education Supplemental Loan Authority (CHESLA) to provide financial assistance to students enrolled in postsecondary education programs and their parents (i.e., parents, legal guardians, or sponsors). In doing so, it allows these students and parents to take out CHESLA loans and students to receive grants, scholarships, fellowships, or other non-repayable

assistance from CHESLA. Under current law, CHESLA can only provide financial assistance to (1) students attending in-state nonprofit higher education institutions, or Connecticut residents attending a U.S. nonprofit higher education institution, and (2) their parents.

The bill defines “postsecondary education program” as an educational program, as designated by the authority and offered by a private occupational school, that is authorized by the executive director of the Office of Higher Education (see BACKGROUND).

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2022

BACKGROUND

Private Occupational School

By law, a “private occupational school” is a postsecondary career school operated by a person or entity offering or advertising instruction in any trade or industrial, commercial, service, professional, or other occupation for a remuneration, consideration, reward, or promise. It does not include (1) publicly supervised and controlled instruction, (2) employee or member training offered by a business or organization, (3) instruction from a school authorized by the legislature to confer degrees, or (4) arts or recreation instruction (CGS § 10a-22a).

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/17/2022)