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STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

TREASURER WOODEN ANNOUNCES SUCCESSFUL \$800 MILLION GENERAL OBLIGATION BOND SALE

CT Moves Forward on “Social Bonds” Program while Saving Taxpayers Millions with 20-Year Borrowing Below 2%

Hartford, CT – Today, Connecticut State Treasurer Shawn T. Wooden announced the results of the successful \$800 million State of Connecticut General Obligation (GO) bond offering. The sale included \$500 million of Series A bonds to fund capital improvements and grant programs across Connecticut. It also included \$300 million of Series B “Social Bonds” to fund the State’s socially progressive school construction program.

Orders and Interest Cost

Treasurer Wooden prioritized retail investors during a dedicated retail-only order period on Monday, December 13. Retail orders during this priority period totaled \$241 million. Combined orders from retail and institutional investors on the bonds exceeded \$1.5 billion, surpassing the bonds offered and contributing to the low 1.98% borrowing cost on the 20-year bond sale.

“Our bond sales continue to generate greater investor demand since achieving credit rating upgrades this spring for the first time in over two decades,” said Treasurer Shawn Wooden. “That allows us to borrow at lower interest rates, saving taxpayers millions of dollars.”

“Our General Obligation bond sale results are another indication that the State’s smart fiscal policies over the past few years are working successfully,” said Treasurer Shawn Wooden. “Moreover, our recent additional contribution of \$1.6 billion to pay down our unfunded pension liabilities demonstrates our commitment to responsibly managing the State’s long-term liabilities, which is applauded both by credit rating agencies and investors alike.”

The Series A Bonds

The \$500 million of Series A bonds will fund:

- \$81.6 million for State University Improvements
- \$68.4 million for Department of Correction Improvements
- \$65.4 million for Grants to Municipalities

- \$56.8 million for Grants to Not-for-Profits and other Entities
- \$37.3 million for State Equipment and State Building Improvements
- \$35.0 million for the Local Capital Improvement Program (LOCIP)
- \$20.0 million for the Crumbling Foundations Program
- \$18.5 million for the Strategic Defense Investment Program
- \$16.9 million for Information Technology Investments
- \$16.3 million for Clean Water and Drinking Water Grants
- \$15.0 million for Grants in Aid to Alliance School Districts
- \$68.8 million other Miscellaneous Purposes

The Series B Social Bonds

The \$300 million Series B bonds are designated and marketed as “Social Bonds” to fund local school construction grants across the State.

Social Bonds are investment vehicles that finance socially beneficial projects. The Connecticut Social Bond series were sold consistent with the International Capital Market Association’s (ICMA) Social Bond Principles, intentionally aligning with Goal 4 - Quality Education of the United Nations Sustainable Development Goals. Prior to the sale, the State engaged with (or) pre-marketed with five large Environmental, Social, and Governance (ESG) investors about the State’s Social Bonds program.

The State’s Social Bonds program currently focuses on school construction. In May 2021, the State issued its aural issuance of Social Bonds. This \$300 million Series B bond sale is the State’s second issuance of the program. In the future, the State plans to use Socials Bonds to finance two major new social impact bonding programs approved by the Legislature in its 2021 session.

Summary of GO Credit Ratings

Prior to the sale, all four major credit rating agencies affirmed the State’s GO bond credit rating with Stable outlooks.

Earlier this year, all four major credit rating agencies upgraded the State’s GO bond credit ratings. On March 31, Moody’s Investors Service upgraded Connecticut’s GO bond credit rating from “A1” to “Aa3”. On May 13, S&P Global Ratings upgraded Connecticut’s GO bond credit rating from “A” to “A+”. Also, on May 13, Kroll Bond Ratings upgraded Connecticut’s GO bond credit rating from “AA-” to “AA”. And finally, on May 14, Fitch Ratings upgraded Connecticut’s GO bond credit rating from “A+” to “AA-”.

Barclays led the bond underwriting syndicate that sold the bonds. The bonds are scheduled to close on January 6, 2022.

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