

# Market Insights

## Sector Intelligence | U.S. Public Finance

June 6, 2023 | Data as of May 31, 2023

This report does not constitute a rating action.

### Key Takeaways

- There have been more than 800 rating actions in U.S. public finance (USPF) since the beginning of the year.
- Upgrades continue to outpace downgrades year to date, except in the health care, utilities, and public power sectors.
- On April 24, 2023, we released our revised criteria for Global Not-For-Profit Education Providers, which consolidates our approach for U.S. and non-U.S. private and public colleges and universities, community colleges and districts, independent schools, and their various security pledges. For more information see, [Criteria | Governments | General: Global Not-For-Profit Education Providers](#).

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### Recent Research

U.S. Mortgage Revenue Bond Program Rating Actions In Line With Expectations After Application Of Updated Criteria, May 18, 2023

Not-For-Profit Acute Health Care State Snapshot: Maryland, May 10, 2023

U.S. Not-For-Profit Health Care Rating Actions, April 2023, May 4, 2023

U.S. Municipal Water And Sewer Utilities Rating Actions, First Quarter 2023, May 2, 2023

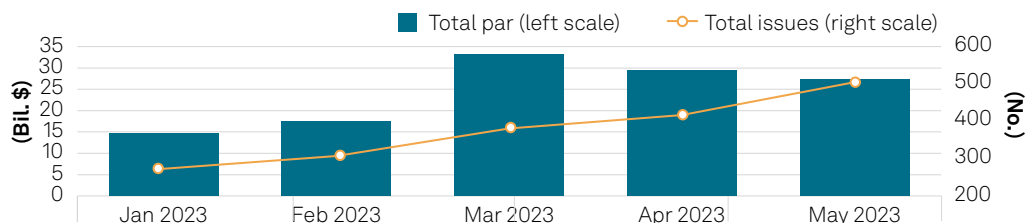
U.S. Public Finance Housing Rating Actions, First-Quarter 2023, April 24, 2023

## U.S. public finance at a glance

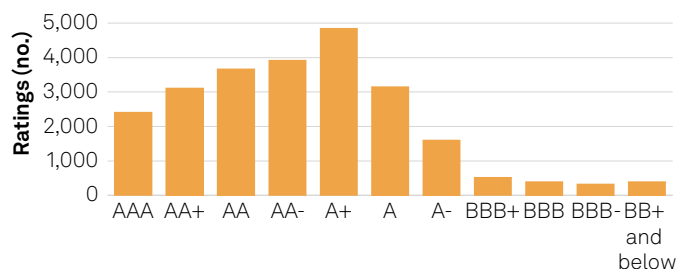
24,000+ Ratings 

| Rating changes         | May 2023 (no.) | 2023 (no.) |
|------------------------|----------------|------------|
| <b>Upgrades</b>        | 76             | 352        |
| <b>Downgrades</b>      | 16             | 107        |
| Outlook and CW changes |                |            |
| <b>Favorable</b>       | 20             | 122        |
| <b>Unfavorable</b>     | 17             | 273        |

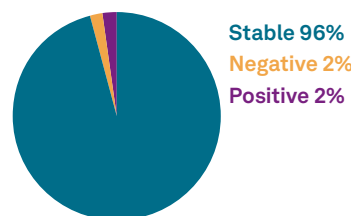
### S&P Global Ratings rated new issuance



### Rating distribution



### Outlook distribution



For more Research click here



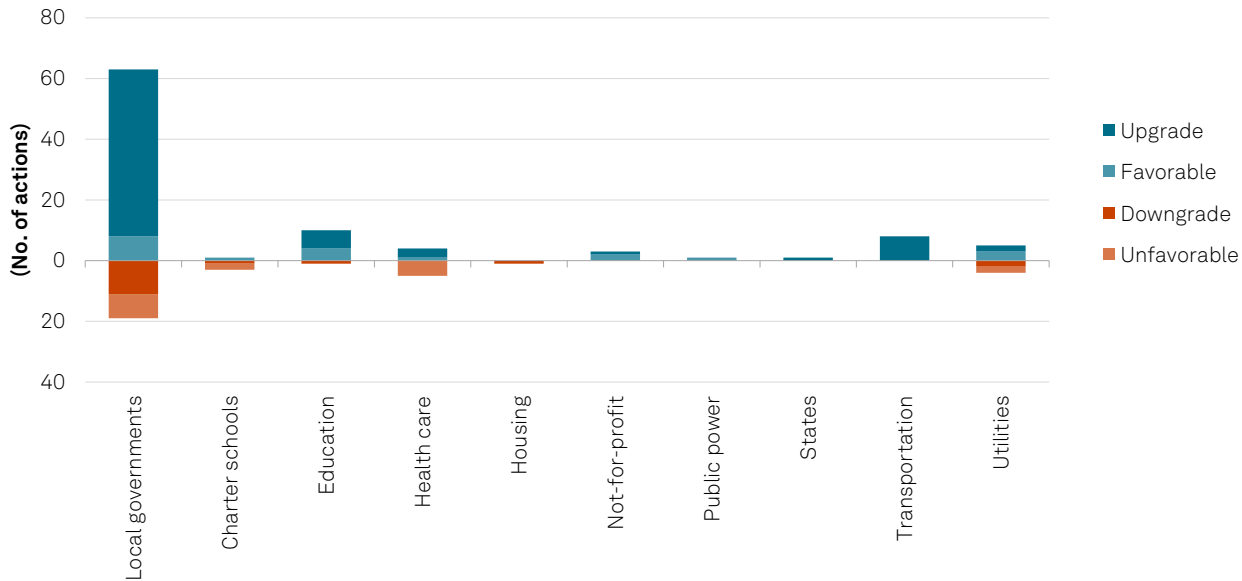
An Excel workbook containing a master list of rating actions by security type and by issues year to date can be downloaded [here](#).

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. As of May 2023, community college districts are now reported under the Education sector coinciding with the release of the revised criteria noted above.

## USPF Rating Activity

Chart 1

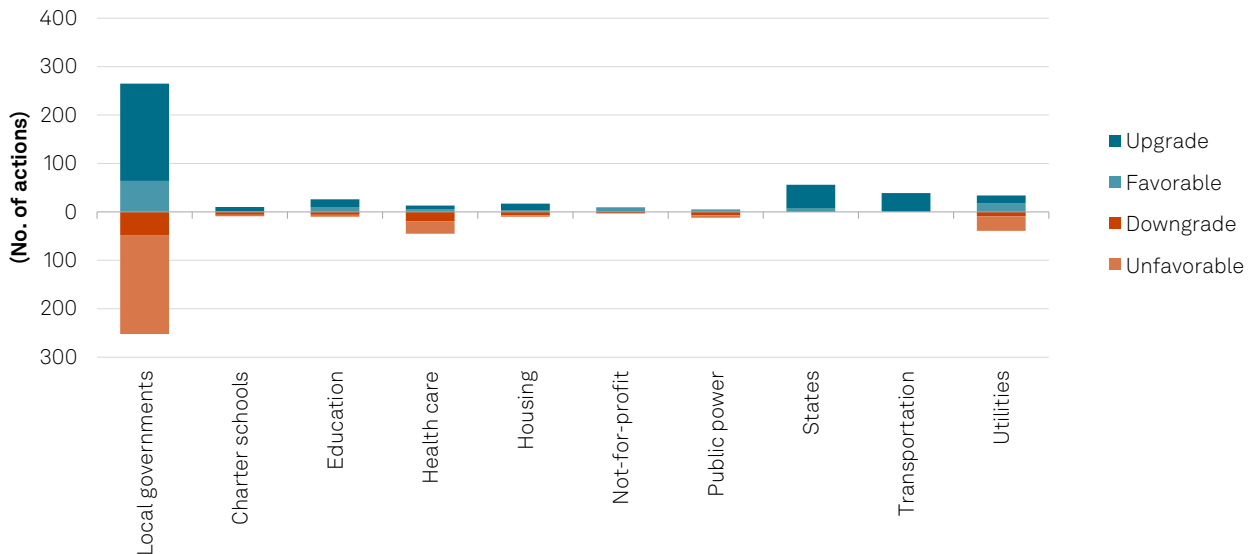
USPF May rating actions by sector



Source: S&P Global Ratings.

Chart 2

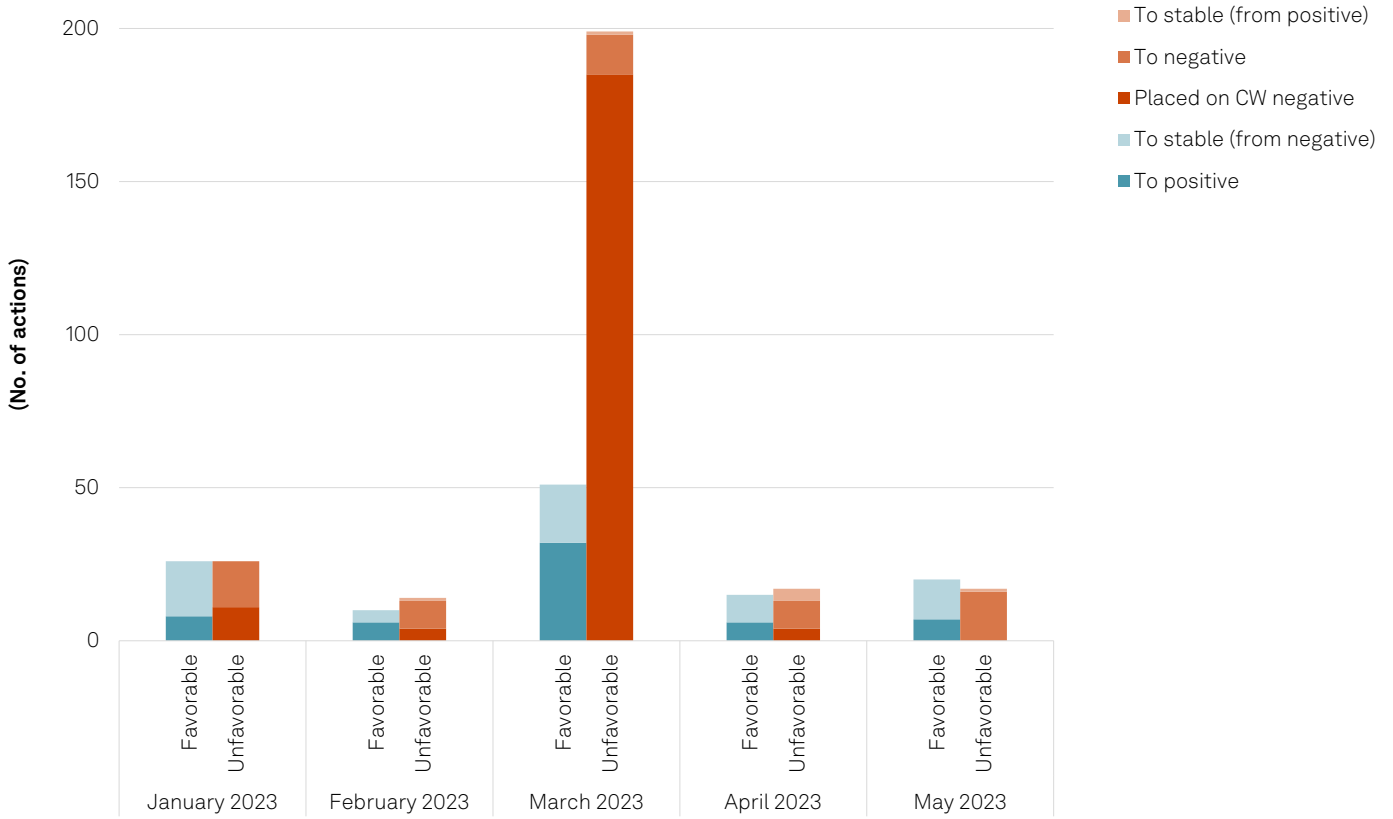
USPF rating actions by sector YTD 2023



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



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

# Sector Spotlight—Public Power And Electric Cooperatives

Our U.S. municipal and cooperative power team recently published several thought-leadership pieces focusing on relevant sector trends, including operating risks affecting utilities that have invested in broadband service and cyber considerations.

## Recent Research

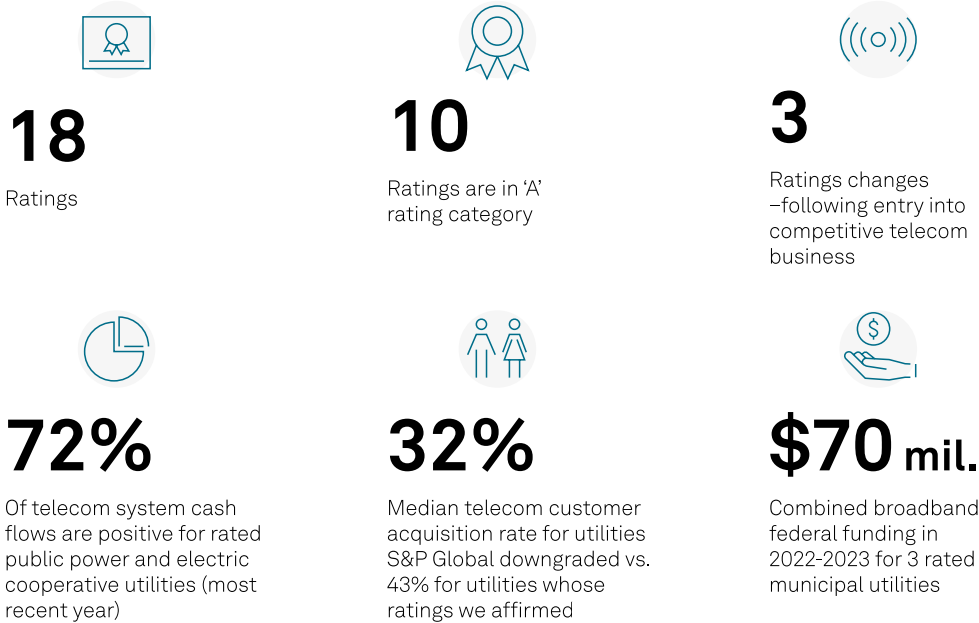
Cyber Risk Insights: Ongoing Preparedness Is Key To U.S. Power Utilities Keeping Attackers In The Dark, May 11, 2023

Not-For-Profit Utilities' Broadband Investments Require Enhanced Risk Management, April 17, 2023

Sustainability Insights: Research: U.S. Broadband Expansion: Bridging Access Gaps, April 6, 2023

Chart 4

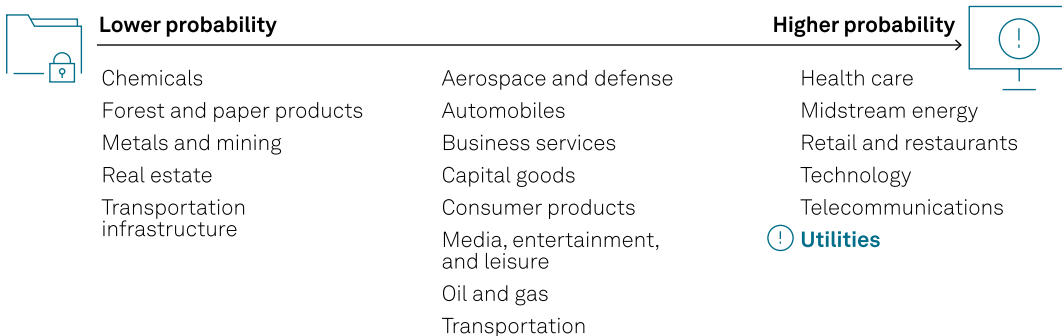
### By the numbers: public power and electric cooperative utilities investing in broadband



Source: S&P Global Ratings.

Chart 5

### Power utilities face a high probability of cyberattacks



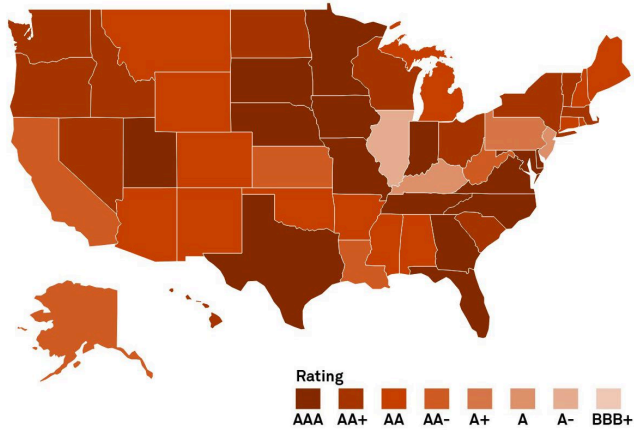
Source: S&P Global Ratings.

# 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](#), published April 14, 2023, and [U.S State Ratings And Outlooks: Current List](#), published April 14, 2023.

Chart 6

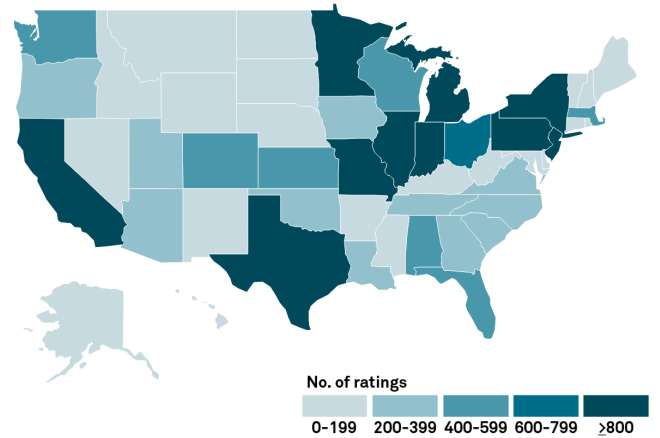
## U.S. state ratings



The chart includes all sectors. Source: S&P Global Ratings.

Chart 7

## No. of ratings by state



The chart includes all sectors. Source: S&P Global Ratings.

Table 1

## U.S. state rating actions in 2023

| State         | Rating action | Outlook action      | Current rating | Previous rating | Current outlook | Previous outlook | Date of rating action |
|---------------|---------------|---------------------|----------------|-----------------|-----------------|------------------|-----------------------|
| Massachusetts | Upgrade       | Outlook to stable   | AA+            | AA              | Stable          | Positive         | April 14, 2023        |
| New Jersey    | Upgrade       | Outlook to stable   | A              | A-              | Stable          | Positive         | April 12, 2023        |
| Louisiana     | Affirmation   | Outlook to positive | AA-            | AA-             | Positive        | Stable           | March 31, 2023        |
| Kansas        | Affirmation   | Outlook to positive | AA-            | AA-             | Positive        | Stable           | Feb. 28, 2023         |
| Illinois      | Upgrade       | No change           | A-             | BBB+            | Stable          | Stable           | Feb. 23, 2023         |

Source: S&P Global Ratings.

# Appendix

Table 2

## Number of rating actions by sector May 2023

| 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                   | 2                   |                   |                       |                 |
| Education         | 6              | 1         |                     |                     | 4                 |                       |                 |
| Health care       | 3              |           |                     | 5                   | 1                 |                       | 1               |
| Housing           |                | 1         |                     |                     |                   |                       | 1               |
| Local governments | 55             | 11        | 3                   | 7                   | 6                 |                       | 9               |
| Not-for-profit    | 1              |           | 2                   |                     |                   |                       |                 |
| Public power      |                |           |                     |                     | 1                 |                       |                 |
| States            | 1              |           |                     |                     |                   |                       |                 |
| Transportation    | 8              |           |                     |                     |                   |                       |                 |
| Utilities         | 2              | 2         | 1                   | 2                   | 2                 |                       | 2               |

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

Table 3

## Number of rating actions by sector YTD 2023

| 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   | 8              | 6         | 1                   | 3                   | 1                 |                       | 1               |
| Education         | 16             | 6         | 2                   | 4                   | 8                 |                       |                 |
| Health care       | 7              | 20        | 4                   | 20                  | 4                 | 3                     | 4               |
| Housing           | 14             | 7         |                     |                     | 5                 | 1                     | 2               |
| Local governments | 201            | 49        | 31                  | 22                  | 35                | 179                   | 84              |
| Not-for-profit    | 2              | 3         | 4                   |                     | 3                 |                       |                 |
| Public power      | 2              | 7         | 1                   | 3                   | 2                 | 2                     | 2               |
| States            | 49             |           | 7                   |                     |                   |                       |                 |
| Transportation    | 37             |           | 1                   |                     | 1                 |                       |                 |
| Utilities         | 16             | 9         | 8                   | 10                  | 11                | 19                    | 10              |

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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