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TREASURER

State of Connecticut
Office of the Treasurer

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Connecticut Post Editorials
301 Merritt 7
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To The Editor:

Dan Haar's article ("CT improving but we're still a BBB credit with an A+ label," published August 26, 2018) mischaracterized the results of the State's bond sale earlier this month.

Opinions are a dime a dozen. But the facts are what they are: After at least four years of rising borrowing rates relative to other government bond issuers, known as "spreads," due in part to budgetary impasses and pension funding challenges, this is the first time that the State has had two consecutive bond sales with declining spreads. The bond market appears to have responded well to the State's recently implemented fiscal discipline measures, growing Rainy Day Fund, and adoption of a new securitized credit that may be rolled out later this year.

Further, we disagree with the metrics used in comparing the State to a BBB issuer -- actual BBB bond sales recently in the market were priced at much wider spreads.

With the legislature's support, the State's debt issuance program will, I believe, achieve even better relative bond price performance going forward. While we are not declaring victory -- we never said Connecticut is out of the woods -- there has been definite progress. The strong response to this month's bond sale by both retail and institutional investors is clear evidence that we are heading in the right direction and "turning a corner."

Sincerely,

Denise

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State Treasurer