



Erick Russell

CONNECTICUT STATE TREASURER

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Treasurer Russell Announces Successful \$936 Million Bond Sale Including School Construction “Social Bonds”

Hartford, CT – Connecticut Treasurer Erick Russell announced the results of a successful \$936 million State of Connecticut General Obligation (GO) Bond offering on Wednesday. The bonds will fund a variety of capital improvements and grant programs across Connecticut including \$440 million for school construction and grants to educational institutions.

“Bond sales help shape the future of our state and make key investments in what we value most,” said **Treasurer Russell**. “This sale will fund the construction of schools, support our education system, strengthen local infrastructure, and uplift programs benefitting residents across the state. Demand from investors generated orders far exceeding the bonds offered during this sale, demonstrating Connecticut’s sustained strength in the market.”

Of the \$800 million in new money bonds, \$240 million were offered as “Social Bonds” dedicated to school construction. An additional \$136 million of bonds will refinance existing debt, saving taxpayers approximately \$15 million over the coming decade.

About the Sale

The \$800 million new money bond offering consisted of \$560 million of 2024 Series F Tax-Exempt Bonds and \$240 million 2024 Series G Tax-Exempt Social Bonds. In addition, \$136 million of 2024 Series H Tax-Exempt bonds were sold to refund two series of outstanding callable General Obligation bonds.

Retail Order Period

Treasurer Russell gave retail investors priority on the bonds during a dedicated one-day retail-only order period on Tuesday, October 8. The state worked with a Connecticut marketing firm, Miranda Creative, to advertise the sale through print and digital media culminating in retail orders totaling \$322 million, including \$121 million from Connecticut investors.

Orders and Interest Cost

Despite volatility in the municipal bond market earlier in the week, the state attracted more than \$2.9 billion in total orders from both retail and institutional investors, exceeding by nearly three times the amount of bonds being offered. The Social Bonds were particularly attractive to investors, securing \$1.4 billion in total orders. This significant investor response is an indication of Connecticut's growing strength in the market following multiple credit rating upgrades and positive outlooks in recent years and produced a 3.50% borrowing cost on the 20-year 2024 Series F and G Bonds and a 2.85% borrowing cost on the ten-year 2024 Series H Refunding Bonds. These lower borrowing costs make state investments in capital improvements and grant programs more cost-effective for taxpayers.

Projects Funded:

The 2024 Series F and 2024 Series G Social bonds will fund:

- \$240.0 million for School Construction
- \$200.0 million for Grants to Schools and Higher Education
- \$112.6 million for Grants-in-Aid to Municipalities for Qualified Infrastructure Projects
- \$ 68.9 million for Health Centers and Mental Health Facilities
- \$ 58.4 million for Improvements to State-owned facilities
- \$ 45.0 million for State Grants for Clean Water Projects
- \$ 30.5 million for University of Connecticut Nursing Program Facility
- \$ 15.1 million for Economic and Community Development
- \$ 8.6 million for Connecticut Manufacturing Innovation Fund
- \$ 6.5 million for Grants and Loans to Non-Profit Organizations
- \$ 5.0 million for Crumbling Foundations Assistance Program
- \$ 3.5 million for the Neighborhood Revitalization Investment Program
- \$ 3.0 million for Connecticut Convention Center upgrades
- \$ 2.9 million for Grants for Improvements to Ports, Harbors, and Marinas

Summary of GO Credit Ratings

Prior to the bond sale, all four credit rating agencies affirmed the State's GO credit ratings. Moody's Investors Service affirmed its "Aa3" rating, with a Positive Outlook; S&P Global Ratings affirmed its "AA-" rating, with a Stable Outlook; Fitch Ratings affirmed its "AA-" rating, with a Positive Outlook, and Kroll Bond Ratings affirmed its "AA+" rating with a Stable Outlook.

Siebert Williams Shank & Co., LLC led the bond underwriting syndicate that sold the bonds, which are scheduled to close on October 23, 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 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.