STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

January 18, 2024

Appropriations Committee
Legislative Office Building, Room 2700
Hartford, CT 06106-1591

Environment Committee
Legislative Office Building, Room 3200
Hartford, CT 06106-1591

Transportation Committee
Legislative Office Building, Room 2300
Hartford, CT 06106-1591

Dear Senator Osten, Representative Walker, Senator Lopes, Representative Gresko, Senator Cohen, and Representative Lemar:

Section 14-49b(a)(2) of the General Statutes, as revised by Public Act 22-25, requires that my office provide information annually on the state's collection of the federal Clean Air Act fee and state expenditures during the preceding fiscal year associated with implementing the requirements of the federal Clean Air Act, improving air quality and reducing transportation sector greenhouse gas (GHG) emissions.

As you may know, Connecticut does not meet either of the two applicable National Ambient Air Quality Standards for ground-level ozone (smog). For the 2008 ozone standard, Fairfield, Middlesex, and New Haven counties are classified as severe nonattainment and have six (6) years, until 2027, to attain the standard. For the 2015 ozone standard, Hartford, Litchfield, New London, Tolland, and Windham counties are classified as moderate. The remaining portions of Connecticut were already classified as moderate nonattainment and will retain that classification for the 2015 standard. Connecticut's moderate nonattainment areas for the 2015 ozone standard will have until 2024 to attain the standard based on monitored air quality data from 2021-2023.

Impaired air quality presents significant risks to public health, especially to individuals who face additional health challenges. Connecticut's greatest challenge is failing to meet the health-based national ambient air quality standards for ground-level ozone or smog. Ozone results from chemical reactions when emissions from industrial and electric utilities, motor vehicle exhaust, gasoline vapors, and chemical solvents react with heat and sunlight. Breathing ozone reduces lung function and harms lung tissues. Ozone worsens existing breathing conditions like bronchitis, emphysema, and asthma, resulting in increased health risks and medical costs. Control strategies implemented since 1975 have reduced the number of ozone exceedance days of the 2008 standard by approximately 90%.

Several state agencies are involved in implementing the requirements of the federal Clean Air Act, improving air quality and reducing transportation sector GHG emissions, including the Department of Energy & Environmental

Protection (DEEP), Department of Transportation (DOT), and Department of Administrative Services (DAS). In response to our inquiry, the Departments of Administration and or Motor Vehicles did not indicate related state expenditures to those activities where improving air quality was assumed to be outdoor. DEEP and DOT administer broad spectrum programs to monitor and reduce emissions sources that impact air quality and/or release greenhouse gases. Funding for the programs include federal grants, settlements, fee revenues, and legislature-directed appropriations and bond funds.

Specifically, DEEP administers the Title V program from the Clean Air Act (CAA) that monitors and permits major emissions source. DEEP's Bureau of Air Management has areas of responsibility including air quality forecast and monitoring, air quality planning, compliance assurance, emission inventory, outreach and education, permitting and radiation. Other DEEP programs related to this discussion include: the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program, Connecticut Electric Bicycle Incentive Program, and Clean School Buses. As a result of some of these efforts, total active electric vehicle registrations have rapidly increased from 108 in July 2011; 25,444 in July 2022; and 36,269 in July 2023. Public Act 22-25 also established new rules in an effort to reduce emissions from Medium & Heavy Duty (MHD) vehicles. For DEEP, funding for these and related-efforts are a mix of federal funds (CAA sections 103 and 105 and a pass-through EPA Diesel Emissions Reduction Act), Volkswagen Mitigation Program (also used to maximize the Diesel Emissions grant), Title V Operating Permit program, legislature-directed funds, and Greenhouse Gas Reduction Fee.

Similarly, DOT administers programs intended to improve air quality and reduce GHG emissions related to the transportation sector. The Travel Demand/Air Quality Modeling Unit is responsible for project and regional level transportation air quality conformity analysis to ensure that the Metropolitan Transportation Plans and the State Transportation Improvement Plan are consistent with air quality goals and that progress is made toward achieving and maintaining Federal air quality standards. The Sustainability & Resiliency Unit coordinated installation of EV charging at CTDOT Headquarters and developed the necessary plan for Connecticut to receive its funding for the National Electric Vehicle Infrastructure Program (NEVI), part of the Infrastructure Investment and Jobs Act (IIJA). Additionally, there are capital purchases that were needed based on equipment lifecycle where the selected replacement had less contributions to impaired air quality and GHG emissions such as replacing buses and upgrading traffic signal equipment. Related programs include a Transportation Demand Management Program, electric vehicle charging stations, bike-pedestrian trails, and rail and bus subsidies. For DOT, funding for these efforts is a mix of federal funds (e.g., USDOT Congestion Mitigation and Air Quality Improvement Program), the Volkswagen Mitigation Program, and legislatively-directed funds.

Revenue

Funding for the programs includes federal grants, non-appropriated funding support by fees, legislatively directed appropriations, and bond funds. Per Section 14-49b(a)(1), the DMV collects the federal Clean Air Act fee of $15 for new or renewal motor vehicle registrations covering a triennial period. This fee is not collected on electric vehicle registrations. From this fee, 57.5% is deposited into the Special Transportation Fund (STF) and 42.5% is deposited in the General Fund. For fiscal year ending June 30, 2023, the Department of Motor Vehicles issued 1,403,459 federal Clean Air Act fees, generating total revenue of $16,086,633.

Clean Air Act Fees Issued		1,143,017	
Special Transportation Fund Revenue	$	9,255,422	57.5%
General Fund Revenue	$	6,831,211	42.5%
Total Clean Air Act Revenue	$	16,086,633	100.0%

State Expenditures

Expenditures summarized in the table below reflect state expenditures supported by fees, and legislature-directed appropriations and bond funds. For state expenditures in fiscal year ending June 30, 2023, the amounts shown below do not include projects or programs that used Volkswagen Mitigation funds. Expenses related to replacement of the closed-circuit traffic cameras was noted by DOT to serve traffic management efforts; however, these were not included in the totals provided here.

Department of Transportation	$	330,722,520
Department of Energy and Environmental Protection	$	16,711,862
	$	347,434,382

Questions about the above information can be directed to If you have any questions, please contact Dr. Joanna Wozniak-Brown at 860.713.9935 or Joanna.Wozniak-Brown@ct.gov.

Respectfully submitted,

Jeffrey R. Beckham
Secretary

Cc: Joanna Wozniak-Brown, OPM, Climate & Infrastructure Policy Development Coordinator
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