

# OFFICE OF FISCAL ANALYSIS

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HB-6438

## AN ACT CONCERNING VETERANS' AFFAIRS IN CONNECTICUT. AMENDMENT

LCO No.: 10029

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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 - Potential Cost	See Below	See Below
Constituent Units of Higher Education	OF - Potential Revenue Loss	See Below	See Below
Charter Oak State College	OF - Revenue Loss	Less than 300,000	Less than 300,000
Pub. Defender Serv. Com.	GF - Cost	None	Up to 361,800
Department of Veterans' Affairs	GF - Cost	145,000	145,000
Department of Veterans' Affairs	GF - Transfer from	Up to 75,000	None
UConn	GF - Transfer to	Up to 75,000	None
UConn	GF - Cost	75,000	None
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	59,030	Up to 134,975

Note: GF=General Fund; OF= Other Funds

#### ***Municipal Impact:*** None

#### ***Explanation***

<sup>1</sup>The 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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Reviewer: BP

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The amendment strikes the underlying bill in its entirety and results in the following impacts.

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

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.

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 - 12** 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: fees for educational extension programs, including summer and winter school sessions. 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 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 13** results in an anticipated revenue loss of less than \$300,000 annually to the Board of Regents for Higher Education. It waives tuition for veterans at Charter Oak State College (COSC). Veterans currently receive a 50 percent discount on tuition at COSC. The impact will vary based on the number of veterans that attend COSC and the tuition that they pay.

**Section 14**, 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 27 to the Division of Public Defender Services (PDS) and up to \$75,945 in 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.<sup>2</sup> There will be an approximate one-time cost of up to \$5,000 in FY 27 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 15** 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 DVA beginning in FY 26, with a corresponding annual cost of \$59,030 to the State Comptroller for fringe benefits.

**Section 16** allows the Department of Economic and Community Development to give preference to program applications from disabled veteran-owned businesses through the Small Business Express Program. There is no fiscal impact as this amendment does not adjust the General Obligation bond authorizations available for the Small Business Express program.

**Section 17** results in a one-time cost of approximately \$75,000 to the University of Connecticut (UConn) to complete two studies and transfers up to \$75,000 from the Department of Veterans Affairs (DVA) to UConn in FY 26 for this purpose. As the studies have a due date of January 1, 2027, costs to UConn could be incurred in either FY 26 or FY

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

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The section requires UConn to conduct two studies concerning: (1) the state and town impacts of adjusting 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 approximately \$75,000 across FY 26 and FY 27 to conduct the studies. The section transfers up to \$75,000 from DVA to UConn to support activities related to these studies. This transfer is anticipated to cover the associated costs to UConn.

Lastly, the section requires the Department of Veterans Affairs to convene a working group to assist UConn in completing the two studies. This has no fiscal impact, as it is anticipated that the working group can complete its duties with existing resources.

**Section 18** requires DVA, in consultation with the Office of Policy and Management, the Attorney General, and the Department of Consumer Protection, to study the impact of veterans' benefits claims sharks on Connecticut residents. The agency can conduct this study within its available resources, and it will not result in a fiscal impact.

*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.*