



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

MORE PROGRESS: SECOND CREDIT RATING AGENCY IMPROVES OUTLOOK ON CONNECTICUT'S BOND RATING

*TREASURER WOODEN ANNOUNCES KROLL BOND RATINGS IMPROVES
OUTLOOK ON STATE'S CREDIT RATING FROM "NEGATIVE" TO "STABLE"*

FOR IMMEDIATE RELEASE

July 9, 2019

(HARTFORD, CT) - State Treasurer Shawn T. Wooden announced today that Kroll Bond Ratings has elevated its outlook on Connecticut's General Obligation bond credit rating from "negative" to "stable." Today's improvement in credit outlook is the second time in four months a major credit rating agency changed Connecticut's outlook. . Early this year, in March, Standard & Poor's improved the outlook on Connecticut's General Obligation bonds credit rating—the first rating upgrade or positive outlook in 18 years.

"From enacting the Teacher Pension Restructuring Plan to adding to budget reserves—every responsible step we take now to stabilize our state's finances is a down payment on Connecticut's future," said **Connecticut Treasurer Shawn Wooden**. "The financial sector is paying attention to the positive changes happening in Connecticut. And while there's more work to do in addressing our long-standing economic challenges, today's promising credit outlook underscores that we are moving in the right direction."

Today's news comes as the Office of the Treasurer is preparing to sell \$244.3 million of General Obligation Refunding bonds through an online competitive bond sale scheduled for July 25, 2019. This will be the first competitive bond sale following the adoption of an on-time biennial State budget and the successful restructuring the Teachers' Retirement Fund. Connecticut expects strong results for the current fiscal year, and is projecting historic high balances in the Budget Reserve Fund and the Common Cash Pool.

Kroll also reaffirmed the State's outstanding bond rating at AA-. The other three credit rating agencies held their credit ratings and outlooks at existing levels for the upcoming bond sale, with Moody's at A1 with a stable outlook, Standard & Poor's at A with a positive outlook and Fitch at A+ with a stable outlook.

A negative credit outlook is a reflection of a possible future credit rating downgrade in the medium term. Kroll moving Connecticut's outlook to stable, signals that they see a low likelihood of a change in the AA- credit rating in the near future. Past credit rating downgrades have been triggered by lower than expected tax receipts, resulting budget deficits, and the need to draw down on the Budget Reserve Fund.

More information on the sale is available at www.buyctbonds.com.

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