



Erick Russell

CONNECTICUT STATE TREASURER

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Contact: Tyler Van Buren
tyler.vanburen@ct.gov | (959) 529-2468

TREASURER RUSSELL AND UCONN CFO ANNOUNCE RESULTS OF RECENT UNIVERSITY OF CONNECTICUT BOND SALES

Record-High Retail Sales Follow Rating Upgrade

Hartford, CT – State Treasurer Erick Russell and University of Connecticut Executive Vice President and Chief Financial Officer Jeff Geoghegan today announced the results of the latest UConn 2000 Program bond sales, which will fund various projects throughout the university system and save taxpayers \$10.8 million by refinancing previously issued bonds at lower costs.

Two unique sales were held in recent days, a \$97 million offering to fund new residential housing projects on the UConn Storrs campus followed by a \$358 million General Obligation sale to fund various capital improvements across the UConn system and refinance existing debt. Prior to the latter sale, [Fitch Ratings upgraded](#) the credit rating of UConn's General Obligation bonds, signaling an improved level of creditworthiness amid strong statewide economic progress.

Investor demand for the bonds was particularly strong, generating a record-high number of orders received.

“These bond sales will allow for continued investment in our state’s flagship university that will benefit students, the greater UConn community, and our state’s economy,” said **Treasurer Russell**. “The UConn 2000 bond program has helped transform the university into a globally renowned center of learning and research. Investors see great opportunity in building on that success. State government has done a lot of important work in recent years to coalesce around sound budgeting practices and sustained economic growth. We continue to see the benefits of that work benefitting taxpayers as reflected in both recent upgrades to our credit ratings and high demand for these UConn bonds.”

“The strong demand for UConn bonds shows market confidence in UConn and the State of Connecticut,” said **Jeff Geoghegan**. “The UConn 2000 program has transformed UConn’s campuses and has helped to push demand higher than ever for a UConn education. We look forward to continuing our partnership with the State as we continue to invest in UConn through the UConn 2000 program.”

The UConn 2000 bonding program was established by legislation enacted in 1995, and the program began issuing bonds 27 years ago. The program was designed to modernize, rehabilitate and expand the physical presence of the University. The program has been expanded and extended three times, now totaling \$4.6 billion of capital improvements at UConn over a 32-year period.

Bond Offerings

On October 24, \$97 million of University of Connecticut Special Obligation Bonds (Student Fee Revenue) 2023 Series A (“UConn Student Fee Revenue Bonds”) were offered during a one-day retail order period. This sale was followed on November 6th with an offering of \$358 million University of Connecticut General Obligation Bonds (Debt Service Commitment) 2023 Series A and 2023 Series A Refunding (“UConn Debt Service Commitment Bonds”).

Rating Upgrade

In advance of the sales, presentations were made to the rating agencies that rate the bonds. For the UConn Student Fee Revenue Bonds, the ratings were re-affirmed at “Aa3” and “A+” by Moody’s Investors Service and S&P Global Ratings, respectively, earlier in October. For the UConn Debt Service Commitment Bonds, Fitch Ratings upgraded the rating from “A+” to “AA-” on October 25, which came on the heels of rating affirmations by Moody’s Investors Service and S&P Global Ratings of “Aa3” and “AA-”, respectively. The rating upgrade from Fitch Ratings now aligns the ratings of the UConn Debt Service Commitment Bonds with the State’s credit rating. All ratings have a “Stable” outlook.

Record-High Orders

The \$97 million UConn Student Fee Revenue Bonds were sold on October 25, following a one-day retail order period on October 24. Retail orders totaled \$214 million, of which 65% represented Connecticut investors. Total orders exceeded \$755 million or nearly eight times the amount of bonds offered.

The \$358 million UConn Debt Service Commitment Bonds were sold in two series on November 7: \$224.5 million 2023 Series A new money bonds and \$133.5 million 2023 Series A refunding bonds. Total orders received on both bond series during the retail order period were \$725 million – a record high in the history of UConn 2000 bond program. In addition, institutional investors placed orders for \$844 million of bonds.

Uses and Interest Costs

The \$97 million UConn Student Fee Revenue Bonds, along with associated premium, will provide \$100 million of funding for campus residential housing at the Storrs campus. The total borrowing cost on these 30-year bonds was 4.96%

The \$224.5 million UConn Debt Service Commitment new money bonds, along with associated bond premium, will provide \$240 million of funds for various UConn capital improvements throughout the University system. The total borrowing cost on the 20-year 2023 Series A new money Bonds was 4.10%.

The \$133.5 million UConn Debt Service Commitment Refunding bonds are being issued to currently refund previously issued higher-interest bonds for debt service savings of approximately \$10.8 million over the next ten years. The borrowing cost on the ten-year 2023 Series A Refunding Bonds was 3.54%.

Underwriting

Loop Capital Markets led the bond underwriting syndicate for the UConn Student Fee Revenue Bonds. JP Morgan led the bond underwriting syndicate for the UConn Debt Service Commitment Bonds. The bonds are scheduled to close on November 21, 2023.

Comprehensive marketing campaigns prior to both bond sales included print and digital ads on various internet news sites and public radio spots.

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