



**The Office Of
State Treasurer
Denise L. Nappier**

Press Statement

FOR IMMEDIATE RELEASE
November 15, 2012

STATEMENT OF STATE TREASURER DENISE L. NAPPIER

Conning's speculation over Connecticut's fiscal health, as set forth in its *State of the States* released this week, adds little to the public discourse over the very real challenges faced by states across the country. Its simplistic methodology fails to account for the unique manner in which Connecticut issues debt for school construction and other projects: it is centralized at the State level, unlike most other states that have county forms of government and greater debt issuance at the local level. Indeed, were Conning to make this more pragmatic comparison, state and local debt combined and compared to GDP puts Connecticut squarely in the middle of the pack, not at the bottom.

What is clear is that Connecticut is facing its fiscal challenges head on. Yet, Conning appears to be less interested in where the state is going, but rather where it is today. To be sure, we are feeling the impact of past shortsightedness in our state's funding practice right now, which has been exacerbated by the slow and uneven path of recovery from the Great Recession. The current state of affairs, however, is not a prelude to business as usual. For example, Connecticut learned a painful lesson when it came to the conventional pitfalls in financing its retirement system, and doesn't intend to go down that same path again. This is reflected in some new initiatives – some of which are binding -- that will set the State on a more fiscally prudent path when it comes to the long-term funding policy of its retirement system.

The investing public continues to demonstrate justified confidence in our State's creditworthiness given our highest per capita income in the nation, and all four credit rating agencies have recently affirmed the State's credit ratings with stable outlooks.

As an institutional client of Conning on the asset management side of the State Treasurer's Office, I invite the company to visit the Treasury's debt management operations to learn more about how the legislative and executive branches of government, and most notably Governor Malloy, are moving forward to ensure the growth and vitality of our economy for citizens and businesses alike, including Conning.

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