



Erick Russell

CONNECTICUT STATE TREASURER

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 7, 2025

Contact: Cheryl Rice
cheryl.rice@ct.gov | (860) 993-4037

Treasurer Russell Announces \$682.1 Million Savings Through Early Retirement of State Transportation Debt

Hartford, CT – Connecticut Treasurer Erick Russell announced the early elimination of \$394 million in transportation-related debt on Monday. The move, made possible by recent legislative changes pushed by Treasurer Russell in collaboration with Governor Ned Lamont’s administration, will save taxpayers \$682.1 million over the next decade.

“The early payoff of this transportation debt is a continuation of Connecticut’s commitment to sound long-term financial planning,” said **Treasurer Russell**. “This is a win-win outcome that relieves the burden of debt on taxpayers and frees up funding to invest in future transportation initiatives without compromising project readiness. By strategically using excess balance in the Special Transportation Fund to eliminate long-term debt, we will achieve savings of \$45.1 million in the current year and \$63.5 million annually from 2026 to 2035. These savings will allow our state to continue to fund critical transportation work that directly supports jobs in construction, engineering, and the trades, while strengthening our local economy.”

In recent years, the amount held in reserve in the Special Transportation Fund (STF) had grown significantly. Legislation proposed by Treasurer Russell and the Administration would use funds over 18% of operating expenses to pay down long-term debt. That provision was adopted by the legislature as a one-time maneuver for this fiscal year. Utilizing excess reserves to remove debt from the balance sheet improves the long-term health of the STF by lowering or removing future principal and interest payments on borrowing, known as debt service.

Accordingly, the Office of the Treasurer was able to redeem \$394 million of Special Tax Obligation (STO) Transportation Infrastructure bonds that were eligible for pre-payment. In June 2025, an additional \$140 million of bonds will become eligible for pre-payment and will be paid off for a total of \$534 million in debt reduction. In the most recent fiscal year, the STF took in approximately \$2.3 billion in revenue and expended \$2.1 billion. After the redemption, \$441 million will remain as the cumulative balance in the STF, or 18% of annual expenditures.

Earlier this month, Treasurer Russell completed the first STO bond sale under a new indenture, the legal terms between Connecticut and its bondholders. The former terms had not been updated in over forty years. As a result of those modernization efforts, Treasurer Russell estimates that by the end of 2025, an additional \$200 million from bond reserves will also be available for the early payoff of STO Bonds, bringing the estimated total reduction in debt service to over \$1 billion over the next 10 years.

More information on Connecticut's bonding programs is available at www.buyctbonds.com.

***** END *****

About the Office of the Treasurer

The Office of the Treasurer is charged with safeguarding Connecticut's financial resources through prudent cash and debt management, with the State Treasurer serving as principal fiduciary for six state pension and twelve state trust funds. Additionally, the Office enhances the state's fiscal stability through programs promoting financial literacy and college savings, and it leverages business partnerships to support the advancement of Connecticut's social and policy priorities, including combating gun violence and protecting our environment. The Office of the Treasurer is led by State Treasurer Erick Russell, the only Black elected state treasurer in the country. To learn more, visit portal.ct.gov/ott.