

Market Insights

Sector Intelligence | U.S. Public Finance

S&P Global
Ratings

June 6, 2024 | Data as of May 31, 2024

This report does not constitute a rating action.

Key Takeaways

- There have been over 1,000 rating actions in U.S. public finance (USPF) year-to-date through May 31, 2024.
- Upgrades outpaced downgrades, driven primarily by rating activity in the local governments sector.
- Outlook activity was mixed across sectors.

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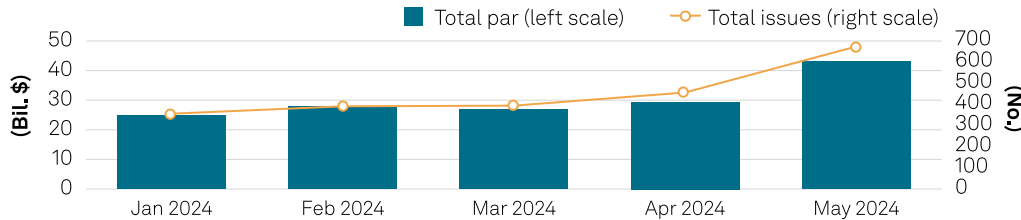
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U.S. public finance at a glance

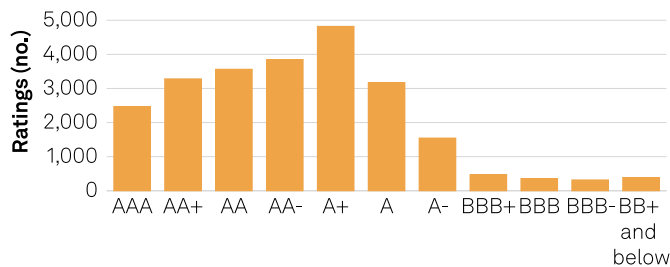
24,200+
Ratings 

Rating changes	May 2024 (no.)	2024 (no.)
Upgrades	50	255
Downgrades	40	156
Outlook and CW changes		
Favorable	24	140
Unfavorable	30	455

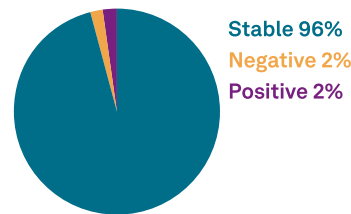
S&P Global Ratings rated new issuance



Rating distribution



Outlook distribution



For more
Research
click here



Source: S&P Global Ratings.

Recent Research

Your Three Minutes In U.S. Not-For-Profit Health Care: Governmental Entities Are Converting To Private 501c3s To Maximize Operating Flexibility, June 3, 2024

U.S. Not-For-Profit Health Care Rating Actions, April 2024, May 20, 2024

U.S. State Enhancement Programs And Their Impact On Charter Schools, May 7, 2024

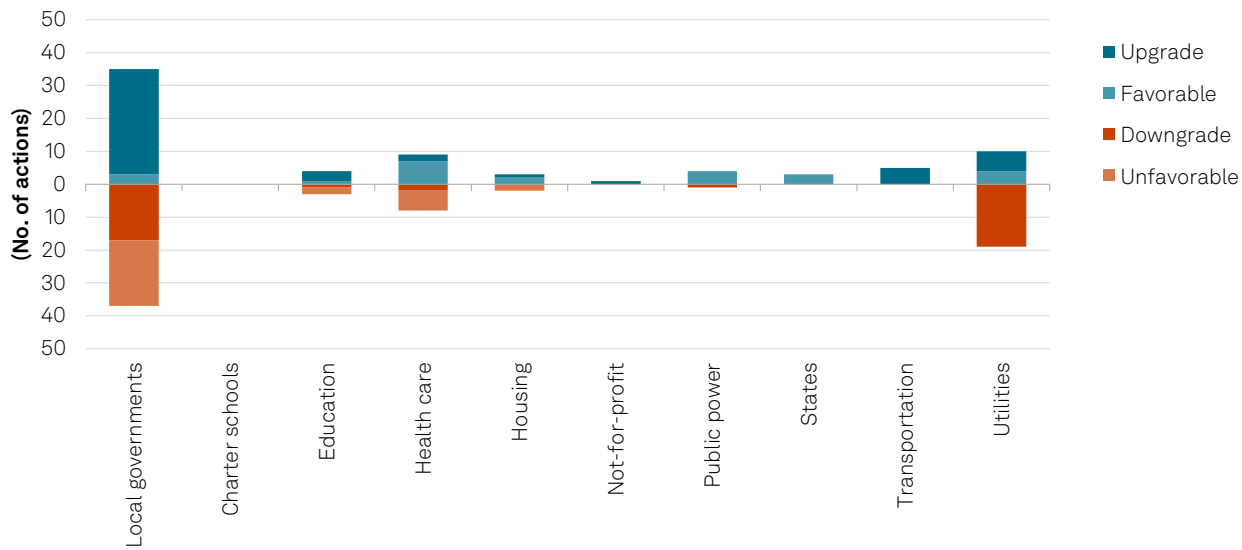
An Excel workbook containing a master list of rating actions by security type and by issues year to date can be downloaded [here](#).

Note: In this report, we define "rating changes" as rating upgrades and downgrades; "rating actions" as rating changes, in addition to outlook changes and CreditWatch assignments or resolutions; "favorable" actions as outlook changes to stable from negative and to positive from stable, or placement of a rating on CreditWatch with positive implications; and "unfavorable" actions as outlook changes to negative from stable and to stable from positive, or placement of a rating on CreditWatch with negative implications. For local governments, we exclude school program rating actions tied to state rating actions.

USPF Rating Activity

Chart 1

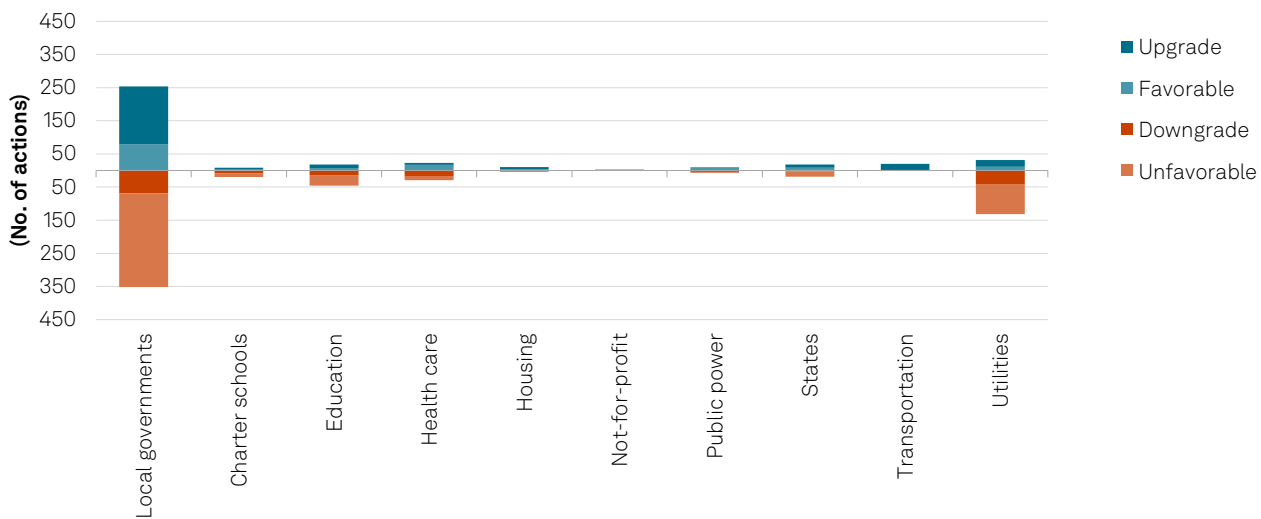
USPF May rating actions by sector



Source: S&P Global Ratings.

Chart 2

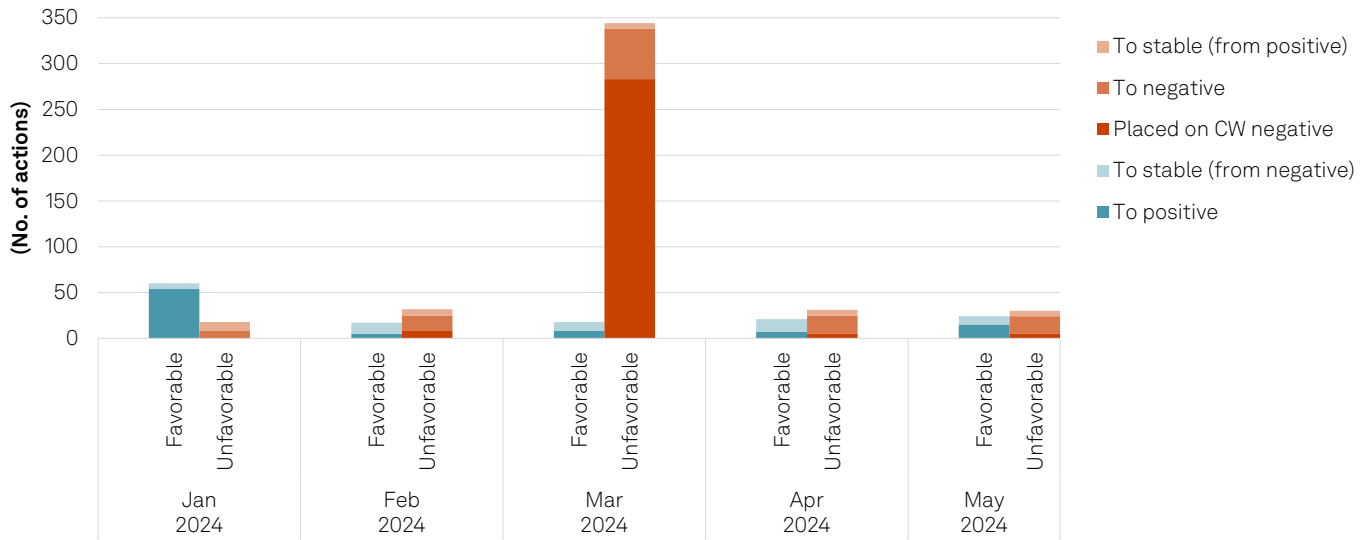
USPF rating actions by sector YTD 2024



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



CW—CreditWatch. Source: S&P Global Ratings.

Sector Spotlight—State Budgets

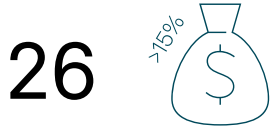
U.S. state fiscal 2025 budgets look relatively unchanged from a year ago, with budgetary priorities remaining focused on enhancing grade K-12 education funding, reassessing Medicaid outlooks, and further extending tax relief.

As economic tailwinds fade, an emerging risk for fiscal 2025 budgets is that revenue could prove more sensitive to broader macroeconomic trends with limited boost to momentum.

With the soft-landing scenario emerging, the budgetary operating environment, even if a touch bumpy, should remain manageable.

Chart 4

By the numbers: State budgets



26

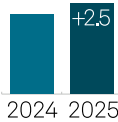
States with reserves above 15%

6 States with positive outlooks

1 States with negative outlooks

4 States with upgrades since start of fiscal 2024

17.2%



Projected growth in state share of Medicaid spending for fiscal 2024, followed by 2.5% growth in fiscal 2025



1.5%

Baseline forecast growth GDP for 2025

Sources: S&P Global Ratings.

Recent Research

[U.S. States' Fiscal 2025 Budgets Navigate Evolving Risks As Economic Growth Prospects Wane, May 28, 2024](#)

[Record U.S. Infrastructure Spending Is Colliding With Higher Construction Costs And Other Hurdles, May 14, 2024](#)

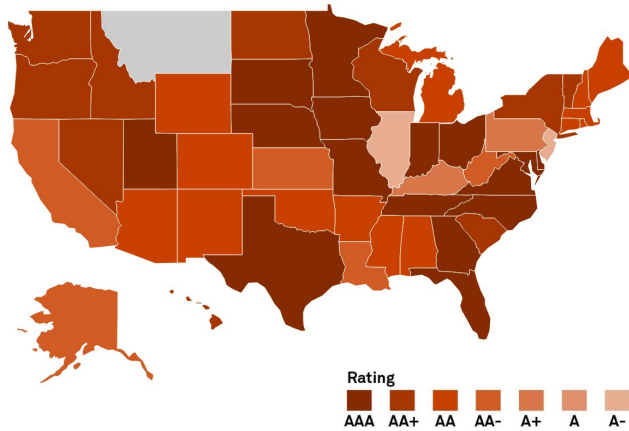
[U.S. State Medicaid Transition: Stable Condition Near Term, With Outyears Demanding Care, May 2, 2024](#)

U.S. State Ratings

Ratings represented in table 1 are the state general obligation debt ratings or issuer credit ratings. Ratings on other debt issued by the state will vary based on the security backing the bonds. For more information, see our [History Of U.S. State Ratings](#) and [U.S. State Ratings And Outlooks: Current List](#).

Chart 5

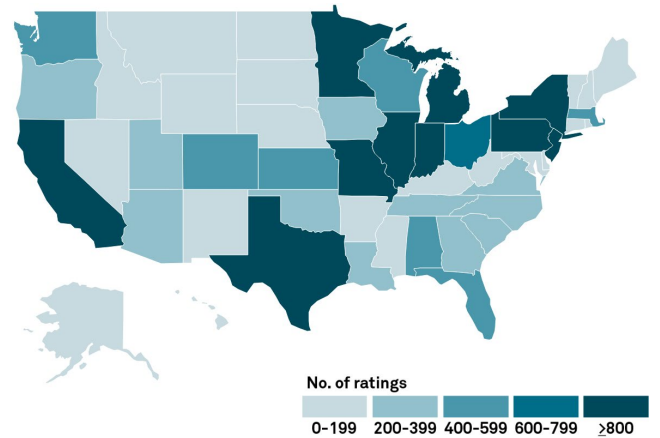
U.S. state ratings



Unrated states are in gray. Source: S&P Global Ratings.

Chart 6

No. of ratings by state



Includes all sectors. Source: S&P Global Ratings.

Table 1

U.S. state rating actions in YTD 2024

State	Rating action	Outlook action	Current rating	Previous rating	Current outlook	Previous outlook	Date of rating action
Arkansas	Affirmation	Outlook to positive	AA	AA	Positive	Stable	May 2, 2024
Alaska	Upgrade	Outlook to stable	AA	AA-	Stable	Positive	April 30, 2024
Wyoming	Affirmation	Outlook to positive	AA	AA	Positive	Stable	April 19, 2024
New Hampshire	Upgrade	Outlook to stable	AA+	AA	Stable	Positive	March 25, 2024
Louisiana	Upgrade	Outlook to stable	AA	AA-	Stable	Positive	March 20, 2024
Mississippi	Affirmation	Outlook to negative	AA	AA	Negative	Stable	March 1, 2024
Washington	Affirmation	Outlook to positive	AA+	AA+	Positive	Stable	Jan. 11, 2024

Source: S&P Global Ratings.

Appendix

Table 2

Number of rating actions by sector May 2024

Sector	Rating changes		Outlook changes			CW changes	
	Upgrade	Downgrade	Outlook to positive	Outlook to negative	Outlook to stable	Placed on CW negative	Removed from CW
Charter schools	0	0	0	0	0	0	0
Education	3	1	1	2	0	0	2
Health care	2	2	1	4	8	0	1
Housing	1	0	2	1	0	1	0
Local governments	32	17	3	12	4	4	8
Not-for-profit	1	0	0	0	0	0	0
Public power	0	1	1	0	3	0	1
States	0	0	3	0	0	0	0
Transportation	5	0	0	0	0	0	0
Utilities	6	19	4	0	0	0	24

CW—CreditWatch. Source: S&P Global Ratings.

Table 3

Number of rating actions by sector YTD 2024

Sector	Rating changes		Outlook changes			CW changes	
	Upgrade	Downgrade	Outlook to positive	Outlook to negative	Outlook to stable	Placed on CW negative	Removed from CW
Charter schools	3	8	4	6	5	2	0
Education	11	14	4	24	8	3	4
Health care	6	17	6	8	14	1	3
Housing	6	1	2	1	2	2	1
Local governments	175	69	58	54	40	210	94
Not-for-profit	3	0	0	1	0	0	0
Public power	2	4	2	2	5	1	2
States	10	2	8	17	0	0	0
Transportation	18	0	1	0	1	1	0
Utilities	21	41	4	6	11	81	42

CW—CreditWatch. Source: S&P Global Ratings.

Editor's note

In this report we present rating actions at the debt type level (e.g., general obligation, sales tax, parking revenue, etc.) rather than at the issuer level. Therefore, an issuer may have multiple rating actions associated with it in different sectors in the tables and charts.

Because we present the rating actions at the debt level, the metrics presented in this above may not be comparable to other research published by S&P Global Ratings or by other S&P Global divisions.

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