



The Office Of State Treasurer
Denise L. Nappier

Statement

FOR IMMEDIATE RELEASE
April 27, 2018

STATEMENT OF STATE TREASURER DENISE L. NAPPIER CONCERNING THE CONTRACT ASSISTANCE AGREEMENT WITH HARTFORD AND ITS IMPACT ON THE STATE'S DEBT LIMIT

“Despite public statements to the contrary, the State’s debt limit is not at risk of being exceeded due to the contract assistance agreement with Hartford and there is no cause for concern about any delays in issuing bonds after July 1. We have adequate bonding capacity. Indeed, my administration’s current estimate is that there would be room under the limit for more than \$2 billion of additional authorizations.

Even if the State's debt level exceeds 90 percent of the debt limit, future bond authorizations would not have to be delayed and certainly taxes would not have to be increased. Exceeding the 90 percent level only requires the Governor to recommend reductions to authorizations. It does not limit any bond-related activity nor require any legislative remedies. The State can still issue bonds until debt levels hit 100 percent of the debt limit. Neither the Treasury nor the Office of Fiscal Analysis has indicated that the debt limit has been exceeded or is projected to be exceeded.

In essence, the contract assistance agreement is a non-issue in terms of the State’s debt limit. I suggest that colleagues in the executive and legislative branches should first consult with the Treasurer’s Office as the State’s public finance arm before any public assertions on complex issues such as the debt limit. I appreciate Rep. Klarides writing to this Office, but recommend that all of us exercise care when speaking publicly about the State’s fiscal challenges so as to avoid dissemination of unsubstantiated information as happened in this case. Our efforts should be focused on working collaboratively to address the many real issues that our State faces now and in the future.”

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