



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

FOR IMMEDIATE RELEASE: Tuesday, March 31, 2021

CONTACT: Office of the Treasurer, michelle.woods-matthews@ct.gov

STATE TREASURER WOODEN ANNOUNCES FIRST CREDIT RATING UPGRADE FOR CONNECTICUT IN OVER 20 YEARS

*MAJOR CREDIT RATING AGENCY SENDS STRONG SIGNAL THAT CONNECTICUT IS HEADED ON
THE RIGHT PATH TOWARD A STRONG ECONOMIC RECOVERY*

Hartford, CT – Today, Connecticut State Treasurer Shawn T. Wooden announced that Moody's Investors Service has upgraded Connecticut's General Obligation bonds credit rating from "A1" to "Aa3", the first such credit rating upgrade for Connecticut in just over 20 years. The rating upgrade impacts \$16 billion of General Obligation bonds, \$1.7 billion of University of Connecticut bonds (upgraded from A1 to Aa3 also), as well as approximately \$6 billion of Special Tax Obligation bonds issued for transportation purposes (upgraded from A1 to Aa3 also). In addition, other state backed bond issued by quasi-public agencies are also upgraded.

"This rating upgrade is exceptional news for Connecticut and sends a clear signal that its improved long-term financial sustainability will contribute towards a strong economic recovery," said Treasurer Shawn Wooden. "The State's first credit rating upgrade in over 20 years is a direct result of our smart fiscal policies practiced during the past few years that have led to Connecticut having a record high Budget Reserve Fund and a strong cash position. Connecticut will now have the ability to access funding for critical infrastructure investments at even more attractive interest rates which will strengthen our economic recovery and save taxpayer dollars in the long-term."

The Moody's change comes a few months after Treasurer Wooden and Office of Policy and Management Secretary Melissa McCaw made presentations to all four credit rating agencies on November 30 and December 1, 2020.

During recent meetings with credit rating agencies, Treasurer Wooden said, "In May 2017, the State's credit rating slipped to single "A" credit rating category. I think I speak for all of us when I say Connecticut is not comfortable being in the single "A" credit rating category and, FYI, we will never be comfortable there."

The presentations highlighted the State's improving economy and fiscal controls and included a comparison of Connecticut's reserves, liquidity, debt levels, pension funding, employment, housing market indicators as well as other data as compared to other higher-rated states.

“This credit rating upgrade is another major step in the right direction toward improving Connecticut’s credit ratings, a personal goal of mine since coming into office in 2019 and one that will improve Connecticut’s long-term financial sustainability,” said Treasurer Wooden. “I hope to see other credit rating agencies follow. The next step is to continue building a stable foundation for future growth and financial sustainability as we emerge from the COVID crisis.”

Moody’s press release said, “The upgrade of Connecticut’s GO rating to “Aa3” reflects the state’s continued commitment to numerous governance improvements that have already borne fruit in the accumulation of significant budgetary reserves and good financial performance through the pandemic.”

The State is preparing to sell up to \$800 million of General Obligation bonds in May and June 2021.

The other three credit rating agencies’ General Obligation credit ratings and outlooks are S&P Global Ratings at “A” with a stable outlook, Fitch Ratings at “A+” with a stable outlook, and Kroll Bond Rating Agency at “AA-” with a stable outlook.

###

About the Office of the State Treasurer

Under the leadership of Connecticut’s State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state’s financial resources and taxpayers’ dollars, while maximizing returns and minimizing risks and operating at the highest professional and ethical standards. Through investments and disbursements, the Office continues to enhance the state’s fiscal stability, financial literacy, college and disability savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity in economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).