

OFFICE OF FISCAL ANALYSIS

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sHB-5046

AN ACT SUPPORTING FIRST RESPONDER RECRUITMENT AND
RETENTION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Connecticut Housing Finance Authority (CHFA)	CHFA - Cost/ Potential Revenue Impact	Minimal	Minimal
Department of Revenue Services	GF - Revenue Loss	None	Up to 6.5 million
Department of Revenue Services	GF - Cost	None	20,000
Connecticut State Colleges and Universities	OF - Net Revenue Loss	See Below	See Below
Connecticut State Colleges and Universities	OF - Revenue Loss	Up to 2 million	Up to 2 million
University of Connecticut	OF - Revenue Loss	Approx. 680,000	Approx. 680,000

Note: GF=General Fund; OF= Other Funds

Municipal Impact: None

Explanation

The bill's provisions to support recruitment and retention of first responders result in the fiscal impacts described below.

Sections 1 - 2 result in an annual net revenue loss to the Connecticut State Colleges and Universities (CSCU) beginning in FY 27. The sections require CSCU to: (1) waive tuition for a variety of first responders, and (2) waive mandatory fees for National Guard members who are currently eligible for a tuition waiver.

First responders who may receive a tuition waiver under the bill's

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provisions include: (1) paid and volunteer firefighters, sworn state and local police officers, and emergency medical services (EMS) personnel employed (or serving) in Connecticut for at least five years; and (2) any student attending a state fire school. There are an estimated 42,900¹ paid and volunteer firefighters, sworn police officers, and EMS workers in the state. It is unknown how many have been employed or serving in Connecticut for at least five years.

The tuition waiver revenue loss to CSCU will vary based on the number of first responders who receive a waiver, which could be significant. The table below shows the per student value of a tuition waiver at CSCU. It also shows what the potential revenue loss would be in FY 27 if an additional 500, 1,500, and 2,000 students received the waiver at a CSU or at CT State. The bill's tuition waiver provision does not apply to the UConn.

Examples of Tuition Waiver Value, FY 27		
FY 27 Per Student Value	6,998	4,608
# Addt'l Students Receiving Waiver	CSUs Est. Revenue Loss \$	CT State Est. Revenue Loss
500	3,499,000	2,304,000
1,000	6,998,000	4,608,000
1,500	10,497,000	6,912,000

To the extent that this tuition waiver results in increased enrollment at CSCU, the above-described revenue loss is offset by an increase in revenue from fees. The extent of such offsetting revenue gain will depend on the number of first responders who attend CSCU due to the bill's tuition waiver.

The sections result in an additional revenue loss to CSCU of up to \$2 million annually beginning in FY 27. This revenue loss is associated with the bill's waiver of mandatory fees for members of the National Guard who currently receive a statutory tuition waiver. There are 604 National

¹ This figure does not include students attending a state fire school.

Guard members receiving tuition waivers at CSU in FY 26.

Section 3 results in an annual revenue loss of approximately \$680,000 beginning in FY 27 for the University of Connecticut. It requires UConn to waive mandatory fees for members of the National Guard who already receive a statutory tuition waiver. There are 173 National Guard members receiving tuition waivers at UConn in FY 26.

Section 4 requires the Connecticut Housing Finance Authority (CHFA) to establish a new program of mortgage assistance for first responders, which results in costs to CHFA from the authority's own resources beginning in FY 27 associated with developing and marketing the program.²

If CHFA provides first responders 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 first responders 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.³

Section 5, which establishes a personal income tax credit of \$1,000 for active volunteer firefighters who have served for at least 15 years, results in a: (1) General Fund loss of up to \$6.5 million annually beginning in FY 28, and (2) one-time cost of \$20,000 to the Department of Revenue Services in FY 28 associated with programming updates to the CTax tax administration system and myconneCT online portal, as

² 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.

³ In 2025, CHFA assisted approximately 3,800 first-time homebuyers. Of these buyers, 27 utilized the Teachers Mortgage Assistance Program, 64 utilized the Military Homeownership Program, and 7 utilized the Police Officer Homeownership Program.

well as form modification.⁴

Section 6 establishes a task force to study the feasibility and fiscal impact of a variety of tuition waiver programs for public safety personnel. This has no fiscal impact, as it is anticipated that the task force can complete its duties with existing resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of first responders qualifying for the above described benefits and the value of those benefits.

⁴ This estimate assumes approximately 6,500 volunteer firefighters would be eligible for the credit.