

# Market Insights

## Sector Intelligence | U.S. Public Finance

S&P Global Ratings

Nov. 7, 2024 | Data as of Oct. 31, 2024

This report does not constitute a rating action.

### Key Takeaways

- There have been more than 1,850 rating actions in U.S. public finance (USPF) year-to-date through Oct. 31, 2024.
- Overall, upgrades outpaced downgrades, primarily driven by rating activity in the local governments sector. Downgrades outpaced upgrades in the charter schools, education, health care, power, and utilities sectors.
- Year-to-date, unfavorable outlook revisions exceed favorable outlook revisions.

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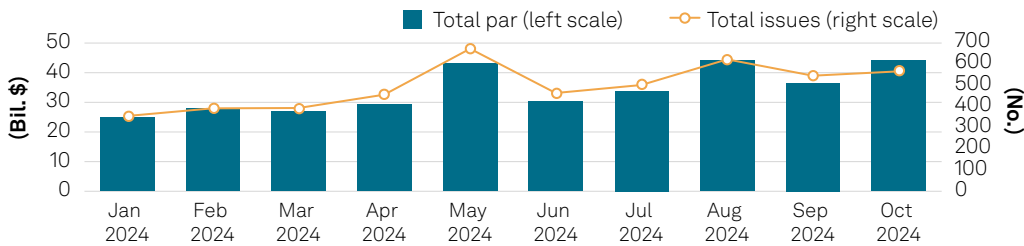
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## U.S. public finance at a glance

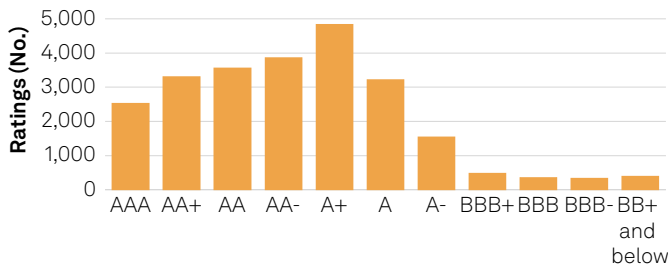
24,400+ Ratings

Rating changes	October 2024 (No.)	2024 (No.)
<b>Upgrades</b>	79	571
<b>Downgrades</b>	42	350
Outlook and CW changes		
<b>Favorable</b>	20	276
<b>Unfavorable</b>	54	658

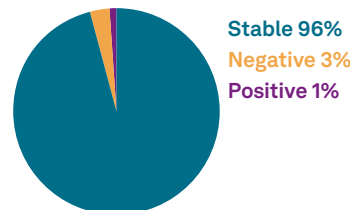
### S&P Global Ratings rated new issuance



### Rating distribution



### Outlook distribution



## Recent Research

Sustainability Insights: Rising Insurance Costs And Mounting Affordability Challenges Could Weigh On Some U.S. Governments' Creditworthiness, Oct. 31, 2024

U.S. Public Finance Housing Rating Actions, Third-Quarter 2024, Oct. 31, 2024

U.S. States' Fiscal 2023 Liabilities: Stable Debt, With Pension And OPEB Funding Trending Favorably, Oct. 23, 2024

U.S. Local Governments Credit Brief: California School Districts Means And Medians, Oct. 22, 2024

U.S. Not-For-Profit Health Care Outstanding Ratings And Outlooks As Of Sept. 30, 2024, Oct. 21, 2024

Hurricanes Helene And Milton Add To U.S. Public Finance Issuers' Climate And Financial Challenges, Oct. 15, 2024

For more Research click here



Source: S&P Global Ratings.

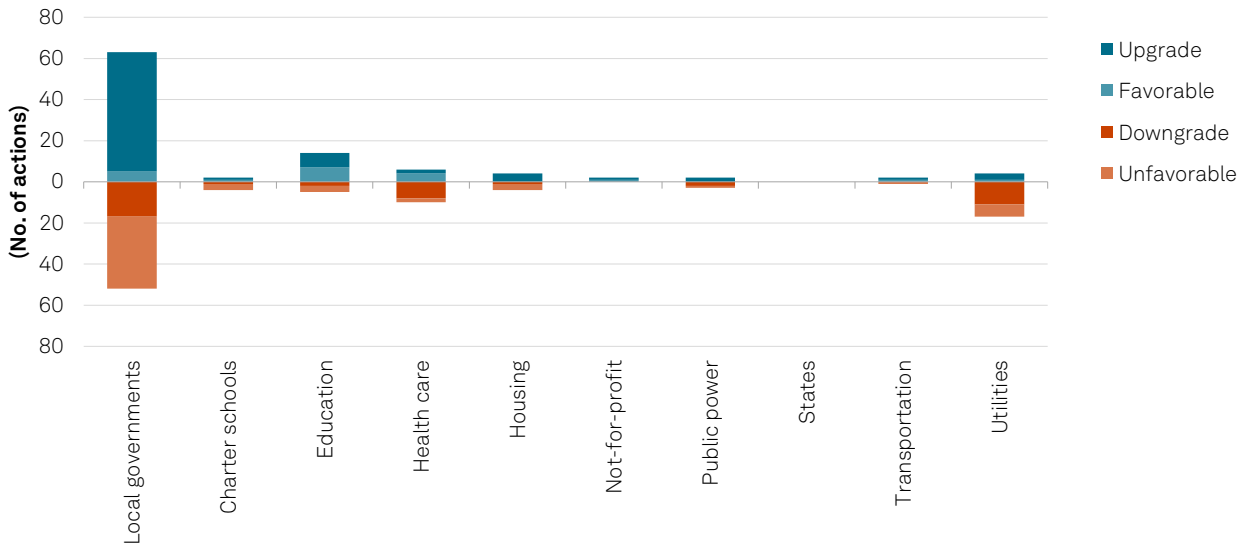
An Excel workbook containing a master list of rating actions by security type and by issues year to date can be downloaded [here](#).

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 October rating actions by sector

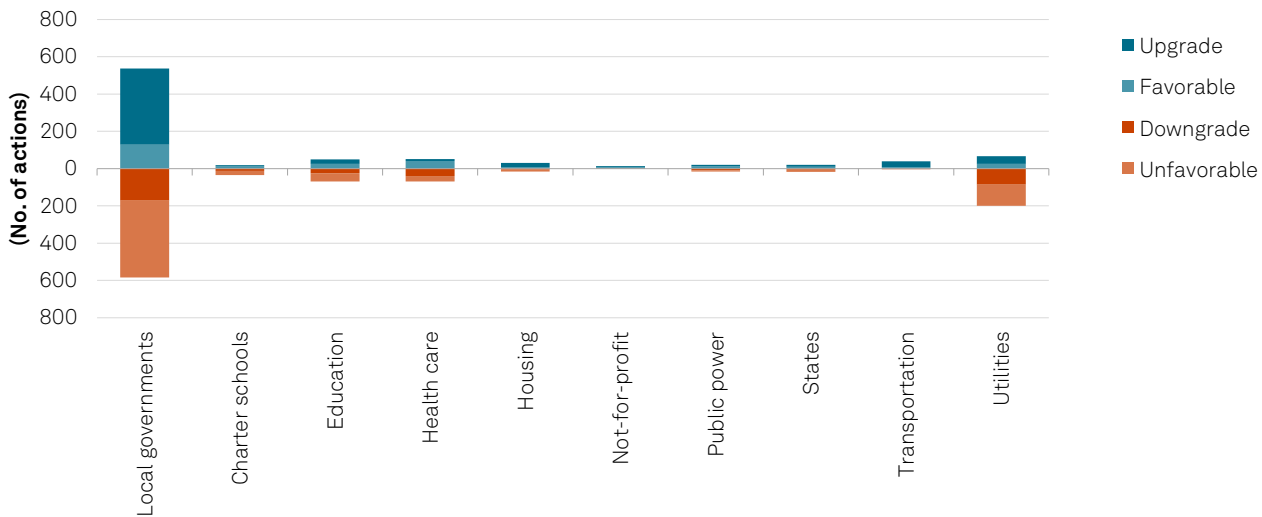
Chart 1



Source: S&P Global Ratings.

Chart 2

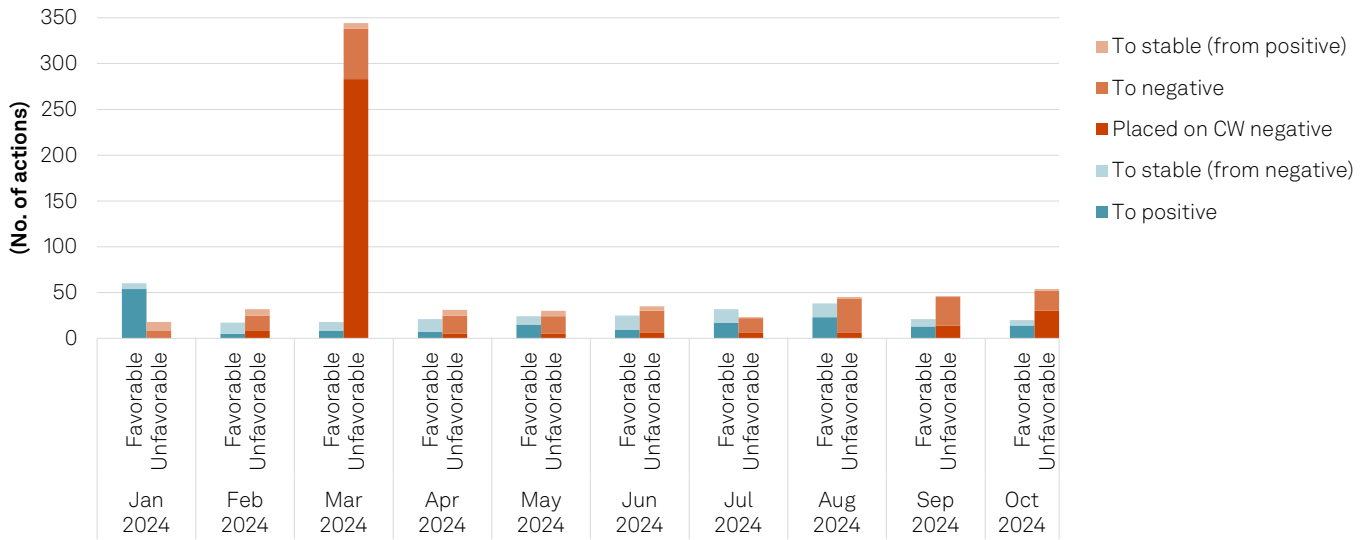
### USPF rating actions by sector YTD 2024



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



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

# Sector Spotlight—Water And Sewer Utilities

U.S. water and wastewater utilities' median financial performance diminished in fiscal 2023, while downgrades outpaced upgrades in 2024, consistent with S&P Global Ratings' negative sector view.

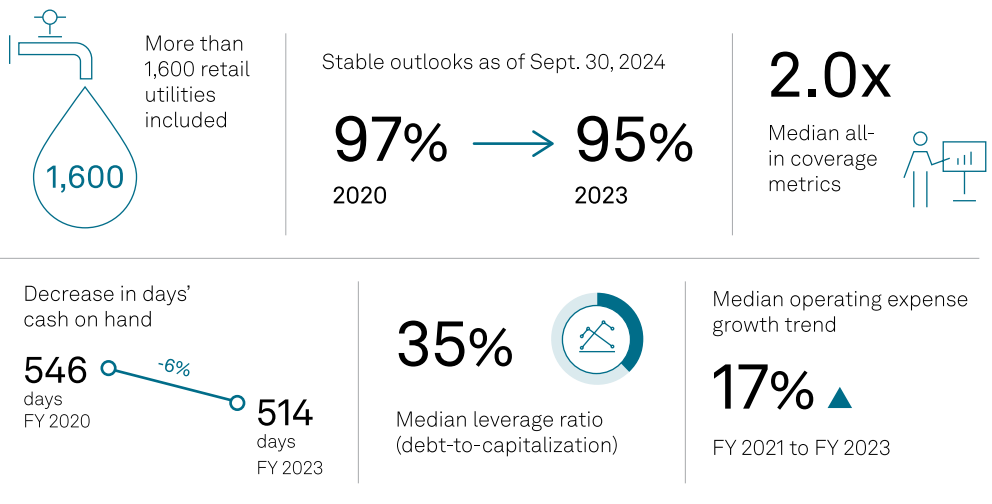
Flat-to-declining median financial metrics reflect tightening margins, as most utilities were operating in a new baseline environment, with higher cost-of-service requirements. Balance-sheet metrics were mostly stable, but growing expenses continue to pressure operating performance.

Accelerated capital spending could further pressure margins as utilities address aging infrastructure, harden assets, invest in new supply sources, and comply with increasingly stringent regulations.

Asset resiliency and long-term environmental-risk mitigation will continue to be integral to assessing utilities' financial outlook.

Chart 4

## U.S. municipal water and sewer utilities medians: by the numbers



### Rating and outlook action trends

Downgrades to upgrades



Unfavorable to favorable



Source: S&P Global Ratings.

## Recent Research

[U.S. Municipal Water And Sewer Utilities Navigate A New Environment As Performance Drops, Nov. 5, 2024](#)

[U.S. Municipal Water And Sewer Utilities Rating Actions, Third Quarter 2024, Oct. 29, 2024](#)

[California Utilities Enter Period Of Significant Capital Spending That May Strain Water And Sewer Rate Affordability, Oct. 3, 2024](#)

[Your Three Minutes In Water Utilities: The Water Risk And Resilience Organization, Oct. 2, 2024](#)

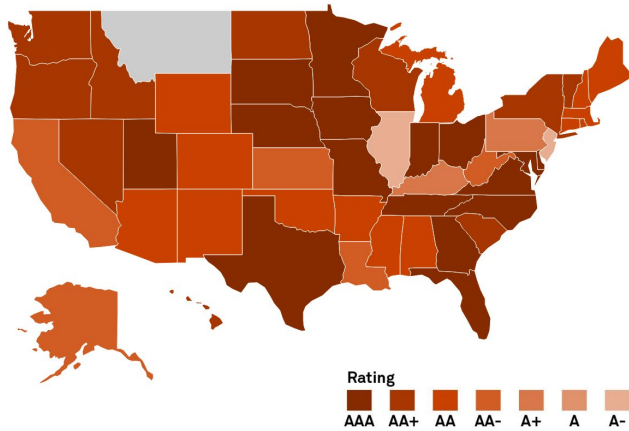
[Your Three Minutes In California Groundwater: Tulare Lake Subbasin's Probation May Herald More Restrictions, Rating Changes, June 13, 2024](#)

# 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

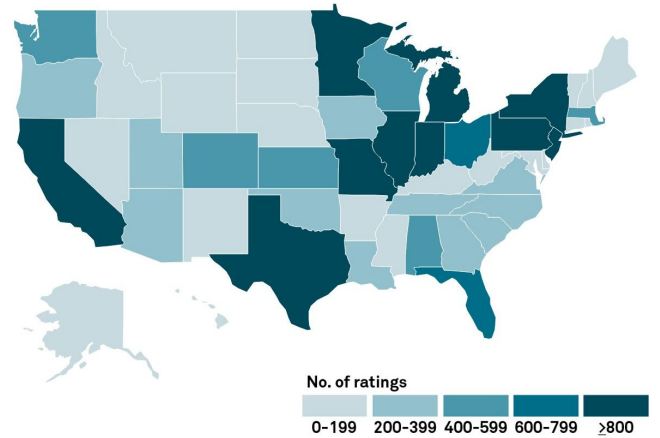
U.S. state ratings



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 October 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	1	1	1	3	0	0	0
Education	7	2	6	2	1	1	0
Health care	2	8	0	1	4	1	1
Housing	4	1	0	3	0	0	1
Local governments	58	17	4	10	3	23	4
Not-for-profit	1	0	1	0	0	0	0
Public power	2	2	0	0	0	1	2
States	0	0	0	0	0	0	0
Transportation	1	0	1	1	0	0	0
Utilities	3	11	1	2	0	4	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	5	12	12	14	7	3	3
Education	23	24	18	34	13	6	4
Health care	11	39	14	20	32	5	5
Housing	23	6	6	6	2	3	3
Local governments	409	171	89	129	66	256	130
Not-for-profit	7	0	1	1	5	0	0
Public power	8	9	2	5	10	2	5
States	10	2	10	16	0	0	0
Transportation	34	1	3	1	3	1	0
Utilities	41	86	10	23	19	87	53

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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