

# The Hartford Courant

Letters To The Editor

December 10, 2014

## Nothing Deceptive About State Bond Premiums

The Courant editorial "Bad Borrowing" [Dec. 8] could have benefited from some good old-fashioned reporting before it mischaracterized the way in which the state sells its bonds as "deceptive." Perhaps The Courant could have spoken with the state treasury before running with the "worthwhile idea" to require monthly disclosure of bond premiums.

Bond premiums are a market phenomenon responding to what investors demand in a low interest rate environment to defend against rising interest rates and certain consequential provisions in the federal tax code. My administration's timing and structure of bond issues are not driven by the need to generate revenue to pay operating expenses.

Because these premiums are subject to certain market conditions, they should not be budgeted before received. As soon as we book the premiums, the treasury reports the amount to the Office of Policy and Management and the Office of Fiscal Analysis, a non-partisan legislative office.

Rather than duplicate information already being reported, I plan to propose legislation, as I did in 2005, that would allow premiums to be used to fund capital projects already authorized for bonding. In this way, we can cut down on borrowing while continuing critical investment in the state's infrastructure. I invite state Sen. Len Fasano, Rep. Vincent Candelora, and other members of the General Assembly to join me in advocating for its passage.

**Denise L. Nappier, Hartford**

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