

Market Insights

Sector Intelligence | U.S. Public Finance

S&P Global Ratings

Oct. 11, 2024 | Data as of Sept. 30, 2024

This report does not constitute a rating action.

Key Takeaways

- There have been over 1,600 rating actions in U.S. public finance (USPF) year-to-date through Sept. 30, 2024.
- Overall, upgrades outpaced downgrades, primarily driven by rating activity in the local governments sector. Downgrades outpace upgrades in the charter schools, education, health care, power, and utilities sectors.
- Year-to-date, unfavorable outlook changes exceed favorable outlook activity.

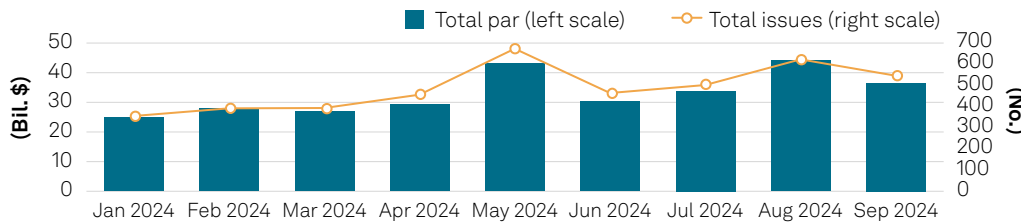
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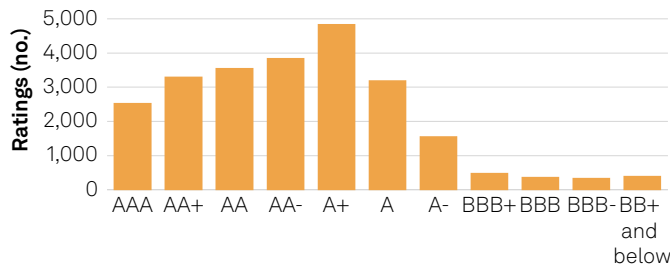
U.S. public finance at a glance

<div style="border: 1px solid #007060; padding: 10px; text-align: center;"> <h1 style="margin: 0;">24,300+</h1> <h2 style="margin: 0;">Ratings</h2> </div>	Rating changes	September 2024	2024 (no.)
	Upgrades	45	492
	Downgrades	31	308
	Outlook and CW changes		
	Favorable	21	256
	Unfavorable	46	604

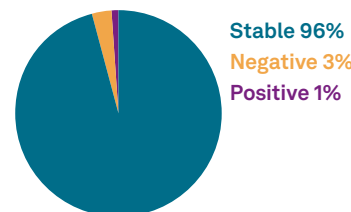
S&P Global Ratings rated new issuance



Rating distribution



Outlook distribution



For more Research click here



Source: S&P Global Ratings.

Recent Research

U.S. And Canadian Public Port Facilities Ratings And Outlooks As Of Oct. 1, 2024, Oct. 2, 2024

U.S. Not-For-Profit Transportation Infrastructure 2023 Medians: Demand And Revenue Growth Improved Financial Medians To Post-Pandemic Highs, Sept. 25, 2024

U.S. Mortgage Revenue Bond Program Medians: Solid Foundations Underpin Strong Credit Quality, Sept. 19, 2024

U.S. Not-For-Profit Health Care Rating Actions, August 2024, Sept. 12, 2024

U.S. Transportation Infrastructure Transit Update: Sector View Now Stable As Dedicated Tax Growth Mitigates Lower Ridership Revenue, Sept. 11, 2024

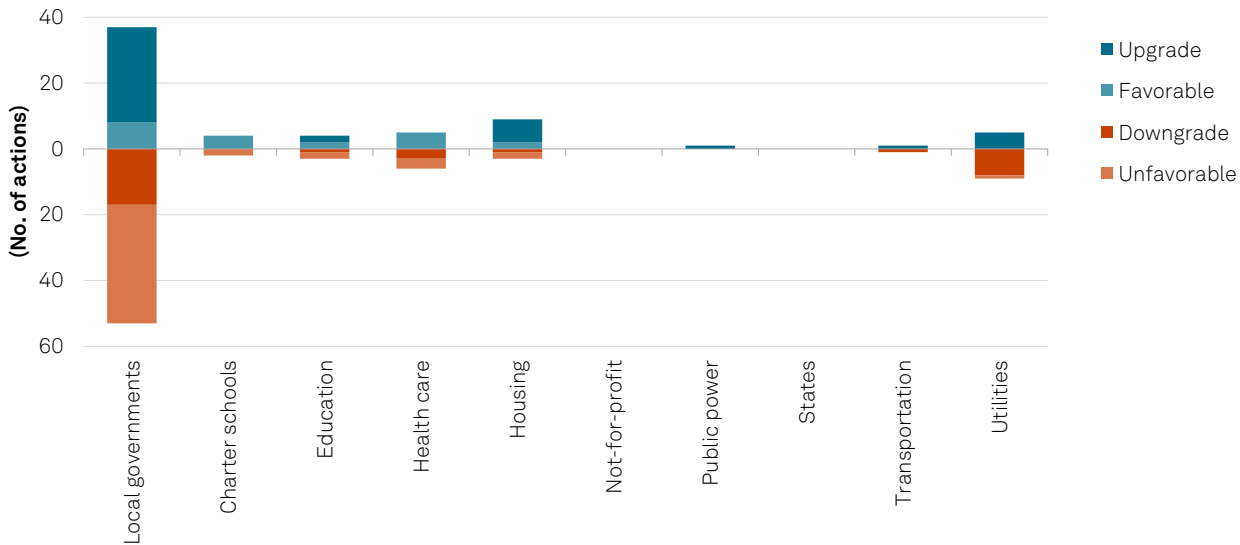
An Excel workbook containing a master list of rating actions by security type and by issues year to date can be downloaded [here](#).

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

USPF September rating actions by sector

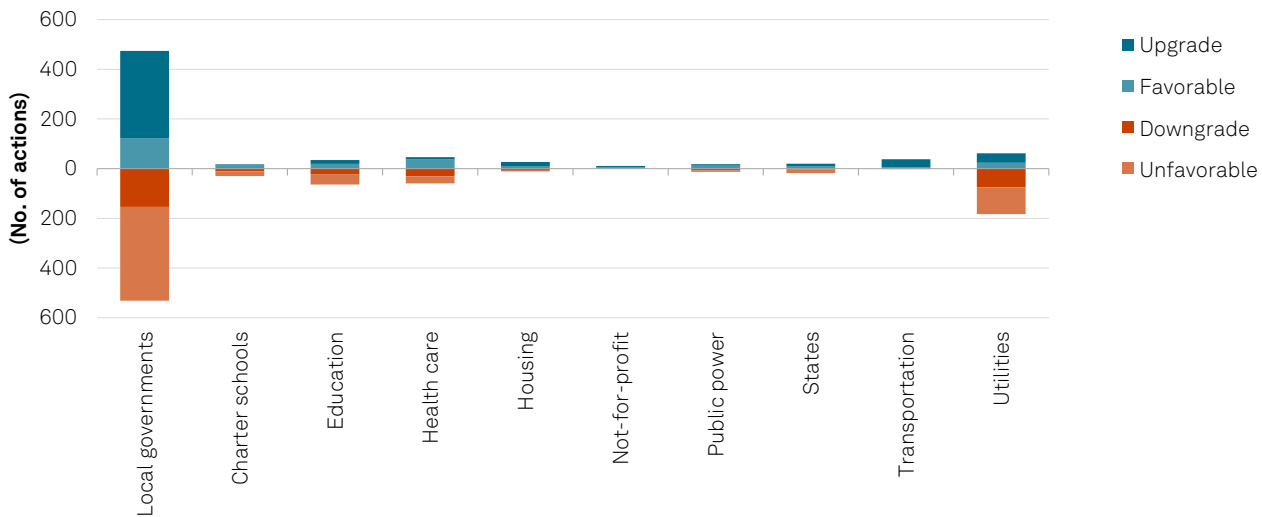
Chart 1



Source: S&P Global Ratings.

Chart 2

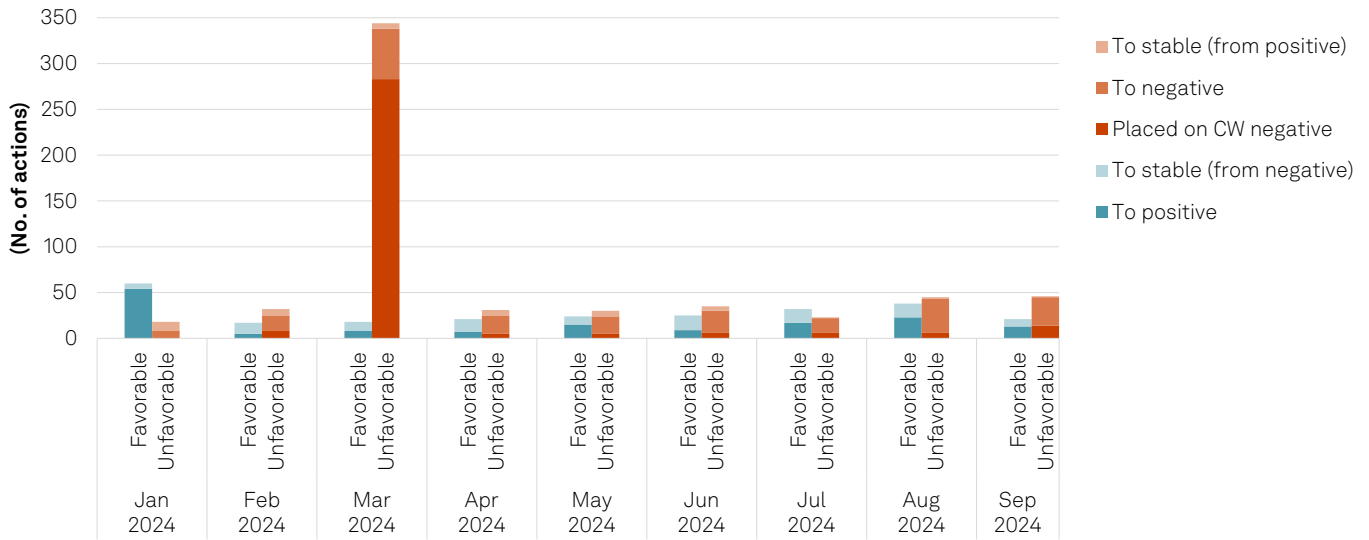
USPF rating actions by sector YTD 2024



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



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

Sector Spotlight—U.S. Community Colleges

U.S. community college demand metrics are showing signs of rebounding following material declines in recent years spurred by the impact of the pandemic.

Despite the exhaustion of federal relief funds, community colleges posted relatively consistent margins for fiscal 2023 compared with pre-pandemic levels, while strengthening liquidity in the same year due to improved state funding and prudent management.

Financial resource ratios have remained relatively consistent over the past three years while debt levels and leverage ratios indicated modest increases, likely due to higher construction costs and market conditions over the same time horizon.

Recent Research

[U.S. Community College District Fiscal 2023 Medians: A Reason For Optimism As A New School Year Gets Under Way](#), Oct. 1, 2024

[The New "New Normal": Trends In U.S. Higher Education Post-Pandemic Versus Post-Recession](#), Sept. 25, 2024

[U.S. State Funding: Propping Up Public Universities In An Increasingly Competitive Landscape](#), July 18, 2024

Chart 4

U.S. community college district medians: by the numbers

Rated community colleges

~200

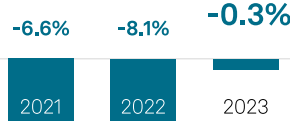
Across **23** states



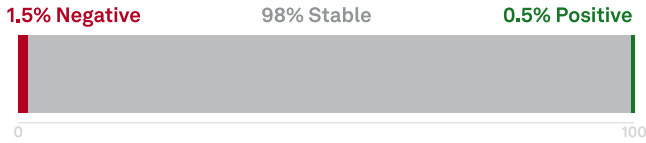
Top 3 rated states

- California
- Texas
- Illinois

Median FTE enrollment trend from 2021-2023



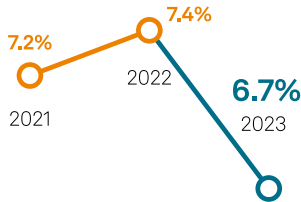
Outlook distribution



Key median financial metrics

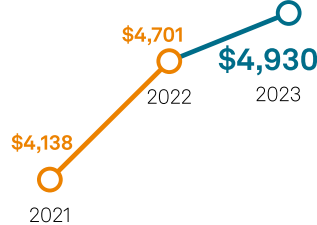
Operating margin

Fiscal year



State appropriations per FTE

Fiscal year



% of property tax support

Fiscal year 2023

~30%

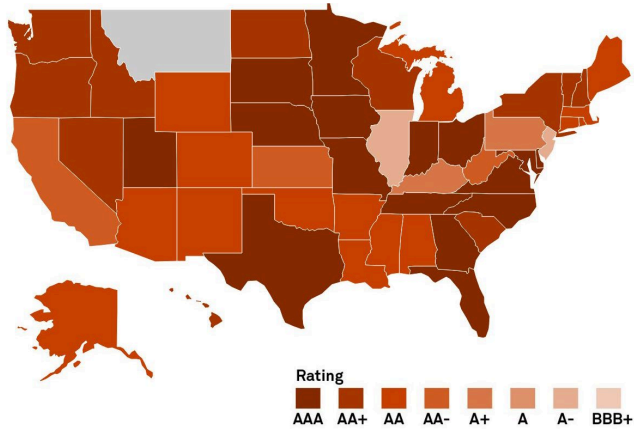
FTE—Full-time equivalent. FY—Fiscal year. Source: S&P Global Ratings.

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

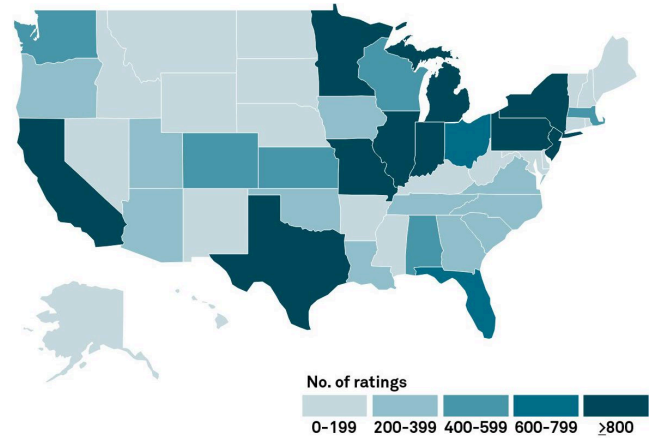
U.S. state ratings



States not rated 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 YTD 2024

State	Rating action	Outlook action	Current rating	Previous rating	Current outlook	Previous outlook	Date of rating action
Arizona	Affirmation	Outlook to positive	AA	AA	Positive	Stable	July 25, 2024
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 September 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	4	2	0	0	1
Education	2	1	1	2	1	0	0
Health care	0	3	1	2	5	0	0
Housing	7	1	2	1	0	1	0
Local governments	29	17	5	23	3	13	4
Not-for-profit	0	0	0	0	0	0	0
Public power	1	0	0	0	0	0	0
States	0	0	0	0	0	0	0
Transportation	1	1	0	0	0	0	0
Utilities	5	8	0	1	0	0	1

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	4	11	11	11	7	3	3
Education	16	22	12	32	12	5	4
Health care	9	31	14	19	28	4	4
Housing	19	5	6	3	2	3	2
Local governments	351	154	85	119	63	233	126
Not-for-profit	6	0	0	1	5	0	0
Public power	6	7	2	5	10	1	3
States	10	2	10	16	0	0	0
Transportation	33	1	2	0	3	1	0
Utilities	38	75	9	21	19	83	52

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 the 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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