



Senate

General Assembly

File No. 266

February Session, 2024

Substitute Senate Bill No. 422

Senate, April 4, 2024

The Committee on Public Safety and Security reported through SEN. GASTON of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING FIREFIGHTER RECRUITMENT AND RETENTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2024*) The Connecticut Housing
2 Finance Authority shall develop and administer a program of mortgage
3 assistance to uniformed members of paid or volunteer fire departments
4 in the state. Such assistance shall be available to an eligible firefighter
5 for the purchase of a house as such firefighter's principal residence in
6 the community served by such firefighter. In making mortgage
7 assistance available under the program, the authority shall utilize down
8 payment assistance or any other appropriate housing subsidies. The
9 terms of any mortgage assistance shall allow the mortgagee to realize a
10 reasonable portion of the equity gain upon sale of the mortgaged
11 property.

12 Sec. 2. Subsection (d) of section 10a-77 of the general statutes is
13 repealed and the following is substituted in lieu thereof (*Effective July 1,*
14 *2024*):

15 (d) Said board of trustees shall waive the payment of tuition at any of
16 the regional community-technical colleges (1) for any dependent child
17 of a person whom the armed forces of the United States has declared to
18 be missing in action or to have been a prisoner of war while serving in
19 such armed forces after January 1, 1960, which child has been accepted
20 for admission to such institution and is a resident of the state at the time
21 such child is accepted for admission to such institution, (2) subject to the
22 provisions of subsection (e) of this section, for any veteran, as defined in
23 section 27-103, who performed service in time of war, as defined in
24 section 27-103, except that for purposes of this subsection, "service in
25 time of war" shall not include time spent in attendance at a military
26 service academy, which veteran has been accepted for admission to such
27 institution and is domiciled in this state at the time such veteran is
28 accepted for admission to such institution, (3) for any resident of the
29 state sixty-two years of age or older, provided, at the end of the regular
30 registration period, there are enrolled in the course a sufficient number
31 of students other than those residents eligible for waivers pursuant to
32 this subdivision to offer the course in which such resident intends to
33 enroll and there is space available in such course after accommodating
34 all such students, (4) for any student attending the Connecticut State
35 Police Academy who is enrolled in a law enforcement program at said
36 academy offered in coordination with a regional community-technical
37 college which accredits courses taken in such program, (5) for any active
38 member of the Connecticut Army or Air National Guard who (A) has
39 been certified by the Adjutant General or such Adjutant General's
40 designee as a member in good standing of the guard, and (B) is enrolled
41 or accepted for admission to such institution on a full-time or part-time
42 basis in an undergraduate degree-granting program, (6) for any
43 dependent child of a (A) police officer, as defined in section 7-294a, or
44 supernumerary or auxiliary police officer, (B) firefighter, as defined in
45 section 7-323j, or member of a volunteer fire company, (C) municipal
46 employee, or (D) state employee, as defined in section 5-154, killed in
47 the line of duty, (7) for any resident of the state who is a dependent child
48 or surviving spouse of a specified terrorist victim who was a resident of
49 this state, (8) for any dependent child of a resident of the state who was

50 killed in a multivehicle crash at or near the intersection of Routes 44 and
51 10 and Nod Road in Avon on July 29, 2005, [and] (9) for any resident of
52 the state who is a dependent child or surviving spouse of a person who
53 was killed in action while performing active military duty with the
54 armed forces of the United States on or after September 11, 2001, and
55 who was a resident of this state, (10) for a uniformed member of a paid
56 or volunteer fire department, who, as documented by the chief of such
57 department, has served as such a member in the state for not less than
58 two years, (11) for any dependent child of a uniformed member of a paid
59 or volunteer fire department, who, as documented by the chief of such
60 department, has served as such a member in the state for not less than
61 five years, and (12) for any student attending the state fire school, who
62 is enrolled in a program at said school offered in coordination with a
63 regional community-technical college that accredits courses taken in
64 such program. If any person who receives a tuition waiver in accordance
65 with the provisions of this subsection also receives educational
66 reimbursement from an employer, such waiver shall be reduced by the
67 amount of such educational reimbursement. Veterans and members of
68 the National Guard described in subdivision (5) of this subsection shall
69 be given the same status as students not receiving tuition waivers in
70 registering for courses at regional community-technical colleges.
71 Notwithstanding the provisions of section 10a-30, as used in this
72 subsection, "domiciled in this state" includes domicile for less than one
73 year.

74 Sec. 3. Subsection (d) of section 10a-99 of the 2024 supplement to the
75 general statutes is repealed and the following is substituted in lieu
76 thereof (*Effective July 1, 2024*):

77 (d) Said board shall waive the payment of tuition fees for
78 undergraduate and graduate degree programs at the Connecticut State
79 University System (1) for any dependent child of a person whom the
80 armed forces of the United States has declared to be missing in action or
81 to have been a prisoner of war while serving in such armed forces after
82 January 1, 1960, which child has been accepted for admission to such
83 institution and is a resident of the state at the time such child is accepted

84 for admission to such institution, (2) subject to the provisions of
85 subsection (e) of this section, for any veteran, as defined in section 27-
86 103, who performed service in time of war, as defined in section 27-103,
87 except that for purposes of this subsection, "service in time of war" shall
88 not include time spent in attendance at a military service academy,
89 which veteran has been accepted for admission to such institution and
90 is domiciled in this state at the time such veteran is accepted for
91 admission to such institution, (3) for any resident of the state sixty-two
92 years of age or older who has been accepted for admission to such
93 institution, provided (A) such resident is enrolled in a degree-granting
94 program, or (B) at the end of the regular registration period, there are
95 enrolled in the course a sufficient number of students other than those
96 residents eligible for waivers pursuant to this subdivision to offer the
97 course in which such resident intends to enroll and there is space
98 available in such course after accommodating all such students, (4) for
99 any student attending the Connecticut Police Academy who is enrolled
100 in a law enforcement program at said academy offered in coordination
101 with the university which accredits courses taken in such program, (5)
102 for any active member of the Connecticut Army or Air National Guard
103 who (A) has been certified by the Adjutant General or such Adjutant
104 General's designee as a member in good standing of the guard, and (B)
105 is enrolled or accepted for admission to such institution on a full-time
106 or part-time basis in an undergraduate or graduate degree-granting
107 program, (6) for any dependent child of a (A) police officer, as defined
108 in section 7-294a, or supernumerary or auxiliary police officer, (B)
109 firefighter, as defined in section 7-323j, or member of a volunteer fire
110 company, (C) municipal employee, or (D) state employee, as defined in
111 section 5-154, killed in the line of duty, (7) for any resident of this state
112 who is a dependent child or surviving spouse of a specified terrorist
113 victim who was a resident of the state, (8) for any dependent child of a
114 resident of the state who was killed in a multivehicle crash at or near the
115 intersection of Routes 44 and 10 and Nod Road in Avon on July 29, 2005,
116 [and] (9) for any resident of the state who is a dependent child or
117 surviving spouse of a person who was killed in action while performing
118 active military duty with the armed forces of the United States on or

119 after September 11, 2001, and who was a resident of this state, (10) for a
120 uniformed member of a paid or volunteer fire department, who, as
121 documented by the chief of such department, has served as such a
122 member in the state for not less than two years, (11) for any dependent
123 child of a uniformed member of a paid or volunteer fire department,
124 who, as documented by the chief of such department, has served as such
125 a member in the state for not less than five years, and (12) for any
126 student attending the state fire school, who is enrolled in a program at
127 said school offered in coordination with the university that accredits
128 courses taken in such program. If any person who receives a tuition
129 waiver in accordance with the provisions of this subsection also receives
130 educational reimbursement from an employer, such waiver shall be
131 reduced by the amount of such educational reimbursement. Veterans
132 and members of the National Guard described in subdivision (5) of this
133 subsection shall be given the same status as students not receiving
134 tuition waivers in registering for courses at Connecticut state
135 universities. Notwithstanding the provisions of section 10a-30, as used
136 in this subsection, "domiciled in this state" includes domicile for less
137 than one year.

138 Sec. 4. Subsection (e) of section 10a-105 of the 2024 supplement to the
139 general statutes is repealed and the following is substituted in lieu
140 thereof (*Effective July 1, 2024*):

141 (e) Said board of trustees shall waive the payment of tuition fees for
142 any undergraduate or graduate degree program at The University of
143 Connecticut (1) for any dependent child of a person whom the armed
144 forces of the United States has declared to be missing in action or to have
145 been a prisoner of war while serving in such armed forces after January
146 1, 1960, which child has been accepted for admission to The University
147 of Connecticut and is a resident of the state at the time such child is
148 accepted for admission to said institution, (2) subject to the provisions
149 of subsection (f) of this section, for any veteran, as defined in section 27-
150 103, who performed service in time of war, as defined in section 27-103,
151 except that for purposes of this subsection, "service in time of war" shall
152 not include time spent in attendance at a military service academy,

153 which veteran has been accepted for admission to said institution and is
154 domiciled in this state at the time such veteran is accepted for admission
155 to said institution, (3) for any resident of the state sixty-two years of age
156 or older who has been accepted for admission to said institution,
157 provided (A) such resident is enrolled in a degree-granting program, or
158 (B) at the end of the regular registration period, there are enrolled in the
159 course a sufficient number of students other than those residents eligible
160 for waivers pursuant to this subdivision to offer the course in which
161 such resident intends to enroll and there is space available in such
162 course after accommodating all such students, (4) for any active member
163 of the Connecticut Army or Air National Guard who (A) has been
164 certified by the Adjutant General or such Adjutant General's designee
165 as a member in good standing of the guard, and (B) is enrolled or
166 accepted for admission to said institution on a full-time or part-time
167 basis in an undergraduate or graduate degree-granting program, (5) for
168 any dependent child of a (A) police officer, as defined in section 7-294a,
169 or supernumerary or auxiliary police officer, (B) firefighter, as defined
170 in section 7-323j, or member of a volunteer fire company, (C) municipal
171 employee, or (D) state employee, as defined in section 5-154, killed in
172 the line of duty, (6) for any resident of the state who is the dependent
173 child or surviving spouse of a specified terrorist victim who was a
174 resident of the state, (7) for any dependent child of a resident of the state
175 who was killed in a multivehicle crash at or near the intersection of
176 Routes 44 and 10 and Nod Road in Avon on July 29, 2005, [and] (8) for
177 any resident of the state who is a dependent child or surviving spouse
178 of a person who was killed in action while performing active military
179 duty with the armed forces of the United States on or after September
180 11, 2001, and who was a resident of this state, (9) for a uniformed
181 member of a paid or volunteer fire department, who, as documented by
182 the chief of such department, has served as such a member in the state
183 for not less than two years, and (10) for any dependent child of a
184 uniformed member of a paid or volunteer fire department, who, as
185 documented by the chief of such department, has served as such a
186 member in the state for not less than five years. If any person who
187 receives a tuition waiver in accordance with the provisions of this

188 subsection also receives educational reimbursement from an employer,
189 such waiver shall be reduced by the amount of such educational
190 reimbursement. Veterans and members of the National Guard
191 described in subdivision (4) of this subsection shall be given the same
192 status as students not receiving tuition waivers in registering for courses
193 at The University of Connecticut. Notwithstanding the provisions of
194 section 10a-30, as used in this subsection, "domiciled in this state"
195 includes domicile for less than one year.

196 Sec. 5. (NEW) (*Effective July 1, 2024*) (a) As used in this section:

197 (1) "Accrued service award" means the total value, as of a given date,
198 of a participant's program account.

199 (2) "Bona fide volunteer" has the same meaning as provided in
200 Section 457(e) of the Internal Revenue Code of 1986, or any subsequent
201 corresponding internal revenue code of the United States, as amended
202 from time to time.

203 (3) "Commission" means the State Retirement Commission.

204 (4) "Eligible firefighter" means a firefighter who (A) is a bona fide
205 volunteer performing qualified services in a volunteer fire company or
206 department, and (B) is not otherwise earning credit for such qualified
207 service as a participant in any other length-of-service award program,
208 pension system operating pursuant to subparagraph (A) of subdivision
209 (5) of subsection (c) of section 7-148 of the general statutes or any other
210 comparable program.

211 (5) "Participant" means an eligible firefighter who participates in the
212 program.

213 (6) "Program account" means a separate account maintained for each
214 participant reflecting applicable contributions, applicable forfeitures,
215 investment income or loss and administrative and investment expenses
216 allocated to each participant and paid from the Volunteer Firefighter
217 Length-of-Service Award Program Trust Fund, established under
218 subsection (c) of this section.

219 (7) "Qualified service" has the same meaning as provided in Section
220 457(e)(11) of the Internal Revenue Code of 1986, or any subsequent
221 corresponding internal revenue code of the United States, as amended
222 from time to time.

223 (b) The State Retirement Commission, in consultation with the
224 Commission on Fire Prevention and Control and the State Fire
225 Administrator, shall establish a volunteer firefighter length-of-service
226 award program. The State Retirement Commission may contract with
227 third parties to provide services for such program.

228 (c) There is established a Volunteer Firefighter Length-of-Service
229 Award Program Trust Fund. The fund shall contain any moneys
230 required or permitted by law to be deposited in the fund and may apply
231 for and accept gifts, grants or donations from public or private sources
232 to enable the trust fund to carry out its objectives. Investment earnings
233 credited to the assets of the fund shall become part of the assets of the
234 fund. The fund shall be held in trust separate and apart from all other
235 moneys, funds and accounts. Any balance remaining in the fund at the
236 end of any fiscal year shall be carried forward in the fund for the fiscal
237 year next succeeding. The fund shall be used to make payments as
238 provided in this section and for administrative expenses related to the
239 provisions of this section.

240 (d) Not later than January 1, 2025, and annually thereafter, each
241 volunteer fire company or department shall submit to the commission a
242 list of eligible firefighters and the amount of service credit each such
243 firefighter has earned with such department, on a form and in a manner
244 as determined by the commission.

245 (e) (1) Not later than April 1, 2025, and annually thereafter, the
246 commission shall determine which eligible firefighters satisfy the
247 service credit requirements established pursuant to regulations adopted
248 in accordance with subsection (k) of this section to be participants in the
249 program, and the amount of credits applicable to each such participant.

250 (2) An eligible firefighter may decline to become a participant in the

251 program if such firefighter files with the commission, prior to such
252 firefighter satisfying such service credit requirements to become a
253 participant in the program, an irrevocable waiver of participation that
254 is signed by the eligible firefighter and the chief of the volunteer fire
255 company or department of which such firefighter is a member.

256 (3) A participant shall receive service credit for service as an eligible
257 firefighter before, on and after the effective date of this section. Service
258 credit earned by a participant shall never be forfeited.

259 (f) Not later than July 1, 2025, and annually thereafter, the
260 commission shall credit a length-of-service award, in an amount
261 determined by the regulations adopted pursuant to subsection (k) of this
262 section, to the program account of each participant who the commission
263 determines qualifies for a length-of-service award pursuant to the
264 service credit requirements established by such regulations. No such
265 award may exceed the limit provided in Section 457(e)(11) of the
266 Internal Revenue Code of 1986, or any subsequent corresponding
267 internal revenue code of the United States, as amended from time to
268 time.

269 (g) (1) A participant's accrued service award becomes vested once
270 such participant has five years of service credit, as determined pursuant
271 to regulations adopted under subsection (k) of this section.

272 (2) If a participant has not been an eligible firefighter for thirty-six
273 consecutive months and such participant's accrued service award has
274 not become vested, such accrued service award shall be forfeited and
275 deposited in the Volunteer Firefighter Length-of-Service Award
276 Program Trust Fund.

277 (h) The commission shall pay each participant such participant's
278 accrued service award when the participant:

279 (1) Becomes vested pursuant to subsection (g) of this section and has
280 attained the age of sixty-five years or over;

281 (2) Has twenty years of service credit, provided the participant may,

282 prior to attaining such twenty years of service credit, file a written
283 election with the commission to defer payment of the accrued service
284 award until the participant attains the age of sixty-five;

285 (3) Is vested and has not been an eligible firefighter for at least thirty-
286 six consecutive months; or

287 (4) Has been determined to be totally and permanently disabled by
288 the United States Social Security Administration, the Workers'
289 Compensation Commission or any other entity approved by the State
290 Retirement Commission.

291 (i) If a participant is paid such participant's accrued service award
292 pursuant to subsection (h) of this section and subsequently qualifies for
293 a length-of-service award at any other time pursuant to the provisions
294 of this section and regulations adopted pursuant to subsection (k) of this
295 section, the commission shall pay such service award directly to such
296 participant.

297 (j) If a participant dies prior to receiving such participant's accrued
298 service award pursuant to subsection (h) of this section or a length-of-
299 service award pursuant to subsection (i) of this section, the commission
300 shall pay such award to any beneficiary the participant has designated
301 on a form and in a manner prescribed by the commission.

302 (k) Not later than January 1, 2025, the State Retirement Commission,
303 in consultation with the Commission on Fire Prevention and Control
304 and the State Fire Administrator, shall adopt regulations, in accordance
305 with the provisions of chapter 54 of the general statutes, to implement
306 the volunteer firefighter length-of-service award program. Such
307 regulations shall include, but need not be limited to, provisions
308 regarding (1) earning service credits and determining the amount of
309 awards, which may include a point-based system that requires earning
310 points for responding to calls, attending meetings and trainings or other
311 factors, (2) documentation for earning such credits, including a system
312 to permit volunteer fire companies and departments to comply with the
313 requirements of subsection (d) of this section, and (3) contesting

314 determinations of service credits awarded to a participant.

315 Sec. 6. Section 3-13c of the 2024 supplement to the general statutes is
316 repealed and the following is substituted in lieu thereof (*Effective July 1,*
317 *2024*):

318 As used in sections 3-13 to 3-13e, inclusive, and 3-31b, "trust funds"
319 includes the Connecticut Municipal Employees' Retirement Fund A, the
320 Connecticut Municipal Employees' Retirement Fund B, the Soldiers,
321 Sailors and Marines Fund, the Family and Medical Leave Insurance
322 Trust Fund, the State's Attorneys' Retirement Fund, the Teachers'
323 Annuity Fund, the Teachers' Pension Fund, the Teachers' Survivorship
324 and Dependency Fund, the School Fund, the State Employees
325 Retirement Fund, the Hospital Insurance Fund, the Policemen and
326 Firemen Survivor's Benefit Fund, any trust fund described in
327 subdivision (1) of subsection (b) of section 7-450 that is administered,
328 held or invested by the State Treasurer, the Connecticut Baby Bond
329 Trust, any Climate Change and Coastal Resiliency Reserve Fund created
330 pursuant to section 7-159d, the Volunteer Firefighter Length-of-Service
331 Award Program Trust Fund and all other trust funds administered, held
332 or invested by the State Treasurer.

333 Sec. 7. Section 1 of special act 23-1 is amended to read as follows
334 (*Effective from passage*):

335 (a) There is established a task force to study the shortage of
336 firefighters and emergency medical services personnel in the state. The
337 task force shall:

338 (1) Examine the factors associated with the shortage of firefighters
339 and emergency medical services personnel in the state;

340 (2) Study ways to alleviate such shortage, which shall include, but is
341 not limited to, an examination of (A) providing an income tax credit for
342 volunteer firefighters, (B) developing a pipeline from colleges and
343 universities into firefighting and emergency medical services, (C)
344 offering tuition incentives for volunteer firefighters and emergency

345 medical services personnel, (D) streamlining certification and
346 recertification processes for firefighters and emergency medical services
347 personnel, and (E) providing sustainable and consistent state funding
348 for training of firefighters and emergency medical services personnel;
349 and

350 (3) Make recommendations to address such shortage.

351 (b) The task force shall consist of the following members:

352 (1) Two appointed by the speaker of the House of Representatives,
353 one of whom is a municipal chief executive officer;

354 (2) Two appointed by the president pro tempore of the Senate, one of
355 whom is a municipal chief executive officer;

356 (3) One appointed by the majority leader of the House of
357 Representatives, who is a firefighter;

358 (4) One appointed by the majority leader of the Senate, who provides
359 emergency medical services;

360 (5) One appointed by the minority leader of the House of
361 Representatives, who provides emergency medical services;

362 (6) One appointed by the minority leader of the Senate, who is a
363 firefighter;

364 (7) The Commissioner of Emergency Services and Public Protection,
365 or the commissioner's designee;

366 (8) The Commissioner of Public Health, or the commissioner's
367 designee; and

368 (9) Three persons appointed by the Governor.

369 (c) Any member of the task force appointed under subdivision (1),
370 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
371 of the General Assembly.

372 (d) All initial appointments to the task force shall be made not later
373 than [thirty days after the effective date of this section] July 1, 2024. Any
374 vacancy shall be filled by the appointing authority.

375 (e) The speaker of the House of Representatives and the president pro
376 tempore of the Senate shall select the chairpersons of the task force from
377 among the members of the task force. Such chairpersons shall schedule
378 the first meeting of the task force, which shall be held not later than
379 [sixty days after the effective date of this section] August 1, 2024.

380 (f) The administrative staff of the joint standing committee of the
381 General Assembly having cognizance of matters relating to public safety
382 and security shall serve as administrative staff of the task force.

383 (g) Not later than January 1, [2024] 2025, the task force shall submit a
384 report on its findings and recommendations to the joint standing
385 committee of the General Assembly having cognizance of matters
386 relating to public safety and security, in accordance with the provisions
387 of section 11-4a of the general statutes. The task force shall terminate on
388 the date that it submits such report or January 1, [2024] 2025, whichever
389 is later.

390 Sec. 8. (NEW) (*Effective July 1, 2024*) (a) For purposes of this section:

391 (1) "Entry-level training" means the training requirements associated
392 with performing the basic duties of a firefighter, as determined by the
393 state fire school, a municipal or regional fire school or a municipality
394 within this state;

395 (2) "Cost of entry-level training" means the cost of training,
396 equipment, uniforms, salary and fringe benefits and any cost related to
397 firefighter entry-level training, except for the cost of any equipment or
398 uniforms that were returned by such firefighter;

399 (3) "Firefighter" has the same meaning as provided in section 7-323j
400 of the general statutes, except that "firefighter" does not include a
401 volunteer firefighter; and

402 (4) "Municipality" has the same meaning as provided in section 7-323j
403 of the general statutes.

404 (b) If a firefighter who satisfactorily completes entry-level training
405 while employed by a municipality is subsequently hired by another
406 municipality on or after July 1, 2024, and within two years after the
407 firefighter completed the entry-level training, the municipality that
408 subsequently hires the firefighter shall reimburse the initial employing
409 municipality fifty per cent of the total cost of the entry-level training.
410 The provisions of this section shall not apply to a municipality that hires
411 a firefighter two years or more after the firefighter completes entry-level
412 training.

413 (c) Nothing in this section shall be construed to affect an agreement
414 between a firefighter or a collective bargaining unit and a municipality
415 entered into prior to July 1, 2024, that provides for the reimbursement
416 of the cost of entry-level training.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	New section
Sec. 2	<i>July 1, 2024</i>	10a-77(d)
Sec. 3	<i>July 1, 2024</i>	10a-99(d)
Sec. 4	<i>July 1, 2024</i>	10a-105(e)
Sec. 5	<i>July 1, 2024</i>	New section
Sec. 6	<i>July 1, 2024</i>	3-13c
Sec. 7	<i>from passage</i>	SA 23-1, Sec. 1
Sec. 8	<i>July 1, 2024</i>	New section

PS Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Higher Education Constituent Units	Tuition Funds - Revenue Loss	Potential Significant	Potential Significant
CHFA	CHFA - Cost/Potential Revenue Impact	See Below	See Below

Note: CHFA=Resources of CHFA

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
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 25, 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 (currently a 0.125% discount is offered for similar

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

programs), 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.

CHFA has various existing programs that can help firefighters purchase a house where they work, including the First Time Homebuyers Program, the Down Payment Assistance Program, and the Time to Own Forgivable Down Payment Assistance Program, the latter two of which are both supported with state bond funding. 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 potentially significant annual revenue loss beginning in FY 25 to the higher education constituent units, associated with waiving tuition for certain firefighters and their dependents. The tuition waivers will be available to: (1) a firefighter who has at least two years of service in Connecticut and (2) any dependent child of a firefighter who has at least five years of service in the state. The bill also requires Connecticut State Colleges and Universities (CSCU) to waive tuition for certain students attending the state fire school.

There are an estimated 26,400 state and local firefighters in Connecticut. It is unknown how many individuals will be eligible for the tuition waiver and take advantage of it, or which constituent unit they would choose to attend. The scope of the revenue loss will vary based on the number of waivers and the institution waiving tuition. For example, 500 additional tuition waivers at UConn for the undergraduate level results in a revenue loss of approximately \$8.5 million annually while 1,000 additional community college waivers results in a revenue loss of approximately \$4.6 million annually. To the extent that some of the waiver beneficiaries enrolling in CSCU

²Out of the 3,147 first mortgages originated through CHFA in 2023, 1 was under the Police Homeownership Program, 29 were under the Teachers Mortgage Assistance Program, and 25 were under the Military Program.

institutions might not have otherwise attended, these institutions may experience higher fee and other revenue (e.g., room and board) due to the bill. The exact number of additional waivers that would occur because of the bill is unknown, but the revenue loss to the constituent units may be significant.

Examples of Tuition Waiver Value, FY 25			
# of Students	UConn	CSUs	CT State Community College
Per-Student Value of Undergraduate Tuition Waiver, FY 25	17,012	6,998	4,608
100	1,701,200	699,800	460,800
500	8,506,000	3,499,000	2,304,000
1,000	17,012,000	6,998,000	4,608,000

Sections 5-6 establish the Volunteer Firefighter Length-of-Service Award Program Trust Fund and result in no fiscal impact as the monies within the fund will be used to make payments towards the operational costs.

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 25 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.

³The 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 the type and amount of CHFA mortgage assistance provided, tuition waivers granted, and intermunicipal firefighter transfers.

OLR Bill Analysis**sSB 422*****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 for undergraduate and graduate degree programs (a) at the state's colleges and universities 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) for anyone enrolled at the Connecticut State Colleges and Universities (CSCU) or community colleges 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, 2024, 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 and CSCU, and 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.

The bill specifies that the tuition that UConn and CSCU must waive are 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 a volunteer firefighter LOSAP for eligible volunteer firefighters providing qualified services to a volunteer fire company or department in recognition of their long-term service. The program provides length of service awards up to a specified amount (\$6,000, 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 establish the program and adopt its 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, 2025, 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, 2025, 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 the Internal Revenue Code (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, 2024. Their service credits may not be forfeited.

Participation Waivers. Eligible firefighters may decline to participate in the program by filing an irrevocable participation 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 2024.)

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 or over;
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 his or her service award directly to the participant.

Death Benefits

Under the bill, if a participant dies before receiving his or her accrued service award or length of service award, 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 the:

1. initial appointments must be made, from July 7, 2023, to July 2, 2024;
2. chairpersons must schedule and hold the first meeting, from August 6, 2023, to August 1, 2024; and
3. task force must terminate and submit its findings and recommendations, from January 1, 2024, to January 1, 2025.

§ 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's requirement does not affect any agreement for reimbursement between a firefighter or collective bargaining unit and a municipality entered into before July 1, 2024.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 25 Nay 0 (03/19/2024)