
OLR Bill Analysis

sHB 7199

AN ACT CONCERNING FIREFIGHTER RECRUITMENT AND RETENTION.

SUMMARY

This bill makes various changes designed to help retain firefighters. Principally, the bill:

1. requires the Connecticut Housing Finance Authority (CHFA) to develop and administer a mortgage assistance program for uniformed members of paid or volunteer fire departments (§ 1);
2. provides certain tuition waivers (a) at UConn, the Connecticut State Colleges and Universities (CSCU), and the community colleges for paid or volunteer firefighters with at least two years' service and for the dependent children of paid or volunteer firefighters with at least five years' service and (b) at CSCU and the community colleges for anyone who is attending the state fire school as part of a program offered in coordination with the college or university (§§ 2-4);
3. requires the State Retirement Commission to establish a volunteer firefighter length of service award program (LOSAP) (§§ 5 & 6); and
4. requires a 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 (§ 8).

The bill also extends certain dates for the 13-member task force to study the shortage of firefighters and emergency medical services (EMS) personnel in Connecticut established by SA 23-1 (§ 7).

EFFECTIVE DATE: July 1, 2025, except the provision extending the task force dates is effective upon passage.

§ 1 — MORTGAGE ASSISTANCE PROGRAM FOR PAID OR VOLUNTEER FIREFIGHTERS

The bill requires CHFA to develop and administer a mortgage assistance program for uniformed members of paid or volunteer fire departments in the state who are buying a home as their principal residence in the community where they serve. In doing so, CHFA must (1) use down payment assistance or any other appropriate housing subsidies and (2) allow the mortgagee to realize a reasonable portion of the property's equity gain when it is sold.

§§ 2-4 — TUITION WAIVERS

The bill requires UConn, CSCU, and the regional community-technical colleges to waive tuition for the following students:

1. uniformed members of paid or volunteer fire departments who have served for at least two years in the state, as documented by their department chief; and
2. dependent children of uniformed members of paid or volunteer fire departments who have served for at least five years in the state, as documented by the department's chief.

UConn and CSCU must waive tuition only for undergraduate and graduate degree programs.

The bill also requires CSCU and the regional community-technical colleges to waive tuition for students attending the state fire school who are enrolled in a program offered together with a community college or state university that accredits courses in the program.

§§ 5 & 6 — VOLUNTEER FIREFIGHTER LENGTH OF SERVICE AWARD PROGRAM

Overview

The bill requires the State Retirement Commission to establish, in consultation with the Commission on Fire Prevention and Control and

state fire administrator, a LOSAP for eligible volunteer firefighters providing qualified services to a volunteer fire company or department. The program provides length of service awards up to a specified amount (currently \$7,500 and annually adjusted for inflation) for each year of service credit. The benefits vest after a participant has five years of service credit.

The State Retirement Commission must adopt implementing regulations in consultation with the Commission on Fire Prevention and Control and state fire administrator. The State Retirement Commission may contract with third parties to deliver program services.

The bill establishes a new trust fund, the Volunteer Firefighter LOSAP Trust Fund, which must be used to make the length of service award payments and pay the program's administrative expenses.

Regulations

By January 1, 2026, the State Retirement Commission, in consultation with the Commission on Fire Prevention and Control and state fire administrator, must adopt regulations to implement the program. The regulations must include provisions on the following:

1. earning service credits and determining award amounts, which may include a point-based system that requires that members earn points for responding to calls, attending meetings and trainings, and other factors;
2. documenting these earned credits, including a system allowing volunteer fire companies and departments to annually report members' service credits; and
3. contesting service credit determinations awarded to participants.

Volunteer Firefighter LOSAP Trust Fund

The bill establishes the Volunteer Firefighter LOSAP Trust Fund as a separate, nonlapsing fund that must contain any money the law requires and be held separately from other moneys, funds, and accounts. It authorizes the fund to hold all deposits, gifts, grants, and donations

from public or private sources, to allow it to carry out its purposes. The investment earnings credited to the fund's assets become part of the fund and any balance remaining at the end of any fiscal year is carried forward to the next year.

It extends to the fund the same oversight and investment requirements that state law sets for other state trust funds, including the Teachers' Pension Fund, the State Employees Retirement Fund, and the Connecticut Municipal Employees' Retirement Fund.

Annual Reporting of Members' Service Credits

Beginning by January 1, 2025, each volunteer fire company or department must annually submit to the State Retirement Commission (1) a list of eligible firefighters and (2) the amount of service credit each one earned with the department. They must do so as the commission prescribes.

Eligible Firefighters

Bona Fide Volunteers and Qualified Service. Starting by April 1, 2026, the commission must annually determine which eligible firefighters satisfy the service credit requirements set by the program's regulations and the amount of credits applicable to each participant. An "eligible firefighter" is a firefighter who is:

1. a bona fide volunteer performing qualified service in a volunteer fire company or department; and
2. not otherwise earning credit for his or her qualified service in another LOSAP, municipal pension system, or other comparable program.

Under the bill, a "bona fide volunteer" is one who does not receive compensation for providing firefighting and prevention services, EMS, or ambulance services (i.e. "qualified service") except for the reimbursement of reasonable expenses incurred while performing these services, reasonable benefits, and nominal fees for the services. The bill's definitions of "bona fide volunteer" and "qualified service" are tied to the federal rules for length of service award plans. Under federal law, a

plan paying only length of service awards to bona fide volunteers or their beneficiaries is exempt from the rules and tax treatment for deferred compensation plans under federal law (26 U.S.C. § 457(e)).

Eligible Service. Participants must receive service credit for their service as an eligible firefighter before, on, and after July 1, 2025. Their service credits may not be forfeited.

Participation Waivers. Eligible firefighters may decline to participate in the program by filing an irrevocable waiver. The waiver must be signed by the firefighter and his or her volunteer fire company's or department's chief. The firefighter must file this waiver before he or she satisfies the service credit requirements to participate in the program.

Length of Service Awards Credited to Program Accounts

Starting by July 1, 2025, the commission must annually determine which participants qualify for a length of service award based on the regulations' service credit requirements and credit their program accounts in an amount set by the regulations. Under the bill, the "program account" is a separate account maintained for each participant that reflects the applicable contributions and forfeitures, investment income or loss, and administrative and investment expenses allocated to each participant and paid from the trust fund.

The award may not exceed the limit set under federal law's special rules for length of service award plans. (The inflation-adjusted limit is \$7,500 for 2025.)

Vesting

A participant's accrued service award (i.e. the total value of his or her program account as of a given date) becomes vested once he or she has five years of service credit as determined under the regulations. If a participant has not been an eligible firefighter for 36 consecutive months and his or her accrued service award has not become vested, it is forfeited and deposited in the trust fund.

Payment of Accrued Service Awards

The commission must pay a participant his or her accrued service award when the participant:

1. becomes vested and reaches the age of 65;
2. has 20 years of service credit, except as described below;
3. is vested and has not been an eligible firefighter for at least 36 consecutive months; or
4. is totally and permanently disabled as determined by the U.S. Social Security Administration, the Workers' Compensation Commission, or any other entity the State Retirement Commission approves.

Under the bill, a participant may file a written election with the State Retirement Commission before reaching 20 years of service credit to defer payment until he or she reaches age 65.

If a participant is paid his or her accrued service award and then qualifies for a length of service award at any other time under the bill's provisions and program regulations, the commission must pay the service award directly to the participant.

Death Benefits

Under the bill, if a participant dies before receiving his or her accrued service award or an additional length of service award for later service as described above, the commission must pay it to the participant's designated beneficiary. Participants must designate their beneficiaries on a commission-prescribed form.

§ 7 — TASK FORCE TO STUDY FIREFIGHTER AND EMS SHORTAGE

SA 23-1 established a 13-member task force to study and make recommendations to address the shortage of firefighters and EMS personnel in Connecticut.

The bill extends certain dates for the task force, including when:

1. initial appointments must be made, to July 1, 2025;
2. the chairpersons must schedule and hold the first meeting, to August 1, 2025; and
3. the task force must terminate and submit its findings and recommendations to the Public Safety and Security Committee, to January 1, 2026.

§ 8 — MUNICIPAL REIMBURSEMENT OF FIREFIGHTER TRAINING COSTS

The bill 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. This does not apply to a municipality that hires a firefighter two or more years after the firefighter completes entry-level training.

The bill applies to the cost of training, equipment and uniforms that were not returned, salary and fringe benefits, and other costs related to training for a firefighter's basic duties as determined by a fire school or municipality.

The bill's requirement does not affect any agreement for reimbursement between a firefighter or collective bargaining unit and a municipality entered into before July 1, 2025.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 29 Nay 0 (03/18/2025)