



General Assembly

Substitute Bill No. 103

February Session, 2022



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

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsections (b) and (c) of section 10a-178 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2022*):

4 (b) "Project" [.] means (1) in the case of a participating institution for
5 higher education, [means] a structure suitable for use as a dormitory or
6 other housing facility, including housing for staff members, employees
7 or students at such institution of higher education, dining hall, student
8 union, administration building, academic building, library, laboratory,
9 research facility, classroom, athletic facility, health care facility, and
10 maintenance, storage or utility facility and other structures or facilities
11 related thereto or required or useful for the instruction of students or
12 the conducting of research or the operation of an institution for higher
13 education, including parking and other facilities or structures essential
14 or convenient for the orderly conduct of such institution for higher
15 education, also including equipment and machinery and other similar
16 items necessary or convenient for the operation of a particular facility or
17 structure in the manner for which its use is intended or for the operation

18 of a participating institution for higher education, or any combination
19 thereof, [but shall not include such items as books, fuel, supplies or other
20 items the purchase of which is customarily deemed to result in a current
21 operating charge;] or a project for any use or purpose approved by the
22 authority, including, but not limited to, provisions for working capital;
23 (2) in the case of a participating health care institution, [means] a
24 structure suitable for use as a hospital, clinic, or other health care facility,
25 laboratory, laundry, residence facility, including housing for nurses,
26 interns, staff members, employees or students at such health care
27 institution and their immediate families and for physically or mentally
28 handicapped persons, administration building, research facility, and
29 maintenance, storage or utility facility and other structures or facilities
30 related thereto or required or useful for the operation of the project,
31 including parking and other facilities or structures essential or
32 convenient for the orderly operation of such project, also including
33 equipment and machinery and other similar items necessary or
34 convenient for the operation of the project in the manner for which its
35 use is intended or for the operation of a participating health care
36 institution, or any combination thereof, [but shall not include such items
37 as fuel, supplies or other items the purchase of which is customarily
38 deemed to result in a current operating charge;] or a project for any use
39 or purpose approved by the authority, including, but not limited to,
40 provisions for working capital; (3) in the case of a participating qualified
41 nonprofit organization, [means] a structure or facility owned in its
42 entirety by, or suitable for use in accordance with the charitable or
43 nonprofit status of the qualified nonprofit organization, also including
44 equipment and machinery and other similar items necessary or
45 convenient for the operation of the project in the manner for which its
46 use is intended or for the operation of a participating qualified nonprofit
47 corporation, or any combination thereof, or a project for any use or
48 purpose approved by the authority, including, but not limited to,
49 provisions for working capital; and [,] (4) in the case of a participating
50 nursing home, [means] a structure or facility suitable for use as a
51 nursing home, residential care home, rest home, health care facility for
52 the handicapped, mental health facility or independent living facility

53 subject to the licensing requirements of chapter 368v and appurtenant
54 facilities, equipment and machinery and other similar items necessary
55 or convenient for the operation of a particular facility or structure in the
56 manner for which its use is intended or for the operation of a
57 participating nursing home, or any combination thereof, or a project for
58 any use or purpose approved by the authority, including, but not
59 limited to, working capital;

60 (c) "Cost" as applied to a project or any portion thereof financed under
61 the provisions of this chapter embraces all or any part of (1) the cost of
62 construction and acquisition of all lands, structures, real or personal
63 property, rights, rights-of-way, franchises, easements and interests
64 acquired or used for a project, (2) the cost of demolishing or removing
65 any buildings or structures on land so acquired, including the cost of
66 acquiring any lands to which such buildings or structures may be
67 moved, (3) the cost of all machinery and equipment, financing charges,
68 interest prior to, during and for a period after completion of such
69 construction, provisions for working capital, reserves for principal and
70 interest and for extensions, enlargements, additions, replacements,
71 renovations and improvements, (4) cost of engineering, financial and
72 legal services, plans, specifications, studies, surveys, estimates of cost
73 and of revenues, administrative expenses, expenses necessary or
74 incident to determining the feasibility or practicability of constructing
75 the project, [and] (5) such other expenses as may be necessary or
76 incident to the construction and acquisition of the project, the financing
77 of such construction and acquisition and the placing of the project in
78 operation, and (6) any other expenses necessary to finance a project;

79 Sec. 2. Subsection (k) of section 10a-179 of the general statutes is
80 repealed and the following is substituted in lieu thereof (*Effective October*
81 *1, 2022*):

82 (k) (1) The authority may form one or more subsidiaries to carry out
83 the public purposes of the authority and may transfer to any such
84 subsidiary or to any subsidiary established by the General Assembly
85 through public or special act any moneys and real or personal property

86 of any kind or nature. Any such subsidiary may be organized as a stock
87 or nonstock corporation or a limited liability company. Each such
88 subsidiary shall have and may exercise such powers of the authority as
89 are set forth in the resolution of the authority prescribing the purposes
90 for which such subsidiary is formed and such other powers provided to
91 it by law. Each such subsidiary shall be deemed a quasi-public agency
92 for purposes of chapter 12 and shall have all the privileges, immunities,
93 tax exemptions and other exemptions of the authority, including the
94 privileges, immunities, tax exemptions and other exemptions provided
95 under the general statutes for special capital reserve funds. Each such
96 subsidiary shall be subject to suit provided its liability shall be limited
97 solely to the assets, revenues and resources of the subsidiary and
98 without recourse to the general funds, revenues, resources or any other
99 assets of the authority. Each such subsidiary is authorized to assume or
100 take title to property subject to any existing lien, encumbrance or
101 mortgage and to mortgage, convey or dispose of its assets and pledge
102 its revenues in order to secure any borrowing, for the purpose of
103 refinancing, rehabilitating or improving its assets, provided each such
104 borrowing or mortgage shall be a special obligation of the subsidiary,
105 which obligation may be in the form of bonds, bond anticipation notes
106 and other obligations to the extent permitted under this chapter to fund
107 and refund the same and provide for the rights of the holders thereof,
108 and to secure the same by pledge of revenues, notes and other assets
109 and which shall be payable solely from the assets, revenues and other
110 resources of the subsidiary. The authority shall have the power to assign
111 to a subsidiary any rights, moneys or other assets it has under any
112 governmental program including the nursing home loan program.

113 (2) Each such subsidiary shall act through its board of directors at
114 least one-half of which shall be members of the board of directors of the
115 authority, or their designees or officers or employees of the authority. A
116 resolution of the authority shall prescribe the purposes for which each
117 such subsidiary is formed.

118 (3) The provisions of section 1-125, subsection (e) of section 10a-185

119 and this subsection shall apply to any officer, director, designee or
120 employee appointed as a member, director or officer of any such
121 subsidiary. Any such persons so appointed shall not be personally liable
122 for the debts, obligations or liabilities of any such subsidiary as provided
123 in said section 1-125. The subsidiary shall and the authority may provide
124 for the indemnification to protect, save harmless and indemnify such
125 officer, director, designee or employee as provided by said section 1-
126 125.

127 (4) The authority or such subsidiary may take [] such actions as are
128 necessary to comply with the provisions of the Internal Revenue Code
129 of 1986 or any subsequent corresponding internal revenue code of the
130 United States, as from time to time amended, to qualify and maintain
131 any such subsidiary as a corporation exempt from taxation under said
132 internal revenue code.

133 (5) The authority may make loans to each such subsidiary or to any
134 subsidiary established by the General Assembly through public or
135 special act, following standard authority procedures, from its assets and
136 the proceeds of its bonds, notes and other obligations, provided the
137 source and security for the repayment of such loans is derived from the
138 assets, revenues and resources of the subsidiary.

139 Sec. 3. Section 10a-221 of the general statutes is repealed and the
140 following is substituted in lieu thereof (*Effective October 1, 2022*):

141 It is declared that, for the benefit of the people of the state, the
142 increase of their commerce, welfare and prosperity and the
143 improvement of their health and living conditions, it is essential that this
144 and future generations of youths be given the fullest opportunity to
145 learn and to develop their intellectual capacity and skills. It is
146 recognized that costs connected with collegiate or postsecondary
147 education are increasingly burdensome and that it is essential that
148 students attending institutions for higher education or postsecondary
149 education programs, and parents and others responsible for paying the
150 costs thereof, be provided with lower cost financial assistance in order

151 to help such students to achieve higher levels of learning and
152 development of their intellectual capacity and skills. It is also recognized
153 that Connecticut institutions for higher education should be provided
154 with appropriate additional means to assist qualified students
155 financially to achieve the required levels of learning and development
156 of their intellectual capacity and skills. It is the purpose of this chapter
157 and policy of the state to provide a measure of financial assistance to
158 students in or from the state, their parents and others responsible for the
159 costs of their education and an alternative method to enable Connecticut
160 institutions for higher education to assist qualified students to attend
161 such institutions, all to the public benefit and good, to the extent and
162 manner provided herein.

163 Sec. 4. Section 10a-223 of the 2022 supplement to the general statutes,
164 as amended by section 273 of public act 21-2 of the June special session,
165 is repealed and the following is substituted in lieu thereof (*Effective*
166 *October 1, 2022*):

167 In this chapter, the following words and terms shall have the
168 following meanings unless the context indicates another or different
169 meaning or intent:

170 (1) "Authority" means the Connecticut Higher Education
171 Supplemental Loan Authority constituted as a subsidiary of the
172 Connecticut Health and Educational Facilities Authority as provided in
173 section 10a-179a;

174 (2) "Authorized officer" means an employee of the Connecticut
175 Health and Educational Facilities Authority or of the authority who is
176 authorized by the board of directors of the authority to execute and
177 deliver documents and papers and to act in the name of and on behalf
178 of the authority;

179 (3) "Authority loans" means education loans by the authority, or loans
180 by the authority from the proceeds of bonds for the purpose of funding
181 education loans;

182 (4) "Board" means the board of directors of the authority;

183 (5) "Bonds" or "revenue bonds" means revenue bonds or notes of the
184 authority issued under the provisions of this chapter, including revenue
185 refunding bonds or notes;

186 (6) "Bond resolution" means the resolution or resolutions of the
187 authority and the trust agreement, if any, authorizing the issuance of
188 and providing for the terms and conditions applicable to bonds;

189 (7) "Borrower" means (A) an individual who has an outstanding loan
190 from the authority, (B) an individual who attends a Connecticut
191 institution for higher education, enrolls in a Connecticut high-value
192 certificate program, enrolls in a Connecticut postsecondary education
193 program or currently resides in the state, and has received or agreed to
194 pay an education loan, or (C) any parent who has received or agreed to
195 pay an education loan on behalf of an individual who attends a
196 Connecticut institution for higher education, enrolls in a Connecticut
197 postsecondary education program or currently resides in the state;

198 (8) "Connecticut Health and Educational Facilities Authority" means
199 the quasi-public authority established pursuant to section 10a-179, as
200 amended by this act;

201 (9) "Connecticut institution for higher education" means an
202 institution for higher education within the state;

203 (10) "Default insurance" means insurance insuring education loans,
204 authority loans or bonds against default;

205 (11) "Default reserve fund" means a fund established pursuant to a
206 bond resolution for the purpose of securing education loans, authority
207 loans or bonds;

208 (12) "Education loan" means a loan which is made to a student in or
209 from the state or a parent of such student to finance attendance at an
210 institution for higher education, [or] enrollment in a high-value

211 certificate program or enrollment in a postsecondary education
212 program, or to a borrower to refinance one or more eligible loans;

213 (13) "Loan funding deposit" means moneys or other property
214 deposited by a Connecticut institution for higher education with the
215 authority, a guarantor or a trustee for the purpose of (A) providing
216 security for bonds, (B) funding a default reserve fund, (C) acquiring
217 default insurance, or (D) defraying costs of the authority, such moneys
218 or properties to be in such amounts as deemed necessary by the
219 authority or guarantor as a condition for such institution's participation
220 in the authority's programs;

221 (14) "Institution for higher education" means a degree-granting
222 educational institution within the United States authorized by
223 applicable law to provide a program of education beyond the high
224 school level and (A) described in Section 501(c)(3) of the Internal
225 Revenue Code of 1986, or any subsequent corresponding internal
226 revenue code of the United States, as from time to time amended, and
227 exempt from taxation under Section 501(a) of said code with respect to
228 a trade or business carried on by such institution which is not an
229 unrelated trade or business, determined by applying Section 513(a) of
230 said code to such organization or a foundation established for its benefit,
231 or (B) exempt from taxation under said code as a governmental unit;

232 (15) "Participating institution for higher education" means a
233 Connecticut institution for higher education which, pursuant to the
234 provisions of this chapter, undertakes the financing directly or
235 indirectly of education loans as provided in this chapter;

236 (16) "Parent" means any parent, legal guardian or sponsor of a
237 student at an institution for higher education, [or] enrolled in a high-
238 value certificate program or enrolled in a postsecondary education
239 program;

240 (17) "Education loan series portfolio" means all education loans made
241 by the authority or by or on behalf of a specific participating institution

242 for higher education which are funded from the proceeds of a related
243 specific bond issue of the authority;

244 (18) "Education assistance program" means a program to assist in
245 financing the costs of education through education loans or education
246 grants [, or both] or any other form of financial assistance;

247 (19) "Education grant" means a grant, scholarship, fellowship or other
248 nonrepayable assistance awarded by the authority to a student currently
249 residing in the state to finance the attendance of the student at a
250 Connecticut institution for higher education, [or] enrollment in a
251 Connecticut high-value certificate program or enrollment in a
252 Connecticut postsecondary education program, or a grant, scholarship,
253 fellowship or other nonrepayable assistance awarded by or on behalf of
254 a Connecticut institution for higher education from the proceeds of
255 funds provided by the authority to a student from the state to finance
256 the student's attendance at such institution;

257 (20) "Eligible loan" means any loan that is in repayment that was (A)
258 made by the authority, or (B) made to a borrower by any other private
259 or governmental lender to finance attendance at an institution for higher
260 education, [or] enrollment in a high-value certificate program or
261 enrollment in a postsecondary education program;

262 (21) "High-value certificate program" means a noncredit sub-
263 baccalaureate certificate program offered by an institution of higher
264 education or a private occupational school that the Chief Workforce
265 Officer determines to meet the needs of employers in the state; [and]

266 (22) "Connecticut high-value certificate program" means a high-value
267 certificate program offered by an institution of higher education or a
268 private occupational school in the state; [.]

269 (23) "Postsecondary education program" means an educational
270 program as designated by the authority and offered by a private
271 occupational school that is authorized by the executive director of the
272 Office of Higher Education pursuant to sections 10a-22a to 10a-22o,

