

OFFICE OF FISCAL ANALYSIS

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HB-5402

AN ACT EXCLUDING FROM VETERANS' INCOME CALCULATIONS CERTAIN BENEFITS PAYMENTS FOR PURPOSES OF ELIGIBILITY FOR CERTAIN STATE AND MUNICIPAL PROGRAMS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Social Services, Dept.; Aging and Disability Services, Dept.	GF - Potential Cost	Significant	Significant
Department of Housing	GF - Potential Cost	Up to 50,000	None
Policy & Mgmt., Off.	GF - Potential Cost	None	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Grand List-Potential Reduction	None	See Below

Explanation

The bill results in various fiscal impacts, described below, due to requiring state agencies and municipalities to disregard certain payments to veterans and their surviving spouses when determining their eligibility for assistance programs available through the Departments of Social Services (DSS), Aging and Disability Services (ADS), Housing (DOH), and towns (property tax). The bill also removes the specific exemption for aid and attendance payments for certain programs. It is unclear if such payments are included in the VA-

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administered benefits disregarded under the bill.

Sections 1-9 and **15-17** may result in significant costs to the Department of Social Services (DSS) associated with disregarding certain benefits for veterans or their surviving spouses for purposes of determining income eligibility for various DSS administered programs. By reducing the income that is currently counted towards DSS program income limits, the bill increases the number of individuals who could be eligible. Relevant programs include Medicaid, Medicare Savings Program, PCA Waiver, State Supplemental Program, State Administered General Assistance, Temporary Family Assistance (TFA), state-funded Postpartum care, and Connecticut Home Care Program for Elders. The bill also potentially increases benefit amounts under TFA. The number of veterans enrolled in these programs and the disposition of their benefits is unknown.

Sections 10 and **12-13** make changes to housing programs that may result in contract costs to the Department of Housing (DOH) of up to \$50,000 in FY 25, to the extent DOH requires outside legal assistance to update the relevant regulations.

Section 14 excludes certain veterans benefits from counting towards the income limit for the Alzheimer's Respite Program. This could result in a cost to the Department of Aging and Disability Services (ADS) to the extent that more people qualify under the provisions of the bill. ADS manages the Alzheimer's Respite Program with the resources provided to them, so a waiting list will be created if demand exceeds the available funds.

Sections 19, 20, and **21** may result in increased eligibility and enrollment in various local property tax relief programs, which in turn would lead to a grand list reduction to municipalities that have exercised these local options beginning in FY 26^[1]. A grand list

[1] Currently, 93 municipalities offer the exemption described in Section 12-81f of the CT General Statutes, 21 municipalities offer the 12-81g exemption, and 4 municipalities offer the 12-81j exemption. The other exemptions affected by Sections 19-21 are not anticipated to be utilized by CT towns, per a 2019 survey of town assessors.

reduction results in a revenue loss given a constant mill rate, however it is likely that a municipality will adjust its mill rate to offset any predicted revenue loss. The Office of Policy and Management (OPM) may see a potential cost from Section 19, as that municipal exemption is reimbursed by the state.

The reimbursements to towns will be reduced proportionately if the total amount of exemptions exceeds the appropriated amount. For reference, in FY 23 this grant totaled approximately \$1.9 million. The current appropriation for FY 25 is \$2.7 million. There is no impact to municipalities that do not have any of these exemptions as a local option.

For context, there were approximately 140,700 veterans in Connecticut on 9/30/23. The number of veterans participating in the assistance programs specified by the bill is unknown. The impact of the bill is dependent on (1) the number of veterans participating in the various relief programs and (2) the benefit amounts being disregarded, and (3) the income limits of the program.

The bill makes technical, conforming, and other changes that have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue subject to the number of veterans, their associated benefits and the income limits of relevant programs.