



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

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**TURNING THE TIDE FOR CONNECTICUT;
FIRST TIME IN OVER TWO DECADES CT RECEIVES
CREDIT RATING UPGRADE FROM ALL FOUR MAJOR AGENCIES**

*Credit Rating Upgrades Will Save Taxpayers Millions and has
been a Priority for Treasurer Wooden Since Entering Office*

Hartford, CT – Today, Connecticut State Treasurer Shawn T. Wooden announced that all four major credit rating agencies have upgraded the State's credit rating in the last 45 days. Connecticut's previous credit rating upgrade occurred over two decades ago.

"The tide has truly turned for Connecticut," said Treasurer Shawn Wooden. "Since entering office, improving Connecticut's credit rating has been a top priority of mine. The unanimous consensus by all four of the major credit rating agencies is clear evidence that significant improvements have been achieved in Connecticut's fiscal standing. This unified 'seal of approval' will not only save taxpayers millions of dollars but will also pay dividends toward our State's long-term financial sustainability. While challenges remain, it should give families and businesses alike strong confidence that Connecticut's economic future is bright."

"Upon first taking office in 2019, I embarked on a multi-state roadshow to meet with investors," Treasurer Wooden continued. "At that time, the markets were performing exceptionally well but I knew it wasn't sustainable. We immediately took a number of calculated steps to prepare to put Connecticut in a better position should there be an economic downturn. Since then, our credit ratings continued to be affirmed, despite the unanticipated financial distress caused by the COVID-19 pandemic. While other states were being put on negative outlooks or downgraded during the pandemic, Connecticut has now earned credit rating upgrades from all four credit rating agencies."

"Specific actions that I've taken that contributed to our rating upgrades include:

- Restructuring the Teachers' pension system funding and reducing the investment return assumption;
- Protecting the Budget Reserve Fund from being tapped for other purposes;
- Maintaining prudent debt management practices including refinancing previously issued bonds to reduce debt service costs;
- Reducing the risk in our pension portfolio and taking advantage of investment opportunities;

- Allocating excess Budget Reserve Funds to reduce unfunded pension liabilities; and
- Advocating for policies that contribute to economic growth and job training.”

“Before these credit rating upgrades, three out of our four General Obligation bond credit ratings were in the “A” category,” continued Treasurer Wooden. “Now three out of four credit ratings are in the “AA” category.

“Today’s fourth rating upgrade in the last 45 days, is another indication that the state’s smart fiscal policies and management over the past few years are working and will continue to benefit the state,” continued Treasurer Wooden. “As a result, our bonds will generate greater investor demand, allowing us to borrow at even more attractive interest rates, saving taxpayers millions of dollars and reducing future debt service costs. While this is great news for Connecticut, our work remains to continue to strengthen our state for all families across Connecticut by addressing areas of weakness and by making sure that our rising tide lifts all boats.”

Summary of Rating Actions

On March 31, Moody’s Investors Service upgraded Connecticut’s General Obligation (“GO”) bond credit rating from “A1” to “Aa3” with a Stable outlook. At that time, Moody’s also upgraded the Special Tax Obligation (“STO”) bonds credit rating from “A1” to “Aa3” and the University of Connecticut bonds from “A1” to “Aa3”.

On May 13, S&P Global Ratings upgraded Connecticut’s GO bond credit rating from “A” to “A+” with a Stable outlook and also upgraded the State’s STO bonds from “A1” to “AA-”.

On May 13, Kroll Bond Ratings upgraded Connecticut’s GO bond credit rating from “AA-” to “AA” with a Stable outlook.

And finally, earlier today, May 14, Fitch Ratings upgraded Connecticut’s GO bond credit rating from “A+” to “AA-” with a Stable outlook and also upgraded the University of Connecticut’s bonds from “A” to “A+”.

These four rating actions now mean that all of the credit rating agencies have upgraded the State’s GO credit rating.

Upcoming General Obligation Bond Sale

The Treasurer’s Office is preparing to offer \$1 billion of GO bonds to investors in four different series next week. The sale includes \$600 million of bonds to fund new projects (local school construction, economic development, housing, and municipal grants), and \$400 million of bonds to refund existing bonds to lower interest rates for savings.

The bonds being issued to fund new school construction grants, or to refinance bonds previously issued for school construction, will be marketed as “Social Bonds,” a first for the State. Social Bonds are a growing trend in the marketplace allowing investors to invest directly in bonds that finance socially beneficial projects.

About the Office of the State Treasurer

Under the leadership of Connecticut's State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state's financial resources and taxpayers' dollars, while maximizing returns and minimizing risks for pension beneficiaries and operating at the highest professional and ethical standards. Through investments and cash management, the office continues to enhance the state's fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity for economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).