



Erick Russell

CONNECTICUT STATE TREASURER

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Treasurer Russell Announces Successful \$1.2 Billion Transportation Bond Sale Following Kroll AAA Credit Rating Upgrade

Provides Funding for Needed Transportation Projects, Refunding Saves \$26 Million

Hartford, CT – Today, Connecticut State Treasurer Erick Russell announced the results of a successful \$1.2 billion transportation bond sale. New bonds sold will fund a variety of important transportation projects, including an initiative to combat wrong-way driving incidents. Refinancing of existing bonds during the same sale resulted in \$26 million in savings for taxpayers.

“The sale of these bonds will allow our state to begin critical transportation work that will keep our residents safer, create local jobs, and drive long-term economic growth,” said **Treasurer Russell**. “Investors continue to see opportunity in Connecticut and recognize our improved financial standing as a symbol of sustainable strength. The impact of our collaborative, bipartisan work to stabilize state finances in recent years is reflected in both the credit rating increase our transportation bonds received prior to this offering and the affordable borrowing costs we were able to secure at a time of high national interest rates, directly saving money for taxpayers.”

The State of Connecticut, Special Tax Obligation (STO) Transportation Infrastructure bond offering included \$875 million of 2023 Series A new money tax-exempt bonds that will fund an array of transportation projects including the rehabilitation and replacement of bridges across the state; rehabilitation and reconstruction of highway systems; public transit systems including bus and rail facilities; and an initiative to expand wrong-way driving countermeasures. The sale also included \$349 million of 2023 Series B tax-exempt refunding bonds to refinance previously issued STO bonds, resulting in debt service savings of \$26 million.

The bond sale will also allow the State to leverage significant federal funding available for transportation projects.

Kroll Upgrade

Earlier in the month, Kroll Bond Rating Agency upgraded the State's STO bond credit rating from "AA+" to "AAA", which is the highest rating possible. The upgrade reflects the State's strong legal framework and public support for transportation funding and commitment to transportation investment. The other credit rating agencies affirmed the STO bond credit ratings as follows: Moody's Investors Service at "Aa3"; S&P Global Rating at "AA"; and Fitch Ratings at "AA-". All rating agencies attached a "Stable" outlook to the STO bond credit ratings.

Orders and Interest Cost

Consistent with past practice, Treasurer Russell gave retail investors priority on purchasing the bonds with a dedicated one-day order period on Tuesday, October 17th. Over \$586 million of retail orders were received including \$184 million from Connecticut investors. Total orders exceeded \$1.5 billion, or 1.3 times the amount of bonds offered, which contributed to the 4.47% borrowing cost on the 20-year 2023 Series A Bonds. The ten-year 2023 Series B bonds had a borrowing cost of 3.83% and will refund previously issued higher-interest bonds for debt service savings of approximately \$26 million over the next ten years.

RBC Capital Markets led the bond underwriting syndicate that sold the bonds. The bonds are scheduled to close on November 1, 2023.

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

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About the Office of the Treasurer

The Office of the Treasurer is charged with safeguarding Connecticut's financial resources through prudent cash management and debt management, with the State Treasurer serving as principal fiduciary for six state pension and nine 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.