



March 26, 2021

Appropriations Committee

Testimony by Carl Chisem, President

Connecticut Employees Union Independent, SEIU Local 511

In Opposition to H.B. 5149 AN ACT EXCLUDING REIMBURSEMENTS TO STATE EMPLOYEES FOR MILEAGE AND PAYMENTS FOR OVERTIME FROM THE CALCULATION OF RETIREMENT INCOME

In Opposition to H.B. 5209 AN ACT EXCLUDING OVERTIME PAY AND LEGISLATIVE MILEAGE ALLOWANCES FROM THE CALCULATION OF STATE PENSIONS

In Opposition to H.B. 5750 AN ACT EXCLUDING REIMBURSEMENTS FOR MILEAGE AND PAYMENTS FOR OVERTIME FROM THE CALCULATION OF RETIREMENT INCOME

In Opposition to H.B. 5754 AN ACT EXCLUDING MILEAGE REIMBURSEMENTS AND OVERTIME PAY FROM THE CALCULATION OF RETIREMENT INCOME

In Support of H.B. 6659 AN ACT CONCERNING THE ESTABLISHMENT OF THE CONNECTICUT BABY BOND TRUST

In Opposition to S.B. 1079 AN ACT CONCERNING COMPETITIVENESS AND LABOR COSTS AT THE CONNECTICUT AIRPORT AUTHORITY

Senator Osten, Representative Walker and distinguished members of the Appropriations Committee, my name is Carl Chisem and I am President of the Connecticut Employees Union Independent, SEIU Local 511. We represent over 3,600 blue collar maintenance and service State workers. Our members provide valuable services within our state facilities. They cook, clean, repair, maintain and deliver in Connecticut's State buildings, hospitals, college campuses, airports, roads, bridges, and parks. They represent the true diversity of our great state.

H.B. 5149, H.B. 5209, H.B. 5750, and H.B. 5754 are all bills that would remove earned overtime wages out of the state employee pension calculations. CEUI Local 511 strongly opposes these proposals. Many of the members we represent were hired with the understanding that they would be required to work overtime with the guarantee that the money earned would be included in their pension calculation. These employees work long hours and deserve every cent they make. They are consistently required to perform their job duties with fewer resources and declining staff numbers. Denying them what they have rightfully earned and what they were promised, is completely unfair and against all that has been collectively bargained for.

Defined benefit plans encourage long service from employees resulting in low turnover, highly skilled workers, and improved services. Our members contribute to their pensions and each penny earned throughout their years of service, including money earned working overtime, is rightfully factored into their pension calculation. Removing that money is not only wrong, it is disrespectful to the collective bargaining process.

I urge the committee to oppose these bills.

As the President of CEUI Local 511 and a member of the Recovery for All coalition, I urge the committee to support **H.B. 6659**. This bill creates a “Connecticut Baby Bond” program to help close the state’s wealth gap under which every Connecticut resident born on or after July 1, 2021 and enrolled in Husky has a trust held by the state in which \$5,000 is allocated at birth. Upon turning 18, the funds, including investment earnings, are released to the resident. These funds could be used for higher education, to start a business, or as a down payment on a home. Assuming a 6.9% rate of return, the recipient would receive a total of \$16,618 at 18.

As one of the richest states in the nation, Connecticut also leads the country in income and racial inequality, leaving too many to deal with education gaps, health disparities, unattainable home ownership and other hardships. Years of austerity and disinvestment have worsened inequities and stifled economic growth. The current pandemic has only exacerbated these injustices leaving our vulnerable populations struggling to survive. But even through all the despair, the wealthy continue to profit from a booming stock market and tax system that is regressive and unfair.

Providing underprivileged children with a small endowment as they enter adulthood is just one way to reduce the huge inequities that exist in our state. By investing in disadvantaged communities, we can begin to remove the barriers to economic prosperity.

I urge the committee to support H.B. 6659.

Finally, CEUI Local 511 opposes **S.B. 1079**, An Act Concerning Competitiveness and Labor Costs at the Connecticut Airport Authority. This bill would allow certain employees of the CAA and require certain future employees of the authority to participate in retirement and benefit plans implemented by the authority.

Allowing current employees to move out of a defined pension plan into 401(K)-style defined contribution plans will result in increased costs to taxpayers and do not provide secure and reliable guaranteed monthly benefits for life. Defined benefit pensions are powerful economic engines for local communities. The spending of pension benefits by retirees supports local businesses through purchases of food, medicine, gas, and other staple items. According to the National Public Pension Coalition, public pension plans perform 25% better than defined contribution investments and every dollar invested in a 401(k)-style account goes a shorter distance than a dollar invested in a pension.

Moving to a 401(k)-style defined contribution plan will only further the income inequality in our state by potentially reducing the wages of many retirees. We should be doing all we can to ensure a secure retirement for all.

I urge the committee to oppose S.B. 1079.

Thank you.