

OFFICE OF FISCAL ANALYSIS

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

sHB-7199

AN ACT CONCERNING FIREFIGHTER RECRUITMENT AND RETENTION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Connecticut Housing and Finance Authority	CHFA - Cost/Potential Revenue Impact	Minimal	Minimal
Constituent Units of Higher Education	GF - Cost	Potential Significant	Potential Significant

Note: CHFA=Resources of CHFA; GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
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 26 associated

with developing and marketing the program.¹

If CHFA provides fire fighters with existing first-time homebuyer mortgage products at a reduced interest rate, 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. 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 potential, significant revenue loss annually beginning in FY 26 to the constituent units of higher education. It does so by establishing tuition waivers for: (1) certain paid and volunteer firefighters; (2) children of certain paid and volunteer firefighters; and (3) students attending the state fire school. The waiver for students attending the state fire school is only applicable to the Connecticut State Colleges and Universities.

There are an estimated 26,400 paid and volunteer firefighters in the state. The revenue loss to the constituent units could be significant and will vary based on the number of firefighters and their dependent children who receive the tuition waiver, and the value of the waiver. The table below shows the per student value of a tuition waiver the University of Connecticut (UConn), the Connecticut State Universities (CSUs), and CT State. It also shows what the potential revenue loss would be in FY 26 if an additional 500, 1,000, and 1,500 students received the waiver at each institution.

¹ CHFA is a quasi-public authority that issues its own federally tax-exempt and taxable mortgage revenue bonds. The authority pays its operating expenses using funds derived from the excess of interest income from loans over bond interest expenses.

² In 2024, CHFA assisted approximately 3,900 first-time homebuyers. Of these buyers, 27 utilized the Teachers Mortgage Assistance Program, 46 utilized the Military Homeownership Program, and 2 utilized the Police Officer Homeownership Program.

Examples of Tuition Waiver Value, FY 26			
FY 26 Per Student Waiver Value	17,012	6,998	4,608
# Addt'l Students Receiving Waiver	UConn Est. Revenue Loss \$	CSUs Est. Revenue Loss \$	CT State Est. Revenue Loss\$
500	8,506,000	3,499,000	2,304,000
1,000	17,012,000	6,998,000	4,608,000
1,500	25,518,000	10,497,000	6,912,000

Sections 5 and 6 establish the Volunteer Firefighter Length-of-Service Award Program Trust Fund and result in no fiscal impact to appropriated funds as the monies within the fund will be used to make payments towards the operational costs, including one-time startup costs of up to \$100,000 for the State Treasurer to create a new investment fund.

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 26 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.

³ The 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.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the type and amount of CHFA mortgage assistance provided, tuition waivers granted, and the number of firefighters that change departments within two years of receiving training.

Sources: Connecticut Housing Finance Authority CGS 8-260 Report 2024