
OLR Bill Analysis

HB 6438 (as amended by House "A")*

AN ACT CONCERNING VETERANS' AFFAIRS IN CONNECTICUT.

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Requires the DVA commissioner, in consultation with others, to conduct a study on unaccredited businesses or agents that assist or advise on veteran benefit matters and report to the Veterans' and Military Affairs Committee and the governor by February 1, 2026

SUMMARY

This bill makes various changes to state law concerning veteran and military affairs. A section-by-section analysis follows below.

**House Amendment "A"* replaces the underlying bill, which made technical changes to a veteran and military affairs statute.

EFFECTIVE DATE: July 1, 2025, and for provisions disregarding veteran disability benefits as income, applicable to applications filed on or after July 1, 2025, except that provisions on the (1) veteran disability benefit waiver for public defender services and (2) disabled veteran preference for EXP are effective July 1, 2026.

§ 1 — JOINT ENLISTMENT ENHANCEMENT PROGRAM

Appropriates \$169,000 for FY 26 for the Military Department's Joint Enlistment Enhancement Program

The bill appropriates \$169,000 for FY 26 from the General Fund to the Military Department for the Joint Enlistment Enhancement Program (JEEP). JEEP provides a monetary incentive of \$1,000 (or \$1,500 for certain in-demand positions) to soldiers, airmen, and retirees who give National Guard recruiters a lead that results in an enlistment.

Background — Related Bill

SB 1152 (File 46), favorably reported by the Veterans' and Military Affairs Committee, contains identical provisions.

§§ 2-8 — DISREGARDING CERTAIN FEDERAL VETERANS' BENEFITS AND INCOME ELIGIBILITY DETERMINATIONS FOR CERTAIN PUBLIC ASSISTANCE PROGRAMS

Disregards certain federal veterans' benefits when determining income for certain means-tested public assistance programs

To the extent federal law allows, the bill requires the Department of Social Services (DSS) commissioner to disregard (1) U.S. Department of Veterans Affairs (U.S. DVA) administered non-service-connected pension benefits and (2) housebound pension benefits granted to a veteran, or to a surviving spouse, when determining income for certain means-tested public assistance programs. Under the bill, the income

disregards apply to the following programs:

1. HUSKY A and D (§§ 2 & 6),
2. Medicare Savings Program (§§ 2 & 5),
3. Connecticut Energy Assistance Program (§ 2),
4. State Supplement Program (§ 3),
5. Temporary Family Assistance (§ 3),
6. State-Administered General Assistance (§ 4),
7. Connecticut Home Care Program for Elders (§ 7), and
8. State-Appropriated Fuel Assistance Program (§ 8; currently inactive).

Under existing law, because a veteran's or surviving spouse's pension payments for disabilities (including aid and attendance and housebound allowance payments) are not subject to federal or state income tax, they are disregarded when determining eligibility for Medicaid coverage groups that must use federal modified adjusted gross income (MAGI) rules to calculate income limits (such as HUSKY A and D). For coverage groups that do not use MAGI rules (HUSKY C and the Medicare Savings Program), and other assistance programs listed above, current law only requires DSS to disregard aid and attendance benefits.

As under existing law for other income disregards, DSS may apply to the federal Centers for Medicare and Medicaid Services to amend the state Medicaid plan or seek a waiver from federal law, if necessary, to exempt these veterans' benefits (CGS § 17b-28i).

Background — Definition of a Veteran

A "veteran" is anyone honorably discharged or released under honorable conditions, or released with an other than honorable (OTH) discharge based on a qualifying condition, from active service in the

armed forces (the U.S. Army, Navy, Marine Corps, Coast Guard, Space Force, Air Force, and any of their reserve components, including the Connecticut National Guard when under federal service) (CGS § 27-103).

A qualifying condition is a (1) post-traumatic stress disorder or traumatic brain injury diagnosis by a licensed health care professional at a U.S. DVA facility; (2) military sexual trauma disclosed to such a health care professional; or (3) determination by the Qualifying Review Board that sexual orientation, gender identity, or gender expression was more likely than not the primary reason for the OTH discharge (CGS § 27-103).

Background — Aid and Attendance and Housebound Allowance

Individuals receiving a U.S. DVA-administered pension may also receive aid and attendance benefits or housebound allowances, which both provide additional monthly payments. Aid and attendance is for qualified veterans and surviving spouses who need assistance performing daily activities, are bedridden, have limited eyesight, or are in a nursing home due to mental or physical incapacity. Housebound benefits are for individuals who spend most of their time in their homes due to a permanent disability.

Background — Related Bill

SB 1151 (File 280), favorably reported by the Veterans' and Military Affairs and Appropriations committees, contains similar provisions.

§§ 9-13 — FEE WAIVERS AT PUBLIC HIGHER EDUCATION INSTITUTIONS

Expands the higher education tuition waiver program for eligible National Guard members and veterans with wartime service to cover (1) higher education extension fees and (2) tuition at Charter Oak State College

The bill expands the higher education tuition waiver program to cover certain extension fees for eligible National Guard members and veterans with wartime service (see *Background — Veterans' Service in Time of War*).

It requires the regional community-technical colleges, the

Connecticut State University System, and UConn to waive fees for educational extension programs, including for courses taken during summer and winter school sessions or intersessions. Current law requires these institutions to waive eligible veterans' and National Guard members' tuition, which does not include these fees.

The bill makes various conforming changes, including incorporating these extension fee waivers into the calculation of waiver amounts that the state must annually reimburse to these institutions' operating funds through an appropriation. Under current law, the reimbursement amount is based only on tuition waivers.

The bill also establishes a tuition fee waiver for eligible National Guard members and veterans with wartime service who attend Charter Oak State College, with generally the same eligibility requirements as the tuition waiver program.

Background — Veterans' Service in Time of War

By law, to be eligible for state benefits (including tuition waivers) that require service in a time of war, a veteran must generally have served at least 90 cumulative days during a statutorily defined period of war, as described in the table below. A veteran who served fewer days may qualify if he or she (1) was separated from service earlier because of either a service-connected U.S. Veterans' Administration-rated disability or an injury incurred or aggravated in the line of duty or (2) served for the duration of a period of war that lasted fewer than 90 days (CGS § 27-103(a)(3)).

The table below shows post-1940 periods of war and service conditions for purposes of veterans' benefits (CGS § 27-103(a)(4)).

Table: Post-1940 "Periods of War"

<i>Operation</i>	<i>Covered Period</i>	<i>Service Condition</i>
World War II	12/7/41—12/31/46*	Active service during the covered period
Korean conflict	6/27/50—1/31/55	Active service during the covered period
Lebanon conflict	7/1/58—11/1/58 or 9/29/82—3/30/84	Combat or combat-support role in Lebanon during the covered periods
Vietnam era	2/28/61—7/1/75	Active service during the covered period

Operation	Covered Period	Service Condition
Grenada invasion	10/25/83—12/15/83	Combat or combat-support role in Grenada during the covered period
Operation Earnest Will (escort of Kuwaiti tankers flying U.S. flag in the Persian Gulf)	7/24/87—8/1/90	Combat or combat-support role in the operation during the covered period
Panama invasion	12/20/89—1/31/90	Combat or combat-support role in the invasion during the covered period
Persian Gulf War	8/2/90 until a date prescribed by the President or law	Active service during the covered period
Afghanistan	10/24/01—8/30/21	Active service during the covered period
Iraq	3/19/03—12/31/11 or 6/1/14—12/9/21	Active service during the covered period

*For certain property tax exemptions, the end date is considered 12/31/47 (CGS § 12-86).

Background — Related Bill

sHB 6439 (File 257), reported favorably by the Veterans’ and Military Affairs; Higher Education and Employee Advancement; and Finance, Revenue and Bonding committees, contains nearly identical provisions.

§ 14 — VETERAN DISABILITY BENEFIT DISREGARD FOR PUBLIC DEFENDER SERVICES

Requires public defender income eligibility guidelines to disregard service-connected veteran disability benefits

The bill requires the guidelines used to determine whether someone qualifies as an indigent defendant for public defender services to exclude a person’s U.S. DVA service-connected disability benefits from consideration.

Background — Definition of an Indigent Defendant

By law, an “indigent defendant” is an adult charged with a crime; a child who has a right to counsel in a juvenile matter; or a parent, guardian, or other person in certain cases, who does not have the financial ability to secure competent legal representation and pay necessary legal representation expenses.

Background — Related Bill

HB 7121 (File 321), favorably reported by the Veterans’ and Military

Affairs Committee, contains identical provisions.

§ 15 — OFFICE OF ADVOCACY AND ASSISTANCE STAFFING

Increases, from 10 to 19, the required number of staff at the OAA

The bill increases (1) the overall number of required staff at the state Department of Veteran Affairs's (DVA) Office of Advocacy and Assistance (OAA) from 10 to 19 and (2) the number of certain positions that must be hired within the office.

Current law requires that the office employ at least eight staff veteran services officers (VSO), as well as clerical personnel. The bill requires the office to employ at least 14 VSOs and at least three clerical personnel. It does not specify what the remaining two positions must be.

The OAA is generally responsible for helping veterans and their families get veterans' benefits under federal, state, and local laws (CGS § 27-102l). Each officer must be assigned to one of Connecticut's five congressional districts. Additionally, two VSOs must oversee and support municipalities' compliance with the municipal veteran representative program (CGS § 27-135).

§ 16 — SMALL BUSINESS EXPRESS PROGRAM PREFERENCE FOR DISABLED VETERAN-OWNED BUSINESSES

Authorizes DECD to give preference to disabled veteran-owned businesses applying for the EXP program

The bill allows the Department of Economic and Community Development (DECD) to give preference to disabled veteran-owned businesses that apply for the Small Business Express Program (EXP). To qualify for this preference, the small business must be majority-owned by one or more disabled veterans with a U.S. DVA disability rating of at least 30%.

By law, to be eligible for EXP financial assistance, a business must (1) employ no more than 100 employees, (2) operate in Connecticut, and (3) be in good standing with all state and local tax payments and with all state agencies.

§ 17 — VETERAN STUDIES

Requires DVA to enter into an MOU with UConn's School of Public Policy to study (1) veteran property tax exemptions and (2) the municipal veteran representative program, and submit reports on these studies to the legislature by January 1, 2027

The bill requires DVA to enter into a memorandum of understanding (MOU) with UConn for their School of Public Policy, with the advice of the advisory committee the bill creates (see below), to conduct veteran-related studies on (1) veteran property tax exemptions and (2) the municipal veteran representative program. The bill also reserves up to \$75,000 of DVA's FY 26 appropriations and transfers the funds to UConn for conducting these studies.

Veteran Property Tax Exemption Study

The bill requires the School of Public Policy, in consultation with the Veterans' and Military Affairs Committee, to study the projected impact on state and municipal finances of changing (1) the exemption amounts of various veteran property tax exemptions and (2) any limits on the amount of property belonging to or held in trust for an eligible taxpayer in order to qualify for these exemptions. The study must also evaluate modifications to the income-based exemptions and increase factors applicable to these exemptions triggered by property revaluations.

(By law, municipalities must increase these exemption amounts after revaluations that increase their grand lists by a certain amount (i.e. increase factors) (CGS § 12-62g). Additionally, taxpayers that qualify for these exemptions are also entitled to an additional exemption that equals either 50% or 200% of the initial exemption, depending on whether the taxpayer's income is above or below a certain threshold (CGS § 12-81g).)

By January 1, 2027, the School of Public Policy must report its findings and recommendations for legislation to the Appropriations; Finance, Revenue and Bonding; and Veterans' and Military Affairs committees.

Municipal Veteran Representative Program Study

The bill also requires the School of Public Policy, in consultation with the OAA manager, to study how efficiently municipalities provide assistance under the municipal veteran representative program. The study must identify the program's strengths and limitations and

develop solutions to address areas needing improvement, broken down by municipality.

By January 1, 2027, the OAA manager and the School of Public Policy must jointly submit a report on this study and its recommendations for legislation to the Veterans' and Military Affairs Committee.

Advisory Committee

The bill requires the DVA commissioner to convene an advisory committee to advise the School of Public Policy in conducting these studies and coordinating their design and scope. The committee's membership is as follows:

1. the commissioner, or his designee;
2. the chairpersons and ranking members of the Veterans' and Military Affairs Committee;
3. a representative of a statewide organization of municipal leaders;
4. a representative of an association representing assessors' interests; and
5. a veteran representing a veterans' advocacy organization in the state.

Background — Related Bill

SB 1091 (File 279), favorably reported by the Veterans' and Military Affairs Committee, requires the Office of Policy and Management (OPM) to conduct a study of veteran property tax exemptions (not including the impact of income-based exemptions and increase factors) and submit a report.

§ 18 — STUDY ON UNACCREDITED ASSISTANCE, GUIDANCE, OR ADVICE ON VETERAN BENEFIT MATTERS

Requires the DVA commissioner, in consultation with others, to conduct a study on unaccredited businesses or agents that assist or advise on veteran benefit matters and report to the Veterans' and Military Affairs Committee and the governor by February 1, 2026

The bill requires the veterans affairs commissioner, in consultation

with the OPM secretary, attorney general, and consumer protection commissioner, to study the impact on Connecticut residents of (1) unaccredited businesses or agents that advise, guide, or assist on veterans benefits matters and (2) their fee structures. The study must also evaluate whether predatory practices exist in providing advice, guidance, or assistance on veteran benefits matters and whether Connecticut residents have been harmed by these practices.

By February 1, 2026, the DVA commissioner must submit a report to the governor and the Veterans' and Military Affairs Committee detailing the studies' findings and recommendations for legislation to protect state residents from identified predatory practices.

Background — Related Bills

sHB 6874 (File 261), favorably reported by the Veterans' and Military Affairs Committee, and sHB 6858 (File 349), favorably reported by the General Law Committee, establish requirements and prohibitions on the assistance or advising on veteran benefit matters.

COMMITTEE ACTION

Veterans' and Military Affairs Committee

Joint Favorable

Yea 16 Nay 3 (02/18/2025)

Appropriations Committee

Joint Favorable

Yea 43 Nay 7 (05/05/2025)