

Quasi-Public Agencies

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Issue

This report answers several questions about Connecticut quasi-public agencies. Primarily, it addresses why they were established, their roles, how they are funded, and what oversight is built into state law. We address each question separately below.

This report updates OLR Report [2019-R-0182](#).

How Many Quasi-Public Agencies Does Connecticut Have?

Connecticut has 16 quasi-public agencies ([CGS § 1-120\(1\)](#)), as amended by [PA 22-118](#), § 111:

1. Connecticut Innovations, Incorporated (CI);
2. Connecticut Health and Educational Facilities Authority (CHEFA);
3. Connecticut Higher Education Supplemental Loan Authority (CHESLA);
4. Connecticut Student Loan Foundation (CSLF);
5. Connecticut Housing Finance Authority (CHFA);
6. State Housing Authority (SHA);
7. Materials Innovation and Recycling Authority (MIRA);
8. Capital Region Development Authority (CRDA);
9. Connecticut Lottery Corporation (CLC);
10. Connecticut Airport Authority (CAA);

11. Connecticut Health Insurance Exchange (doing business as Access Health CT);
12. Connecticut Green Bank;
13. Connecticut Port Authority (CPA);
14. State Education Resource Center (SERC);
15. Paid Family and Medical Leave Insurance Authority; and
16. Connecticut Municipal Redevelopment Authority (MRDA).

[PA 22-118](#), §§ 96-116 & 513, eliminated the Connecticut Retirement Security Authority and made the Office of the State Comptroller its successor (effective July 1, 2022).

Generally, Why Were They Created?

The major reason for establishing quasi-public agencies was their organizational location outside the structure of state government, which meant they could avoid many of the requirements and controls imposed on governmental agencies. Thus, they could respond to problems and opportunities faster and more efficiently than a comparable state agency while maintaining a degree of oversight and accountability.

What is the Purpose, Governing Body, Bonding Authority, and Funding Source of Each Quasi-Public Agency?

Quasi-public agencies in Connecticut vary in these respects. Table 1 details each quasi-public agency’s purpose, governing body, bonding authority, and funding source. (In the table, “executive branch officials” refers to appointed officials in the executive branch, such as the Office of Policy and Management (OPM) secretary or state agency commissioners.) For more information about quasi-public agencies’ governing bodies, see OLR Report [2022-R-0175](#).

Table 1: Purpose, Governing Body, Bonding Authority, and Funding of Quasi-Public Agencies

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>Connecticut Innovations, Incorporated (CI)</p> <p><i>(CGS § 32-32 et seq., as amended by PA 21-1 June Special Session (JSS), § 152; and PA 22-97)</i></p>	<p>Provide capital and support entrepreneurs need to research, develop, and market new and early-stage technologies</p>	<p>17-member board of directors</p> <p>Four legislative appointees</p> <p>Nine gubernatorial appointees</p> <p>Three executive branch officials</p> <p>State treasurer</p> <p>Governor selects chairperson</p>	<p>None</p>	<p>Interest on loans, income from investment of funds, state and federal grants, and application and license fees</p>
<p>Connecticut Health and Education Facilities Authority (CHEFA)</p> <p><i>(CGS § 10a-176 et seq., as amended by PA 22-41)</i></p>	<p>Provide financing to nonprofit colleges and health care institutions to support construction of facilities such as dormitories, academic buildings, athletic facilities, clinics, hospitals, and laboratories</p>	<p>10-member board of directors</p> <p>Eight gubernatorial appointees</p> <p>OPM secretary</p> <p>State treasurer</p> <p>Governor selects chairperson, who is subject to confirmation by both houses of the legislature</p>	<p>May issue its own bonds and other obligations; it also issues tax-exempt and taxable revenue bonds secured by a special capital reserve fund (SCRF) to finance projects for “participating nursing homes” or for housing, student centers, food service facilities, and other auxiliary service facilities at public higher education institutions</p> <p>In addition, CHEFA may issue up to \$100 million in special obligation funds secured by a SCRF to</p>	<p>Fees charged to conduit borrowers on its portfolio of bonds</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
			finance equipment acquisitions by hospitals	
<p>Connecticut Higher Education Supplemental Loan Authority (CHESLA)</p> <p><i>(CGS § 10a-179a as amended by PA 21-2, JSS, § 243)</i></p> <p><i>(CGS § 10a-221 et seq., as amended by PA 21-2, JSS, §§ 273 & 274; PA 21-62, §§ 3 & 4; and PA 22-41)</i></p>	<p>As a subsidiary of CHEFA, CHESLA provides loans, grants, and other forms of financial assistance to help finance the cost of postsecondary education</p>	<p>10-member board of directors</p> <p>Four appointments made by the CHEFA board</p> <p>CHEFA board chairperson</p> <p>CHEFA executive director</p> <p>Three executive branch officials</p> <p>State treasurer</p> <p>CHEFA board chairperson serves as CHESLA board chairperson</p>	<p>May issue bonds, notes, and other obligations</p>	<p>Service fees, loan repayments, and grants</p>
<p>Connecticut Student Loan Foundation (CSLF)</p> <p><i>(CGS § 10a-201 et seq.)</i></p>	<p>As a subsidiary of CHEFA, CSLF aims to improve educational opportunities and promote loan repayment</p> <p>CSLF holds and administers a portfolio of loans and bonds but no longer makes or guarantees new loans</p>	<p>The CHESLA board also serves as the board of directors for CSLF (see above)</p> <p>CHESLA board chairperson also serves as CSLF board chairperson (see above)</p>	<p>May issue bonds, notes, and other obligations</p>	<p>Interest on loans</p>
<p>Connecticut Housing Finance Authority (CHFA)</p>	<p>Alleviate the shortage of housing for low- and moderate-income individuals and families and promote or maintain the</p>	<p>16-member board of directors</p> <p>Four legislative appointees</p>	<p>May issue bonds and other obligations; issues its own bonds to finance the Housing Mortgage Finance</p>	<p>Fees, loan repayments, and interest on investments and mortgage loans</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>(CGS § 8-241 et seq.)</p>	<p>state's economic development through employer-assisted housing efforts</p>	<p>Seven gubernatorial appointees</p> <p>Four executive branch officials</p> <p>State treasurer</p> <p>Governor selects chairperson</p>	<p>Program, which is secured by a SCRF</p>	
<p>State Housing Authority (SHA)</p> <p>(CGS § 8-244b et seq.)</p> <p>(CGS § 8-119zz et seq.)</p>	<p>As a subsidiary of CHFA and a successor to the Connecticut Housing Authority (CHA), SHA manages state housing projects that CHA initiated or acquired; since CHA stopped taking new projects after May 25, 1994, SHA's sole function is to oversee any CHA loan still ongoing</p>	<p>Three-member board of directors</p> <p>Three appointees of the CHFA board</p> <p>CHFA board appoints chairperson</p>	<p>None</p>	<p>Loan repayments</p>
<p>Materials Innovation and Recycling Authority (MIRA)</p> <p>(CGS § 22a-257 et seq.)</p>	<p>Plan, design, build, finance, and operate solid waste disposal, volume reduction, recycling, and intermediate processing and resource recovery facilities</p>	<p>11-member board of directors</p> <p>Eight legislative appointees</p> <p>Three gubernatorial appointees</p> <p>Governor selects chairperson, who is subject to confirmation by both houses of the legislature</p>	<p>May issue bonds, notes, and other obligations subject to the state treasurer's approval</p>	<p>Sale of products, materials, fuels, and energy; federal loans or grants; municipal loan repayments; service fees; and municipal contracts</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>Capital Region Development Authority (CRDA)</p> <p><i>(CGS § 32-600 et seq., as amended by PA 22-118, §§ 428 & 469)</i></p>	<p>Stimulate new investment within the capital region, provide support for multicultural destinations, attract entertainment and sporting events, encourage residential housing development, maintain and market the convention center, promote tourism, redevelop property within the city of Hartford, and stimulate economic development in the capital region</p>	<p>14-member board of directors</p> <p>Two legislative appointees</p> <p>Four gubernatorial appointees</p> <p>Four executive branch officials</p> <p>The mayors of Hartford and East Hartford</p> <p>Two appointees of Hartford's mayor</p> <p>Governor selects chairperson</p>	<p>May issue bonds, notes, and other obligations</p>	<p>State grants and appropriations, including a \$6.2 million General Fund appropriation in FYs 22 and 23</p> <p>Parking and utility fees, investments, revenue bonds, and facility revenues</p>
<p>Connecticut Lottery Corporation (CLC)</p> <p><i>(CGS § 12-800 et seq., as amended by PA 21-23 and PA 22-118, § 427)</i></p>	<p>Operate the state lottery, retail and online sports wagering, and fantasy contests</p>	<p>13-member board of directors</p> <p>Six legislative appointees</p> <p>Five gubernatorial appointees</p> <p>OPM secretary</p> <p>State treasurer</p> <p>Governor selects chairperson</p>	<p>None</p>	<p>Ticket sales, retail commissions, processing fees, and investments</p>
<p>Connecticut Airport Authority (CAA)</p>	<p>Manage, operate, and develop Bradley International Airport and other airports, including the</p>	<p>11-member board of directors</p> <p>Four legislative appointees</p>	<p>May issue bonds, notes, and other obligations</p>	<p>Landing and parking fees, terminal rent, rental car fees, concessions, state and federal grants, investment</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>(CGS § 15-120aa et seq.)</p>	<p>state-owned general aviation airports</p>	<p>Four gubernatorial appointees</p> <p>Two executive branch officials</p> <p>State treasurer</p> <p>Governor selects chairperson</p>		<p>income, and other facility fees</p>
<p>Connecticut Health Insurance Exchange (Doing business as Access Health CT)</p> <p>(CGS § 38a-1080 et seq., as amended by PA 21-2, JSS, § 294)</p>	<p>Reduce the number of individuals without health insurance in the state and assist individuals and small businesses by offering health insurance options</p>	<p>14-member board of directors (11 voting and three non-voting)</p> <p>Six legislative appointees</p> <p>Two gubernatorial appointees</p> <p>Three executive branch officials</p> <p>Three additional executive branch officials serve as non-voting members</p> <p>Governor selects chairperson</p>	<p>May issue bonds, notes, and other obligations</p>	<p>Marketplace assessments</p>
<p>Connecticut Green Bank</p> <p>(CGS § 16-245n, as amended by PA 21-115)</p>	<p>Finance and support clean energy and environmental infrastructure investment in residential, municipal, small business, and larger commercial projects; stimulate a market for clean energy and environmental</p>	<p>13-member board of directors (12 voting and one non-voting)</p> <p>Four legislative appointees</p> <p>Four gubernatorial appointees</p>	<p>May issue bonds, notes, and other obligations</p> <p>May issue clean energy bonds secured by the Clean Energy Fund</p>	<p>Fees, sales of energy systems and renewable energy credits, investment returns, federal and state grants, and Regional Greenhouse Gas Initiative Auction proceeds</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>(CGS § 16-245aa et seq.) (CGS § 16a-40c et seq., as amended by PA 22-6)</p>	<p>infrastructure; and administer the Clean Energy Fund and Environmental Infrastructure Fund</p>	<p>Three executive branch officials State treasurer Green Bank president (elected by the board) is a non-voting member Governor selects chairperson</p>		
<p>Connecticut Port Authority (CPA) (CGS § 15-31a et seq., as amended by PA 21-179 and PA 21-2, JSS, § 309)</p>	<p>Coordinate the development of Connecticut’s ports and harbors, attract private and public investment for infrastructure improvements, and support and enhance overall development of the state’s maritime commerce and industries</p>	<p>21-member board of directors Six legislative appointees Seven gubernatorial appointees Four executive branch officials State treasurer Chief elected officials of Bridgeport, New Haven, and New London Board members elect a chairperson</p>	<p>May issue bonds, notes, and other obligations</p>	<p>\$400,000 Special Transportation Fund appropriation in FYs 22 and 23 Authority also receives rental and lease revenue</p>
<p>State Education Resource Center (SERC)</p>	<p>Help the State Board of Education provide programs that promote educational equity and excellence, including training and professional development,</p>	<p>13-member board of directors Six legislative appointees</p>	<p>None</p>	<p>Federal and state grants, charges for services provided</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
<p>(CGS § 10-357a et seq., as amended by PA 22-80, § 26)</p>	<p>publication of technical materials, research, and administering grants; support early childhood education activities and programs in collaboration with the Office of Early Childhood; support local education agencies</p>	<p>Four gubernatorial appointees</p> <p>Two appointments by the State Board of Education</p> <p>Education commissioner</p> <p>Governor selects chairperson, who is subject to confirmation by both houses of the legislature</p>		
<p>Paid Family and Medical Leave Insurance Authority</p> <p>(CGS § 31-49e et seq., as amended by PA 21-2, JSS, §§ 7 & 275)</p>	<p>Establish and administer the Family and Medical Leave Insurance program to provide wage replacement benefits to certain employees taking leave for reasons allowed under the state’s Family and Medical Leave Act or the family violence leave law</p>	<p>15-member board of directors (13 voting and two non-voting)</p> <p>Six legislative appointees</p> <p>Three gubernatorial appointees</p> <p>Four executive branch officials</p> <p>State comptroller and state treasurer are non-voting members</p> <p>Governor selects chairperson</p>	<p>None</p>	<p>Individuals covered by the program must annually contribute a portion of their wages or self-employment income</p>
<p>Connecticut Municipal Redevelopment Authority (MRDA)</p>	<p>Develop property and manage facilities in the areas around transit stations and downtowns (i.e., “development districts”) to stimulate</p>	<p>13-member board of directors</p> <p>Six legislative appointees</p>	<p>May issue bonds, notes, and other obligations</p>	<p>Fees, rents, and other charges for using, occupying, or operating authority development projects</p>

Table 1 (continued)

Quasi-Public Agency	Purpose	Governing Body	Bonding Authority	Funding
(CGS § 8-169hh et seq.)	economic and transit-oriented development	Two gubernatorial appointees Five executive branch officials Governor selects chairperson		May enter into agreements with property owners in which the owners make payments to MRDA in lieu of property taxes

Source: derived from state statutes, public acts, agency financial statements, and Auditors of Public Accounts reports

What Control Does the State Have Over Quasi-Public Agencies?

Certain controls that the state has over state agencies also apply to quasi-public agencies. Table 2 shows these areas of control for each quasi-public agency. In instances where the controls do not apply, each quasi-public agency's board is required to develop its own procedures.

Table 2: Applicability of State Government Controls to Quasi-Public Agencies

Control	Applicability	Citation
Budget	No	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning budgeting
Personnel	No	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning personnel policies
Purchasing	No (except for SERC and CPA)	<p>Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning purchasing</p> <p>SERC is subject to rules, regulations, and restrictions on purchasing, procurement, personal service agreements, and the disposition of assets generally applicable to state agencies (CGS § 10-357b(c))</p> <p>CPA is generally subject to oversight by the State Contracting Standards Board until July 1, 2026 (PA 21-2, JSS, § 309)</p>
Contracting	No* (except for SERC and CPA)	<p>Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures concerning contracting</p> <p>SERC is subject to rules, regulations, and restrictions on purchasing, procurement, personal service agreements, and the disposition of assets generally applicable to state agencies (CGS § 10-357b(c))</p> <p>CPA is generally subject to oversight by the State Contracting Standards Board until July 1, 2026 (PA 21-2, JSS, § 309)</p>
Affirmative Action	No*	Generally, each quasi-public agency's authorizing statute requires that it adopt written procedures that include an affirmative action policy
Uniform Administrative Procedure Act (UAPA)	No	<p>The law requires all quasi-public agencies to follow certain guidelines when adopting procedures; these guidelines are similar to the UAPA's notice, publication, and approval requirements but without the need for legislative approval (CGS § 1-121)</p> <p>Additionally, each quasi-public agency must post a conspicuous link to the eRegulations System on its website (CGS § 4-173b(b))</p>

Table 2 (continued)

Control	Applicability	Citation
Code of Ethics	Yes	CGS § 1-79(11-13) , as amended by PA 21-164 , § 2
Freedom of Information Act (FOIA)	Yes	CGS § 1-200(1)(A) (Under FOIA, “public agencies” include political subdivisions of the state; since quasi-public agencies are political subdivisions, they are covered by this definition)
State Auditors	Yes	CGS § 1-122

Source: derived from state statutes

*Contractors awarded contracts for “quasi-public agency projects” (i.e., certain public works projects financed in whole or in part by a quasi-public agency using state funds) must comply with state set-aside, affirmative action, and non-discrimination requirements ([CGS §§ 4a-60](#), [-60a](#), and [-60g\(b\)\(4\)](#)), as amended by [PA 21-76](#), §§ 6-11; and [PA 22-40](#), § 5)

In addition to these controls, the state exercises controls that are specific to quasi-public agencies, as described below.

Reporting. The law requires each quasi-public agency except CRDA and MRDA (see below) to submit an annual report to the governor and auditors of public accounts. The report must, at a minimum, include the following:

1. a list of all bonds issued for the prior fiscal year;
2. the cumulative value of all bonds issued by the agency, value of outstanding bonds, and the state's contingent liability;
3. a list of all projects, other than those pertaining to owner-occupied housing or student loans, receiving financial assistance during the preceding fiscal year, including each project’s purpose, location, and funding amount;
4. a list of all outside individuals and firms receiving more than \$5,000 in loans, grants, or payments for services (other than loans for education or owner-occupied housing);
5. a complete set of financial statements;
6. the affirmative action policy statement, a description of the agency’s workforce composition, and a description of its affirmative action efforts; and
7. a description of planned activities for the current fiscal year ([CGS § 1-123\(a\)](#)).

CRDA and MRDA each must submit a similar report to the governor, auditors, and Finance, Revenue and Bonding Committee within the first 90 days of each fiscal year ([CGS §§ 32-605 & 8-169mm](#)).

Each quasi-public agency must also submit two quarterly reports to the Office of Fiscal Analysis. One report must include (1) the beginning fiscal year balance, (2) all funds spent and revenue collected by the end of the quarter, and (3) total expenditures and revenue estimated at the end of the fiscal year. The second report must include the (1) total number of employees at the end of the quarter, (2) positions vacated and filled by the end of the quarter, and (3) positions estimated to be vacant and filled by the end of the fiscal year ([CGS § 1-123\(b\)&\(c\)](#)).

Lastly, each quasi-public agency must submit to the state comptroller any information she requests for maintaining electronic databases of state and quasi-public agency expenditures, including disaggregated payments and data relating to quasi-public agencies' contracts, grants, and payroll ([CGS § 2-53I](#)).

Prohibited Acts. The law prohibits quasi-public agencies from contracting with the same financial auditor or auditing firm for more than six consecutive fiscal years ([CGS § 1-127](#)). Additionally, all quasi-public agencies except the Connecticut Lottery Corporation and the Paid Family and Medical Leave Insurance Authority must obtain the state treasurer's approval before borrowing any money or issuing any bonds or notes that are guaranteed by the state or for which there is a capital reserve fund that the state contributes to or guarantees ([CGS § 1-124](#), as amended by [PA 22-118](#), § 112). (Neither the corporation nor the authority has bonding authority.)

The law also prohibits quasi-public agencies, on or after October 1, 2018, from making a payment exceeding \$50,000 to a departing employee in order to avoid litigation costs or as part of a non-disparagement agreement. Such a settlement or agreement cannot prohibit a departing employee from making a complaint or providing information under the state's whistleblower law ([CGS § 1-125a](#)).

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