

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-422

AN ACT CONCERNING FIREFIGHTER RECRUITMENT AND RETENTION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Higher Education Constituent Units	Tuition Funds - Revenue Loss	Potential Significant	Potential Significant
CHFA	CHFA - Cost/Potential Revenue Impact	See Below	See Below

Note: CHFA=Resources of CHFA

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Transfer	See Below	See Below

Explanation

The bill makes various changes regarding the recruitment and retention of firefighters, resulting in the various impacts described below.

Section 1 requires the Connecticut Housing Finance Authority (CHFA) to establish a new program of mortgage assistance for uniformed members of fire departments, which results in costs to CHFA from the quasi-public's own resources beginning in FY 25, associated with developing and marketing the program.¹ If CHFA provides fire

¹CHFA is a quasi-public authority that issues its own federally tax-exempt and taxable mortgage revenue bonds. The authority primarily pays its operating expenses using

fighters with existing first-time homebuyer mortgage products at a reduced interest rate (currently a 0.125% discount is offered for similar programs), changes to CHFA's operating revenues are anticipated to be minimal. Costs or revenue loss for providing other forms of assistance would depend on: (1) the number of firefighters assisted and (2) the type of assistance provided.

CHFA has various existing programs that can help firefighters purchase a house where they work, including the First Time Homebuyers Program, the Down Payment Assistance Program, and the Time to Own Forgivable Down Payment Assistance Program, the latter two of which are both supported with state bond funding. Given the low utilization rate of CHFA's other occupation-specific mortgage assistance programs, the bill is not anticipated to materially change the rate of spending.²

Sections 2-4 result in a potentially significant annual revenue loss beginning in FY 25 to the higher education constituent units, associated with waiving tuition for certain firefighters and their dependents. The tuition waivers will be available to: (1) a firefighter who has at least two years of service in Connecticut and (2) any dependent child of a firefighter who has at least five years of service in the state. The bill also requires Connecticut State Colleges and Universities (CSCU) to waive tuition for certain students attending the state fire school.

There are an estimated 26,400 state and local firefighters in Connecticut. It is unknown how many individuals will be eligible for the tuition waiver and take advantage of it, or which constituent unit they would choose to attend. The scope of the revenue loss will vary based on the number of waivers and the institution waiving tuition. For example, 500 additional tuition waivers at UConn for the undergraduate level results in a revenue loss of approximately \$8.5

funds derived from the excess of interest income from loans over bond interest expenses.

²Out of the 3,147 first mortgages originated through CHFA in 2023, 1 was under the Police Homeownership Program, 29 were under the Teachers Mortgage Assistance Program, and 25 were under the Military Program.

million annually while 1,000 additional community college waivers results in a revenue loss of approximately \$4.6 million annually. To the extent that some of the waiver beneficiaries enrolling in CSCU institutions might not have otherwise attended, these institutions may experience higher fee and other revenue (e.g., room and board) due to the bill. The exact number of additional waivers that would occur because of the bill is unknown, but the revenue loss to the constituent units may be significant.

Examples of Tuition Waiver Value, FY 25			
# of Students	UConn	CSUs	CT State Community College
Per-Student Value of Undergraduate Tuition Waiver, FY 25	17,012	6,998	4,608
100	1,701,200	699,800	460,800
500	8,506,000	3,499,000	2,304,000
1,000	17,012,000	6,998,000	4,608,000

Sections 5-6 establish the Volunteer Firefighter Length-of-Service Award Program Trust Fund and result in no fiscal impact as the monies within the fund will be used to make payments towards the operational costs.

Section 7 extends deadlines for the previously established task force to study the shortage of firefighters and emergency medical services personnel in the state, resulting in no fiscal impact to the state.

Section 8 may result in a transfer of funds between municipalities beginning in FY 25 as it requires any municipality that hires a firefighter from another municipality within two years of the firefighter completing entry-level training to reimburse the initial hiring municipality 50% of the total training costs. Municipalities that hire a firefighter from another municipality within two years of certification will incur a cost equal to half of the actual cost of the firefighter's entry-level training. Municipalities that lose a firefighter to such a transfer

would realize a corresponding revenue gain equal to this cost.³ There is no fiscal impact to municipalities that do not hire or lose a firefighter under these conditions.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the type and amount of CHFA mortgage assistance provided, tuition waivers granted, and intermunicipal firefighter transfers.

³The cost of entry-level training is estimated to be at least \$50,000 depending on the salary, fringe benefit rate, and training method of the firefighter.