

OFFICE OF FISCAL ANALYSIS

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HB-6438

AN ACT CONCERNING VETERANS' AFFAIRS IN CONNECTICUT. AMENDMENT

LCO No.: 7763

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OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Military Dept.	GF - Cost	169,000	None
Social Services, Dept.	GF - Cost/Savings	See Below	See Below
State Comptroller - Fringe Benefits ¹	GF - Cost	Up to 134,975	Up to 134,975
UConn	GF - Cost	Up to 175,000	None
Constituent Units of Higher Education	OF - Potential Revenue Loss	See Below	See Below
Department of Transportation	TF - Cost	Minimal	Minimal
Pub. Defender Serv. Com.	GF - Cost	Up to 361,800	Up to 356,800
Department of Veterans' Affairs	GF - Cost	145,000	145,000
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below
Department of Veterans' Affairs	GF - Transfer from	45,000	None
UConn	GF - Transfer to	45,000	None

Note: GF=General Fund; TF=Transportation Fund; OF= Other Funds

Municipal Impact: None

Explanation

Section 1 appropriates \$169,000 in FY 26 to the Military Department

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

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to help support the joint enlistment enhancement program.

Sections 2-8 of the amendment disregard (1) U.S. Department of Veterans Affairs (VA)-administered non-service-connected pension benefits and (2) housebound pension benefits granted to a veteran or to a surviving spouse when applying for certain assistance programs through the Department of Social Services (DSS). The amendment also eliminates the disregard of Aid and Attendance pension benefits for individuals eligible for Medicaid under HUSKY C.

Based on 2024 data, there are approximately 890 veterans and spouses receiving VA benefits. Approximately 60% of veterans and their spouses are currently participating in assistance programs administered by DSS. A portion of the 335 individuals currently not receiving any benefits from DSS may become eligible due to the income disregard required by the amendment. For reference, costs range from an average of \$150 to \$1,200 per member per month depending on the assistance programs potentially impacted by the amendment. Additionally, DSS will incur savings to the extent that eliminating the disregard for Aid and Attendance pensions for HUSKY C members makes such individuals ineligible for benefits.

The public assistance programs affected by the amendment include: 1) State Supplement Program, 2) Temporary Family Assistance, 3) State Administered General Assistance, 4) Medicare Savings Program, 5) HUSKY A and HUSKY D, 6) Connecticut Home Care Program for Elders, and 7) Connecticut Energy Assistance Program.

Sections 9 - 13 result in a revenue loss to the constituent units of higher education annually beginning in FY 26. They do so by requiring the units to waive certain fees paid by veterans and National Guard members, specifically: (1) fees for educational extension programs, including summer and winter school sessions; and (2) course enrollment fees at Charter Oak State College. The revenue loss would be dependent upon the number of veterans who took advantage of the additional fee waivers and the amount of the additional fees waived.

Across all Connecticut State Colleges and Universities (CSCU), there are estimated to be 1,650 eligible students (1,230 veterans and 420 National Guard members) who could take advantage of the additional waivers. All fees impacted by the amendment vary by institution and number of credit hours. The overall scope of the revenue loss at CSCU is unknown and may be significant.

To illustrate: Of the four Connecticut State Universities (CSU), the highest FY 26 undergraduate, in-state extension fee is \$695 per credit hour. If all eligible CSU students received a waiver in that amount for one three-credit course, the revenue loss to the CSUs would be approximately \$1.4 million annually. At CT State, the FY 26 undergraduate, in-state extension fee is \$208 per credit hour. If all eligible CT State students received this waiver for one three-credit course, the revenue loss would be approximately \$129,800 annually. The total revenue loss to CSCU in this illustration would be \$1.6 million annually. The amendment's provision concerning the course enrollment fee waiver at Charter Oak State College (COSC) has no fiscal impact. COSC no longer charges a course enrollment fee.

The amendment results in a minimal revenue loss annually beginning in FY 26 to UConn. There are currently no veterans attending UConn extension programs. To the extent that any veterans begin attending, there is a minimal revenue loss to UConn. The amendment's provision waiving summer course fees has no fiscal impact to UConn as the university already provides such a waiver.

Section 14 results in minimal annual cost to the Special Transportation Fund by exempting veterans from bus fare on Veterans Day, provided the veteran presents a driver's license or ID card showing his or her veteran status.

There are an estimated 152,000 veterans in Connecticut; however, there are fewer than 15,000 veterans who have a license/ID card indicating they are a veteran, which is required for receiving fare-free bus service under the bill. While the number and frequency of veterans who currently ride the bus is unknown, the cost for a single day each

year in foregone revenue for this population is expected to be minimal.

This section also requires the Department of Transportation to study and report on the feasibility of exempting veterans from fees on all modes of public transportation on Veterans Day, as described in the bill. Undertaking this study is within the department's expertise and is not expected to result in a fiscal impact.

Section 15, which requires the exclusion of veterans' disability benefits from public defender services eligibility determination, results in a cost of up to \$361,800 in FY 26 and \$356,800 in FY 27 to the Division of Public Defender Services (PDS) and up to \$75,945 in FY 26 and FY 27 to the Office of the State Comptroller for fringe benefits.

It is anticipated that PDS will need up to two new positions for an estimated annual cost of \$195,900 for salaries and other expenses.² There will be an approximate one-time cost of up to \$5,000 in FY 26 for equipment. Additionally, it is estimated that the possible case load increase will result in a cost of up to \$160,900 for assigned counsel.

There are approximately 33,000 Connecticut residents who receive service-connected disability benefits. Based on current crime statistics, it is estimated that approximately 620 may be justice involved annually. Information about how many of those residents currently utilize public defender services is not available.

Section 16 increases the number of staff that DVA's Office of Advocacy and Assistance is required to employ from no less than ten staff to no less than nineteen staff. This includes no less than fourteen veterans' service officers and no less than three clerical personnel. The DVA's Office of Advocacy and Assistance currently employs twelve veterans' service officers and five clerical personnel, so to meet the requirements of the amendment DVA will require two additional veterans' service officers. This results in an annual cost of \$145,000 to

² The current salary for a Deputy Assistant Public Defender is \$93,275. The estimated other expenses rate is 5%.

DVA beginning in FY 26, with a corresponding annual cost of \$59,030 to the State Comptroller for fringe benefits.

Sections 17 – 18 require \$2 million from the Small Business Express (EXP) program, which is primarily funded by General Obligation (GO) bond funds, to be provided to a new disabled veteran business revolving loan fund in each fiscal year from FY 27 to FY 31. The amendment permits the Department of Economic and Community Development to use up to 10% of the funds, or up to \$200,000 annually, to support administrative costs associated with this program.

Future General Fund debt service costs may be incurred sooner under the amendment to the degree that it causes authorized GO bond funds to be expended more rapidly than they otherwise would have been.

As of May 1, 2025, there is \$50 million unallocated bond balance for the Small Business Express program. The amendment does not change GO bond authorizations relevant to the program.

Section 19 transfers \$45,000 in FY 26 General Fund appropriations from DVA to UConn for the university to conduct two studies. It is anticipated the studies may cost UConn up to \$175,000 in FY 26.

The section requires UConn to conduct two studies concerning: (1) the state and town impacts of raising various property tax exemptions and limiting eligibility for such exemptions; and (2) municipal assistance to veterans, with findings and recommendations specific to each municipality. Given the timing and scope of the two studies, it is anticipated that UConn would incur a cost of up to \$175,000 in FY 26 conduct the study.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.