S&P Global
Ratings

RatingsDirect®

Summary:

Connecticut; Appropriations; General Obligation; General Obligation Equivalent Security; Moral Obligation

Primary Credit Analyst:
David G Hitchcock, New York (1) 212-438-2022; david.hitchcock@spglobal.com

Secondary Contact:
Timothy W Little, Chicago + 1 (212) 438 7999; timothy.little@spglobal.com

Table Of Contents

Rationale

Outlook

Summary:

Connecticut; Appropriations; General Obligation; General Obligation Equivalent Security; Moral Obligation

Credit Profile		
US$400.0 mil GO bnds ser 2018C due 06/15/2038		
Long Term Rating	A/Stable	New
US$100.0 mil GO rfdg bnds ser 2018D due 06/15/2027		
Long Term Rating	A/Stable	New

Rationale

S&P Global Ratings has assigned its 'A' rating to the State of Connecticut's $400 million general obligation (GO) bonds, 2018 series C, and $100 million GO refunding bonds, 2018 series D. At the same time, S&P Global Ratings has affirmed its 'A' rating on approximately $18.1 billion of GO bonds outstanding. In addition, S&P Global Ratings has affirmed its 'A-' rating on state appropriation-backed debt, and its 'BBB' rating on state moral obligation debt. The rating outlook on all debt is stable.

The GO rating on Connecticut reflects our view of the following factors:

- The state's high income levels;
- A diverse economy;
- Structural budget balance through fiscal 2019, if a portion of the budget reserve addition attributed to income tax above the state's volatility cap is considered as ongoing, assuming pension actuarial assumptions are realized, the federal government approves reimbursement for a recent hospital tax, and economic growth aligns with current projections. However, the state projects a substantial operating deficit in fiscal 2020, in part due to the expiration of a hospital tax and projected increases in municipal aid;
- Active monitoring of revenues and expenditures to identify and correct midyear budget gaps, as exemplified by midyear budget adjustments made in fiscal years 2015, 2016, and 2017; and
- Adequate operating liquidity, despite negative generally accepted accounting principles (GAAP) general fund balances.

Offsetting factors, in our opinion, include:

- High debt, high unfunded pension liabilities, and large unfunded other postemployment benefit (OPEB) liabilities, all of which create what we believe are significant and growing fixed-cost pressures that restrain Connecticut's budgetary flexibility, as evidenced by a four-month delay in enacting the fiscal 2018-2019 biennium budget. Should state tax revenue decline, or grow more slowly than currently projected, these large fixed costs will remain an impediment to solving future potential budget gaps. Connecticut had the highest tax-backed debt ratio in our most recent 50-state debt study, and is the only state that has triggered a one-notch rating override reduction in our state rating model due to high debt;

- Recent population declines and slow economic growth, exacerbated by job losses in the state's well-paying financial sector, which is expected to contribute to weak revenue growth over the next several years and lead to difficult budget-balancing decisions beyond the current biennium; and
- A history of cyclical budget performance, and a recent history of drawing down financial reserves available to cushion against the next economic downturn to a low level at the end of fiscal 2017. We calculate that current state projections would cause the budget reserve to increase to 4.0% at fiscal year-end 2018 from 1.2% of expenditures at fiscal year-end 2017 because of what the state believes are largely one-time income tax revenues of $1.3 billion, offset against a substantial 3.8% fiscal 2018 operating deficit if calculated without these potentially one-time revenues.

Connecticut enacted a bi-partisan 2018-2019 biennium budget four months late into the fiscal year that began July 1, 2017. The delay arose from a need to close large budget gaps resulting from a combination of weak income tax revenue growth; increased pension, OPEB, and Medicaid costs; and a resistance in the legislature to additional tax increases after several rounds of tax hikes in preceding bienniums. The original budget was closed with the help of a new labor agreement that produced savings in the current biennium, but will also require a 3.5% wage increase in each of fiscal years 2020 and 2021, as well as prohibit layoffs for four years and extend nonwage benefit provisions to 2027. Other gap-closing measures included a new hospital provider tax, designed so that hospitals will be largely held harmless for the tax increase after the effect of increased federal reimbursements; cuts in aid to local governments (Connecticut local governments provide kindergarten to grade 12 education); and cuts to higher education. Part of the new midyear projection of fiscal 2018 deficits stems from delays in obtaining federal reimbursement for $299 million of hospital taxes, and ultimate resolution by the federal government could impact fiscal 2019 budget projections, although the state believes full federal reimbursement will be forthcoming.

The state originally projected a fiscal 2018 general fund budget gap of $2.3 billion before budget-closing actions, or a large 13% of originally projected revenue. These actions involved $1.7 billion of increased revenues and $675 million of decreased expenditures. Gap-closing measures included $700.0 million of workforce savings; $343.9 million of new revenue from the hospital provider tax resulting in $448.4 million of increased federal reimbursements, offset by $586.2 million in increased payments to hospitals; $327.8 million of suspended sales tax transfers to a municipal revenue-sharing account; $172.8 million of fund transfers into the general fund; $159.6 million in education-related grant cuts to localities; $68.4 million in reductions to higher education; and $35.3 million of tobacco tax increases, among other items. Certain hospitals are also litigating the validity of the new hospital provider tax, which we understand is similarly structured to comparable taxes of other states. While we do not expect the courts to rule the tax invalid, should they, the state indicates it retains the ability to introduce a different hospital tax to accomplish similar revenue goals.

Connecticut estimates one-time budgeted items in its originally enacted 2018-2019 budget add up to only $173 million in fiscal 2018, or just 0.9% of originally budgeted revenue. However, the state currently projects a widened $2.0 billion structural deficit in fiscal 2020, or 10% of projected appropriations. Somewhat less than half of this could be covered by reauthorizing reductions in local aid as in the state's original 2018 budget (before recent aid expansion) and a renewal of the hospital provider tax.

The state's most recent May forecast projects a substantial $1.3 billion of one-time income tax revenue (above a $3.15 billion volatility cap) will be realized and transferred to reserves in fiscal 2018 due to repatriation of hedge fund money and an acceleration of calendar 2017 income tax payments because of federal tax reform. April income tax receipts came in particularly strong. However, the state now plans to draw down these added reserves. The most recent state projection shows a fiscal 2018 operating deficit of $717.5 million (not including the one-time $1.3 billion income tax revenues), or 3.8% of revised budgeted expenditures due to deviations from the originally enacted budget and increased midyear legislative spending. As a result, the state is projecting a net $556.4 million increase to the budget reserve, or 3.0% of budgeted fiscal 2018 appropriations, smaller than the $685 million originally budgeted. We calculate that a $556.4 million reserve increase would raise the cumulative budget reserve to $769.3 million, or an adequate 4.0% of fiscal 2018 revised budgeted appropriations.

Currently, the state projects fiscal 2019 will produce an additional net reserve deposit of $371.3 million. However, we believe further use of reserves is possible in fiscal 2018 and beyond, depending on future economic conditions and pension system results. The state is projecting substantial out-year budget gaps beginning in fiscal 2020, although these would be much smaller if certain taxes that are due to expire are renewed. We calculate the $212.9 million budget reserve at fiscal year-end 2017 was 1.2% of budgetary expenditures, a figure we consider relatively low.

The state calculates $5.4 billion of combined fixed costs for debt service, pension, and OPEB in fiscal 2018, totaling 29% of originally budgeted general fund expenditures, a slight increase from 28% in 2017, with $91 million of this representing additional deposits into an OPEB trust fund beyond pay-as-you-go OPEB funding. Adding in $2.6 billion of projected 2018 Medicaid payments would bring fixed costs up to 42% of 2018 expenditures. In addition, adding $1.3 billion of other entitlement account spending reported by the state in fiscal 2017 would bring the total fixed cost percent up to 49%. In our view, fixed costs are high and could potentially squeeze remaining unrestricted budget areas such as local aid, higher education, and to a lesser extent transportation, in the event of future budget gaps.

A pension agreement with the state employee union has helped control fixed cost growth in the near term by smoothing out what would have been a potential spike in pension payments over the next few years and pushing amortization of some unfunded pension liabilities payments into later years. At the same time, it lowered the state employees' retirement system assumed rate of return to a more conservative 6.9% from 8.0% (see "Connecticut's Recent Pension Agreement With Unions Could Be Mildly Positive For The State," published Jan. 23, 2017, on RatingsDirect). The lower return assumption, as well as a drop in the teacher retirement system assumed rate of return to what we view as a still aggressive 8.0% from 8.5%, has had the effect of raising actuarial liabilities, offset by a strong 15.7% teachers' investment return realized for the one year through Dec. 31, 2017. The state continues to fully fund its pension funds' annual actuarially determined contribution (ADC).

Connecticut also has recently made changes in financial procedures that could more rigidly control spending and bonding, and will place some of these financial restrictions into future bond covenants that would take the ability to change these procedures out of the hands of future legislatures for five years (a reduction from an originally proposed 10-year period). This could help credit quality to the extent it enhanced structural balance if reserve balances were preserved during good economic times, but could potentially squeeze discretionary spending if fixed costs continue to escalate (see "Could Connecticut's Proposed Bond Covenants Lead the Way to a New Financial Management Tool for Other U.S. States?", published March 28, 2018). The changes include placement of a spending cap into the state constitution that limits expenditure growth to the greater of the percent increase in personal income over a five-year period, or the percent increase in inflation over the previous calendar year, unless overridden by the governor and three-fifths of the legislature. The current biennium budget also directs bonds sold subsequent to May 15, 2018, but before July 1, 2020, to include a bond covenant turning certain new statutory budgeting practices into contractual obligations for the next five years. These reforms include budgeting for only 99.5% of forecast revenues in fiscal 2020, with a phase down to 98.0% of revenue by 2026, transferring certain annual income tax revenue above $3.15 billion (adjusted yearly for economic growth) to the budget reserve, and implementation of various bond caps, unless the governor and three-fifths of the legislature declare a financial emergency. Statutory law also now limits use of the budget reserve to instances when revenues are forecast to decline 1% or more, or if the budget reserve equals 5% or more of current-year appropriations, for the purpose of paying the unfunded past service liability of the employees' and teachers' pension systems in excess of regular contributions. By making budget reserve drawdowns more difficult, balances might more likely be preserved for recessionary periods, which if actually demonstrated could potentially improve credit quality.

On a GAAP basis, the state had a general fund balance deficit of $494 million at the end of fiscal 2017, the last audited year, or 2.6% of expenditures and transfers out, an improvement from a larger negative fund balance of $614 million, or 3.3% at fiscal year-end 2016.

Despite negative GAAP balances, Connecticut projects adequate cash and has no plans for external cash flow financing. As of May 19, 2018, the state's weekly total available cash has ranged from $1.2 billion-$4.5 billion, with the exception of several weeks in December when cash was drawn down for capital projects to be reimbursed from bonds whose sale was delayed by the late enacted budget. The weekly total available cash balance has averaged $2.7 billion in fiscal 2018.

The state still ranks first in per capita income at 139% of that of the U.S. in 2017, although down from 144% in 2013. The economy continues to grow, although more slowly than that of the nation, despite population declines since 2014-2016, and a slow 0.3% increase in 2017. Connecticut has regained about 80% of the jobs lost in the last recession. IHS Markit forecasts real gross state product growth of 2.7% in 2018, 2.2% in 2019, and 1.9% in 2020, levels slightly below those of the nation. Loss of jobs in the well-paying financial sector has contributed to revenue weakness, but the remaining above-average proportion of jobs in this sector still represents a wealthy tax base, and financial sector employment started to grow slowly again in 2017. State defense industries could also do well if federal defense spending escalates. Connecticut retains legal authority to make cuts in local aid, although further large cuts may be politically difficult. The state has been making full actuarial pension contributions for seven years, and has been operating with near structural balance, despite the need for multiple midyear budget corrections.

At the same time, we view state long-term liabilities as high and growing. We calculate tax-backed debt at 9.4% of personal income at fiscal year-end 2017 (more than one-third higher than our '4' threshold of 7.0%), using recently updated personal income figures. We calculate tax-backed debt per capita at $6,591 (more than one-third higher than our '4' threshold of $3,500), and tax-backed debt service to governmental funds spending at 14.1% (more than one-third higher than our '4' threshold of 10.0%). Our other debt ratios include debt to gross product (9.1% using the most recent 2016 gross product figure), and the 10-year debt amortization ratio, which is considered good at 65%. Under our state rating criteria, when a majority of our debt ratios are one-third or more above our threshold for a scoring of '4', our criteria adds an extra one-notch downward adjustment to our overall indicative state rating score. The high debt override threshold was met at fiscal year-end 2017, before the state's assumption of the city of Hartford's $540 million of debt, although we expect state debt levels to remain above the override threshold for the near future primarily as a result of Connecticut's debt plans, but also in part due to the assumption of the Hartford's debt.

Unfunded pension liabilities are also high at 14.0% of personal income as of a 2017 Governmental Accounting Standards Board (GASB) 67 basis, while the state's combined pension-funded ratio on a GASB basis is low at 45%, despite annual funding of the ADC. We view Connecticut's combined state employee and teacher unfunded OPEB as high at $20.9 billion, or 8.8% of income, although it has declined and stabilized in recent years due to partial funding of an OPEB trust fund. However, state debt and pension ratios are approaching levels that could each trigger a one-notch downgrade under our state rating criteria.

We believe pending federal tax reform's disallowance of certain state and local tax deductions on federal tax returns could have a potential disproportionate effect on high tax states, such as Connecticut (see "U.S. Tax Reform: Legislation Lays Groundwork For Reshaping The Federal-State Fiscal Relationship," published Dec. 4, 2017).

(For more information on the state GO rating, please see our most recent full GO analysis published March 20, 2018.)

Based on the analytic factors we evaluate for states, on a scale of '1.0' (strongest) to '4.0' (weakest), we have assigned a composite score of '2.3' to Connecticut, indicative of an 'A+' rating. However, we also calculate that a majority of Connecticut's debt ratios in our state scoring criteria now lie more than one-third above the level necessary to score a '4', which triggers a one-notch rating override under our state scoring criteria, for an indicative rating of 'A'.

Outlook

The stable outlook reflects our anticipation that state debt, pension, and OPEB ratios will remain high, but near current levels, during our two-year outlook horizon, while at the same time Connecticut's budget will likely remain near structural balance absent an economic downturn. The state is currently funding its full annual actuarially determined pension contribution, despite its high unfunded pension liabilities, and has used limited one-time budget items in its current biennium budget if a portion of the budget reserve addition attributed to income tax above the state's volatility cap is considered as ongoing. However, we believe the state will have impediments to achieving long-term structural balance, highlighted by Connecticut's four-month delay in enacting a fiscal 2018-2019 biennium budget, political resistance to further budget cuts or tax increases, and large projected out-year budget gaps. Budget constraints have been exacerbated by revenue weakness as the result of slow economic growth; stagnant population; high fixed pension, OPEB, and debt service costs; recent labor agreements that will raise wages and prohibit layoffs; aggressive rate of return assumptions for its teacher pension plan; and reduced revenue-raising flexibility after the state instituted substantial tax increases in the past two biennium budgets.

We believe that the majority of our debt ratios will remain at least one-third higher than the threshold triggering our a one-notch lower rating in our indicative state scoring model over our two-year outlook horizon. This threshold was triggered at the end of fiscal 2017, before the state's assumption of the city of Hartford's GO debt and subsequent state debt sales.

Should state debt levels moderate, or we believe the state is regaining budget flexibility due to robust revenue growth, we could raise rating or revise our outlook on the state. However, should substantial midbiennium shortfalls appear and result in prolonged budgetary gridlock, large structural imbalances, or weak liquidity, we could revise our outlook downward or lower our rating on Connecticut.

Ratings Detail (As Of May 25, 2018)		
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut approp		
Long Term Rating	A-/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/A-1/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Unenhanced Rating	NR(SPUR)	

Ratings Detail (As Of May 25, 2018) (cont.)		
Connecticut GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Ratings Detail (As Of May 25, 2018) (cont.)		
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Ratings Detail (As Of May 25, 2018) (cont.)		
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (FGIC)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Hartford GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Capital City Economic Dev Auth, Connecticut		
Connecticut		
Capital City Economic Dev Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Capital City Economic Dev Auth (Connecticut) GOEQUIV		
Long Term Rating	A/A-1/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth, Connecticut		
Connecticut		
Connecticut Hlth & Educl Facs Auth (Connecticut) APPROP		
Long Term Rating	A-/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) APPROP		
Long Term Rating	A-/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GO		
Long Term Rating	A/Stable	Affirmed

Ratings Detail (As Of May 25, 2018) (cont.)		
Connecticut Hlth & Educl Facs Auth (Connecticut) GO		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) MORALOB (ASSURED GTY)		
Unenhanced Rating	BBB(SPUR)/Stable	Affirmed
Connecticut Hlth & Ed Fac Auth rev bnds (Connecticut State Univ Sys Issue) ser D-2 dtd 03/15/2002 due 11/01/2020-2022		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut Hlth & Ed Fac Auth (Connecticut) univ issue		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut Hsg Fin Auth, Connecticut		
Connecticut		
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth spl needs hsg mtg fin prog		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut Innovations Incorporated, Connecticut		
Connecticut		
Connecticut Innovations Inc (Connecticut) GOEQUIV		

Ratings Detail (As Of May 25, 2018) (cont.)		
Long Term Rating	A/Stable	Affirmed
Connecticut Dev Auth (Connecticut) GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Hartford, Connecticut		
Connecticut		
Connecticut GO (ASSURED GTY)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.