



The Office Of State Treasurer
Denise L. Nappier

News

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CREDIT RATINGS FOR STATE BONDS AFFIRMED; CREDIT OUTLOOKS DIFFER *Treasurer Nappier Announces Bond Sale*

HARTFORD, CT – State Treasurer Denise L. Nappier announced today that the four major credit rating agencies have reviewed and reaffirmed the bond ratings for the State’s General Obligation bonds.

Moody’s Investors Service, Standard & Poor’s, Fitch Ratings and Kroll Bond Ratings each have announced that Connecticut’s General Obligation bond ratings will remain rated at Aa3 in the case of Moody’s and AA by the other agencies.

Two of the credit rating agencies, Moody’s and Kroll, placed the State’s General Obligation bonds on negative outlook. Fitch affirmed its stable outlook, while Standard & Poor’s continued its negative outlook, first put in place in March 2015. A “negative outlook” generally means that a credit rating will be under review for one to two years.

“Today’s news is bittersweet, no doubt. While there is the good news that the State’s ratings remain unchanged -- which demonstrates continued confidence in our creditworthiness -- the Moody’s and Kroll negative outlooks further emphasize the need to fortify the State’s fiscal footing,” said Treasurer Nappier.

Nappier added, “There was at least some recognition of the State’s credit positives including Connecticut’s having the highest per capita income in the nation and strong governance that speaks to the soundness of Connecticut’s fiscal management.

“It is my belief that the decisive actions that our administration is taking to bring our expenditures in line with both current and future revenues will help to address rating agency concerns going forward. The Governor has called for across-the-board cuts of all state agencies which will require a permanent reduction in the State’s workforce, one of the most difficult steps for any employer to take. And the Governor has also assembled a Task Force to take a fresh look at our method of funding our long-term pension liabilities with an eye toward making them more affordable and sustainable.”

“While our State does have a way to go to achieve full, sustainable economic recovery over the long haul, we have nonetheless demonstrated a steadfast commitment to consistent and full funding of the State’s long-term liabilities.” said Treasurer Nappier.

The rating news comes in advance of an upcoming \$550 million tax-exempt General Obligation bond sale being offered this month. There will be an exclusive order period for retail investors on March 15 and pricing for institutional investors on March 16.

The proceeds will be used to fund \$335.7 million of state building projects and other purposes, \$93.6 million in various grant programs, \$75.7 million in improvements to Connecticut colleges and universities, \$30 million in Town Road Aid, and \$15 million for the Local Capital Improvement Program.

Day Pitney LLP and Finn Dixon & Herling LLP are serving as disclosure counsel for the General Obligation sale, with Robinson & Cole LLP and Soeder & Associates, LLC serving as tax counsel. Acacia Financial Group, Inc. and A.C. Advisory are acting as financial advisors for the sale.

More information on the bond offering and the Official Statement is available at www.buyCTbonds.com.

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