



**OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

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NAPPIER SAYS LATEST GENERAL OBLIGATION BOND ISSUE WILL MEAN \$9 MILLION SAVINGS TO TAXPAYERS

Savings will also contribute immediately to closing next year's budget gap

State Treasurer Denise L. Nappier announced today that the Treasury's latest general obligation bond issue, which closed yesterday, will provide \$9.0 million in debt service relief in the FY2003 budget.

"For the budget negotiators, this is found money. I am pleased that our ongoing efforts to manage bond issues in a prudent and professional manner and save taxpayers money will once again be an immediate help in the budget process," Nappier said.

The Treasurer's Office sold \$335 million in General Obligation bonds in April, maturing from 2003-2022. The Treasury received strong support in the bond sale from institutional investors, including insurance companies and bond funds, and sold a solid \$108 million in retail orders.

Savings achieved by the Treasurer's Office from the amount budgeted in fiscal year 2003 for interest payments, as a result of the rates obtained in the bond sale, will total \$9 million. The True Interest Cost of the issue was 4.65%, among the lowest in recent state history. Revenue from the bond issue will fund local school construction projects, economic development, housing programs and State capital items.

"This is just one example of the Treasury's efforts to assist the General Assembly and the Governor in addressing the challenge of achieving a balanced budget, as we work our way through the effects of the recent slow down in the economy and the stock market," Nappier said.

Last fall, the Treasury achieved \$15.4 million in debt service savings from its GO bond issues for FY2002 and another \$10.9 million in savings for FY2003. This followed \$10.5 million in savings that was achieved in the Treasury's June 2001 bond issue for the FY2002 budget. Of these amounts, \$5.6 million came from an aggressive program of refinancing old debt to current lower interest rates.

Within the past year, Nappier said, savings contributed by the Treasury to help alleviate pressure on the state's biennium budget total \$45.8 million.

Contact: **Bernard L. Kaval er**
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US
