

State of Connecticut

DENISE L. NAPPIER
TREASURER



February 13, 2015

Hartford

Joint Committee on Finance, Revenue and Bonding:

The Honorable John W. Fonfara, Senate Chair
The Honorable Jeffrey J. Berger, House Chair
The Honorable L. Scott Frantz, Senate Ranking Member
The Honorable Christopher Davis, House Ranking Member

Appropriations Committee:

The Honorable Beth Bye, Senate Chair
The Honorable Toni E. Walker, House Chair
The Honorable Robert J. Kane, Senate Ranking Member
The Honorable Melissa Zioban, House Ranking Member

Legislative Office Building
Hartford, CT 06106

Dear Mesdames and Messrs.:

As part of my commitment to keeping you abreast of developments with the State's cash and debt matters, I am writing to advise you of plans to initiate an interim financing at the end of this month in connection with our next public general obligation (GO) bond sale scheduled to close at the end of March.

The primary driver for this interim financing is the delay in the Governor's budget address. The planned public sale of \$500 million of GO bonds best follows the Governor's proposed budget because rating agencies and investors expect the most up-to-date disclosures of our State's fiscal situation prior to the transaction, and will need time to evaluate this additional information.

Moreover, as stated in my February 2nd report on cash and debt, cash balances are relatively low, and higher-than-anticipated bond fund expenditures have reduced the balances in bond fund accounts, thereby prompting a need to replenish them at the end of this month.

These factors, taken together, warrant an interim financing at the end of February that will be immediately repaid by the proceeds of the March public bond issue. This will allow us adequate time to complete the public offering.

Please feel free to call on me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Denise", is written over a blue circular scribble.

Denise L. Nappier
State Treasurer

cc: The Honorable Dannel P. Malloy, Governor
Mr. Alan Calandro, Director, Office of Fiscal Analysis
Mr. Michael Murphy, Section Chief, Office of Fiscal Analysis
Ms. Linda Miller, Principal Analyst, Office of Fiscal Analysis