

**Re: HB 6439 -- AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM
ENDING JUNE THIRTIETH, 2023, AND MAKING APPROPRIATIONS THEREFOR**

Co-Chair Osten, Co-Chair Walker, Ranking Member Miner, Ranking Member France, and members of the Appropriations Committee, thank you for the opportunity to submit this testimony. My name is Joe Sculley, I am the president of Motor Transport Association of Connecticut (MTAC), which is a statewide trade association representing more than 500 businesses, the vast majority of which are small business trucking companies based in Connecticut. I appreciate the opportunity to be able to present this testimony.

Governor Lamont has proposed two revenue-raising mechanisms as part of his transportation plan, which the administration estimates would raise about \$170 million per year. MTAC vehemently opposes both of those mechanisms, and I would like to suggest other options that would create \$170 million per year for the Special Transportation Fund (STF). All of these suggestions are based on our belief that there are expenses in the STF that should not be there, rather, it would be more appropriate for them to be in the General Fund.

OPTION 1

Move “Bus Operations” with a proposed appropriation of \$195,868,000 out of the STF and into the General Fund.

Buses are considered public transportation – emphasis on the word “public.” Highway and road users, such as the trucking industry, who pay most of the taxes and fees that fund the STF, should not have to be the sole funders for something that serves the general public. Those costs should be in the General Fund.

OPTION 2

Move “Rail Operations” with a proposed appropriation of \$182,234,045 out of the STF and into the General Fund.

Rail operations are another example of “public” transportation or “mass transit.” If rail is serving the general public or “the masses,” those costs should be paid out of the General Fund.

OPTION 3

Move all of “State Comptroller – Fringe Benefits” with a proposed appropriation of \$257,780,806 out of the STF and into the General Fund.

Highway and road users who pay most of the STF expenses should not have to pay for pension funding and fringe benefit costs of employees who are serving the entire state. The General Fund is more appropriate for those costs.



OPTION 4

Move a combination of State Employee Retirement Contributions – UAL with a proposed appropriation of \$151,538,852, plus State Employees Retirement Contributions – Normal Cost with a proposed appropriation of \$20,276,633, plus all of “Department of Administrative Services” with a proposed appropriation of \$14,699,253, plus all of “Department of Energy and Environmental Protection” with a proposed appropriation of \$2,974,598, out of the STF and into the General Fund. This would total \$189,489,336.

The same school of thought as expressed above applies here. Additionally, the Special Transportation Fund should not have to pay the costs of other departments that have nothing to do with transportation, such as DAS and DEEP.

NOTE

DOT pension and fringe benefit costs, DMV pension and fringe benefit costs, and even DOT operating costs were not initially funded out of the Special Transportation Fund. These items were shifted to the STF over time as a means to deal with General Fund solvency issues.

CONCLUSION

I realize that potentially shifting expenses back to the General Fund as I outline above could create a deficit issue there. Or perhaps it might not, if tax revenue numbers continue on their current positive trend. Even if such a shift did present General Fund deficit issues, that deficit should be addressed through other means there. Highway and road users like the small business trucking industry should not have to pick up the tab (in one form or another) every time there is a budget deficit.

Thank you for your consideration of this testimony.

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ABOUT CT TRUCKING INDUSTRY:

85.8%: number of Connecticut communities that depend exclusively on trucks to move their goods

98%: percent of manufactured tonnage transported by truck in Connecticut

\$3.4 billion: total trucking industry wages paid in Connecticut (2018)

61,590: trucking industry jobs in Connecticut (2018)

\$55,777: average annual salary in Connecticut (2018)

\$9,026: average annual CT-imposed highway user fees paid by tractor trailers (as of 1/1/2020)

\$8,906: average annual fed-imposed highway user fees paid by tractor trailers (as of 1/1/2020)