



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

FOR IMMEDIATE RELEASE: Thursday September 9, 2021

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**STATEMENT FROM STATE TREASURER SHAWN T.
WOODEN ON UPCOMING DECISION TO ALLOCATE
EXCESS FUNDS FROM THE BUDGET RESERVE
FUND TO PAY DOWN UNFUNDED PENSION
LIABILITIES**

Hartford, CT – Please see the following statement from Connecticut State Treasurer Shawn T. Wooden on his upcoming decision to pay down long-term unfunded pension liabilities following the confirmation of the excess amount in the Budget Reserve Fund totaling \$1.142 billion.

“For the second year in a row and only the second time in our State’s history, Connecticut has an excess amount in the Budget Reserve Fund for Fiscal Year 2021 that is required to be transferred to pay down our unfunded pension liabilities. **Since the amount in the Budget Reserve Fund exceeded the 15% threshold, as required by [State Statute 4-30a](#), and given the excess amount is \$1.142 billion it must be transferred to either the State Employees’ Retirement Fund or the Teachers’ Retirement Fund.** In the coming weeks, I’ll announce my decision as to which Pension Fund to allocate the excess funds. Between another historically high Budget Reserve Fund, having the opportunity to make progress in paying down our long-term unfunded pension liabilities, and the State recently achieving credit rating upgrades for the first time in over two decades, there’s been a major shift in the trajectory of Connecticut’s fiscal health. To put this in perspective, by contrast, ten years ago, there was no money in the Budget Reserve Fund after the impact of the Great Financial Recession of 2008. Now, the State can borrow at even lower interest rates, which saves taxpayers millions of dollars by reducing future debt service costs. These recent achievements and significant improvements are due to smart fiscal policies and strong governance practiced over the past few years. Now, we

must stay the course. We must remain diligent and continue to responsibly address our sizable long-term liabilities. Simultaneously, we must make sure our work towards further enhancing our fiscal stability reaches all of Connecticut's hard-working families, including those who continue to struggle due to the impacts of the COVID-19 pandemic."

About State Treasurer Shawn T. Wooden

Shawn T. Wooden is the only African American elected state treasurer in the United States and the only African American currently serving in a statewide elected office in New England. He is also the Senior Vice President of the bi-partisan National Association of State Treasurers. Under his leadership, the Office of the Treasurer is dedicated to safeguarding the state's financial resources and taxpayers' dollars, while maximizing returns and minimizing risks in managing a \$42 billion pension system. He has been a leader in the financial services industry for diversity, equity, and inclusion. Last year, in partnership with the Ford Foundation, he launched the Corporate Call to Action Working Group (CCA). The CCA is a coalition of 18 prominent CEOs established to advance racial and economic security and opportunity both within and outside of their companies.

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