

Second credit rating agency upgrades Connecticut's bond outlook

By RUSSELL BLAIR | JUL 10, 2019 | 11:56 AM

A second credit rating agency has upgraded Connecticut's general obligation bond outlook, a move hailed by Gov. Ned Lamont and state Treasurer Shawn Wooden as a sign the state's finances are beginning to stabilize.



State Treasurer Shawn Wooden, seen here at last year's Democratic state convention, hailed a credit outlook upgrade from the Kroll Bond Rating Agency. (Mark Mirko / Hartford Courant)

Kroll Bond Rating Agency upgraded its outlook this week from negative to stable.

The move follows by four months Standard & Poors upgrading their outlook from stable to positive. The other two of the Big Three credit rating agencies — Moody's and Fitch — have previously given Connecticut a stable outlook. A better outlook means a rating agency is less likely to downgrade the state's credit rating, which would likely increase interest rates when borrowing for capital projects.

"The credit rating agencies have affirmed Connecticut is continuing to move in the right direction, but there is still much work to be done," Lamont said in a written statement. "This year we were able to deliver an honestly balanced budget on time that held the line on tax rates for everyone, took significant steps to address the fixed costs, and added to our reserves — creating the largest budget rainy day fund in state history. In addition, we have remained firm that our capital expenses need to be scaled back and we need to focus on sustainable, predictable, and forward-looking solutions to ensure Connecticut's future remains bright."

"The financial sector is paying attention to the positive changes happening in Connecticut," Wooden added, in a statement. "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."

Wooden's office is preparing to sell \$244 million in bonds at an upcoming sale on July 25.

Kroll maintained Connecticut's credit rating at AA-. Moody's has given the state an A1 rating, Standard & Poor's an A and Fitch an A+.