



Erick Russell

CONNECTICUT STATE TREASURER

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TREASURER RUSSELL ANNOUNCES RETIREMENT OF GAAP BONDS

HARTFORD, Conn. – Connecticut Treasurer Erick Russell announced on Thursday that the state’s outstanding General Obligation GAAP Bonds have been retired early. The move, which was proposed by Governor Ned Lamont and included in this year’s bipartisan state budget, will avoid debt service costs of \$238 million over the next five fiscal years.

“Taking debt off the books provides direct relief to Connecticut taxpayers,” said **Treasurer Russell**. “It saves money immediately that can be used for other budgetary priorities, lowers our long-term debt obligations, and frees up room to prioritize other bonded investments in infrastructure, education, climate resiliency or other key areas critical to our economic future. I applaud Governor Lamont and the legislature for making this a priority and for continuing the culture of fiscal discipline that has stabilized and strengthened state finances in recent years.”

The bonds were issued in 2013 to enhance the state’s cash liquidity, at a time when the state’s Budget Reserve Fund (“Rainy Day Fund”) had been mostly depleted. The bonds helped finance Connecticut’s adoption of budget practices more consistent with Generally Accepted Accounting Principles (GAAP), an accounting standard common across the public and private sectors. At the time, the state had a significant accumulated General Fund GAAP deficit and utilized the bonds, bound by a bond covenant, to jump start the funding of the GAAP deficit.

As determined in the budget, \$211.7 million in 2023 surplus funds were set aside to satisfy the remaining GAAP bond debt service obligations. The bonds will now be removed from Connecticut’s balance sheet and fully redeemed on their October 15, 2023, call date. As a result, \$27.1 million in interest costs will be avoided.

For more information about Connecticut bonds, visit BuyCTBonds.com.

About the Office of the Treasurer

The Office of the Treasurer is charged with safeguarding Connecticut's financial resources through prudent cash and debt management, with the State Treasurer serving as principal fiduciary for six state pension and nine state trust funds. Additionally, the Office enhances the state's fiscal stability through programs promoting financial literacy and college savings, and it leverages business partnerships to support the advancement of Connecticut's social and policy priorities, including combating gun violence and protecting our environment. The Office of the Treasurer is led by State Treasurer Erick Russell, the only Black elected state treasurer in the country. To learn more, visit portal.ct.gov/ott.

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