



**Written Testimony of Shawn T. Wooden  
Treasurer of the State of Connecticut  
Submitted to the Banking Committee**

**February 26, 2019**

Senator Bergstein, Representative Santiago, and members of the Banking Committee, the Office of the State Treasurer hereby submits the following testimony regarding **Senate Bill 927, *An Act Creating the Environmental Infrastructure Fund Within the Connecticut Green Bank.***

By way of background, the Treasury is charged with maintaining the financial integrity and authority over the State Revolving Fund (SRF) Program for both the Clean Water Fund and the Drinking Water Fund. The SRF is a federally funded leveraged program that provides low interest loans, federal subsidization and state grant money to municipalities and private water systems to construct, rehabilitate or upgrade their waste water treatment operations or public drinking water systems. The SRF is a very successful collaborative effort that has been in existence between the Treasury, the Connecticut Department of Energy and Environmental Protection, and the Connecticut Department of Public Health for nearly 40 years.

The SRF Program issues tax-exempt bonds in the public market at attractive interest rates. The Program has maintained an AAA bond rating since the first revenue bond issue in 1991. As of June 30, 2018, the SRF Program issued \$2.9 billion in bonds, including bond refinancings, with total bonds outstanding of \$900 million. The Program also pledges loan repayments as security for the bonds issued, with total loans receivable outstanding of \$1.3 billion as of June 30, 2018.

All told, since inception of the SRF Program, \$4.0 billion in capital funding has been provided to communities across Connecticut, which consists of \$1.1 billion in grant payments and \$2.9 billion in 2% interest loans. The Program has served approximately 68% of the 169 towns across the State of Connecticut.

With respect to the proposed legislation before you, the new language could give the Connecticut Green Bank greater authority over public-private infrastructure investments that are currently not available under the current SRF Program. The Treasury respectfully suggests that any legislation for additional funding for waste water or water infrastructure take into consideration and complement the existing mechanisms for funding these projects. We believe it would be best to avoid duplicating existing efforts that could potentially undermine the strength of the current system which has been a highly successful financing vehicle for the State of Connecticut. The Office of the Treasurer is available to assist in the further development of an infrastructure bank specific to environmental infrastructure and more generally.

Thank you for the opportunity to offer testimony on this bill. Please feel free to call on us should you have any questions.