



INVESTOR PRESENTATION

\$850,000,000*

STATE OF CONNECTICUT

**SPECIAL TAX OBLIGATION BONDS 2020 SERIES A
(TRANSPORTATION INFRASTRUCTURE PURPOSES)**

*Preliminary, subject to change**



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TRANSACTION SUMMARY

Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2020 Series A

Structure*:	<ul style="list-style-type: none"> Serial Bonds Maturing May 1, 2021 through May 1, 2040
Interest Payments:	<ul style="list-style-type: none"> May 1st and November 1st, commencing November 1st, 2020
Purpose:	<ul style="list-style-type: none"> To fund a portion of the cost of various purposes of the Infrastructure Programs
Security:	<ul style="list-style-type: none"> Special obligation of the State payable solely from the Pledged Revenues and other receipts, funds or moneys pledged thereto pursuant to the Act and the Indentures
Debt Service Reserve Account:	<ul style="list-style-type: none"> The 2020 Series A bonds are secured by the Debt Service Reserve Account funded at maximum annual debt service (MADS) of the combined Senior and Second Lien Bonds (no second lien bonds outstanding)
Tax Status of Interest:	<ul style="list-style-type: none"> Exempt from Federal income tax Exempt from Connecticut income taxes Not an item of tax preference for purposes of federal alternative minimum tax
Optional Redemption*:	<ul style="list-style-type: none"> The 2020 Series A Bonds will be subject to optional redemption prior to maturity
Ratings*:	<ul style="list-style-type: none"> [to come]
Expected Pricing*:	<ul style="list-style-type: none"> Retail Order Period: Monday, May 18th Institutional Pricing: Tuesday, May 19th
Expected Closing*:	<ul style="list-style-type: none"> Friday, May 29, 2020

*Preliminary, subject to change**

**Purchasers of the 2020 Series A Bonds should consult their tax advisors regarding the Federal, state and local tax consequences of owning and disposing of the 2020 Series A Bonds*



THE STATE'S STO EXHIBITS KEY FUNDAMENTALS OF A "AA" CREDIT

Transportation is a State Priority

- Long-term commitment to invest in the transportation infrastructure needs of the State
- Continued dedication to providing a secure transportation funding source
- STF financial performance in FY2019 (\$74 million operating surplus and \$320 million cumulative surplus)

Strong Statutory Framework & Legal Provisions

- First priority lien for Senior Bonds
- 2x Pledged Revenue rate covenant (Budget + ABT)
- Balanced budget requirement
- Cash funded Debt Service Reserve Account at MADS
- Constitutional lockbox: STF is a perpetual fund – resources used solely for transportation

Diverse & Stable Revenue Source

- Broad base of taxes and fees collected statewide
- No revenue source greater than 30% of Pledged Revenues
- Sales tax on dealer car sales deposited into STF – 100% by 2023
- Monthly collection for most Pledged Revenues
- Debt service coverage by Pledged Revenues significantly higher than minimum coverage requirements

Strong Management Team

- Comprehensive and conservative long-range planning and management of STO program
- Multi-agency collaboration and consensus
- Monthly revenue and expense updates by OPM and OSC
- Long track record of success at managing the program

Closed System, Revenues Pledged at Time of Receipt



LEGISLATIVE ACTION SHOWS ONGOING COMMITMENT TO FULLY FUND STO PROGRAM

	Legislative Action	New Revenue Pledge	Revenue Stream Enhancements
2015	<ul style="list-style-type: none"> Approved statutory transportation “lockbox” making the STF a “Perpetual Fund” (resources limited to transportation purposes, including STO DS) 	<ul style="list-style-type: none"> Pledged a portion of the general retail sales tax as a new source of revenue to the STF 	<ul style="list-style-type: none"> Modified the flow of funds for the Oil Companies Tax so that funds flow directly into the STF, eliminating all remaining transfers between the General Fund and the STF
2016			<ul style="list-style-type: none"> Increased fees to oversized/overweight vehicles Expanded definition of vehicles subject to permit fees to include self-propelled vehicles
2017	<ul style="list-style-type: none"> Legislation proposing a constitutional amendment that solidifies the 2015 statutory “lockbox” for the STF 	<ul style="list-style-type: none"> Sales tax on dealer car sales deposited into the STF beginning in FY2021 (five year phase-in) 	
2018	<ul style="list-style-type: none"> Constitutional Amendment – voter referendum in November 2018 with 88% general electorate approval of the “lockbox” 	<ul style="list-style-type: none"> Accelerated start date for sales tax on dealer car sales to FY2019 (five year phase-in) 	<ul style="list-style-type: none"> Revenue Covenant limits appropriations to ensure a surplus
2019		<ul style="list-style-type: none"> Dealer car sales tax adjusted (five year phase in – still 100% by 2023) 	<ul style="list-style-type: none"> Increased motor vehicle receipts (licenses and registrations)

No Legislative Action taken in 2020 Session



THE SERIES 2020A BONDS WILL CONTINUE TO FUND INVESTMENTS IN KEY TRANSPORTATION PROJECTS

Capital Funding for New and Ongoing Projects

Project Category	Bond Authorizations (\$ in millions)	
	FY 2020	FY 2021
Highway/Bridges	\$279.2	\$279.2
Public Transportation	\$236.0	\$236.0
Fix-It-First Bridge and Roadway Program	\$185.0	\$185.0
Local Transportation Capital Improvement Programs	\$67.0	\$67.0
Let's GO CT!	\$706.0	-
Other	\$9.4	\$15.2
Total	\$1,482.6	\$782.4

Source: HB 5118 (3/11/20); PA 15-1 for Let's Go CT! bond authorizations

Major Capital Projects



I-95 Gold Star Memorial Bridge

This multi-phase project will accomplish structural steel repairs and replacement of the concrete deck on the northbound bridge carrying I-95 over the Thames River from New London to Groton. Built in 1943, rehabilitated in 1970 and painted in 1990, this structure is 5,931 feet long and carries an average 61,348 vehicles daily. A new deck will restore the roadway surface following the structural repairs. The first phase of this project will begin in late 2020 and the final phase is anticipated to be completed in 2027.



**New Haven Line Fleet
Additional 60 M8 Rail Cars**

An additional 60 M8 Rail Cars are on order to support New Haven Line ridership demands. Ridership on the New Haven Line has expanded significantly more than expected over the last few years, especially during peak commutation times. New Haven Line peak trains, the busiest trains, have increased 27% over the past 5 years. Additional trains are necessary to meet demand.



**I-84 / Route 8 Waterbury
Mixmaster Rehabilitation**

The I-84/Rt 8 interchange and ramps are part of a rehabilitation project which addresses the superstructure and substructure of ten bridges to extend the service life by 25 years. A temporary bypass roadway will minimize traffic disruption while a full deck is replaced. The rehabilitated structures will be strengthened as required to carry permit loads. Safety elements, drainage, concrete and steel work are included.



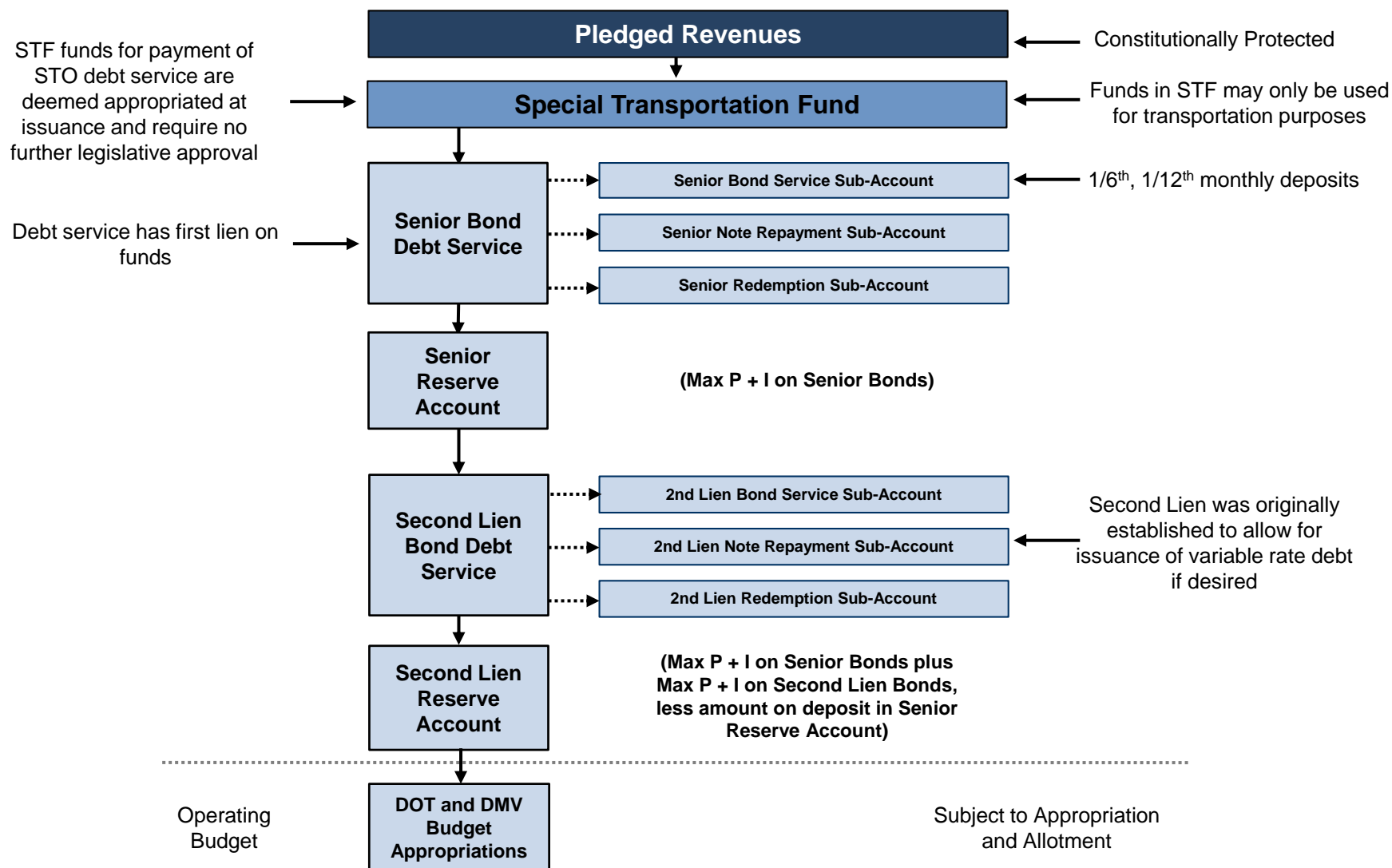
KEY CREDIT PROVISIONS OF THE STO PROGRAM ARE STRONG

Pledged Revenues	<ul style="list-style-type: none"> Include motor fuels taxes; oil companies tax payments; a portion of the general sales and use tax; sales tax on automobile sales – dealer and casual sales; motor vehicle licenses, permits, and fees; motor vehicle fines, penalties, and other charges; Federal BAB subsidy payments; and investment earnings
Debt Service Priority Covenant (Statutory Lien)	<ul style="list-style-type: none"> The Act and the Indenture provide that the State shall at all times assure that Pledged Revenues be applied first to Debt Service
Pledged Revenue Coverage Requirement (Rate Covenant)	<ul style="list-style-type: none"> State covenants to provide Pledged Revenues annually of at least 2.0x aggregate Senior and Second Lien Debt Service (There are no outstanding Second Lien Bonds)
Balanced Budget Requirement	<ul style="list-style-type: none"> State Constitution requires a balanced budget (i.e., general budget expenditures authorized for any fiscal year cannot exceed the estimated amount of revenue for such year). The Act and the Indenture require that revenues in the STF meet or exceed expenses including debt service and the Pledged Revenue Coverage Requirement
Additional Bonds Test	<ul style="list-style-type: none"> Requires both 2.0x Senior debt service coverage and 2.0x aggregate Senior Lien and Second Lien debt service (from Pledged Revenues including current and all succeeding years on outstanding and additional bonds)
Debt Service Reserve Account Requirement	<ul style="list-style-type: none"> Maximum Annual Debt Service for aggregate Senior Lien Bonds together with any newly issued Senior Lien Bonds. The Debt Service Reserve Account is cash-funded, held with the trustee, and conservatively invested.
Constitutional Lockbox	<ul style="list-style-type: none"> State Constitution amended after 88% approval of electors on November 19, 2018: STF shall remain a perpetual fund, the resources of which shall be expended solely for transportation purposes (including debt service on Special Tax Obligation Bonds)



CLOSED FLOW OF FUNDS AND STRONG LEGAL PROVISIONS ENHANCE CREDIT PROFILE

Flow of Funds- Closed System^(a)

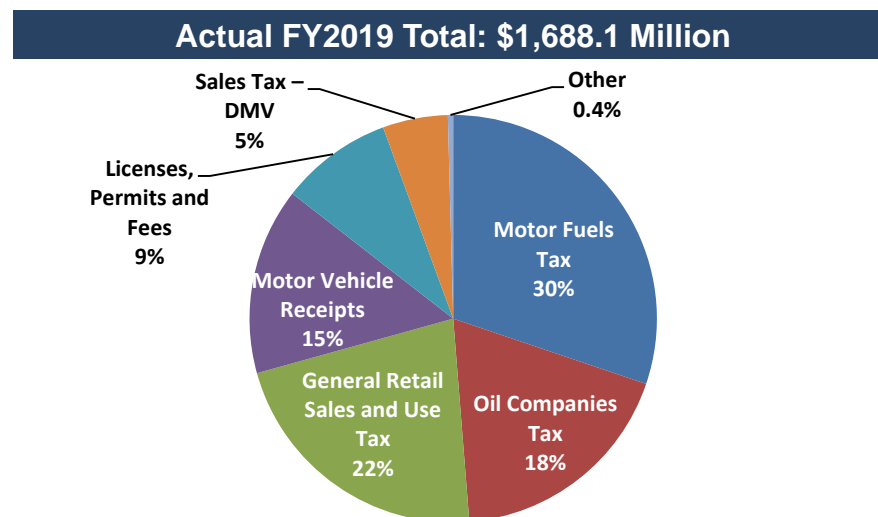


(a) See Article V of the Indenture of Trust for the Senior Lien and Second Lien Bonds for further detail.



THE STO CREDIT HAS A STABLE AND DIVERSE REVENUE PLEDGE

- Constitutionally protected Pledged Revenues; lien perfected at the time of receipt
- Diversification of revenues with no revenue source greater than 30% of Pledged Revenues



Revenue Source	Revenue Description	FY2019 (\$ in mils)	Time of Receipt
Motor Fuels Tax	<ul style="list-style-type: none"> Gasoline Tax, Special Fuels Tax and Motor Carrier Road Tax Distributors required to pay on the 25th calendar day of each month based on gallons of fuel used or sold during the preceding month 	\$ 509.7	Monthly
Oil Companies Tax	<ul style="list-style-type: none"> 8.1% of the gross earnings from petroleum sales 	313.1	Quarterly
General Retail Sales and Use Tax	<ul style="list-style-type: none"> Sales and Use Tax imposed under Sections 12-408(1)(A) and 12-411(1)(A) of the Connecticut General Statutes 	370.6	Monthly
Motor Vehicle Receipts	<ul style="list-style-type: none"> Fees collected for licenses and services provided by the DMV 	250.4	Daily
Licenses, Permits and Fees	<ul style="list-style-type: none"> Fees levied for certain permits issued and services provided by the State for transportation purposes Certain traffic fines 	150.1	Daily
Sales Tax – DMV	<ul style="list-style-type: none"> The tax imposed on casual sales of motor vehicles, vessels, snowmobiles and aircraft 	87.3	Monthly
Other	<ul style="list-style-type: none"> Interest income and Federal Build America Bond Subsidy receipts Refunds and Transfers to and from other Funds 	49.7 (42.6)	As due/monthly
TOTAL PLEDGED REVENUES		\$1,688.1	

*Figures may not add due to rounding.

Percentages are based on the total pledged revenues prior to refunds and transfers



COVID-19 IMPACT ON STF REVENUE PROJECTIONS ARE MANAGEABLE

STF Revenues (\$ in Millions)	Fiscal Year 2020 (Ending June 30)		Change	Percent Change
	January 15, 2020 Forecast	April 30, 2020 Forecast		
Motor Fuels Tax	\$513.4	\$482.5	(\$30.9)	-6.0%
Oil Companies Tax	304.0	245.5	(58.5)	-19.2%
Sales and Use Tax	417.4	387.2	(30.2)	-7.2%
Motor Vehicle Receipts	280.1	260.1	(20.0)	-7.1%
LPF Revenue	145.5	143.0	(2.5)	-1.7%
Sales Tax - DMV	88.5	84.0	(4.5)	-5.1%
Federal Payments	12.1	12.1	-	-
Interest Income	34.1	22.3	(11.8)	-34.6%
Transfers from/(to) Other Funds	(35.5)	(35.5)	-	-
Refunds	(29.3)	(35.3)	(6.0)	-20.5%
TOTAL NET PLEDGED REVENUES	\$1,730.3	\$1,565.9	(\$164.4)	-9.5%

**Figures may not add due to rounding.*



FINANCIAL ASSUMPTIONS AND PROJECTIONS REMAIN CONSERVATIVE

- FY 2020-2024 revenue estimates reflect adopted revenues contained in PA 19-117, the April 30, 2020 Consensus Revenue Estimate
- COVID-19 revenue impact is included in the STO forecast to the extent practical

Estimated Revenue for FY 2020

- -7.6% growth for Motor Fuels Tax Receipts
- -21.5% growth for Oil Companies Tax Receipts
- -4.7% growth for General Retail Sales Tax Revenue
- 3.9% growth for Motor Vehicle Receipts and -4.8% growth for License, Permits & Fees

Estimated Revenue for FY 2021

- 3.9% growth for Motor Fuels Tax Receipts
- -12.6% growth for Oil Companies Tax Receipts
- -5.8% growth for General Retail Sales Tax Revenue
- 25.3% growth for Motor Vehicle Receipts and 2.5% growth for License, Permits & Fees

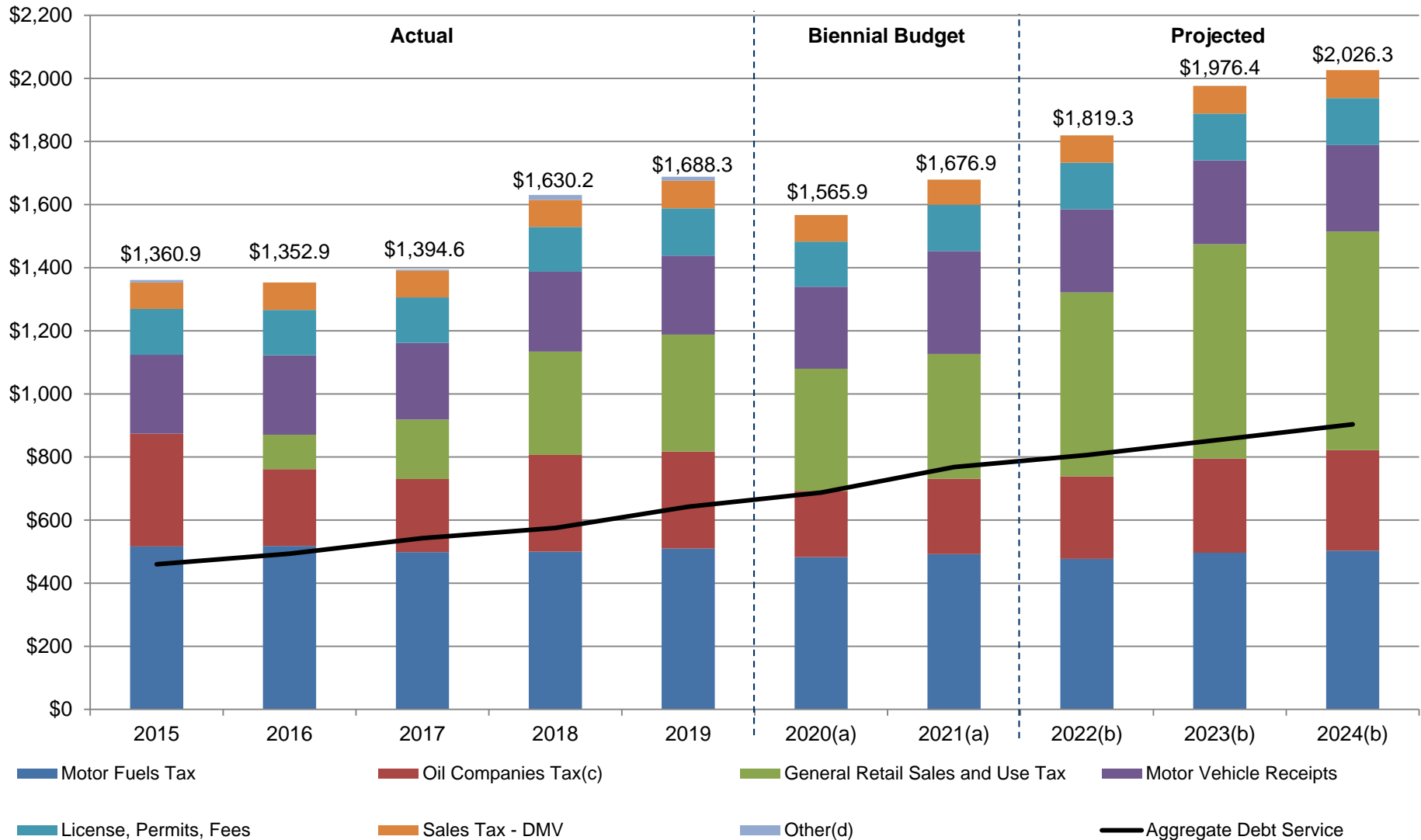
Projected Revenue for FY 2022-2024

- Motor Fuels Tax Receipts: 1.5% (FY2022); 0.3% (FY2023); 0% (FY2024)
- Oil Companies Tax Receipts: 24.5% (FY2022); 14.1% (FY2023); 6.4% (FY2024)
- General Retail Sales Tax Revenue: 4.2% (FY2022); 2.5% (FY2023); 2.5% (FY2024)
- Motor Vehicle Receipts: -19.1% (FY2022); 0.8% (FY2023); 3.3% (FY2024)
License, Permits & Fees: 0.7% (FY2022); 0.4% (FY2023); 0.4% (FY2024)



TOTAL PLEDGED REVENUES HAVE BEEN STABLE AND ARE PROJECTED TO GROW

Pledged Revenues (\$ millions)



(a) Per the Office of Policy and Management's letter of April 30, 2020, which revised the letter of April 20, 2020, for the period ending June 30, 2020.

(b) Pursuant to the April 30, 2020 consensus revenue estimate.

(c) For graphical purposes, oil companies taxes have been netted with transfers to/from other funds

(d) Other revenues are comprised of Federal Build America Bond subsidy receipts, interest income, and refunds of taxes.



ACTUAL AND PROJECTED STF REVENUES, DEBT SERVICE AND EXPENDITURES

(\$ in Millions)	Fiscal Year Ending June 30									
	2015(a)	2016(a)	2017(a)	2018(a)	2019(a)	2020(b)	2021(c)	2022(c)	2023(c)	2024(c)
Actual & Projected Revenues	Actual					Biennial Budget		Projected		
Motor Fuels Tax ^(d)	516.6	518.2	498.5	499.8	509.7	482.5	492.0	477.3	496.3	503.1
Oil Companies Tax ^(d)	337.9	250.0	238.4	312.5	313.1	245.5	214.5	267.0	304.7	324.1
Sales and Use Tax ^(d)	--	109.0	188.4	327.5	370.6	387.2	395.8	582.9	679.1	692.8
Motor Vehicle Receipts ^(d)	249.5	251.5	242.9	253.1	250.4	260.1	325.9	263.5	265.6	274.4
LPF Revenue ^(d)	145.4	143.9	144.0	141.9	150.1	143.0	146.6	147.6	148.2	148.8
Sales Tax - DMV ^(d)	83.9	87.2	85.0	85.9	87.3	84.0	79.8	86.5	87.8	88.7
Federal Payments ^(d)	12.1	12.2	12.2	12.2	12.3	12.1	11.8	11.0	10.1	9.2
Interest Income ^(d)	6.9	8.2	9.0	17.7	37.4	22.3	6.2	9.6	11.3	12.5
Transfers from/(to) Other Funds ^(e)	34.7	(6.5)	(6.5)	(5.5)	(5.5)	(35.5)	24.5	(5.5)	(5.5)	(5.5)
Transfers to Transportation Strategy Board ^(f)	(15.0)	-	-	-	-	-	-	-	-	-
Total Revenues	1,372.0	1,373.6	1,411.7	1,645.0	1,725.2	1,601.2	1,697.1	1,839.9	1,997.6	2,048.1
Refunds	(11.1)	(20.8)	(17.3)	(14.9)	(37.1)	(35.3)	(20.2)	(20.6)	(21.2)	(21.8)
Total Net Revenues	1,360.9	1,352.8	1,394.4	1,630.1	1,688.1	1,565.9	1,676.9	1,819.3	1,976.4	2,026.3
Actual & Projected Debt Service and Expenditures										
Debt Service on the Bonds ^(g)	459.9	493.3	542.6	575.0	642.2	687.1	768.0	806.3	854.8	903.4
Debt Service on Transportation related General Obligation Bonds ^(h)	0.1	0.6	0.6	-	-	-	-	-	-	-
DOT Budgeted Expenses ⁽ⁱ⁾	593.5	603.5	592.8	639.9	677.7	707.4	719.8	763.1	785.7	809.1
DMV Budgeted Expenses ^(j)	64.0	65.4	62.6	59.7	66.2	64.4	70.9	73.7	76.7	79.8
Other Budget Expenses ^(k)	212.7	213.0	227.4	195.8	206.1	243.0	256.0	281.6	307.5	316.5
Program Costs Paid from Current Operations	19.7	14.1	13.6	11.5	21.5	15.7	13.7	14.0	14.3	14.7
Estimated Unallocated Lapses ^(l)	-	-	-	-	-	-	(12.0)	(12.0)	(12.0)	(12.0)
Total Expenditures	1,349.9	1,389.9	1,439.6	1,482.0	1,613.8	1,717.6	1,816.4	1,926.7	2,027.0	2,111.5
Excess (Deficiency)	11.0	(37.2)	(45.2)	148.1	74.4	(151.7)	(139.5)	(107.4) ^(m)	(50.6) ^(m)	(85.2)
Revised Cumulative Excess (Deficiency)	180.0	142.8	97.6	245.7	320.1	168.4	28.9	(78.5)	(129.1)	(214.3)

*Figures may not add due to rounding.

Cumulative Surplus

- \$320.1 million cumulative surplus provides ample liquidity to balance COVID-19 impact in FY20-21

Balanced Budget Requirement

- General Assembly is Constitutionally required to adopt a balanced biennial budget for the next biennium

Footnotes included at the end of presentation



MULTI-AGENCY TEAM COORDINATED TO MANAGE RESPONSE TO COVID-19

- Since early March, multi-agency collaboration to study short-term liquidity and formulate plans for a structurally balanced budget in the out years
- Ample liquidity, federal funding operating cost offsets, revenue enhancement and expense reduction tools to manage COVID-19 impact

FY 20-21 Strategies – Strong Liquidity (Current Biennial Budget)

- Utilize robust STF Cumulative Reserves
 - FY 2019 \$320.2 million = 20% of budget
- Leverage federal CARES Act funding
 - Reduce/negate increased subsidy for transit
- Strategies effectively manage projected revenue decline as a result of COVID-19 health crisis

FY 22-24 – Balanced Budget Requirement (Out year Projections)

- Spring 2021 – Regular Session – Adopt a new Biennial Budget for STF (FY 2022 and FY 2023)
- Add new stable revenues that reinforce a broad-based revenue pledge
- Increase current revenues
- Reduce program expenditures or debt issuance
 - Operating Expenses
 - Debt Service

The CARES Act (Federal Funding)

State of Connecticut **\$1.382 billion**

CT DOT **\$487.5 million**

FTA Sect 5307:

Hartford UZA **\$85.7 million**

Hartford \$78.8 million

Springfield \$6.2 million

Worcester \$0.7 million

New Haven UZA **\$65.1 million**

Bridgeport-Stamford UZA **\$250.8 million**

Bridgeport-Stamford \$79.9 million

NY-NJ-CT \$170.9 million

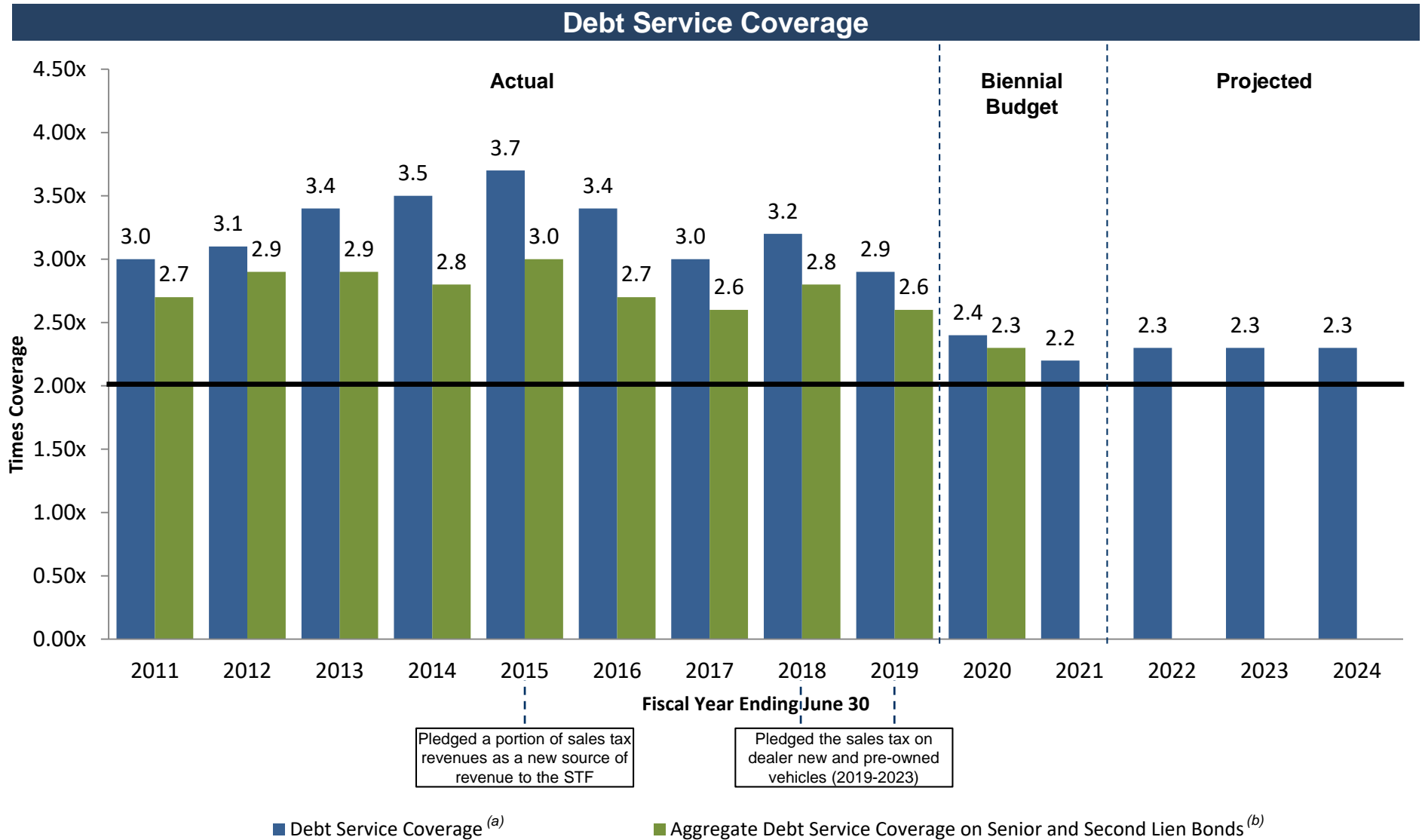
Norwich-New London UZA **\$10.3 million**

Governor Area UZA **\$65.5 million**

FTA Sect 5311: **\$10.1 million**



STO HAS HISTORICALLY MAINTAINED STRONG DEBT SERVICE COVERAGE



(a) Debt Service Coverage reflects actual and projected aggregate debt service coverage for outstanding and projected future issuance.

(b) As of April 7, 2020, there are no outstanding Second Lien Bonds



STRONG TRACK RECORD OF ADDING TO PLEDGED REVENUES AND RESIZING ANNUAL ISSUANCE BASED ON THE REVENUES OF THE STF

- Conservative forecasting supports STO's DSC outperformance (orange=projection; green=actual)
- The State has covenanted to levy sufficient taxes and fees to provide DSC and sufficient pledged revenue to meet at minimum 2.0x DSC at the end of each fiscal year
- 15-year history of meeting or exceeding out year debt service coverage projections

Actual Compared to Projected Debt Service Coverage																					
Series	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2002 A	2.40x	2.30x	2.30x	2.20x	2.10x	2.10x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2002 B	2.40x	2.40x	2.30x	2.20x	2.20x	2.20x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2003 A	-	-	2.20x	2.30x	2.30x	2.20x	2.20x	2.20x	-	-	-	-	-	-	-	-	-	-	-	-	-
2003 B	-	-	2.10x	2.30x	2.30x	2.30x	2.30x	2.30x	-	-	-	-	-	-	-	-	-	-	-	-	-
2004 AB	-	-	2.10x	2.30x	2.30x	2.30x	2.30x	2.30x	-	-	-	-	-	-	-	-	-	-	-	-	-
2005 A	-	-	-	2.30x	2.40x	2.40x	2.40x	2.50x	2.50x	2.50x	-	-	-	-	-	-	-	-	-	-	-
2007 A	-	-	-	-	-	2.50x	2.70x	2.80x	2.70x	2.60x	2.60x	2.50x	-	-	-	-	-	-	-	-	-
2008 A	-	-	-	-	-	-	2.70x	2.60x	2.70x	2.50x	2.50x	2.50x	-	-	-	-	-	-	-	-	-
2008 1	-	-	-	-	-	-	2.70x	2.60x	2.60x	2.50x	2.50x	2.40x	-	-	-	-	-	-	-	-	-
2009 1	-	-	-	-	-	-	-	2.60x	2.60x	2.50x	2.50x	2.40x	-	-	-	-	-	-	-	-	-
2009 ABC	-	-	-	-	-	-	-	2.60x	2.50x	2.60x	2.60x	2.60x	2.80x	2.80x	-	-	-	-	-	-	-
2010 ABC	-	-	-	-	-	-	-	-	2.50x	2.60x	2.70x	2.60x	2.70x	2.70x	-	-	-	-	-	-	-
2011 AB	-	-	-	-	-	-	-	-	-	2.60x	2.70x	2.80x	2.80x	2.80x	2.70x	2.60x	-	-	-	-	-
2012 AB	-	-	-	-	-	-	-	-	-	-	2.70x	2.90x	2.90x	2.90x	2.80x	2.70x	-	-	-	-	-
2013 A	-	-	-	-	-	-	-	-	-	-	-	2.90x	2.90x	2.80x	2.80x	3.00x	2.80x	2.60x	-	-	-
2014 AB	-	-	-	-	-	-	-	-	-	-	-	-	2.90x	2.80x	2.90x	3.10x	2.80x	2.60x	-	-	-
2015 AB	-	-	-	-	-	-	-	-	-	-	-	-	-	2.80x	3.00x	2.90x	2.90x	2.80x	2.60x	2.40x	-
2016 AB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.00x	2.80x	2.70x	2.70x	2.50x	2.30x	-
2018 A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.60x	2.70x	2.50x	2.40x	2.30x
2018 BC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.60x	2.80x	2.60x	2.60x	2.50x



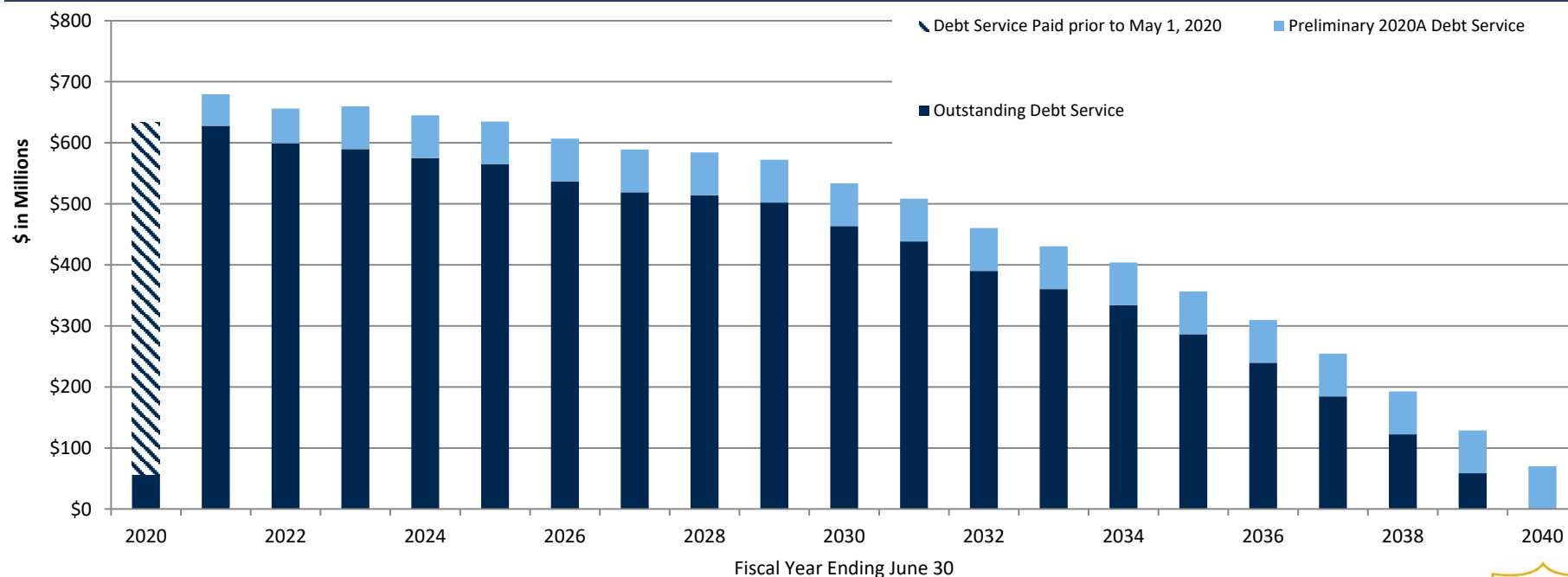
MANAGEABLE OUTSTANDING DEBT AND 2020 SERIES A NEW MONEY

- As of May 1, 2020 there are \$5.575 billion of Senior Lien Special Tax Obligation Bonds outstanding^(a)
- 100% of STO debt is fixed rate with no derivative exposure
- 63.2% of outstanding STO principal will be retired within the next 10 years, providing significant capacity for future capital spending
- 2020 Series A New Money*
 - 20-year level debt
 - Serial Maturities 2021-2040

Sources and Uses of Funds*

Sources	2020A
Par Amount	\$850,000,000
Premium	160,387,146
Total Sources	\$1,010,387,146
Uses	
Infrastructure Improvement Fund	\$950,294,543
Debt Service Reserve Account Deposit	55,617,603
Cost of Issuance	650,000
Underwriter's Discount	3,825,000
Total Uses	\$1,010,387,146

Aggregate Debt Service



*Preliminary, subject to change.

(a) As of April 7, 2020, there are no outstanding Second Lien Bonds



EXPECTED TRANSACTION TIMING AND CONTACT INFORMATION

May 2020						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

■ Key Financing Date

■ Holiday

■ US Economics

Key Contacts	Timing*	Other Working Group Members
<p>State of Connecticut (OT) Peter McAlpine <i>Principal Debt Mgt. Specialist</i> Debt Management Division Office Number: 860-702-3257 Email: peter.mcalpine@ct.gov</p> <p>Bookrunning Senior Manager Natasha Holiday <i>Managing Director</i> RBC Capital Markets Office Number: 212-618-5637 Email: natasha.holiday@rbccm.com</p> <p>Annette Palen <i>Associate</i> RBC Capital Markets Office Number: 212-618-3226 Email: annette.palen@rbccm.com</p>	<p>May 7th and May 8th Rating Agency Discussions</p> <p>Friday, May 8th POS Mailed</p> <p>Thursday, May 14th Ratings Received</p> <p>Monday, May 18th Retail Pricing</p> <p>Tuesday, May 19th Institutional Pricing</p> <p>Friday, May 29th Closing</p>	<p>Co-Bond Counsel Pullman & Comley, LLC Lewis & Munday</p> <p>Financial Advisor Robert Rodriguez <i>Director</i> Public Financial Management Office Number: 646-561-0710 Email: rodriguezr@pfm.com</p> <p>Mark Gooding <i>Managing Director</i> Estrada Hinojosa Office Number: 212-946-4926 Email: mgooding@ehmuni.com</p> <p>Co-Underwriters' Counsel Squire Patton Boggs (US) LLP Law Offices of Joseph C. Reid</p>

*Preliminary, subject to change.



ACTUAL AND PROJECTED STF REVENUES, DEBT SERVICE AND EXPENDITURES

- a) Actual per Comptroller's Annual Reports, presented to conform to budgetary categories. Certain fiscal year 2015 expenditures were adjusted to reflect the conversion to GAAP budgeting in fiscal year 2014. See footnotes (i), (j) and (k) below.
- b) Per the Office of Policy and Management's letter of April 30, 2020, which revised the letter of April 20, 2020, for the period ending June 30, 2020.
- c) Pursuant to the April 30, 2020 consensus revenue estimate.
- d) See "Discussion of Projected Pledged Revenues," footnotes to Table 3, and "Description of Revenue Sources of the Special Transportation Fund" in the preliminary official statement.
- e) Pursuant to C.G.S. Section 14-164m, \$6.5 million will be transferred annually from the Special Transportation Fund to the Emission Enterprise Fund. Section 671 of Public Act 17-2 of the June Special Session reduces the Emission Enterprise Fund transfer to \$5.5 million beginning October 1, 2017. In fiscal year 2015, pursuant to C.G.S. Section 13b-61a(c), a transfer of \$41.2 million was required from the General Fund to fully fund the statutorily required transfer amount for the Oil Companies Tax. No further transfers from the General Fund are provided for statutorily. Pursuant to section 371 of Public Act 19-117, a transfer of \$30 million from the Special Transportation Fund will occur in fiscal year 2020 to be used as revenue for the Special Transportation Fund in fiscal year 2021.
- f) Public Act 05-4 instituted a transfer from the resources of the Special Transportation Fund to the State Transportation Strategy Board projects account of the Special Transportation Fund (the "TSB Projects Account") in the amount of \$15.3 million in each of fiscal years 2009-2015 and \$0.3 million thereafter. Public Act 11-6 reduced the transfer to the TSB Projects Account by \$0.3 million annually, thereby reducing the transfer to \$15.0 million in fiscal years 2012-2015 and eliminating it thereafter.
- g) These figures represent Principal and Interest Requirements on special tax obligation bonds, and include the Bonds listed in the table under "Debt Service On Outstanding Bonds" excluding Principal and Interest Requirements on refunded Bonds. The figures also reflect the issuance of additional bonds with level debt service and a twenty year final maturity in the principal amount and at the average interest costs for each of the following fiscal years: \$850 million at 5.0% for fiscal year 2020; \$875 million at 5.25% for fiscal year 2021; \$875 million at 5.5% for fiscal year 2022; \$875 million at 5.75% for fiscal year 2023; and \$875 million at 5.75% for fiscal year 2024. Such amounts for additional bonds, and the projected Debt Service on the Bonds, reflect adjustments made in projected expenditures funded by the Special Transportation Fund. See "The Department of Transportation – Implementation of and Funding for the Infrastructure Program" in the preliminary official statement. Includes budgeted amounts for actual and estimated rebate liability on the Bonds under the Code, as well as ancillary banking and auditing fees. Assumes no issuance of Notes.
- h) Represents payment of that portion of debt service on outstanding general obligation bonds which bear the same ratio to all such debt services as the sum of the amount of bond authorization allocated to the Department by the State Bond Commission in each year that such bonds were issued bears to the total amount of general obligation bonds authorized by the State Bond Commission during all such years.
- i) The major components of the Department's annual budgeted and projected expenses are payments for (i) the rail and bus subsidy; (ii) State highway maintenance costs; (iii) aid to towns for local highway and repair maintenance; and (iv) salaries, data processing and other general administrative costs. In fiscal year 2015, DOT expenses were adjusted by \$11.8 million to reflect the conversion to GAAP budgeting in fiscal year 2014. Certain contingent liabilities arising from defective highway lawsuits are not included in the projected amounts of annual budgeted expenses. See "Litigation" in the preliminary official statement. The adopted fiscal year 2016 and fiscal year 2017 budgets include \$3.3 million and \$2.3 million, respectively, related to the Connecticut Airport Authority. See "Organization and Responsibilities-Former Bureau of Aviation/Connecticut Airport Authority" in the preliminary official statement.
- j) In fiscal year 2015, DMV expenses were adjusted by \$1.8 million to reflect the conversion to GAAP budgeting in fiscal year 2014.
- k) Represents the cost of fringe benefits, pension costs and salary adjustments for the Department, the DMV and the Department of Energy and Environmental Protection. In fiscal year 2015, Other Budget Expenses were adjusted by \$6.6 million to reflect the conversion to GAAP budgeting in fiscal year 2014.
- l) The Special Transportation Fund budget includes amounts for unallocated lapses to recognize that not all budget expenditures will be fully expended and will lapse for budget purposes. The unallocated lapse is reduced by a corresponding amount as agency lapses are identified within specific accounts.
- m) Pursuant to Section 18 of Article Third of the Constitution of the State of Connecticut, C.G.S. Section 13b-77(c)(6) and Section 7.1(6) of the Senior Indenture (see "Appendix D-Covenants"), the General Assembly is required to adopt a balanced budget for the Special Transportation Fund for the fiscal year 2022 and fiscal year 2023 biennium.

