



Erick Russell

CONNECTICUT STATE TREASURER

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TREASURER RUSSELL ANNOUNCES SUCCESSFUL \$1.4 BILLION STATE TRANSPORTATION BOND SALE

HARTFORD, Connecticut – Today, Connecticut State Treasurer Erick Russell announced the results of a successful \$1.4 billion State of Connecticut Special Tax Obligation (STO) Transportation Infrastructure bond sale.

“The sale of these bonds will allow our state to begin critical transportation work that will create local jobs, make our residents safer, and drive long-term economic growth,” said Treasurer Russell. “Investors continue to see opportunity in Connecticut, and they view our improved financial position as an indicator of our 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 last year and the affordable borrowing costs we were able to secure thanks to high investor demand across both retail and institutional investors. This saves money for taxpayers.”

The \$768.8 million 2024 Series A-2 bonds offered this week were the second part of a total \$1.4 billion-dollar STO 2024 bond offering. \$231.2 million of STO 2024 Series A-1 new money bonds and \$375.3 million of STO 2024 Series B refunding bonds were sold on November 20th.

This is the first sale under changes made to the forty-year-old STO indenture. The Amended and Restated Indenture that reduced the amount of reserves the State is required to hold will lower borrowing needs by approximately \$1 billion over the next 10 years.

The 2024 Series A-1 and A-2 STO bonds will fund various transportation projects in Connecticut including public transportation, the Fix-it-First Bridge and Roadway Program, and local transportation improvement programs throughout the state. The 2024 Series B STO bonds will refinance two series of existing, taxable STO bonds, which will produce \$7 million in budgetary savings for taxpayers. This is added to the \$152 million in refunding savings that have been achieved since Treasurer Russell took office in 2023.

The State of Connecticut accelerated the refunding portion of the bond sale to take advantage of the favorable difference between tax-exempt and taxable rates. The more favorable difference resulted in additional savings of \$5 million as compared to a few weeks prior.

The new money bond issuance will allow the State to leverage significant federal funding available for transportation projects, including the recently awarded Federal Railroad Administration grant for rail projects along the Northeast Corridor.

Treasurer Russell gave retail investors priority on purchasing the bonds with a dedicated one-day order periods for each sale. More than \$744 million of retail orders were received, including \$250 million from Connecticut investors. Total orders exceeded \$5 billion, or 3.6 times the amount of bonds offered.

Goldman Sachs led the bond underwriting syndicate that sold the bonds. The 2024 STO bonds are scheduled to close on Thursday, December 19, 2024.

More information on the State's bonding program 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 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.