Corporate and Municipal CUSIP Request Volumes Decline in December.

NORWALK, Conn., Jan. 21, 2026 (GLOBE NEWSWIRE) — CUSIP Global Services (CGS) today announced the release of its CUSIP Issuance Trends Report for December 2025. The report, which tracks the issuance of new security identifiers as an early indicator of debt and capital markets activity over the next quarter, found sharp monthly decreases in request volume for new corporate and municipal identifiers. On an annualized basis, total identifier request volume surged in 2025 versus 2024 totals.

North American corporate CUSIP requests totaled 6,723 in December, which is down 21.6% on a monthly basis. On an annualized basis, however, North American corporate requests were up 7.1% over December 2024 totals. Requests for new U.S. corporate equity identifiers fell 3.9% and requests for new U.S. corporate debt identifiers declined 37.7% for the month of December.

The aggregate total of identifier requests for new municipal securities – including municipal bonds, long-term and short-term notes, and commercial paper – fell 20.2% versus November totals. On a year-over-year basis, overall municipal volumes were up 14.6% through the end of December. Texas led state-level municipal request volume with a total of 105 new CUSIP requests in December, followed by New York (81) and California (60).

"Monthly CUSIP request volume may have dropped off significantly in December, but when we take a look back at 2025 in total, we see a significant increase in new issuance activity across most major asset classes, including corporate debt and equity and municipal securities," said Gerard Faulkner, Director of Operations for CGS. "As we head into the New Year, with uncertainty over interest rates and the broader economy still looming, the first few months of request volume in 2026 will provide valuable insight into how issuers are thinking about the markets."

Requests for international equity CUSIPs fell 1.3% in December and international debt CUSIP requests fell 15.8%. On an annualized basis, international equity CUSIP requests were up 12.4% and international debt CUSIP requests were up 10.6%.

To view the full CUSIP Issuance Trends report for December, please click here.

Following is a breakdown of new CUSIP Identifier requests by asset class year-to-date through December 2025:

Continue reading.

NASBO FY27: State & Territory Proposed Budget Summaries

Overview

Governors in 31 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands will propose a new budget for fiscal 2027 for consideration during 2026 legislative sessions, while governors in three states (Kentucky, Virginia, and Wyoming) will propose biennial budgets for both fiscal 2027 and fiscal 2028. Last year, 15 states enacted biennial budgets for fiscal 2026 and fiscal 2027 while North Carolina enacted a partial budget; in some of these states the governor may propose a supplemental budget.

Forty-six states begin their fiscal year on July 1 (New York begins its fiscal year on April 1, Texas on September 1, and Alabama and Michigan on October 1). Puerto Rico begins its fiscal year on July 1, while the District of Columbia, Guam, and the U.S. Virgin Islands begin their fiscal year on October 1.

Continue reading.

Fitch U.S. Public Finance: 2026 Rating Actions to 16 January

This is the U.S. Public Finance Rating Action Report 2025 Year to Date (January 1, 2026 to January 16, 2026).

Access Report

Mon 19 Jan, 2026 – 4:10 AM ET

United States: Fitch Quarterly Credit Brief 1Q26

The U.S. credit outlook for 2026 is broadly benign, supported by AI-led capex, policy support, and easing monetary policy. However, rising concentration risk in AI investments raises bubble concerns and potential spillovers to credit markets.

Access Report

Tue 20 Jan, 2026 – 11:55 AM ET

From Growth To Growing Risk: Rapid Development Of Data Centers Is Creating Vulnerabilities - S&P

Key Takeaways

- Massive AI-focused data centers' scale, complexity, and aggressive construction timelines increasingly strain development capacity, encourage developers to take on projects beyond their experience, create specialized labor shortages, and lead to equipment procurement issues.
- Rapid sector growth is underpinned by mid-sized contractors' reliance on debt across the value chain. This has led to elevated leverage that creates vulnerabilities to cost overruns and rising interest rates, which could ripple through supply chains, causing project delays that further amplify risks.

- Some stakeholders' significant negotiating power could shift risk to less solid contractors and subcontractors, while contractual opacity (particularly regarding opt-out rights and guarantees) obscures these risks and can result in misaligned expectations across the value chain.
- Increasing use of private capital and complex contractual and financing structures makes it difficult to assess leverage and risk concentrations within the data center sector, potentially masking sectoral vulnerabilities that could become apparent if AI's promise wanes.

Continue reading.

21-Jan-2026 | 08:29 EST

S&P: AI Infrastructure Buildout Weighs Credit Risks And Rewards

Key takeaways

- Frontier AI labs are the most speculative of AI participants mainly because of the gap between their massive funding needs and uncertainty in meeting their monetization expectations.
- Hyperscalers are best positioned in this AI revolution given their strong balance sheets and competitive positions through their cloud platforms. However, their aggressive capex investments have begun to erode free operating cash flow, leaving credit risk profiles modestly riskier than before.
- Positive rating actions for AI chip and hardware vendors reflect insatiable demand.
- Oracle Corp.'s debt-financed AI strategy has led to a negative rating outlook change and its credit metrics will remain stretched for the 'BBB' rating for the next three years.

Continue reading.

21-Jan-2026 | 08:04 EST

HHS Pauses, Then Restores, $5 Billion in State Health Grants.

Takeaways by Bloomberg AI

- The US Department of Health and Human Services notified states that it would pause public health grants worth about $5 billion, then later said it would lift the halt.
- The pause was to evaluate whether activities were in "alignment with administration and agency priorities" and to implement a new review process, according to an email and a spokesperson for the agency.
- News of the pause was met with frustration, with the director of Dallas County Health and Human Services calling it "another senseless disruption when we are trying to provide public health services".

Continue reading.

Bloomberg

By Jessica Nix

January 24, 2026

Confusion Remains After Trump Administration Abruptly Halts Public Health Funding to Cities and States, then Reverses Course.

Jan 24 (Reuters) – The U.S. Department of Health and Human Services (HHS) restored about $5 billion in public health grants to states just hours after it sent notices pausing such grants, Bloomberg News reported on Saturday.

A spokesperson for the agency said that states would be notified that the pause had been lifted, the report added.

Keep up with the latest medical breakthroughs and healthcare trends with the Reuters Health Rounds newsletter. Sign up here.
HHS did not immediately respond to a Reuters request for comment.

"The temporary pause is for HHS to implement a new review process and to ensure funds are used for their intended purposes," the HHS spokesperson earlier told Bloomberg.

Continue reading.

Reuters

by Jamie Gumbrecht, Brenda Goodman, Deidre McPhillips,

Sat, January 24, 2026

Three Paths to Affordability for Local Governments.

Public officials can make the greatest difference when they focus on their communities' housing, transportation and utility costs.

The concept of "affordability" keeps gaining ground as a mantra for public officials and political candidates across the political spectrum. New York City Mayor Zohran Mamdani centered his campaign almost exclusively on the issue, which was also a centerpiece in the campaigns of the new Democratic governors of New Jersey and Virginia. In Georgia, Republican Secretary of State and gubernatorial candidate Brad Raffensperger has accused his legislative critics of "tomfoolery" for demanding that his office release sensitive voter data to the U.S. Department of Justice — arguing that lawmakers should instead focus on pressing issues like affordability.

The word is being swatted around like a pickleball, but too few public officials have stopped to seriously consider what "affordability" actually means for local governments and the people they serve, and what those governments can do to make a difference.

I served for nearly two decades as a public official in both the legislative and executive branches of local government, followed by six years as a state college president. Across every leadership role I held, my primary focus was creating affordability for individuals and communities. From that experience and the prevailing research, I have concluded that there are three areas where local officials can make the greatest difference.

Continue reading.

governing.com

OPINION | Jan. 23, 2026 • Jabari Simama

Municipal Bonds Fall on Growing Supply, Geopolitical Angst.

Takeaways by Bloomberg AI

- Municipal bonds dropped the most in months as supply starts to pick up and geopolitical concerns hammer the US Treasury market.
- Top-rated state and local government debt yields rose as much as seven basis points on Tuesday, marking the biggest such move for 10- and 30-year bonds since July.
- The selloff presented a chance for portfolio managers and investors with cash in money market funds, with some viewing the pullback as a good opportunity to get quality paper at a wider yield.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert and Aashna Shah

January 20, 2026

Range Break in the Signal Hunt: Municipals Enter 2026 with Strength

From Bracing to Building

Investors are looking for and finding positive signs. The tone has shifted in a more constructive direction to begin 2026, relative to the last couple times the calendar turned, for several reasons.

Continue reading.

advisorhub.com

by Tom Kozlik, HilltopSecurities

January 12, 2026

Barclays Sees Muni Market Upside 'Capped' by Rich Valuations.

The muni market's outperformance streak likely has little room left to run, according to Barclays Plc strategists.

State and local government debt posted a 0.6% gain this month — even while Treasuries swung to a small loss — as the market was buoyed by the reinvestment of bond payments and a continuing influx into mutual funds.

But that may mean there's little upside left: The advance has pushed 10-year tax-exempt bond yields the deepest below those on Treasuries since May 2024. That measure, a closely watched gauge of valuations, indicates munis are already trading at lofty levels.

Continue reading.

Bloomberg Markets

By Amanda Albright

January 23, 2026

Led by Texas, New Hampshire, U.S. States Race to Prove They Can Put Bitcoin on Public Balance Sheet.

Key Points

- As Congress continues its effort to pass a federal crypto market structure bill, many states are attempting to prove their public finances are on top of the digital assets trend.
- Texas recently became the first state to purchase bitcoin, through an ETF, as part of funding its own version of a state-level bitcoin strategic reserve.
- Arizona, New Hampshire, Massachusetts, Ohio, and South Dakota all at various stages of cryptocurrency strategic reserve legislation or investment planning

Led by Texas and New Hampshire, U.S. states across the national map, both red and blue in political stripes, are developing bitcoin strategic reserves and bringing cryptocurrencies onto their books through additional state finance and budgeting measures.

Continue reading.

cnbc.com

by Trevor Laurence Jockims

Jan 17 2026

S&P U.S. Higher Education Rating Actions, Fourth-Quarter 2025

View the S&P Rating Actions.

15-Jan-2026 | 17:08 EST

Trump is Threatening to Cut Funding from Sanctuary Cities. Here's What to Know.

With tensions already high in Minnesota after an Immigration and Customs Enforcement officer killed Renee Macklin Good, the Trump administration is ramping up the pressure on cities and states to cooperate with its immigration crackdown.

The administration had already surged federal agents — sometimes accompanied by military troops — to Los Angeles, Portland, Chicago, Charlotte, Memphis, Washington D.C. and New Orleans.

Now the White House is threatening to cut funding for sanctuary cities. Here's a brief explanation of how local governments interact with federal immigration enforcement, and what the White House can and can't require from them.

Continue reading.

boisestatepublicradio.org

By Joel Rose

January 17, 2026

Private-Jet Boom Brings Hangar Builder Sky Harbour to Muni Market.

Takeaways by Bloomberg AI

- Sky Harbour Group Corp. is seeking to borrow $100 million through the tax-exempt municipal bond market to expand its operations in Texas, Connecticut, Florida and New York.
- The company's chief financial officer, Francisco Gonzalez, says "Business aviation is booming" and the existing real estate hangar base in the US isn't tall enough to accommodate bigger jets.
- The new securities will be backed by rental revenue and the company, and are for buyers willing to take on "a high degree of risk", with minimum denominations of $500,000.

Continue reading.

Bloomberg Markets

By Michelle Kaske

January 16, 2026

Is WIFIA's Interest Rate Reset Feature at Risk?

In response to the Trump administration's slowdown of loan processing at the Water Infrastructure Finance and Innovation Act (WIFIA) program, four water advocacy groups sent a letter to EPA Administrator Zeldin in October last year asking for normal processing to resume. In December, a group of Democrat senators sent a similar letter requesting the same thing. The pressure worked – five loans totaling more than $500 million were rapidly approved and closed at the end of 2025.

Such lobbying and political efforts can be quite effective, as they were in this case, when executive branch slow walking cannot be credibly justified. Invited WIFIA loan applications are invariably of very high quality. All five recently closed loans had high investment grade credit ratings and financed low-risk, essential water infrastructure. WIFIA's statutory framework has not been amended under Trump 2.0, nor has program funding run out. There have been no apparent issues whatsoever in program operation or portfolio credit performance. The WIFIA loan applicants had every right to expect that the new administration would execute their loans as expeditiously as had been consistently done since 2018. There was simply no excuse for further delay.

However, what if a required approval was outside of WIFIA's statutory framework and, although frequently granted in the past, might now be characterized by the Trump administration as potentially having negative effects? Slow walking – or simply denying – such an approval by the administration might be much harder to counter. Unfortunately, I think there is a risk of this scenario for future approvals of WIFIA's popular interest rate management feature, resetting an undrawn loan commitment to a lower interest rate.

Continue reading.

Water Finance & Management

January 8, 2026

by Contributing Author

Munis, Mortgage-Backed Securities Among Advisors' Top Picks for 2026.

After a few difficult years, fixed income may be getting its groove back in 2026.

The inflation shocks from the COVID-19 era are in the rearview, and the positive correlation that occurred between fixed income and equities turned negative last year. That's good news for diversified portfolios. Plus, the Federal Reserve may be in easing mode for monetary policy, but interest rates aren't likely to return to pre-COVID levels where they were near zero, said Eric Sterner, chief investment officer of Apollon Wealth Management. "We think there's going to be a lot more value to those fixed-income allocations moving forward, which is music to our ears — and I'm sure all investors," he said.

So advisors are going all in on fixed income, but of course, tailoring their guidance; portfolio construction is always client-specific. There is a general theme several advisors are following this year, however: Stick to quality. "You don't have to stretch much to get good income," said Brian Schaefer, portfolio manager at Johnson Financial Group.

Continue reading.

thedailyupside.com

by Debbie Carlson

Muni Bonds Start Year Strong as 'January Effect' Emerges.

Takeaways by Bloomberg AI

- Municipal bonds are starting 2026 on strong footing, with the so-called "January effect" lifting prices as reinvestment cash floods the market.
- Cash flowing back to investors from maturing bonds and coupon payments is expected to exceed the volume of new debt coming to market in the first two months of the year.
- Valuations are getting stretched, with ten-year municipal bonds yielding about 62% of comparable Treasuries, and some strategists are turning cautious, warning that the rally may not be sustainable once issuance increases.

Continue reading.

Bloomberg Markets

By Amanda Albright

January 13, 2026

Fitch Ratings Publishes Exposure Draft & RFC on USPF Dedicated Tax and Revenue Bond Rating Criteria

Related Content: Exposure Draft: U.S. Public Finance Dedicated Tax and Revenue Bond Rating Criteria

Fitch Ratings-New York/San Francisco-08 January 2026: Fitch Ratings has published an exposure draft detailing a proposed revision to its rating criteria for dedicated tax and revenue bonds (DTRBs) for U.S. state and local governments and territories. DTRBs are payable from specific pledged taxes, fees, charges, or other governmental revenues and are not covered by a full faith and credit pledge.

This exposure draft will be published as a new rating criteria report following the conclusion of the comment period. The proposed criteria will apply to the assignment of new ratings and the monitoring of existing ratings.

During the consultation period, Fitch will continue to apply the Dedicated Tax Bonds sections of the "U.S. Public Finance Local Government Rating Criteria" and the "U.S. Public Finance State Governments and Territories Rating Criteria" to existing and new ratings. The Dedicated Tax Bonds sections from these criteria will be removed concurrent with the publication of the finalized "U.S. Public Finance Dedicated Tax and Revenue Bond Rating Criteria."

The proposed methodology broadly retains the existing analytical and assessment framework for rating DTRBs, with some modifications:

–Enhance the transparency and clarity of the resilience analysis by introducing standardized and category-specific revenue stress guidance;

–Replace the "Growth Prospects for Revenues" and "Sensitivity and Resilience" Key Rating Drivers with "Revenue Risk" and "Resilience";

–Enhance the guidance for assessing the performance of the pledged revenue stream over time (Revenue Risk) to include assessments of the pledged revenue type and revenue volatility in addition to revenue growth prospects;

–Measure Resilience based on the coverage of Maximum Annual Debt Service from stressed pledged revenues rather than the level of the coverage cushion as a multiple of the FAST revenue stress and largest cumulative revenue decline history;

–Eliminate the use of the Fitch Analytical Stress Test (FAST) model;

–Extend descriptions of non-investment-grade attributes to ‘b’ or lower for each KRD;

–Replace the Asymmetric Additional Risk Considerations, which were limited to only below standard or negative rating considerations, with the Additional Credit Factors, which may have a positive or negative effect on the final rating;

–Simplify the analysis of exposure to related government operations by explaining the limited circumstances in which Fitch will take recovery prospects into account, rather than strictly assessing probability of default, and in which various structural protections obviate the need to analyze pledged revenue risk and resilience.

Fitch estimates that approximately 20% of covered security ratings could be affected, with slightly more upgrades than downgrades expected. Most rating changes are expected to be within a range of one to three notches.

We invite feedback on the proposed criteria. Comments should be sent to criteria.feedback@fitchratings.com by Feb. 15, 2026.

Fitch will publish in full any written responses it receives on its website, including the names and addresses of the respondents unless the response is clearly marked as confidential.

S&P 'AAA' Rated U.S. School Districts: Current List

View the Current List.

06-Jan-2026

S&P 'AAA' Rated U.S. Municipalities: Current List

View the Current List.

06-Jan-2026

S&P 'AAA' Rated U.S. Counties: Current List

View the Current List.

06-Jan-2026

S&P U.S. Public Finance Rating Activity Brief: December 2025

Key Takeaways

- There were more than 2,700 rating actions across USPF through Dec. 31, 2025.
- Upgrades outpaced downgrades in the states, housing, education, transportation, and not-for-profit sectors.
- Downgrades outpaced upgrades in the public power, local governments, charter schools, health care, and utilities sectors.
- While upgrades exceeded downgrades, unfavorable outlook revisions exceeded favorable outlook revisions year-to-date.

Continue reading.

12-Jan-2026 | 13:06 EST

Fitch U.S. Public Finance Outlooks Compendium, 2026.

View the Fitch Compendiums.

US Airports Tapped $24 Billion of Muni Debt in Record Borrowing.

Takeaways by Bloomberg AI

- Airports are undergoing renovations to keep up with booming passenger volumes and upgrade outdated terminals and concourses, with operators embarking on multi-billion-dollar capital plans.
- Airports sold nearly $24 billion of debt in the muni market in 2025, and the deluge of borrowing is likely to continue in 2026, driven by refinancing and new borrowing for capacity expansions and terminal modernizations.
- The bond sales are financing improvements at airports, including new terminals, additional gates, and new technology, with investors showing strong demand for debt sales by airports due to their financial health and essential infrastructure status.

Continue reading.

Bloomberg Industries

By Aashna Shah

January 8, 2026

Strategies to Address Water Use Emerge in Wake of Community Opposition to Data Centers.

With some communities pushing back against proposed data centers over concerns tied to water use, data center developers and others are working to tap technologies that will help to minimize the use of water to cool data center facilities.

A medium-sized data center can consume up to roughly 110 million gallons of water per year for cooling purposes, equivalent to the annual water usage of approximately 1,000 households, the Environmental and Energy Institute noted in June.

A report from Data Center Watch said that $64 billion in U.S. data center projects "have been blocked or delayed by a growing wave of local, bipartisan opposition." The research timeline was May 2024-March 2025.

Continue reading.

publicpower.org

by Paul Ciampoli

January 11, 2026

Key Takeaways from NLC City Summit: Strategies for Local Investment.

During this year's annual City Summit, local leaders from across the country spoke during the Financing the Future: Strategies for Local Investment session, sharing their unique challenges and solutions to paying for projects their residents urgently needed — without leaning heavily on their municipality's general funds or traditional federal grants.

Moderator Council President Blaine Griffin from the City of Cleveland, Ohio (pop. 365,379) led the session, giving each panelist the opportunity to share how local investment involves myriad of choices, from figuring out which projects get funded first to deciding between one-time dollars versus long-term investment.

Building Federal Relationships to Support Residents

Speaking on behalf of the City of Dublin, Calif. (pop. 70,544) Council Member Jean Josey described her community as a fast-growing suburb in the Bay Area. During the pandemic, Dublin and its neighboring cities of Pleasanton and Livermore saw their residents in crisis increasingly rely on emergency rooms when they couldn't access behavioral health care — even when they had insurance.

Continue reading.

National League of Cities

by Samantha Pedrosa

January 7, 2026

[Muni Restructuring Firm Formed by Ex-Citi Bankers Is Dissolving.]

Takeaways by Bloomberg AI

- BGC Partners Advisory, a boutique restructuring firm, is dissolving, according to a person with direct knowledge of the matter.
- The firm's dissolution was notified to Puerto Rico's financial oversight board, which was a key client for BGC, and the board does not expect it to have any impact on the Prepa debt restructuring.
- BGC's disbanding comes after its most recent contract with the financial oversight board ended, and one of its founders, James Castiglioni, has joined Huntington National Bank as a managing director.

Continue reading.

Bloomberg Markets

By Michelle Kaske and Shruti Singh

January 8, 2026

Willdan Expands Municipal Advisory Services With Compass Acquisition.

Willdan Group, Inc. WLDN has completed the previously disclosed acquisition of Compass Municipal Advisors, LLC (officially announced on Nov. 21, 2025), through its subsidiary, Willdan Financial Services.

Compass Municipal Advisors is a registered independent municipal advisory firm headquartered in the Southeastern United States. Through this strategic move, Willdan expects to expand its municipal financial consulting platform and geographic reach across the Southeastern United States. By combining Compass Municipal Advisors' specialized municipal advisory capabilities with Willdan's broader financial and technical expertise, WLDN is better positioned to deliver comprehensive, data-driven solutions to a wider range of government clients.

Following the news, shares of WLDN gained 2.3% during after-hours on Friday.

Continue reading.

Zacks Equity Research

Mon, January 5, 2026

New Resilience Taxonomy Brings Clarity to Climate Risk in the $4.3 Trillion Municipal Bond Market

As U.S. cities face increased exposure to climate-driven physical risks, Kestrel, the leader in Sustainability Intelligence™, today released its Resilience Taxonomy for U.S. Infrastructure. This framework provides the first standardized "best practices" for benchmarking resilience in the $4.3 trillion municipal bond market.

A Confluence of Risk and Opportunity

The release comes at a critical economic juncture defined by three intersecting trends. First, U.S. infrastructure faces climate-driven physical risks that threaten asset valuations. Second, municipal bond issuance to finance infrastructure is projected to reach record levels in 2026, with roughly $600 billion in new bonds. Finally, research from the World Resources Institute indicates every $1 invested in climate resilience can yield up to $10 in economic benefits. Kestrel's taxonomy provides essential information to navigate this high-stakes environment, ensuring capital is directed toward infrastructure designed for long-term resilience.

Continue reading.

Provided by Business Wire

Jan 5, 2026, 3:32:00 PM

What are the Key Themes for Munis in 2026? - Goldman Sachs

Key Takeaways

Coupons Matter, More So When They Are Tax-Exempt
A steady focus on tax-free income and active management of yield curve positioning will help municipal (muni) investors navigate the potential choppy waters of the year ahead.

Elevated Supply, Here to Stay
Primary market supply is expected to deliver another record year, with Covid-19 federal funding reserves running low and costly infrastructure projects continuing their need for funding across most muni sectors.

Municipal Credit Selectivity Will Matter More
While the recent increases in new issue supply have raised questions around the impact on muni credit, healthy reserves levels and strong recent economic performance have muni credit well positioned to withstand the increased supply.

Continue reading.

January 7, 2026

MacKay Looks to Long-Dated Munis Ignored by Key Investors.

US state and local debt with long maturities offer “compelling” value in this less crowded corner of the market, according to the municipal investment arm of MacKay Shields.

So-called separately managed accounts, major players in the muni space that offer customized portfolios to retail investors, tend to prefer securities that come due in a decade or less. That leaves long-dated bonds looking attractive, especially bonds maturing in 12 to 22 years, according to a report by MacKay Municipal Managers.

“The structural constraints of these investment vehicles ultimately cap their ability to extend further, leaving the most compelling relative value firmly in the hands of flexible, unconstrained managers operating in less crowded portions of the curve,” the group said in a report released Monday.

Continue reading.

Bloomberg Markets

By Amanda Albright

January 12, 2026

Fitch: Affordable Housing Sector ‘Faces a Complex Landscape’ in 2026

The outlook for affordable housing at the end of 2025 was neutral, but the sector “faces a complex landscape” in 2026, according to a December report from Fitch Ratings.

The ratings agency noted that 2025 saw no downgrades and two upgrades to sector entity ratings. As of Dec. 1, approximately 93% of Community Development & Social Lending ratings had stable rating outlooks, 2% had negative rating outlooks and 5% had positive outlooks, the company said.

This year will be “marked by significant federal policy shifts, economic headwinds and evolving funding dynamics,” wrote Senior Director Karen Fitzgerald, CFA. “These changes present opportunities to expand affordable housing supply and stimulate private investment, especially if paired with effective gap financing at the state and local levels.”

Continue reading.

McKnights Senior Living

by Kathleen Steele Gaivin

January 5, 2026

Strained US Public Schools Sell Most Muni Bonds in Over a Decade.

Takeaways by Bloomberg AI

- American public schools issued about $82 billion in muni bonds in 2025, a nearly 42% jump from 2024 and the most since at least 2013.
- The proceeds from the bond sales will go toward upgrading or building facilities, as schools grapple with dipping enrollment and elevated inflation that strain districts' budgets.
- Financial stress is growing for districts as inflationary pressures boost expenses while schools' revenue stagnates or falls, with more districts dipping into rainy-day funds and potential fiscal challenges ahead.

American public schools went on a borrowing binge in 2025, marking the sector's biggest year for municipal debt sales in over a decade as dipping enrollment and elevated inflation strain districts' budgets.

School systems around the US issued about $82 billion in muni bonds last year, a nearly 42% jump from 2024 and the most since at least 2013, data compiled by Bloomberg show. That pace of growth outstripped the broader tax-exempt debt market, which saw issuance climb about 15% to a historic high of nearly $568 billion.

Continue reading.

Bloomberg Markets

By Erin Hudson

January 6, 2026

Fitch U.S. Public Finance Airports - Peer Credit Analysis

Fitch Ratings upgraded Indianapolis Airport Authority to 'A+' and Rhode Island Airport Corporation to 'A'. Port of Portland and Niagara Frontier Transportation Authority had their outlooks revised to Positive from Stable.

Access Report

Tue 30 Dec, 2025 – 2:06 PM ET

Fitch U.S. Public Finance Airports Data Comparator: 2025

Fitch Ratings' 2025 U.S. Airports Data Comparator contains financial data for 60 publicly rated issuers. This tool enables clients to compare indicators across different attributes, rating categories, and years. The current edition offers a snapshot of the financial status of entities as of December 15, 2025.

Access Report

Tue 30 Dec, 2025 – 3:03 PM ET

S&P U.S. Public Finance 2026 Outlook: A Mix Of Stability And Rising Vulnerabilities

Key Takeaways

- Most U.S. public finance (USPF) sectors will remain resilient in 2026 underscored by strong reserves and capable management teams that support creditworthiness despite lower economic growth (compared with 2025) leading to stagnant revenue trends and higher expenditures.
- Vulnerable sectors – higher education, public power, small water utilities, and K-12 public schools – could experience further credit quality deterioration from ongoing politicization of federal support, policy uncertainty, affordability pressures, and evolving demographics.
- Register at the link below for our sector outlook webinars that begin on Jan. 7, 2026, and occur throughout January.

Continue reading.

Free registration required.

06-Jan-2026 | 09:51 EST

Fitch Ratings Reviews Exposure Draft Feedback for US Affordable Housing Project Rating Criteria

Fitch Ratings-New York/San Francisco/Chicago-22 December 2025: Fitch Ratings published an exposure draft for proposed revisions to its "U.S. Affordable Housing Project Rating Criteria" on Oct. 15, 2025. The comment period for feedback on the draft criteria ended on Nov. 21, 2025.

Fitch is reviewing feedback received on the draft criteria. We expect to address the comments and publish the final criteria early in 2026. Fitch will publish all written responses received during the comment period, including the respondent's name, unless the response was clearly marked as confidential.

The exposure draft outlines proposed changes to Fitch's methodology for rating U.S. affordable housing projects. The updated criteria will consolidate the existing "U.S. Affordable Housing Rating Criteria" (published March 2022) and "U.S. Military Housing Rating Criteria" (published June 2022) into a combined, sector-specific criteria report, which will cover affordable, mixed-income, military, workforce, senior, student and other types of affordable housing. The proposed revisions will also broaden the scope of the criteria to include additional property segments, subsectors and additional forms of underlying collateral in response to recent trends and market developments.

Fitch Ratings Publishes Exposure Draft on Climate Vulnerability Signals for USPF Criteria.

Fitch Ratings-New York/Milan-23 December 2025: Fitch Ratings has published an **exposure draft** that proposes to introduce Climate Vulnerability Signals (Climate.VS) into relevant rating criteria as a screening tool to enhance its ability to identify climate-related risks in U.S. Public Finance (USPF) and subject those ratings to additional analysis and consideration in our rating reviews.

Fitch does not expect the introduction of Climate.VS to have an impact on any USPF ratings because climate-related risks are already considered in the ratings where relevant. Climate.VS will be used as a screener rather than a direct input into ratings and provide transparency to the current approach.

The scope of the proposed criteria addition would be cross-sector. We would apply the criteria to new ratings and the surveillance of ratings across USPF under our U.S. Housing Finance Agency Loan Program Rating Criteria, U.S. Public Sector, Revenue-Supported Entities Rating Criteria, U.S. Public Finance Local Governments Rating Criteria and U.S. Public Finance State Governments and Territories Rating Criteria. This exposure draft will be included as a separate appendix in the master criteria upon finalization.

We invite feedback on the proposed criteria. Comments should be sent to criteria.feedback@fitchratings.com by Jan. 23, 2026. Fitch will publish on its website any written responses it receives in full, including the names and addresses of the respondents unless the response is clearly marked as confidential.

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Access Report

Tue 30 Dec, 2025 – 3:03 PM ET

Fitch U.S. Local Government Data Comparator.

Fitch Ratings’ U.S. Local Government Data Comparator contains ratings and Local Government Rating Model (LGRM) data for issuer ratings supported by use of the Local Government Rating

Model.

[Access Report]

Wed 31 Dec, 2025 – 11:21 AM ET

[Nature: Physical Climate Risk Creates Challenges and Opportunities in US Municipal Finance]

Abstract

The US $4.2 trillion US municipal debt market finances over 70% of essential infrastructure, but escalating physical climate risks, such as flooding and wildfires, are exposing the market's emerging vulnerabilities. Rising disaster costs and insurance retreat threaten property values, and hence municipal tax bases that secure debt repayment. Despite these signals, municipal bond prices have been slow to reflect climate risk adequately. Well-resourced municipalities may use bonds for adaptation, but those facing constrained credit access may struggle to access capital. This US-focused Review identifies three challenges: (1) climate risk is underpriced in municipal bonds; (2) abrupt repricing could affect high-risk and under-resourced cities most by increasing borrowing costs and limiting capital access; (3) misalignment between adaptation planning and municipal finance weakens long-term resilience and affects creditworthiness. Together, these challenges contribute to a climate-debt doom loop that can be triggered by climate shocks. This synthesis offers actionable strategies for cities' adaptation plans and governance frameworks to disrupt this loop and strengthen municipalities' financial resilience.

[Access pdf.]

05 January 2026

[Willdan Completes Acquisition of Compass Municipal Advisors.]

Willdan Group, Inc. (NASDAQ: WLDN) announced today that it has completed the previously announced acquisition of Compass Municipal Advisors, LLC ("Compass") by its subsidiary, Willdan Financial Services. Compass is an independent municipal advisory firm headquartered in the Southeastern U.S. The terms of this transaction were not disclosed. Willdan expects the acquisition of Compass to expand its geographic footprint and enhance its municipal advisory and public finance capabilities for clients.

About Willdan

Willdan is a nationwide provider of professional technical and consulting services to utilities, government agencies, and private industry. Willdan's service offerings span a broad set of complementary disciplines that include electric grid solutions, energy efficiency and sustainability, energy policy planning and advisory, engineering and planning, and municipal financial consulting. For additional information, visit Willdan's website at www.willdan.com or follow Willdan on LinkedIn and Facebook.

Provided by Business Wire

Jan 2, 2026, 7:00:00 AM

[Muni High-Yield Shop Rosemawr Nets 40% Gain on Soccer Arena Bet.]

Takeaways by Bloomberg AI

- Rosemawr Management generated a return of about 40% in roughly two years by helping finance construction of the new home for Rhode Island FC.
- The payoff came when the Pawtucket Redevelopment Agency agreed to buy back $54 million of stadium-related securities at a nearly 30% premium.
- The refinancing is expected to generate $15.1 million in savings over 26 years, according to figures from the state's office of management and budget.

[Continue reading.]

Bloomberg Markets

By Martin Z Braun

January 5, 2026

[Municipal Bonds are Back.]

We believe that tax-free municipal bonds continue to be well positioned in the current market environment. Their characteristics warrant a place in most retail investors' investment portfolios, and not just due to their appeal of relatively high taxable equivalent yields (TEYs). This subsector of fixed income is generally of very high-credit quality with significantly lower default levels relative to other sectors. Historically, it has acted as an important diversifier particularly for equity allocations, and after two straight years of record issuance levels, the technical picture looks solid.

Taxable-equivalent yields (TEYs) remain robust

In most instances, the income from municipal bonds is not subject to federal income tax and can also be exempt from state income tax for investors holding bonds in the state in which they reside. It is essential for comparison purposes to consider this feature when comparing municipal bonds to other subsectors of fixed income which are fully taxable, to get a true apples-to-apples comparison. This can be accomplished through the lens of taxable equivalent yield (TEY), which puts tax-free and taxable securities on an equal playing field.1 As Exhibit 1 shows, TEYs for the municipal bond sector are attractive across the yield curve relative to both US Treasuries and US investment-grade corporate bonds. As of the end of November 2025, the yield advantage continued to be most pronounced for the intermediate to long end of the curve, as it has steepened.

[Continue reading.]

etftrends.com

by Rick Polsinello of Franklin Templeton

12/30/25

Treat Your Portfolio Right in 2026: Add Tax-Exempt ETF Exposure

Investors and advisors have numerous goals to meet with their portfolios. Some investors full send their portfolios to produce as much capital appreciation as possible. Others, especially those at or near retirement age, look for current income and ballast to steady their financial ships. Almost all investors, however, can benefit from adding tax-exempt munis to their holdings. Tax-exempt ETF options like TAXE, for example, can prove a shrewd addition, especially as one year turns to another.

The T. Rowe Price Intermediate Municipal Income ETF (TAXE) charges just 24 basis points for its active approach. The strategy launched in 2024 and brings T. Rowe Price's fundamental research capabilities to the tax-exempt muni space, targeting debt securities across a range of credit qualities in the intermediate maturity area.

That active approach assesses issuers for metrics like prices and yields, while also considering junk bonds where prudent. Together, that has helped the active tax exempt ETF return 5.8% YTD according to ETF Database data. As of November 30, the strategy provided a 3.9% yield to maturity and a 3.16% 30-day SEC Standardized Yield according to T. Rowe Price data.

Continue reading.

etftrends.com

By Nick Peters-Golden

January 2, 2026

Municipal Bonds Enter 2026 With Tailwinds.

For a portion of 2025, municipal bonds scuffled amid concerns about the state of the U.S. economy, a spate of new issuances and lack of clarity from the Federal Reserve on interest rates.

Skeptics may assert those issues haven't been fully resolved. However, it is clear that municipal bonds ended last year with some momentum. That could pave the way for 2026 upside for the asset class and ETFs such as the ALPS Intermediate Municipal Bond ETF (MNBD).

With advisors and investors seemingly renewing their affinity for tax-advantaged income-generating assets, the actively managed MNBD could be in style this year. An increasingly alluring fundamental picture for municipal bonds supports that thesis.

Continue reading.

etftrends.com

by Todd Shriber

January 5, 2026

[The Stories That Defined the Year in State and Local Government.]

As states and cities navigated crisis, reform and political change, these were the stories readers turned to most in 2025 — from emergency management and public safety to housing, transit and federal policy.

Today's *Governing Daily* brings together some of our best and most-read reporting and commentary—from in-depth features on how states and cities are navigating policy, politics and innovation to sharp opinion pieces shaping the national debate.

Top 10 Governing Feature Stories of 2025

1. How Colorado Built a Bustling Intercity Bus Service

Colorado's Bustang service provides links between big cities and small rural communities. Approaching its 10th birthday, it has expanded service frequencies and grown its ridership.

Continue reading.

governing.com

Dec. 23, 2025

Public Works: Ten U.S. Cities Most Likely to Face Fiscal Challenges in 2026

New York, Chicago, LA, DC, SF, Philly, Pittsburgh, Minneapolis, St. Paul, New Orleans top the list.

PHILADELPHIA, PA, UNITED STATES, December 22, 2025 /EINPresswire.com/ — Cities across the United States are heading into 2026 with mounting fiscal pressure as federal pandemic aid expires, revenue growth slows and the cost of core public services continues to rise.

A review by Public Works (www.public-works.org), based on publicly available budget documents, fiscal office reports and local news coverage, identifies 10 cities most likely to face significant budget gaps or structural deficits in 2026 (https://public-works.org/efficiency/). In many cases, city leaders are weighing tax increases, service cuts or reserve spending to close projected shortfalls. But Public Works President Eric Schnurer says that, in most cases, "these steps alone will not be enough, as state and city governments need to address fundamental shifts in federal funding for essential programs and services."

Continue reading.

California Supreme Court Approves Pension Obligation Bonds: Orrick

In *City of San José v. Howard Jarvis Taxpayers Association* (December 18, 2025), the California Supreme Court unanimously upheld the City of San José's (the "City") authorization of the issuance of up to approximately $3.48 billion in pension obligation bonds ("POBs") to refund the City's unfunded actuarial pension liability ("UAL"), holding that—even if the bonds constitute "new" debt—the issuance falls within the exception to the constitutional debt limitation for an "obligation imposed by law" and therefore does not require two-thirds voter approval under Article XVI, section 18(a) of the California Constitution. The Court concluded that state law and the City's voter-enacted charter obligate the City to maintain its retirement plans on a sound actuarial basis and that the UAL is therefore an obligation imposed by law. Therefore, the Court decided, the constitutional debt limit does not constrain the City's discretion over how to address such obligation, including by choosing to issue POBs without a vote.

Orrick, Herrington & Sutcliffe LLP served as counsel for *amici curiae* the League of California Cities and the California State Association of Counties, filing an amicus brief urging the Court to hold that the obligation imposed by law exception encompasses local governments' use of POBs to address legally mandated pension-funding obligations. The Court's opinion expressly cites amici's point that the City relied on the Retirement Boards' actuarial calculations and did not usurp the Retirement Boards' fiduciary role, as the Court ultimately adopted the obligation imposed by law rationale in affirming the validity of the City's POBs.

Continue reading.

Orrick, Herrington & Sutcliffe LLP.

December.23.2025

California Supreme Court Rules in Favor of City of San José in Pension Obligation Bond Validation Action: Kutak Rock

On December 18, 2025 the California Supreme Court provided an early Christmas present to California municipalities in a unanimous decision affirming that the issuance of pension obligation bonds does not violate California's Constitutional debt limit. In doing so, the Supreme Court upheld trial court and appellate court rulings in favor of the City of San José. In the decision, the Supreme Court held that unfunded pension liability is an obligation imposed by law and that municipalities have discretion in determining how to address that obligation, including through the issuance of pension obligation bonds. The City of San José had argued that the issuance of pension obligation bonds does not create a new debt at all (but merely repackages an existing unfunded pension liability). The Supreme Court did not find it necessary to delve deeply into that argument, holding that, even if it accepted the argument of challengers (led by the Howard Jarvis Taxpayers Association) that pension obligation bonds represent a new debt, the debt can be issued without voter approval under the "obligation imposed by law" exception to the Constitutional debt limit.

The Taxpayers Association argued that pension obligation bonds do not meet the "obligation imposed by law" exception because no law requires the issuance of bonds to address unfunded pension liability. But the Supreme Court turned down this argument, holding that municipalities have discretion to determine how to manage obligations that are imposed by law.

The City of San José is a charter city whose voter-approved charter requires the City to fund pension benefits for employees in an actuarially sound manner. The City's position that it was compelled to fund its unfunded pension liability was understandably focused on the language of its charter. It remains to be seen whether the Supreme Court will accept the argument that the obligation of non-charter cities and other public agencies to fund their unfunded pension liabilities constitutes an "obligation imposed by law" for Constitutional debt limit purposes even if their pension plans were voluntarily created. Two such pension obligation bond cases (for the cities of Oxnard and Escondido) are currently pending before the Supreme Court, with both cities also having bested the Taxpayers Association at trial and on appeal. Certain Government Code provisions support the argument that pension plans, once created, must be maintained in an actuarially sound manner. The Oxnard and Escondido cases were stayed pending the San José decision. Watch this space for resolution of those cases by the California Supreme Court in 2026 now that San José has been decided.

Kutak Rock LLP's [public finance group]() has served on numerous occasions as bond and disclosure counsel to public agencies throughout California and nationwide on pension obligation bond issuances. Please contact [Cyrus Torabi]() in Kutak Rock's Irvine office for further information about the City of San José ruling or pension obligation bonds generally.

Kutak Rock LLP

December 22, 2025

[Crypto and the Muni Market: Why Are Some States Investing in and Promoting Crypto? - ArentFox Schiff]()

Cryptocurrency is creeping into the municipal market. This is an unusual development for a market known for its prudent fiscal practices. It is actually quite astonishing.

This article will describe the ways cryptocurrency has entered the municipal market, the general risks associated with utilizing cryptocurrency, and the risks this creates for market participants.

The Crypto Creep

A number of states have permitted state funds to be invested in cryptocurrencies. In New Hampshire, the state may invest 5% of its public funds in precious metals and digital assets as long as the asset has a market capitalization of over $500 billion. Bitcoin is presently the only cryptocurrency that qualifies. Texas has passed a very similar law. Arizona establishes a process for the state to seize digital assets which qualify as abandoned property. A number of other states, including Massachusetts, Michigan, North Carolina, and Ohio, have introduced laws similar to New Hampshire's, some of which would allow up to 10% of public funds to be invested in cryptocurrency.

In addition, the New Hampshire Business Finance Authority is seeking to issue $100 million of taxable bonds secured by bitcoin, $150 million of which will be put in a statutory trust to both pay debt service on and secure the bonds. If the value of the bitcoin goes below a specified level, the trust will liquidate to redeem the bonds and mitigate loss. If the bitcoin appreciates over a specified level, the bondholders will share in the upside.

[Continue reading.]()

by David L. Dubrow

December 16, 2025

ArentFox Schiff LLP

[Aging Baby Boomers Revive Senior Housing Sector Ravaged by Covid.]

Takeaways by Bloomberg AI

- Aging baby boomers are boosting the senior living sector, which had almost 100 facilities default on municipal bonds during the Covid-19 pandemic.
- The senior living sector has seen a strong rebound, with just four senior communities defaulting for the first time in 2025, compared to more than 30 in each of 2020, 2021, and 2022.
- Private projects for recycling or renewable energy facilities had 11 defaults, the most of any sector, with issues including construction delays, equipment failures, and lower-than-expected demand.

Continue reading.

Bloomberg Markets

By Martin Z Braun

December 23, 2025

Cities Look to the Future on Water Infrastructure Funding and Programs.

As we head into 2026, there are several priorities on the federal horizon that can support local water infrastructure projects to improve drinking water, wastewater and stormwater management systems.

Here are six key points that NLC is advocating for on behalf of water infrastructure, along with ways local leaders can get involved.

1. Water Infrastructure Funding from IIJA Continues to be Available

The bipartisan Infrastructure Investment and Jobs Act (IIJA) allocates $50 billion over five years for water infrastructure (PDF), divided across five distinct pots under the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund (SRF). In addition to traditional uses through the SRFs, there is specific funding for lead pipe replacement and addressing PFAS and other emerging contaminants.

The U.S. Environmental Protection Agency (EPA) is in the process of allocating the FY25 and FY26 amounts to states, which will, in turn, distribute them to communities. Moreover, due to the varying state timelines, some states may still be in the process of distributing FY24 funding to their communities.

Continue reading.

National League of Cities

By: Carolyn Berndt

December 18, 2025

[Reducing Taxpayers' Costs and Risks in Interstate Reconstruction Projects.]

Indiana policymakers will decide if taxpayers or private companies should bear the financial risks of repairing and modernizing major highways.

Indiana legislators made history in June when they agreed to finance the long-needed reconstruction and modernization of their aging Interstate highways, using a reliable funding source: 21st-century electronic tolling. Rebuilding these vital corridors for personal travel and interstate commerce will be the largest set of public works improvements in Indiana's history.

Each Interstate reconstruction is likely to be a mega-project, costing at least $1 billion. Megaprojects, alas, have a long history of cost overruns and late completions. A key question for Indiana policymakers is: Who should bear the financial risks of these megaprojects? Taxpayers or investors?

Since these highway projects will make use of toll financing, there are two alternatives.

Continue reading.

by Robert Poole
Director of Transportation Policy

December 15, 2025

reason.org

What's Driving the Muni Bond Market Rebound in Late 2025?

Not for the first time, tax-exempt bonds have ridden out some bumps to deliver for investors.

When I last wrote about municipal bonds, they were experiencing a bit of a rough patch. In the first half of 2025, the Morningstar US Municipal Bond Index logged a slightly negative total return. It underperformed the Morningstar US Core Bond Index, which represents the market for investment-grade taxable debt, by roughly 4 percentage points. That's a meaningful margin in the land of fixed income.

Tax-exempt bonds have staged a comeback in the year's second half. Since July 1, the Morningstar US Municipal Bond Index has outpaced its taxable equivalent. For muni-bond investors, the year is shaping up to be disappointing but far from disastrous.

Continue reading.

morningstar.com

by Dan Lefkovitz

Dec 24, 2025

[Muni Hedge Fund Whitehaven to Return Cash, Become Family Office.]

Whitehaven Asset Management, a hedge fund focused on municipal and corporate bonds, will return investors' money and become a family office, according to managing partner Scott Richman.

The money manager, which is based in Greenwich, Connecticut, plans to return capital to investors over the course of 2026. Richman will oversee it as a family office in 2027. He will manage his own money and invest in areas beyond fixed income, he said.

The Whitehaven Credit Opportunities Master Fund, which has about $1.3 billion of assets, has provided a positive net return to investors every year since its inception in 2014, including a 28.15% net return in 2020, Richman said.

Continue reading.

Bloomberg Markets

By Amanda Albright

December 18, 2025

[Munis Set to Reap Cash as Fed Cuts Rates, AllianceBernstein Says.]

Takeaways by Bloomberg AI

- Municipal bonds are likely to lure money as Federal Reserve interest-rate cuts lead investors to look for new places to park their cash, says Matthew Norton at AllianceBernstein.
- The expectation that investors will move out of money funds as the Fed reduces borrowing costs is creating a bullish backdrop for bonds, with muni mutual funds seeing net inflows of $50 billion this year.
- Rate cuts could also support weaker credits offering higher yields, with Norton looking at longer-dated tax-free munis and munis for affordable housing as appealing sectors.

Continue reading.

Bloomberg Markets

By Erin Hudson

December 18, 2025

[Lyle Fitterer: The State of the Municipal Bond Market Today]

**A veteran manager assesses which parts of the muni market appear attractive, the pros and

cons of buying individual munis, and which municipalities he's avoiding.

Our guest on the podcast today is Lyle Fitterer, a senior portfolio manager and co-lead on the municipal bond sector for Baird Advisors. He has 36 years of experience managing bond portfolios. Prior to joining Baird in 2019, he served as the co-head of global fixed income and the head of the municipal fixed income team as Wells Fargo Asset Management. Lyle obtained his undergraduate degree in accounting from the University of North Dakota. He earned the chartered financial analyst designation in 1996 and is currently a member of the CFA Institute and the CFA Society of Milwaukee.

Listen to podcast.

morningstar.com

by Christine Benz and Amy C. Arnott, CFA

Dec 16, 2025

Hospital Munis Lag as Trump's Funding Cuts Spark Investor Angst.

Takeaways by Bloomberg AI

- Bond investors are wary of debt sold by US hospitals due to looming cuts to federal health-care funding.
- Hospital debt is one of the worst-performing municipal-bond market sectors, with its gain lagging the overall investment-grade basket.
- Despite policy risks, analysts say hospital balance sheets look stronger than they have in years, and investment-grade facilities are poised to adjust their balance sheets and diversify revenue streams.

Bond investors have been increasingly wary of debt sold by US hospitals, and they see looming cuts to federal health-care funding as new pain points for an industry that's just starting to recover from pandemic stress.

Hospital debt is one of the worst-performing municipal-bond market sectors so far this year, with its 3.44% gain lagging the overall investment-grade basket by about 0.6 percentage point, according to data compiled by Bloomberg.

Continue reading.

Bloomberg Markets

By Aashna Shah and Elizabeth Rembert

December 12, 2025

What Healthcare Investors Value Most Today.

The healthcare municipal market continues to navigate a mix of structural headwinds, evolving risk appetites and a shifting credit landscape. A recent investor conversation at the Kaufman Hall Healthcare Leadership Conference offers insights as to where investors are focused today, and what borrowers can do to meet the market on favorable terms. Several themes emerged: geography and scale matter but do not outshine performance, execution beats aspiration, disclosure quality is a differentiator, and underlying credit quality matters more than bond or security structure. Underneath it all, supply and demand remain the strongest drivers of investor appetite and determine whether an order shows up on pricing day. Finally, investors' key question when assessing strategy remains: are management's incentives aligned with mine?

We thank Connie Lu, a fixed income investment analyst at Capital Group; Brian Pyhel, CFA, CPA, a director and senior research analyst in the municipal fixed income division of BlackRock's Portfolio Management Group; and Pranav Sharma, a research analyst on Lord Abbett's Municipal Bond Research team, for participating in our conversation.

HR1, labor, cyber risk and other headwinds

Policy risk is near the top of investors' watch list. The recently enacted HR1 (also known as the One Big Beautiful Bill) will materially change the healthcare landscape though its phased impacts will be credit-specific and state-mediated. Investors understand the law will impact borrowers in a variety of ways, but that is only the first derivation. While investors are not overly concerned by the potential impact of the law, they are concerned by borrowers who do not have a handle on, or are unwilling to communicate, its impact. "We're still assessing" is no longer an adequate response.

Continue reading.

kaufmanhall.com

December 11, 2025

[U.S. Public Power And Electric Cooperative 2026 Outlook: Rising Inflation And Capital Spending Stressors Perpetuate Negative Rating Pressures - S&P]

Sector View: Negative

- Our 2026 sector view for not-for-profit (NFP) public power and electric cooperative utilities is negative. This view reflects converging, substantial, and costly infrastructure financing needs and diminished consumer rate affordability that can erode the benefits of autonomous ratemaking authority, frustrate some utilities' cost recovery, and weaken financial margins and ratings.
- NFP utilities' operating and capital costs are swelling as they address load growth, strengthen the climate resilience of network infrastructure, replace aging power plants, and reduce power plants' emissions and generation byproducts.
- The cumulative average increase in retail electric rates that has exceeded the broader consumer price index (CPI) by almost 2x in recent years provides a barometer of the inflationary pressures facing power utilities and their customers, and indicates utilities' diminished financial flexibility.

Continue reading.

08-Dec-2025 | 13:27 EST

Fitch U.S. Public Power and Electric Cooperative Outlook 2026

The operating environment for the public power sector should remain relatively stable in 2026. Fitch expects utilities to increase rates as needed to preserve financial performance.

Access Report

Wed 10 Dec, 2025 – 11:07 AM ET

S&P U.S. Public Finance Housing 2026 Outlook: Stable Footing And Strong Management Withstand Federal Policy Shifts

Sector View: Stable

- Demand for affordable housing will remain high, with elevated home prices (somewhat balanced by marginally lower mortgage rates) and sustained rental cost burdens. Housing affordability will continue to be a key policy issue and we expect that it will retain broad bipartisan support.
- Management strength across the issuers and programs we rate is key to our assessment of credit stability, with leadership teams demonstrating resilience amid federal policy, funding, and economic uncertainty.
- The expansion of the low-income housing tax credit (LIHTC) program could increase affordable housing development, with housing finance agencies (HFAs), local municipalities, community development financial institutions (CDFIs), public housing authorities (PHAs), and nonprofit developers filling in gaps resulting from less tax-exempt bond financing per transaction.

Continue reading.

11-Dec-2025 | 11:26 EST

U.S. Water Utilities 2026 Outlook: Large And Small Systems Address Similar Challenges With Different Tools - S&P

Sector View: Mixed

- S&P Global Ratings’ sector outlook for large and medium U.S. utilities has returned to stable from negative, reflecting an easing in federal regulatory policy, slowing rate of inflation for primary cost drivers, and demonstrated management acumen.
- Our sector outlook for small systems remains negative due to the outsize financial effects of unbudgeted capital expenditures and less access to economies of scale, market access, and management flexibility.
- All systems, regardless of size, remain exposed to rising capital investment requirements, driven by aging infrastructure, climate resilience needs, and compliance, which may influence affordability in the future.

Continue reading.

09-Dec-2025 | 12:43 EST

S&P U.S. Not-For-Profit Transportation Infrastructure 2026 Outlook: Green Lights Ahead Despite Tariff Ambiguity And Growing Capital Programs

Sector View: Stable for all asset classes

- S&P Global Ratings' view of business conditions and credit quality across the U.S. not-for-profit transportation infrastructure enterprise (TIE) sector for 2026 is stable. The sector has a median rating of 'A+' and is composed of asset classes including airports and related special facilities, toll roads, maritime ports, mass transit, parking operators, and federal transportation grant-secured obligations.
- If economic growth is lower than current forecasts and transmits to many GDP-linked TIE activity metrics (enplanements, containers, and vehicular traffic) as fixed costs continue to rise, we anticipate a tempering of financial metrics that have supported recent positive rating trends, particularly for toll road and airport operators.
- We believe activity levels across most modes of transportation will continue to steadily increase from 2026-2027, with average annual growth of 1.6% for enplanements, 4.5% for transit ridership, 2.4% for port containers, and 3.0% for tolled transactions.
- Long-term capital needs and reliance on debt to fund infrastructure investments remain perennial credit consideration for the sector even as construction cost increases appear to have leveled off, albeit at nominally higher levels.
- We expect the TIE sector will largely demonstrate continued resiliency amid federal policy shifts and ambiguity related to tariffs, changing transportation funding and grant priorities, and the spend-down of federal support by transit operators.

Continue reading.

09-Dec-2025 | 12:38 EST

Fitch U.S. Public Finance Transportation Infrastructure Outlook 2026.

Fitch expects a stable macroeconomic backdrop to marginally lift transportation volumes and revenues in 2026. Ports diverge from the neutral trend with tariffs expected to weaken consumer appetite for imported goods, resulting in lower volumes ahead.

Access Report

Tue 09 Dec, 2025 – 4:48 PM ET

S&P U.S. Charter Schools 2026 Outlook: Stable Today While Pressure Points Are Signaling Rising Vulnerabilities

Sector View: Stable

- S&P Global Ratings' view of the U.S. charter school sector remains stable, supported by steady to growing per-pupil funding and generally healthy demand, for now. Many schools continue to hold their market position or expand, while maintaining healthy liquidity and operating margins.
- Competition for kindergarten-grade-12 (K-12) minor populations has intensified in some areas of the country, primarily due to weakening K-12 demographics and expanding school choice voucher programs.
- Schools are focused on managing continued expense pressures and persistent teacher shortages amid slower economic growth, but budget pressures are most pronounced at the lower end of the ratings scale.

Continue reading.

10-Dec-2025 | 14:50 EST

Fitch U.S. Community Development and Social Lending Outlook 2026

The affordable housing sector faces unprecedented complexity in 2026 as federal policy shifts elevate tax incentives, but direct program funding is increasingly at risk. Operational uncertainty, high construction costs, and labor shortages are pressuring project delivery and financial performance.

Access Report

Wed 10 Dec, 2025 – 10:17 AM ET

Fitch Publishes Updates US Public VRDOs and Commercial Paper with External Liquidity Rating Criteria

Fitch Ratings has published an updated version of its "U.S. Public Finance Variable-Rate Demand Obligations and Commercial Paper with External Liquidity Rating Criteria". This report replaces the prior version published on Dec. 12, 2024. The key elements of Fitch's rating criteria remain consistent with those of its prior report.

Continue reading.

Tue 09 Dec, 2025 – 4:23 PM ET

S&P 2026 U.S. Transportation Activity Estimates: Steady But Slower Growth With Modest Port Decline

Key Takeaways

- We believe U.S. GDP growth, projected at 2.0% for 2026 and 1.9% for 2027, will provide a solid foundation for steady activity across most U.S. transportation infrastructure asset classes including airline enplaned passengers, maritime container volumes, tolled transactions, and mass transit

ridership.
- Activity level growth will be steady for 2026-2027 but slower than the post-pandemic recovery years, except for U.S. port operators that we anticipate will see volumes decline in 2026.
- Mass transit ridership remains below pre-pandemic levels (2019) with a full recovery unlikely in the next two-to-three years.

Continue reading.

09-Dec-2025 | 12:24 EST

JPMorgan Seeks to Turn Muni Funds With $840 Million Into ETFs.

JPMorgan Asset Management is seeking to convert two municipal-bond mutual funds with over $840 million of assets into ETFs in 2026, underscoring the growing popularity of the products.

The board for the JPMorgan California Tax Free Bond Fund and the JPMorgan New York Tax Free Bond Fund will consider the conversion in February, according to a filing Tuesday. If approved, the flip is expected to take place in June.

Both funds focus on investing in investment-grade muni bonds from California and New York, respectively. Those states are both home to wealthy residents who favor tax-exempt bonds as a way to reduce tax bills. Both have seen their assets grow year-to-date.

Continue reading.

Bloomberg Markets

By Amanda Albright

December 9, 2025

Fitch U.S. Public Finance Ports - Peer Credit Analysis

This Fitch Ratings report highlights the operating and financial performance of Fitch-rated ports in the U.S. It provides an annual, point-in-time assessment of these ports. Ratios for each issuer are determined using audited information or additional information received from the issuer and reflect circumstances unique to each credit. This report excludes corporate-like issuers, public-private partnerships and project financings.

Access Report

Fri 12 Dec, 2025 – 3:20 PM ET

Fitch U.S. Public Finance Ports Data Comparator: 2025

Fitch Ratings' 2025 U.S. Ports Data Comparator contains financial data for 14 publicly rated issuers. This tool enables clients to compare indicators across different attributes, rating categories, and years. The current edition offers a snapshot of the financial status of entities as of December 5, 2025. Median calculations, located at the top of the table, update dynamically when the table view is altered using the heading filters. This functionality allows clients to modify the scope of the dataset and display the respective median values.

Access Report

Fri 12 Dec, 2025 – 3:22 PM ET

Bad Moon Rising: Navigating Uncertainty in Federal-Exposed Municipal Credit

Federal-exposed sectors and credits are facing rising uncertainty amid shifting policies. Head of Municipal Fixed Income Greg Steier and Credit Analyst Kate Fuller examine how these evolving federal policies are reshaping risk profiles for exposed sectors and credits, and what investors should watch for next.

When it comes to credit, we don't shoot for the moon. Instead, we seek durability, which we view as resilience to a wide variety of economic and political circumstances. Over the last year, federal aid, once viewed by our team as a source of credit strength, has become increasingly politicized. As a result, sectors and credits with large exposures to the federal government – through the local economy, appropriations, or grant funding – now face increased uncertainty. We also expect to see a shift in the funding burden away from the federal government. Consequently, there's a bad moon on the rise for some, including states, local governments, and other not-for-profit entities.

The impact of the One Big Beautiful Bill Act

The One Big Beautiful Bill Act (OBBBA) became law in July 2025, and with it came sweeping tax and policy provisions with implications for municipal credit. Medicaid cuts of $900 billion by 2034 and significant changes to the Affordable Care Act (ACA) grabbed headlines. The changes include more stringent eligibility requirements for enrollment, a reduction of the provider tax cap in Medicaid expansion states, and new limits on state-directed payment programs. The cumulative impact of these modifications will ultimately include less covered lives, lower reimbursement rates for providers, and less federal dollars flowing in support of Medicaid-related programs.

Continue reading.

bbh.com

December 10, 2025

Improving Early-Stage Cost Estimates for Utility Projects.

Executive Summary

Accurately estimating utility project costs in the early stages of the project lifecycle is difficult, with systematic assumptions leading to significant deviations for portfolio planning and budgeting. Traditional methods often fall short in early project stages, relying on limited data and subjective judgment, which can result in wide variances and uncertainty. Advances in machine learning offer a transformative solution: by analyzing patterns in historical project data, ML models can deliver more precise and reliable early cost estimates. This data-driven approach not only streamlines construction and reduces costs but also improves infrastructure quality. As the models mature, they could even enable near real-time cost simulation during program planning, which could revolutionize how utilities structure multi-year capital programs.

Continue reading.

Exponent Inc – Merih Tekeste and Liyu Wang

12/12/25

Playing the Long Game in Public Finance.

Success in the coming years will require sustainability, adaptation and perseverance, especially as AI both enhances and disrupts government. Professional leaders need to look beyond the short term, facilitate change where needed, and reinvent themselves.

As 2025 comes to a close, this is a worthwhile time for public finance professionals and public officials to reposition themselves to master a shape-shifting fiscal landscape, new technologies, staffing challenges and unknown unknowns. Many of their contemporaries will try to cope with the accelerating pace of change by muddling through and playing it safe. Traditional bureaucratic responses may work for some, but they run the risk of leaving the foot-draggers hopelessly out of touch and eventually obsolete.

Survival and success for most professionals in the field of public finance will come easier to those who accept the inevitability of change, adapt to new technologies, avoid gimmicks, promote and practice continuous improvement, orchestrate long-term thinking by those around them, and brush up on their own self-awareness and interpersonal skills.

The most familiar and quantifiable aspect of this long game is fiscal sustainability. For starters, that requires a sober review and projection of the jurisdiction’s revenue and expense trends to question whether each year’s budget has habitually become a game of kicking the can to the next year and one’s successors. At a minimum, a fresh five-year financial forecasting exercise is now timely.

Continue reading.

governing.com

OPINION | December 9, 2025 • Girard Miller

Municipal Bond Stress Is Isolated — Here’s Why It Matters

**Municipal defaults remain rare, but recent data shows a widening gap between the safest

and riskiest sectors, highlighting the need for careful credit research and selective sector exposure.

Key Takeaways:

- "Risky" muni sectors show rising defaults while "safe" sectors defaults remain near zero.
- Senior living, charter schools, and Industrial Development Bonds drive most default activity.
- Diversification and focus on essential-service credits remain crucial in the muni sector.

Continue reading.

vaneck.com

by Tamara Lowin
Senior Municipal Credit Analyst

December 09, 2025

SIFMA US Economic Survey.

SIFMA's Economic Advisory Roundtable forecasts 1.8% GDP growth in 2025 and 2.2% in 2026, with upside risks from lower tariff impacts, productivity gains, and consumer spending. Inflation expectations remain anchored, though core PCE stays above 2%. "This is a notable improvement from the estimates made back in the 1H of 2025," said Roundtable Co-Chair Scott Anderson, BMO.

Key Takeaways

Cities Brace for Budget Strains.

Cities nationwide are tightening their budgets as revenue growth slows and federal COVID-era aid phases out, according to the latest National League of Cities (NLC) fiscal survey. After enjoying several years of stabilization supported by pandemic relief, many municipal finance leaders now report rising expenses and greater uncertainty heading into 2026.

Spending increased 7.5% in FY 2024, but that pace plummeted to 0.7% in FY 2025, NLC found. At the same time, revenue growth, which rose 3.9% in 2024, is now expected to drop 1.9% in 2025, forcing many cities to consider cuts, hiring freezes or delayed capital projects.

The decline in confidence is stark: 52% of finance officers said they could meet their city's financial needs in FY 2025, down from 64% just one year earlier. Optimism falls further looking ahead to 2026, where only 45% feel confident.

Continue reading.

constructionowners.com

Construction Owners Editorial Team

November 27, 2025

[A Shifting Trump-Era Public Finance Landscape.]

State and local financial managers face the impact of federal aid cutbacks, plus new rules and even some opportunities. It's time to focus on what's practical and necessary, both near and longer term.

When it comes to the federal-state-local fiscal relationship, the Trump administration and its allies in Congress have driven more changes in less than one year than any other presidency since Franklin Roosevelt's, most of them going in the opposite direction politically. A clear takeaway for state and local financial managers and their policymaking bosses is that they can no longer count on fiscal federalism — dollars from Uncle Sam — to alleviate budgetary problems.

But there are also some quirky features of this new landscape that present more obscure challenges and even some economic development possibilities. For the public workforce, implementing new payroll features to comply with the 2025 tax law, particularly its overtime taxation provisions, will be the first order of the day, but that's a bookkeeping and software sideshow in the long run. The main event is that many states' and some municipalities' budget reserves are shriveling.

While states and localities collectively face cost shifting for essential functions once paid for by Uncle Sam, such as cybersecurity networks, the most important task for many in 2026 will be a review and reset of their financial reserves policies. If Uncle Sam is now prone to write counter-cyclical checks to taxpayers rather than sending money to states in the next recession, and less likely to provide natural disaster recovery aid, then rainy-day funds may need to be beefed up, not depleted in futile efforts to provide end-of-life support to formerly federally funded programs that remain popular locally.

Continue reading.

governing.com

OPINION | November 25, 2025 • Girard Miller

S&P U.S. States 2026 Outlook: As States Face Widening Challenges, Their Actions Likely Will Uphold Credit Stability

Sector View: Stable

- Meaningful changes to the federal-state policy relationship will test the resilience of states' credit quality, although we believe they have financial cushions and well-embedded management practices to cope with this uncertainty.
- States will continue adjusting to this new policy environment through budgetary and legislative actions to address looming cost increases from many federal program changes and funding shifts.
- Our sector view remains stable, as we believe that most states will be able to balance slowing revenue growth against the rising expenditure needs, while maintaining ample reserve balances.

Continue reading.

03-Dec-2025 | 10:14 EST

S&P U.S. Local Governments 2026 Outlook: Local Governments Show Resilience, K-12 School Districts Are On Shaky Ground

Sector View: Stable

- S&P Global Ratings' view of the U.S. local government (LG) sector remains stable overall, but increasing pressure on K-12 schools from federal, state, and local factors is weakening this cohort.
- State policy choices in response to federal fiscal retrenchment will be increasingly important for LG credit quality, while a tighter revenue environment with more downside than upside adds uncertainty.
- The strong revenue environment schools and LGs enjoyed in recent years ended in 2025. Although reserves remain high, struggling LGs may spend them down quickly.
- The ultimate impact to credit quality will depend on the depth and duration of mounting credit pressures, and on management's ability to adjust to disruptions.

Continue reading.

Free Registration Required.

04-Dec-2025 | 11:46 EST

Fitch: U.S. States, Locals Face Shifting Headwinds with Strong Resilience

Fitch Ratings-New York-03 December 2025: Fitch Ratings has assigned a Neutral sector outlook to U.S. state and local governments in 2026, saying that the vast majority of Rating Outlooks are Stable. Credit quality should remain consistent and strong as governments manage slower growth with robust reserves, liability reductions and prudent budgets. Economic performance has exceeded expectations. However, risks are emerging from a slower labor market, tariff-driven inflation, and changes in federal responsibilities. Even so, most governments should be able to absorb these pressures due to strong financial resilience.

Macro risks to revenue include the potential for escalating tariff pass-throughs, which may raise the Consumer Price Index (CPI) and curb consumption; softening payroll growth and potential layoffs; and a slowdown in IT-related capex that could weigh on equity markets and income tax collection in market-sensitive states like California and New York. In addition, housing indicators are weakening, and Fitch expects the residential housing sector to slow in 2026. This could pressure local sales and transaction taxes, as well as assessed property values over time.

Spending pressures persist. States face uncertainty around changes to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) implemented under H.R. 1. Wage growth for public employees remains high, increasing strain on budgets, particularly for local governments. The shift of federal costs to states and local governments could be negative for credit where financial resilience is thinner.

Operating trajectories are broadly stable. Most state and local governments used prior surpluses to build reserves, pay down debt and invest in one-time capital needs, though some with pre-existing challenges still face fiscal constraints. Ongoing implementation of state tax policy changes and softer economic growth could drive volatility in revenue and budgets. For local governments, lags in property tax assessments and tax collection trends allow time to adjust to changing conditions, while an economic downturn would create more immediate strain on governments that rely on sales and income taxes.

Fitch's "U.S. State and Local Governments Outlook 2026" report is available at www.fitchratings.com

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Fitch U.S. State and Local Governments Outlook 2026.

Fitch Ratings expects U.S. state and local governments to maintain stable credit quality through 2026 despite economic uncertainties. Robust reserves and prudent budget management will help governments manage fiscal risks and maintain financial resilience.

Access Report

Wed 03 Dec, 2025 – 10:09 AM ET

S&P U.S. Not-For-Profit Acute Health Care 2026 Outlook: Resilient For Now, With Increased Credit Risks On The Horizon

Sector View: Stable

- Healthy balance sheets support credit stability as organizations execute on strategic plans and make operating investments to position for future changes in health care delivery.
- Generally stable performance should continue for many providers, supported by good demand, management-driven operating initiatives, and for some, near-term increases in supplemental funding; however, a number of hospitals continue to perform below target earnings.
- Health care legislation from 2025's tax and spending bill presents headwinds, but provides time for organizations to adapt for likely revenue cuts and reduced insured lives, although other federal (and state) regulatory actions remain wild cards.

Continue reading.

01-Dec-2025 | 13:49 EST

Fitch: Policy Headwinds Weigh on U.S Higher Education Outlook

Fitch Ratings-Chicago-04 December 2025: U.S. higher education faces rising challenges in 2026, according to a new Fitch Ratings report. Fitch's outlook for the sector is 'deteriorating' based on the increasing headwinds from federal policy, enrollment, and other macroeconomic conditions that will affect revenue growth prospects and operating margins in the coming year.

Tuition revenue, which is often the largest revenue source for colleges and universities, remains constrained as demographic trends and financial aid policy changes reshape domestic student decisions and as prospective international students face numerous hurdles. While state funding improved for the 12th straight year, slowing revenue growth and shifting federal cost burdens beyond 2026 are risks.

Despite these headwinds, two-year programs are driving sector growth, and institutions are pursuing partnerships, asset monetization, and alliances to manage costs. We expect consolidation to accelerate, especially for schools in regions with economic and demographic stress. Capital spending will likely rise in 2026 to address deferred maintenance and housing needs, but additional debt may otherwise hamper overall operating cost flexibility.

Fitch’s Rating Outlook remains Stable for most rated institutions, though pressure persists for those rated ‘BBB’ and below. “Broader trends, including potentially disruptive AI-driven labor market changes, may further influence demand and program offerings across the sector,” said Senior Director Emily Wadwhani.

The full report is available at www.fitchratings.com.

S&P U.S. And Canadian Municipal Toll Road Ratings And Outlooks: Current List And Recent Rating Actions

View the Current List.

25-Nov-2025 | 16:43 EST

S&P U.S. Not-For-Profit Higher Education 2026 Outlook: Lower Expectations For Higher Education

Sector View: Negative

- Intense competition for students and elevated operating expenses are exacerbating budget pressures for many issuers, particularly at the lower end of the ratings scale.
- At the same time, some federal policies disproportionately affect higher rated and more selective institutions, and credit risks for colleges and universities with significant federally funded research are growing.
- Our sector view is negative, as we expect colleges and universities will struggle to navigate through mounting operating pressures and uncertainty that will require budgetary and programmatic adjustments.

Continue reading.

02-Dec-2025 | 10:44 EST

[S&P U.S. Public Power And Electric Cooperative 2026 Outlook: Rising Inflation And Capital Spending Stressors Perpetuate Negative Rating Pressures]

Sector View: Negative

- Our 2026 sector view for not-for-profit (NFP) public power and electric cooperative utilities is negative. This view reflects converging, substantial, and costly infrastructure financing needs and diminished consumer rate affordability that can erode the benefits of autonomous ratemaking authority, frustrate some utilities' cost recovery, and weaken financial margins and ratings.
- NFP utilities' operating and capital costs are swelling as they address load growth, strengthen the climate resilience of network infrastructure, replace aging power plants, and reduce power plants' emissions and generation byproducts.
- The cumulative average increase in retail electric rates that has exceeded the broader consumer price index (CPI) by almost 2x in recent years provides a barometer of the inflationary pressures facing power utilities and their customers, and indicates utilities' diminished financial flexibility.

Continue reading.

08-Dec-2025 | 13:27 EST

Fitch U.S. Public Finance Higher Education Outlook 2026.

Fitch Ratings anticipates a 'deteriorating' credit environment for U.S. Public Finance Higher Education in 2026 relative to 2025. Revenue growth prospects remain strained, particularly for net tuition as the domestic undergraduate student base shrinks and international students face multiple obstacles.

Access Report

Thu 04 Dec, 2025 – 1:57 PM ET

How 'Super Roofs' Reward Insurers, Cat Bond Investors and Homeowners.

Investors snapped up a catastrophe bond tied to North Carolina homeowners and their insurer for installing super roofs.

Takeaways by Bloomberg AI

- North Carolina has issued a $600 million catastrophe bond to fund disaster preparedness and reward homeowners for installing "super roofs" that are resistant to wind damage.
- The bond has two features linked to reducing wind damage risks: it returns $2 million to NCIUA each year if no major losses occur, which is used to incentivize homeowners to install super roofs, and its annual pricing resets to reflect the changing exposure as more people add these roofs.
- The program has already shown financial benefits, with fortified homes having 60% fewer claims than code-compliant homes during regular storms, and NCIUA expecting to recoup $72 million over 10 years on its investment in roofs.

Continue reading.

Bloomberg Green

By Leslie Kaufman

December 1, 2025

The 'Game Changing' Cat Bond Incentivizing Adaptation.

Insurers are struggling as climate change-fueled damage intensifies. So are homeowners. Clearly something has to change.

Enter a novel program run by North Carolina's insurer of last resort that incentivizes homeowners to install roofs that can stand up to extreme winds. It's still relatively small, but it comes at a time when the federal government is pulling back.

Continue reading.

Bloomberg Green

By Leslie Kaufman and Laura Millan

December 1, 2025

Explaining the Decline in WIFIA Loan Volume: Part 1

What is happening at EPA's Water Infrastructure Finance and Innovation Act (WIFIA) loan program?

The mysterious issue is not the near-complete cessation of loan closings under Trump 2.0. The reason for that is clearer: the Office of Management and Budget's pause on federal grants and loans in February combined with continuing federal upheaval under this administration.

Much harder to explain is the steady decline in program loan volume since the end of 2021 through January 2025, despite rising U.S. water sector capex. During this period, WIFIA had a supportive Biden administration, plenty of funding and was run as efficiently as ever. Yet, the program's annual executed loan volume fell from a calendar year peak in 2021 of over $5.5 billion to under $2 billion in 2024.

Continue reading.

Water Finance & Management

November 24, 2025

Muni Strategists Anticipate Issuance to Top $600 Billion in 2026.

Takeaways by Bloomberg AI

- Strategists in the municipal bond market are mostly predicting local governments will sell at least $600 billion of debt in 2026, eclipsing the record amount already offered this year.
- States, cities, airports, colleges, hospitals and other borrowers in the $4 trillion muni-bond market have sold about $546 billion of debt year to date, according to data collected by Bloomberg.
- Analysts expect municipalities to keep up the flow of bond sales as many tax-exempt bonds reach call eligibility and infrastructure needs persist, but are mixed on how interest rate cuts might impact borrowing.

Continue reading.

Bloomberg Markets

By Aashna Shah

December 5, 2025

ETF Demand Reshapes Muni Dynamics.

Strong demand for municipal exchange-traded funds is shifting the state and local bond market's dynamics and masking flow trends. A single mutual fund conversion last week made what was actually an inflow look like nearly $1 billion in outflows, according to JPMorgan.

Bloomberg's municipal bonds reporter Maxwell Adler discussed the story on "Bloomberg Markets" with Vonnie Quinn.

Watch video.

Bloomberg Markets – Muni MomentTV Shows

November 26th, 2025, 11:25 AM PST

ETF Demand Reshapes Muni Dynamics: Bloomberg Muni Moment

Strong demand for municipal exchange-traded funds is shifting the state and local bond market's dynamics and masking flow trends. A single mutual fund conversion last week made what was actually an inflow look like nearly $1 billion in outflows, according to JPMorgan. Bloomberg's municipal bonds reporter Maxwell Adler discussed the story on "Bloomberg Markets" with Vonnie Quinn.

Watch video.

Bloomberg Markets – Muni MomentTV Shows

November 26th, 2025, 11:25 AM PST

[The Muni Rally Shines Spotlight on These ETFs.]()

As 2025 winds down, a rocky beginning for municipal bonds is giving way to a smoother ride to the finish. In the latest iteration of its Active Fixed Income Perspectives, Vanguard noted a strong showing by municipal bonds in Q3. Given this, fixed income investors may want to position their portfolios for muni exposure if they haven't already.

An oversupply of munis due to heavy issuance to start the year has turned for the better. As the rate-cutting cycle ensues through Q4 and into next year, municipal bonds can offer investors a combination of yield and strong credit fundamentals. Heavier demand in Q3 saw munis outperform broad bond indexes.

"The municipal bond market enjoyed a rally in the third quarter, outperforming the Bloomberg US Aggregate Index," the report said. "Yields moved lower across the curve, but longer maturities delivered the best returns due to higher duration. The key feature of this market remains a historically steep curve with highly attractive long-end valuations and richer pricing in the short end."

Here are a few solutions to consider for muni exposure by way of Vanguard's low-cost ETFs.

Continue reading.

etfdb.com

by Ben Hernandez

Nov 26, 2025

[Active Muni-Bond Funds for the Core of Your Portfolio.]()

These mutual funds and ETFs receive top ratings from Morningstar's analysts.

Morningstar's Guide to Active Fixed-Income Investing lays out the case for active bond funds. In short, the complexity and inefficiencies of the bond market spell opportunity for skilled portfolio managers.

While most investors focus on taxable bonds, the argument for active investing applies to the municipal-bond market as well. In "How to Use Municipal-Bond Funds in a Portfolio," Amy Arnott and Margaret Giles provide a primer on the asset class, part of Morningstar's portfolio basics series. Muni bonds are issued by state or local governments to raise money for day-to-day operations and public projects. The interest paid on these bonds is usually exempt from federal income taxes and may also be exempt from state and local taxes for investors who live in the state or municipality where the bond was issued.

Investors, particularly those in higher tax brackets, can therefore benefit from holding municipal-bond funds in their taxable accounts. Strategies in the muni national intermediate Morningstar Category are appropriate holdings for a core portfolio, as Morningstar's Role in Portfolio framework explains. To home in on worthwhile actively managed offerings, the Morningstar Medalist Rating is a good place to start, as it identifies funds that are likely to outperform over a market cycle.

Continue reading.

morningstar.com

by Laura Lallos

Dec 2, 2025

Fitch: U.S. State Budgets Tested by Slower Revenue Growth and Federal Policy Shifts

Fitch Ratings-New York-19 November 2025: U.S. state budgets are well-positioned to address slower revenue growth and increasing economic and policy uncertainty in fiscal 2026, according to Fitch Ratings in its latest annual report.

State budgets remain fiscally sound following several years of strong post-pandemic economic and revenue performance, according to Senior Director Karen Krop. "However, states now face the highest level of uncertainty since the early pandemic months, driven in part by economic unease and federal policy changes. Despite these pressures," said Krop, "Fitch expects states credit quality to remain robust, supported by prudent operating performance and substantial fiscal buffers."

Most states anticipate slow revenue growth in fiscal 2026, reflecting expectations of subdued U.S. GDP growth, ongoing inflation and the fading effect of federal stimulus. Fiscal 2026 is seeing more tax policy action, with several states lowering income tax rates or flattening brackets, while others are raising revenues to close gaps or meet program goals. Fitch notes states pursuing aggressive tax reductions may see heightened credit pressure if revenue growth fails to accelerate.

Medicaid and education remain the primary drivers of state spending, with federal policy changes, notably H.R. 1, introducing new budgetary uncertainties. However, states continue to fund initiatives in housing and homelessness prevention and climate resilience, among other high priorities.

"U.S. States: Budgets Stable Amid Uncertainty" is available at www.fitchratings.com

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NASBO Fall 2025 Fiscal Survey of States.

With data gathered from all 50 state budget offices, this semi-annual report provides a narrative analysis of the fiscal condition of the states and data summaries of state general fund revenues, expenditures, and balances. The spring edition details governors' proposed budgets; the fall edition details enacted budgets.

Click here to view the NASBO Survey.

City Financial Officers Approach 2026 With Caution.

Reduced revenues and rising costs leave municipalities tightening their budgets, per a new National League of Cities report.

In Brief:

- A summer 2025 survey found that many finance officers expect tariffs to drive up costs. Officials are less confident about meeting financial needs next year.
- Cities' revenue streams are tightening, with income tax revenue expected to decline and American Rescue Plan Act money ending late next year.
- The bright spots: property tax revenues still show some growth and a much-feared elimination of municipal bonds' tax-exempt status didn't come to pass.

Municipalities are already spending more cautiously this year, and they expect that trend to hold in 2026 as cities grapple with rising costs, lower revenue, and the wind-down of federal aid, per a new report from the National League of Cities.

Continue reading.

governing.com

by Jule Pattison-Gordon

November 24, 2025

U.S. States: Budgets Stable Amid Uncertainty - Fitch Special Report

State budgets have remained stable in fiscal 2026, despite potential economic weakness and federal policy uncertainty. Revenues are growing slowly, with states adapting spending to a slower trend and maintaining fiscal resilience.

Access Report

Wed 19 Nov, 2025 – 2:46 PM ET

Bitcoin News: First BTC-Backed $100M Municipal Bond Launches to Tap $140T Debt Market

- New Hampshire has approves the first-ever Bitcoin-backed municipal bond.
- This opens the door for BTC and digital assets into the $140 trillion global debt market.
- New Hampshire was the first state to sign the strategic Bitcoin reserve bill into law.

In a major Bitcoin news today, New Hampshire has greenlighted the first-ever BTC-backed municipal bond. This marks a big milestone that could open the door to the $140 trillion global debt market for Bitcoin and digital assets. The move comes after New Hampshire became the first state to pass a "strategic Bitcoin reserve" bill into law.

Continue reading.

Yahoo Finance

by Varinder Singh

Tue, November 18, 2025

[New Hampshire Approves First-Ever $100 Million Bitcoin-Backed Municipal Bond.]

New Hampshire has become the world's first government to approve a $100 million Bitcoin-backed municipal conduit bond, a move greenlit by the state's Business Finance Authority that could usher digital assets into the $140 trillion global debt market.

New Hampshire has become the first state in the U.S. — and the first government globally — to approve a municipal bond backed by Bitcoin, a structural breakthrough that could open the door for digital assets to enter the $140 trillion global debt market.

On Monday, the state's Business Finance Authority (BFA) approved a $100 million Bitcoin-backed conduit bond, allowing private companies to borrow against over-collateralized Bitcoin held in custody, according to exclusive reporting from Eleanor Terrett at *Crypto in America*.

The bond is not backed by the state or taxpayers; instead, the BFA acts strictly as a facilitator, approving and overseeing the deal while repayment risk rests entirely on the Bitcoin collateral held by BitGo.

Continue reading.

bitcoinmagazine.com

By Micah Zimmerman

November 19, 2025

Bitcoin-Backed Bonds: A New Era for Municipal Financing and Fintech Innovation

New Hampshire is doing something that no other state has done before. They've given the green light to a Bitcoin-backed municipal bond, which is a first for the US. It's a major milestone for the convergence of traditional finance and digital assets. The potential here is massive, with access to a $140 trillion global debt market. But, of course, there are opportunities and challenges for local governments and fintech innovators alike.

Bitcoin-Backed Bonds Rising

These Bitcoin-backed bonds are a new beast in the financial world. They blend traditional debt securities with the potential upside of Bitcoin. Recently, New Hampshire's Business Finance Authority (BFA) approved a $100 million bond that allows private companies to borrow against Bitcoin held by a licensed custodian. This means they can raise capital without risking state funds or taxpayer dollars.

Here’s the kicker: the bond requires borrowers to put up about 160% of the bond’s value in Bitcoin. If the collateral dips below a certain point, an auto-liquidation process kicks in to safeguard investor interests. If this works, it could set the stage for similar bonds popping up across the country, opening the door for a new class of crypto-collateralized debt.

Continue reading.

OneSafe

OneSafe Editorial Team

Nov 19, 2025

Data Centers, Local Zoning, and Land Development: How to Protect Your Project From Costly Delays - Ballard Spahr

Data center development continues to surge, yet local zoning and land development frameworks have not kept pace. Across the country, projects are encountering delays and added risk due to outdated ordinances, procedural gaps, inconsistent interpretations by local officials, and increasing public opposition. Even well-capitalized projects can be threatened by these issues. These risks can be managed with careful planning, clear documentation, and guidance from lawyers experienced in complex land use and data center development matters. Understanding where projects most often run into trouble is the first step toward preventing setbacks and initial and future delays in delivering data center projects on time and on budget.

Secure Clear and Final Land Use Approvals

Many zoning codes do not explicitly address data centers. When ordinances fail to address data centers expressly, approvals often hinge on how individual zoning officers interpret terms such as industrial, utility, or technology facility. That ambiguity can open the door for appeals, even after substantial capital has been committed. Before proceeding with site work, ensure approvals are not only obtained but are also final and unappealable. Investors and lenders should consider obtaining zoning opinions when available or other supporting legal analysis to confirm the approval and land use status of a given site before development commences.

Verify Proper Public Notice Procedures

Establish a clear record of compliance with all public notice requirements. Even minor procedural missteps, such as missed postings, incomplete filings, or improper notice delivery, can extend or invalidate appeal periods. In some cases, the appeal period might never begin, leaving completed projects vulnerable to challenge months or even years later.

Continue reading.

by Matthew N. McClure, Jill S. Parks, Bruce F. Johnson, Alicia B. Clark, and Dominic J. De Simone

November 17, 2025

Ballard Spahr

Orrick: Powering Data Centers

Megawatts to Megabytes: Orrick's Guide to Developing, Financing & Powering Data Centers

How can data center developers secure reliable power when U.S. demand is growing 23% annually and interconnection delays now stretch to 5+ years? This guide examines practical strategies for powering data centers amid grid constraints and clean energy requirements.

The guide covers power generation options from nuclear and geothermal to natural gas and fuel cells, grid interconnection strategies including co-located generation and replacement rights, and contracting mechanisms such as Clean Transition Tariffs, behind-the-meter PPAs, and virtual PPAs. It also addresses key regulatory requirements including FERC interconnection rules, state supply restrictions and market-based rate authority.

Read this excerpt from our guide Megawatts to Megabytes.

November.20.2025

The Water Infrastructure Investments States Will Need.

The bill is coming due after years of underinvestment in water infrastructure. New research highlights needs in each state and the economic benefits from meeting them.

In Brief:

- An estimated $3.4 trillion will be needed over the next two decades to bring drinking water, stormwater and wastewater infrastructure up to date, according to a new report.
- Federal funding for this work has declined steadily over the past two decades.
- The report from the Value of Water Campaign — which advocates for greater water infrastructure investments — gives states an idea of just how large water infrastructure funding gaps could be.

Continue reading.

governing.com

by Carl Smith

November 20, 2025 •

Riskiest Municipal Tobacco Bonds Hit by Smoking Declines.

The riskiest tobacco bonds have slid this year to the second-worst performer in high-yield municipal debt as smoking declines at a faster rate than assumed under the securities' structure.

The debt, backed by settlement payments states receive from tobacco companies, has declined 4.1%, compared with a 2.6% gain for the high-yield tax-exempt market, according to data compiled by Bloomberg. Only high-yield transportation bonds, hit by the struggles of Florida's Brightline private railroad, have fared worse.

"There's uncertainty about cash flows, there's consumption declines, and I think the buyer base is just shrinking," said Jerry Solomon, a portfolio manager at Capital Group.

Continue reading.

Bloomberg Markets

By Martin Z Braun

November 24, 2025

Student-Athlete Salaries Pose New Worry for Higher-Ed Munis.

Takeaways by Bloomberg AI

- US universities' athletic budgets are becoming a concern for investors who buy higher-education municipal debt due to the potential for financial hits from paying student-athletes.
- Athletic departments at some schools are trimming staff or programs to offset pressure, and schools that run chronic deficits may weigh on the broader fiscal health of the university.
- The new expense of revenue sharing with student-athletes is taking a toll on sports-department budgets, with many departments needing cash infusions from their school's institutional budget.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert

November 20, 2025

Bloomberg Muni Moment: United Airlines Shelves Two Bond Offerings

United Airlines Inc. shelved two municipal bond issues as the volatility hitting other asset classes makes a rare appearance in the state and local government debt market. Bloomberg's Aashna Shah has more on the story.

Watch video.

Bloomberg Markets – Muni MomentTV Shows

November 20th, 2025

[United Taps Munis for $522 Million Houston Airport Deal.]

Takeaways by Bloomberg AI

- United Airlines Inc. is coming to the municipal bond market with a nearly $522 million junk deal to help finance a catering operations facility and other projects.
- The bonds are secured by rent payments made by the airline and will help fund the construction of a new ground services equipment facility and refund a portion of Houston's outstanding airport debt.
- The deal is expected to price on Tuesday and is led by Bank of America as the senior manager, with the capital projects supported by the bond sale aiming to deliver a more efficient and reliable experience for passengers.

Continue reading.

Bloomberg Markets

By Aashna Shah and Sri Taylor

November 18

[United Pulls $248 Million Junk Muni Debt for Houston Airport.]

Takeaways by Bloomberg AI

- United Airlines Inc. shelved two municipal bond issues due to market conditions.
- The bonds were to finance facilities at George Bush Intercontinental Airport in Houston, including a ground services equipment facility and a catering center.
- The airline may seek to finance the projects in the future, with one possibility being next year if the Federal Reserve cuts interest rates.

United Airlines Inc. shelved two municipal bond issues as the volatility hitting other asset classes makes a rare appearance in the state and local government debt market.

The airline had tried to tap muni investors to finance facilities at George Bush Intercontinental Airport in Houston. An issue for $102.8 million was expected to finance a portion of the design and construction of a ground services equipment facility and a separate $145.6 million series go toward a new catering center, according to offering documents. The bonds were high yield, carrying a BB+ rating from S&P Global Ratings.

Continue reading.

Bloomberg Industries

By Aashna Shah

November 19, 2025

[NASBO: Understanding State Budget Gaps]

[View the NASBPO report.]

National Association of State Budget Officeres

By Kathryn White

[Report: Cities Have $1.4 Trillion in Debt]

San Francisco, Nantucket, New York City, Ocean City, and Miami Beach are the cities with the most per capita debt.

Nationally, cities report $1.4 trillion in debt, equivalent to approximately $7,000 per capita, according to [Reason Foundation's State and Local Government Finance Report].

The cities of New York, Chicago, Los Angeles, the city and county of San Francisco*, and Houston report the most total liabilities.

The $1.4 trillion in debt carried by cities, towns, and other incorporated municipalities represents 23% of total state and local government debt found in the State and Local Government Finance Report, which can be explored interactively in Reason Foundation's [GovFinance Dashboard].

[Continue reading.]

reason.org

by Mariana Trujillo
Managing Director

by Jordan Campbell
Managing Director

November 17, 2025

[Commentary: The Future Must Be Full-Cost Pricing for Water Utilities]

For anyone tracking the U.S. water industry – a sector encompassing both water and wastewater providers, largely managed by municipal entities – a paradox unfolds. Reports frequently highlight consistent rate increases while simultaneously detailing the alarming deterioration of vital water infrastructure. We discover, with the benefit of hindsight, that rates have often climbed significantly faster than core inflation, sometimes two to three times as quickly.

Yet, the infrastructure these rates are meant to support often receives the kind of unsatisfactory grades from the American Society of Civil Engineers that would once lead to serious discussions during parent-teacher conferences. If you scan the American Water Works Association's (AWWA)

State of the Industry Report, you'll uncover another interesting observation running contrary to the rapidly rising rates: utility managers recently ranked financial sustainability among their top challenges.

Despite rapidly rising rates, the industry appears to be struggling to keep pace financially, whether we look at the health of infrastructure or the overall sentiment among executives, though we acknowledge these are subjective measures. Regardless, healthy water infrastructure is essential to our communities, and keeping those systems healthy comes with necessary, ongoing investments.

Continue reading.

Water Finance & Management

By Jason Mumm

November 17, 2025

S&P U.S. Not-For-Profit Health Care Rating Actions, October 2025

Overview

In October 2025, S&P Global Ratings maintained 29 ratings without revising the outlooks, took three positive ratings actions and five negative rating actions in the U.S. not for profit health care sector. In addition, we revised three outlooks favorably, and one outlook unfavorably without changing the ratings. We also assigned a rating to two new issuers, Casa Colina Inc., Calif. and Monroe Sustainable Energy Partners LLC, Ariz. (an entity whose rating is based on that of Rochester Regional Health's credit quality).

Included in the month's activity were ratings assigned to seven new debt issuances for currently rated organizations, all of which were affirmed except for one downgrade on Craig Hospital, Colo. In addition, included in the month's three positive rating actions was Jennie Stuart Medical Center, Ky., related to the application of our "Group Rating Methodology" criteria (July 1, 2019) following its acquisition by Deaconess Health System Inc, Ind. (A+/Positive). Included in the month's five negative rating actions was Louisville Medical Center, related to application of our "Rating Approach To Obligations With Multiple Revenue Streams" criteria (Nov. 29, 2011) following our downgrade on UofL Health.

Continue reading.

14-Nov-2025

Munis' 'Frenetic' Trading Pace Smashes Record.

Investors and dealers are trading municipal bonds at a record pace this year, driven by strong government sales and a burst of volatility tied to tariffs and interest rate moves. Bloomberg's Shruti Singh has more on the story.

Watch video.

Bloomberg Markets – Muni Moment TV Shows

November 13th, 2025, 12:54 PM PST

[Trump Buys Another $82 Million of Corporate and Municipal Bonds.]

Takeaways by Bloomberg AI

- President Donald Trump has continued his purchases of municipal and corporate debt this fall, including bonds of companies affected by his administration's policies.
- The purchases include bonds from companies such as Netflix Inc., UnitedHealth Group Inc., and Intel Corp., as well as municipal bonds from US cities and local school districts.
- Trump reported no sales, and a senior White House official said that independent financial managers made the bond purchases using programs that replicate recognized indexes when making investments.

Continue reading.

Bloomberg Politics

By Kevin Whitelaw and María Paula Mijares Torres

November 15, 2025

[Survey Shows ETF Adoption Continues to Trend Higher.]

Stocks might still be the preferred investment of choice. But exchange traded funds (ETFs) are quickly gaining ground. According to a "People & Money" survey conducted by BlackRock in conjunction with YouGov, ETF adoption continues to expand while also seeing a shift demographically.

ETFs are already having a record year. They've surpassed the previous year's $1.14 trillion inflows. And adoption is projected to rise, according to the survey. So it could mean more broken records in the coming years.

"ETFs have revolutionized how millions of people invest today," said Elise Terry, head of U.S. iShares at BlackRock. "These findings reflect growing demand for diversified exposures through efficient, transparent vehicles — and a rising appetite for choice in how Americans seek to grow their wealth. This momentum underscores the need to accelerate innovation, broaden access, and scale education to pursue better outcomes for all investors.

Continue reading.

etftrends.com

by Ben Hernandez

November 14, 2025

Muni Bond ETFs Launch as Conversions Continue.

Two issuers brought actively managed municipal bond ETFs to market on Monday. AllianceBernstein (AB) and Franklin Templeton rolled out funds targeting different slices of the muni space, converting their mutual funds into ETF wrappers as muni mutual fund conversions accelerate across the industry.

AB launched two actively managed ETFs on the New York Stock Exchange. This added to the firm's growing suite of fixed income ETF offerings, according to a Monday press release.

The AB New York Intermediate Municipal ETF (NYM) and AB Core Bond ETF (CORB) began trading with Jane Street serving as the lead market maker for both funds, according to the release.

The launches add to AB's municipal platform. Its platform has grown from $35 billion in AUM in 2016 to over $83 billion as of August 31, according to the release. October 2025 saw 15 mutual fund conversions among a record 137 total ETF launches, according to FactSet.

Continue reading.

etfdb.com

by DJ Shaw

Nov 11, 2025

US Voters Approve $12B Of Borrowing For Municipalities.

In this week's elections, American voters approved more than $12 billion in state and local borrowing, signaling continued support for infrastructure and public investment.

Bloomberg's Muni reporter Aashna Shah discusses the story on "Bloomberg Markets" with Scarlet Fu.

Watch video.

Bloomberg MarketsTV Shows – Muni Moment

November 6th, 2025, 11:54 AM PST

Fitch: Federal Spending Cuts Push More Fiscal Risk to State, Local Governments

Fitch Ratings-New York-07 November 2025: State and local governments are increasingly assuming fiscal responsibilities that have typically been shouldered by the federal government. This could amplify pressures during periods of fiscal stress and increase state and local government credit risk, Fitch Ratings says in its new report.

Trump administration and congressional policy initiatives, as well as long-term challenges to the U.S. sovereign's finances, are resulting in a transferring fiscal obligations and risks to state and local governments.

States with the lowest levels of financial resilience are likely to be the most vulnerable to rating transition if the federal and state/local relationship substantially and permanently shifts. Robust dedicated operating reserves relative to annual budgets most clearly demonstrate states' financial resilience and provide a key credit risk mitigant.

The 2025 tax and spending bill introduces significant changes to SNAP cost-sharing requirements and changes to states' ability to levy provider taxes for Medicaid that will directly impact state budgets. Federal spending reductions under the law start out modestly and grow over multiple years, according to the Congressional Budget Office's analysis. This gives states time to plan budgets accordingly, although states will have less flexibility in a lower growth or recessionary environment.

Significant changes to the scale of federal FEMA aid would increase credit risk for state and local governments at a time when billion-dollar natural disasters are increasing in frequency and cost. State and local governments have flexibility to manage increased costs following natural disasters while awaiting federal reimbursement, but federal support can be important to maintaining long-term fiscal and credit stability. A Fitch analysis found that Louisiana, Hawaii and Florida have the highest levels of federal disaster aid relative to their economies.

The U.S.'s fiscal challenges — with general government debt reaching 124.6% of GDP by 2027 — may limit its capacity to provide meaningful countercyclical support to states and municipalities during a downturn.

Fitch: Shift in Federal Responsibilities May Amplify State, Local Government Pressures in Downturn

A sustained shift in federal responsibilities will increase state and local government budget demands, exposing them to more credit risk. Federal spending cuts to social services and disaster aid will have significant impacts on state budgets and credit stability.

Access Report

Fri 07 Nov, 2025 – 12:57 PM ET

Fitch Takes Various Rating Actions on U.S. Enhanced Municipal Bonds and TOBs.

Fitch Ratings – New York – 04 Nov 2025: Fitch Ratings has taken various conforming rating actions on U.S. enhanced municipal bonds and tender option bonds (TOBs) corresponding to actions taken on their associated enhancement providers, liquidity providers or underlying bonds.

Key Rating Drivers

The U.S. enhanced municipal bonds and TOB ratings addressed in this rating action commentary (RAC) are dependent ratings, being the subject of pre-existing rating dependencies. A list of the U.S. enhanced municipal bond and TOB ratings actions can be seen via the "View Additional Rating Details" link below.

All rating actions announced in this RAC are directly driven by separately announced rating actions on associated enhancement providers, liquidity providers or underlying bonds. The most recent RAC with respect to the credit rating of each associated enhancement provider, liquidity provider or underlying bonds referenced herein sets out the key rating drivers and names and contact details of the relevant primary and secondary analysts and committee chair in relation to the credit ratings of such enhancement providers, liquidity providers or underlying bonds.

Continue reading.

S&P U.S. Brief: Federal Student Aid Caps Could Curb Demand For Graduate And Professional Programs

Changes to the federal student loan program in the approved U.S. tax and spending bill signed on July 4 could pressure some U.S. higher education institutions' demand and/or operations, in S&P Global Ratings' view. We see the most risk for schools with significant graduate and professional programs, and for specialty schools.

Continue reading.

04-Nov-2025 | 11:33 EST

Fitch: US Public Pension Market Volatility Exposure Remains High

Fitch Ratings-New York-03 November 2025: Robust market valuations in recent years have supported funding progress for U.S. state and local defined benefit pension plans. However, public pensions remain underfunded and fundamentally exposed to market volatility. A market shock could increase the burden of state and local pension liabilities and drive contributions higher, says Fitch Ratings. Governments with weaker liability metrics and high carrying cost burdens could be most vulnerable to rating pressure.

Post-global financial crisis, plan sponsors took various policy actions such as reducing benefits to new employees, using more conservative actuarial assumptions and discount rates, and increasing contributions. This helped stabilize plans and support funding improvement. But other trends, including higher allocations to alternative investments and steady demographic weakening, could amplify the effects of a market shock.

According to the Public Plan Database, alternative investments outside of traditional equity, fixed income and cash were 34% of pension portfolios in fiscal 2024, double the fiscal 2008 level. Allocations to increasingly complex categories of alternatives can include leverage or variable rate strategies that expose investors, including pensions, to greater losses. Many of these alternatives have not yet been tested in a downturn. The illiquidity of many alternative investments could also force plans with tighter cash flows to sell marketable assets at a loss to meet benefit or other obligations, such as capital calls.

Continue reading.

American Suburbs Have a Financial Secret.

Municipal bonds have become an unavoidable part of local governance—and their costs divide rich towns from poor ones.

One Sunday morning in March 1949, a group of nearly 300 people, clutching deck chairs and sleeping bags, lined up to buy new homes in what had, until recently, been a stretch of potato fields in central Long Island. They hoped to move to “fabulous Levittown,” as its developer, William J. Levitt, had branded his creation: more than 17,000 gleaming houses in an all-white community with freshly dug wells and newly paved roads. But that was the extent of the neighborhood—Levitt’s profits were in home sales, not city planning. In fact, his namesake had hardly any public infrastructure, and Levittown’s new political leaders needed to come up with money for maintenance, trash, and schools. So they took a gamble and decided to enter the municipal-bond market.

Selling bonds—essentially issuing buyers an IOU, plus interest—is a quick way for a government to raise funds. You, or someone you know, probably own a U.S. Treasury bond. But institutional investors—a mix of insurance companies, mutual funds, and private-equity firms—buy bonds too, including from local governments and school districts. Cities get money up front, and buyers are assured that they’ll turn a profit; this win-win proposition made many postwar suburbs take the plunge into the bond market. Throughout the 1950s, as private developers rapidly constructed new suburbs, school districts in Nassau County, where Levittown is located, increased their debt load by sixfold to meet the needs of their new residents. The problem was: Not every town and city was treated the same. Credit-rating agencies saw richer locales as very likely to repay their debts and gave them sweet deals on interest rates, which meant that these towns owed less to those who’d bought their bonds. The poorer places got shortchanged.

Continue reading.

The Atlantic

By Michael Waters

November 6, 2025

S&P: Why The Best Cyber Risk Management Assumes Failure

Key Takeaways

- Cyber risk management requires alignment with business objectives, measured in the metrics of cost, return on investment, operational risk, and creditworthiness, to encourage buy-in from senior management and organizational accountability.
- Cyber defense is evolving from static, technical systems, to a dynamic, systemic approach that

anticipates breaches and incorporates planning for post attack communication, remediation, and resilience.
- Third-party cyber risk has become a key threat, requiring specific processes to assess and mitigate vulnerabilities in vendors and systems often beyond an entity's direct control.

Continue reading.

07-Nov-2025 | 08:24 EST

S&P Beneath the Surface: Water Stress in Data Centers

Highlights

- Data centers (DCs) that use water-based cooling consume significant amounts of water. As companies build DCs to meet rising AI demand, water stress is an evolving consideration when choosing the location for these assets.
- The DC industry's average exposure to water stress is projected to be high in the 2020s, though this varies greatly by region. Middle Eastern countries, Belgium, Greece, Spain, Chile, Peru and Mexico are among the locations projected to face the most water stress. By the 2050s, about 45% of the 9,055 DCs in our analysis are projected to have high exposure to water stress, up from 43% in the 2020s.
- Although water scarcity risks are rising, we expect the financial materiality to be constrained in the near term. Water sourcing costs represent a small percentage of the industry's total operating costs. DCs can manage water stress exposure through adaptation and resilience investments, such as using treated wastewater for cooling instead of potable water.
- We consider water stress to be an emerging long-term business consideration, especially as attention to water use in water-stressed regions increases under evolving water management policies.

Continue reading.

Published Sept. 15, 2025

NLC: Economic Impacts of the Federal Government Shutdown on Local Communities

Read the NLC report.

National League of Cities

By: Christine Baker-Smith & Stephanie Martinez-Ruckman

November 7, 2025

Spending for Municipal Water Reuse to Grow Over Next Decade, Report Says.

According to a new report from global water market research firm Bluefield Research, capital expenditure (CAPEX) for municipal reuse infrastructure and treatment systems are forecasted to average $47.1 billion (USD) from 2025 through 2035.

Water reuse, the process of recycling treated wastewater for beneficial uses, represents a viable cornerstone of resilient water supply planning for utilities, municipalities, and industries, unlocking a potential surge in infrastructure investment across the United States.

The insight report, U.S. Municipal Water Reuse: Market Trends and Forecasts, 2025–2035, notes that the largest share of spending will be directed toward advanced treatment technology and facilities, which account for 42.3% of the 10-year outlook. Conveyance pipe networks (i.e., purple pipes) and engineering and design account for 40.4% and 12.4% of spending, respectively. Underlying this positive outlook are more than 600 projects in the planning and execution phases of development, advancements in state-level policies, and changing urban, agricultural, and industrial water needs.

Continue reading.

Water Finance & Management

by WFM Staff

November 6, 2025

Utilities Explore Private Credit in Potential First for Sector.

Takeaways by Bloomberg AI

- Duke Energy Corp. and Xcel Energy Inc. have had talks with private credit providers about raising money for their capital plans.
- Duke Energy's Chief Financial Officer Brian Savoy says private credit has the potential to be "icing on the cake" for the company's $87 billion capital plan.
- Private credit refers to non-bank lending, where large institutional asset managers make loans directly to companies or against certain assets, such as power and digital infrastructure.

Continue reading.

Bloomberg Markets

By Josh Saul

November 10, 2025

Muni Market Sets Record as 2025 Bond Sales Eclipse $500 Billion.

Takeaways by Bloomberg AI

- US states and local governments have sold a record amount of debt for the second year in a row, borrowing over $500 billion in the municipal market in 2025.
- The unprecedented issuance has depressed muni returns, especially for long-dated debt, with muni bonds underperforming compared to Treasuries and US corporate bonds.
- Next year could keep up the strong pace, with one analyst expecting sales to reach $600 billion in 2026 due to a strong economy and relatively stable interest rates.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert

November 7, 2025

A Must-See Municipal ETF for Investors Seeking Income.

The equity arena is certainly booming with cheers following the Fed's second rate cut. But the reaction from the fixed income crowd might be more mixed. Those particularly focused on maximizing their income might be wondering where they can achieve the yields they've been accustomed to the last few years amid this rate-cutting cycle. One area that should be up for consideration is high-yield municipal bonds.

The first half of the year saw muni issuance reach record levels. But as 2025 wore on, demand was starting to play catch-up. With a combination of credit quality and yield, munis have been garnering more interest from investors. Of course, the tax-free income certainly helps in attracting investor capital.

Vanguard recently released its Active Fixed Income Perspectives Q4 2025 report, noting that "investor flows have returned" to municipal bonds. Furthermore, the yields munis offer can be achieved across the full spectrum of the yield curve.

"Meanwhile, investors with the requisite risk tolerances can enjoy the yield pickup offered by intermediate, all-curve, and long-term municipal strategies," the report said. It added that many investment-grade bonds with maturities under five years "are not offering enough yield to compete with U.S. Treasuries on a tax-equivalent basis." It also said those seeking short-term exposure "can supplement portfolios with lower-rated (and thus higher-yielding) municipal bonds to justify the allocation."

One place to look is the newest addition to Vanguard's active fixed income ETF roster: the Vanguard High-Yield Active ETF (VGHY). The fund's goal is simple — outperform the broad high-yield market — in the convenience of one active fund.

An Active, Must-See Muni Option

Because VGHY is actively managed, its portfolio managers can adjust the fund's holdings as necessary to suit current market conditions. The high yield bond market carries its own nuances and complexities. So having an active strategy is almost paramount for exposure. Furthermore, VGHY has a competitively priced 0.22% expense ratio. Like the rest of its active fixed income ETFs, VGHY taps into the expertise and experience of the Vanguard Fixed Income Group.

“The addition of VGHY to Vanguard’s lineup exemplifies our decades-long commitment to disciplined credit investing,” said Michael Chang, head of high yield portfolio management at Vanguard, regarding VGHY’s launch in mid-September.

“This ETF is powered by a deeply integrated team of credit analysts, traders, and risk specialists who collaborate daily to uncover value and manage risk across the high-yield landscape,” he added. “Our goal is to deliver an actively managed solution that adapts dynamically to market conditions with precision and purpose to outperform its benchmark and peers.”

etftrends.com

by Ben Hernandez

November 5, 2025

[Navigate the Nuanced Muni Market With This Active ETF.]()

After the first rate cut of 2025 and the prospect of more rate cuts to come, the capital markets are now wondering at what pace the U.S. Federal Reserve will institute them. For fixed income investors looking for options that balance credit quality and yield, municipal bonds should be considered.

In recent years, short-term bond funds have been the go-to option for a balance of yield that also mitigates rate risk with rising rates and inflation. Fixed income investors accustomed to the elevated yields now may need to step further out on the yield curve to supplant income lost from falling rates.

Rather than step too far out on the yield curve, intermediate bonds offer a Goldilocks option to extract more yield, while still mitigating rate risk. Corporate bonds are another option for higher yields, but investors may not want to assume the associated higher credit risk. This is where municipal bonds with intermediate-term maturities can assist.

The municipal bond market is vast and nuanced, requiring a certain level of experience and expertise to navigate the space. Rather than construct a portfolio of individual munis, an easier approach is via ETFs, specifically the MFS Active Intermediate Muni Bond ETF (MFSM).

Per the fund’s fact sheet, investors get a plethora of muni exposure across various industries, including student loan munis, general obligation bonds for financing local projects, and bonds supporting universities and colleges. Given this broad exposure, MFSM isn’t lacking in variety. This helps avoid concentration risk by avoiding only sector-specific bonds. The fund mostly sticks to investment-grade (rated BBB or higher) by credit rating agencies, mitigating credit risk.

Furthermore, it highlights the benefits offered by the fund’s actively managed strategy.

Active Benefits

As mentioned, active management offers benefits that passive/index funds don’t. One of the prime benefits is the flexibility they can offer. That flexibility is imperative in times like now, where market uncertainty abounds.

The MFS investment team has an average industry experience of 21 years. MFSM taps into this industry knowledge and expertise when selecting muni options for consideration as part of the fund’s holdings.

The fund’s portfolio managers can adjust the holdings as necessary to suit market conditions, whatever they may be at the time. Again, that flexibility is almost a necessity in today’s uncertainty. With MFSM, investors get that flexibility with just 34 basis points, or $34 per every $10,000 invested.

etftrends.com

By Ben Hernandez

November 5, 2025

[Ballot Measures in the Upcoming 2025 General Election: Potential Impact on State Budgets - NASBO]

[Read the NASBO report.]

[Tricky Times Ahead for Governments’ Cash Managers.]

Short-term interest rates are likely to continue ratcheting down, making it a challenge for state and local financiers to maximize income on investments. But there are a few opportunities here and there.

After resisting presidential pressure to cut interest rates until it became clear that the inflationary impact of tariffs would not be as severe as first expected, the Federal Reserve has begun what appears to be at least a short series of likely quarter-point reductions in its key federal funds rate.

Just how many of those cuts there will be and how deep they will go in early 2026 and beyond is still the big question in the money markets. Except for a few government treasurers and their external cash managers who’ve already locked up higher-yielding investments maturing late next year and into 2027, budget officers are now questioning whether their 2026 interest income projections will hold up.

Welcome to the next “new normal.” Shorter-term rates are declining, but not so much for longer maturities. Although many keep expecting this trend toward easier money to quickly result in lower mortgage interest rates to help the housing market, that’s not so obviously in the cards for now. The same is true for municipal bond issuers: Longer-term muni yields have held pretty steady despite Washington’s spin about stable inflation and benign tariff impacts. Wary bond investors still expect a healthy premium for the risks of future inflation and ballooning federal deficits.

[Continue reading.]

governing.com

OPINION | October 28, 2025 • Girard Miller

Strengthening Communities Through Smarter Asset Management.

Local governments are facing a unique set of challenges to maintaining critical infrastructure: aging facility portfolios and deferred maintenance backlogs, compounded with rising energy costs and uncertain funding. From city halls and libraries to water treatment plants and public safety buildings, leaders are being asked to do more with less while maintaining efficient and reliable public services.

To meet these challenges, municipalities must shift from reactive infrastructure maintenance to proactive, strategic capital asset planning. This transition isn't just about fixing what's broken—it's about building resilience, optimizing budgets and aligning infrastructure investments with long-term community goals.

The cost of inaction on capital asset planning

Modern capital assets form the backbone of reliable local service delivery. Yet, deferred maintenance and reactive budgeting have left many communities vulnerable. According to the Government Finance Officers Association (GFOA), "deferring essential maintenance or asset replacement could reduce the organization's ability to provide services and threaten public health, safety and overall quality of life".

Continue reading.

smartcitiesdive.com

Published Oct. 27, 2025

Drought Is Quietly Pushing American Cities Toward A Fiscal Cliff.

Drought isn't the only climate-driven disaster hitting cities. But it may be the most insidious of the natural threats straining local budgets.

The city of Clyde sits about two hours west of Fort Worth on the plains of north Texas. It gets its water from a lake by the same name a few miles away. Starting in 2022, scorching weather caused its levels to drop further and further. Within a year, officials had declared a water conservation emergency and, on August 1 of last year, they raised the warning level again. That meant residents rationing their spigot use even more tightly, especially lawn irrigation. The restrictions weren't, however, the worst news that day: The city also missed two debt payments.

Municipal bond defaults of any kind are extraordinarily rare, let alone those linked to a changing climate. But, with about 4,000 residents and an annual budget of under $10 million, Clyde has never had room to absorb surprises. So when poor financial planning collided with the prolonged dry spell, the city found itself stretched beyond its limits.

The drought meant that Clyde sold millions of gallons less water, even as it imported more of it from neighboring Abilene, at about $1,200 per day. Worse, as the ground dried, it cracked, destroying a sewer main and bursting another, quarter-million dollar, hole in the town budget. Within days of Clyde missing its payments, rating agency Standard & Poor's slashed the city's bond ratings, which limited its ability to borrow more money. Within weeks, officials had hiked taxes and water rates to help staunch the financial bleeding.

Continue reading.

civilbeat.org

By Grist / October 28, 2025

US Municipal Bonds Face Rising Climate Risk Headwinds.

Several new municipal bonds are flagged for high flood and hurricane risk, raising questions about the climate resilience of local projects.

What's going on here?

A string of newly issued US municipal bonds—including billions from states like Florida, Texas, and Iowa—are hitting headlines for their steep exposure to flooding and hurricanes, based on ICE Climate Data scores.

What does this mean?

ICE Climate Data's rating system has flagged a fresh batch of municipal bonds for major climate vulnerability, with risk scores between 0.0 and 5.0. Polk, Iowa's $6 million bond scored a worrying 4.8 for flood risk, Wheeling, West Virginia's $61 million bond earned a 4.6, and Galveston County MUD No. 68 in Texas hit 3.8 for hurricane risk. Meanwhile, Lee County School District in Florida's $393 million bond landed among the most at-risk, with a composite climate risk score of 4.8. Charleston County, South Carolina's $196 million bond also received a high mark at 3.7. According to ICE, any score above 3.0 suggests elevated threat—whether from hurricanes, floods, or wildfires—prompting a closer look at how prepared local infrastructure is for climate impacts.

Why should I care?

***For markets**: Climate risk is changing municipal math.*

Climate risk is starting to play a bigger role in municipal bond pricing, with investors keeping a keener eye on environmental vulnerabilities. This shift could push borrowing costs higher for regions slapped with top risk scores, making it harder for certain local governments to raise funds. Demand for climate transparency in bond disclosures means analysts and big investors are laser-focused on issues like those from Polk, Iowa and Lee County, Florida.

***The bigger picture**: Stronger infrastructure makes for stronger communities.*

This is part of a bigger movement: climate adaptation is now a key factor in a city or county's financial future. As extreme weather becomes more common, communities slow to manage these risks may face rising insurance payouts and bigger borrowing hurdles. That's likely to shape everything from new school projects to how cities prep for emergencies for years to come.

finimize.com

Nov 3, 2025

S&P U.S. Highway User Tax Bond Report Card: Favorable Gas Tax Trends Provide Stability Despite Longer-Term Funding Shifts

Key Takeaways

- We expect stable U.S. highway user tax credit quality given active management by states in raising tax rates and fees when necessary, and efforts to diversify the mix of pledged revenue sources beyond fuel taxes, supporting very strong DSC for revenue bonds.
- Our analysis of the most recent net pledged revenue data indicates relatively strong growth over the past three years, including only positive rating changes since January 2024, primarily driven by linkage to states' general creditworthiness.
- We also expect that pledged revenue for highway user tax revenue bonds will remain resilient and recognize long-term shifts in composition as drivers slowly transition to more fuel-efficient and electric vehicles.

Overview

S&P Global Ratings maintains ratings on a variety of U.S. highway user tax bonds, which are secured by transportation-related taxes and fees such as motor fuel taxes and motor vehicle registration fees. Most of these bonds are highly rated, reflecting generally high debt service coverage (DSC) and stable pledged revenue.

Continue reading.

27-Oct-2025 | 16:46 EDT

S&P U.S. Transportation Infrastructure Airport Update: Favorable Business Positions And Prudent Management Actions Are Key Amid Slowing Economy And Rising Costs

Key Takeaways

- Our sector view for U.S. airports remains stable, despite an anticipated weaker outlook for air travel demand as economic activity decelerates into 2026 and operators adjust to shifting federal policies and large capital investment requirements resulting in higher airport cost structures.
- Rating actions have been mostly positive and overall credit quality remains solidly investment-grade with a median rating of 'A+', reflecting strong business positions and healthy financial metrics.
- The industry backdrop is stable, with systemwide traffic levels exhibiting subdued domestic demand, variable international demand, and a generally profitable airline sector.
- Management's demonstrated ability to sustain financial metrics through proactive revenue, expense, and capital spending adjustments will be key to credit stability.

Continue reading.

28-Oct-2025 | 15:25 EDT

S&P U.S. Housing Finance Agencies 2024 Medians: Credit Stability And Balance-Sheet Growth Continue Amid Record Levels Of Capital Deployment

Key Takeaways

- The credit quality of U.S. housing finance agencies (HFAs) rated by S&P Global Ratings remained strong and stable in 2024, reflecting level or improved metrics, on average.
- Balance sheets continued the multiyear trend of growth as HFAs deployed record amounts of capital, although the debt-fueled nature of this growth resulted in a slight contraction in average equity relative to total assets.
- Profitability ratios marginally improved due to persistent strength in interest income from loans and investments, while asset quality across loan portfolios also trended positively.
- Prudent management of HFAs remained a key strength behind exceptional performance in 2024. We do not expect performance will weaken, but it could be tested if there are substantial shifts in fiscal or housing policy at the federal level.

In a year in which economic sentiment broadly improved, coalescing around a cautious expectation for a soft landing, rated HFAs performed extremely well in 2024, deploying record amounts of capital in pursuit of their respective missions. Balance sheets continued the multiyear trend of growth amid record levels of bond-financed loan production, and demand for HFA products and services showed no sign of waning despite interest rates remaining at their highest levels in a generation. Strong market returns and favorable interest margins bolstered HFA net incomes and strengthened investment portfolios. Consequently, equity positions strengthened from prior-year historical highs, on average–albeit at comparatively slower rates than many agencies' total asset balances.

Continue reading.

29-Oct-2025 | 09:41 EDT

S&P U.S. Not-For-Profit Transportation Infrastructure 2024 Medians: Demand And Revenue Growth Support Stable Metrics Amid Rising Costs

Key Takeaways

- U.S. not-for-profit transportation infrastructure enterprise (TIE) financial medians remained relatively stable across the asset classes given continued revenue and activity growth (passengers, tolled transactions, and utilization) and a combination of management actions such as increasing rates, fees, and charges and reserves.
- Transportation providers continue to battle rising costs, with median operating revenue growth of 7% compared to 9% median operating expense growth in fiscal 2024. Median coverage across all TIE asset classes was 2.0x, debt-to-net revenue was 5.6x, and median days' cash on hand was 670.
- S&P Global Ratings expects that stable-to-improving demand and revenue trends and proactive management practices will continue to mitigate the impact of higher debt for larger issuers and of rising operations-and-maintenance (O&M) costs to support financial medians into fiscal 2025.
- Stable-to-improved financial metrics contributed to overwhelmingly positive rating actions with 30 upgrades and three downgrades from Oct. 3, 2024, through Oct. 3, 2025.

Continue reading.

30-Oct-2025 | 09:54 EDT

S&P U.S. Public Finance Housing Rating Actions, Third-Quarter 2025

View the S&P Rating Actions.

30-Oct-2025 | 15:46 EDT

Mayors Across U.S. Cities Name Housing Their No. 1 Challenge.

More than half of surveyed mayors expect affordability to worsen next year, but their powers are constrained by state pre-emption, high construction costs and limited municipal authority.

In U.S. cities big and small, mayors are finding their tenures shaped by housing shortages, and efforts to build more homes, so that people of any income can afford a place to live.

In a series of conversations, mayors of big cities such as Atlanta and Seattle, as well as of midsize Midwest cities like Columbus, Ohio, and Madison, Wisconsin, told Stateline that housing is the No. 1 priority for mayors to tackle.

“Housing is by far one of the most important issues facing every mayor in America. It impacts everything from safety to the workforce to transit,” said Columbus Mayor Andrew Ginther, who also is the immediate past president of the U.S. Conference of Mayors. “Mayors are on the front lines of our nation’s housing crisis. And it is a crisis.”

Continue reading.

governing.com

Oct. 27, 2025 • Robbie Sequeira, Stateline

Cities Across the U.S. Are Putting Robots to Work.

Robots are starting to do jobs like firefighting, lawn mowing and beach cleaning, among other things

Robots are coming to a town near you—deployed by cities to do work that is labor-intensive, repetitive or dangerous for humans.

Cities have long lagged behind the private sector when it comes to giving jobs to robots. That’s because robots are expensive and work best in highly controlled environments, not exactly the definition of city streets. Questions about safety, cybersecurity and job displacement also loom large in public settings. Police robots, for example, have occasionally stirred up fears about surveillance and the potential for lethal force.

So for now, the robots being rolled out in cities are friendly and low-profile—they mow lawns, clean beaches and guide people through buildings, among other things. And they still have to prove their worth, experts say.

Continue reading.

The Wall Street Journal

By Jackie Snow

Oct. 30, 2025

Municipal Bonds May Be on the Mend.

Many fixed income investors are enthusiastic about the bond market's prospects against the backdrop of Federal Reserve easing.

Bonds issued by cities and states, and ETFs such as the ALPS Intermediate Municipal Bond ETF (MNBD B-), have been hamstrung by a variety of factors. These include massive issuance but waning demand, narrowing credit spreads and lagging performances relative to Treasuries of comparable durations. Combine those factors and it might appear as though MNBD is dealing with headwinds.

Some bond market observers believe the darkest clouds for municipal debt have past. That opportunity beckons with these bonds and ETFs like MNBD. Some encouraging clues are found by way of the 30-year muni/Treasury ratio.

"The M/T ratio historically hovers near 80% to [90%. Anything over 100% suggests] that munis are a very good deal as they're yielding more than a comparable US Treasury," noted Morningstar analyst Elizabeth Foos. "The M/T ratio on the 30-year part of the curve pushed toward the higher end of its historical range, closer to 90%–95%, going into the back half of the [year. That indicates] a good value for muni investors willing to take on some additional interest rate risk."

Continue reading.

etfdb.com

by Todd Shriber

Oct 29, 2025

Muni Bonds Are Looking Better.

After a slow start to 2025, long municipal bonds are rebounding.

Despite offering historically attractive aftertax yields, municipal bonds were one of the worst-performing sectors in the fixed-income market through the first nine months of 2025.

It's been a risk-off year for munis: While the median total return for a strategy in the intermediate core bond and high-yield bond Morningstar Categories was 6.0% and 6.7%, respectively, through September 2025, the same measure for the muni-national long and the high-yield muni categories reflected modest gains of 1.7% and 1.3%. Those gains for munis came mostly in September, after recording losses through August 2025.

Significant amounts of new municipal-bond issuance (on pace for the largest annual total since 2017), lukewarm investor demand, and underperformance versus Treasuries all pressured prices. Additionally, narrowing credit spreads in the already crowded high-yield muni sector as we entered the year, and some deterioration in credit quality for a few larger issuers left less upside as investors ventured lower down the credit spectrum.

Continue reading.

morningstar.com

by Elizabeth Foos

Oct 28, 2025

This Will Be Another Record Year for Munis Says BAM Mutual CEO, Co-Founder.

Sean McCarthy, CEO, BAM Mutual joins Bloomberg Intelligence on site from BAM Mutual in Lower Manhattan to discuss this years record breaking municipal bond run and the outlook for munis going forward.

Watch video.

Bloomberg Markets

October 28th, 2025, 8:30 AM PDT

Muni Market Rebounds as Technical Pressures Ease, States Face Fiscal Strains: Rinehart

Muni bonds have recovered from a rough start to 2025 but still underperforms other parts of the fixed income market. Columbia Threadneedle's Shannon Rinehart warns that federal funding cuts, especially the Medicaid, will pressure state budgets, citing California as a standout example of strong revenues but rising spending risks. She discusses the outlook for the muni market on "Bloomberg Markets" with Scarlet Fu.

Watch video.

Bloomberg Markets – Muni MomentTV Shows

October 30th, 2025, 11:27 AM PDT

[The States' Perilous Addiction to Money From Washington.]

Federal funding is a bigger share of state budgets than ever. It comes with too many strings and strictures that choke off efficiency and innovation, and it threatens democratic self-governance.

In 1998, Louisiana's legislature added a sovereignty clause to the state's constitution that promises its citizens "the sole and exclusive right of governing themselves as a free and sovereign state." The constitutions of New Hampshire and Montana, among others, have long contained the same phrasing. Mississippi's constitution similarly asserts that "the people of this state have the inherent, sole, and exclusive right to regulate the internal government and police thereof." Rhode Island's constitution boasts a localist variant, confirming "to the people of every city and town in this state the right of self-government in all local matters."

Such claims of autonomy notwithstanding, each of these states depends on federal agencies for over 40 percent of its annual revenue. Louisiana, so freshly drawn to the sovereignty clause, leads the pack at a whopping 52 percent dependency on federal funds. According to the latest Census Bureau data, Louisiana, along with 22 other states, is more reliant on federal dollars now than during the height of COVID-19 lockdowns.

Continue reading.

governing.com

OPINION | October 24, 2025 • Tony Woodlief

S&P Sustainability Insights: The Credit Materiality Of Physical Climate Risks Is Uneven Across Asset Classes

Key Takeaways

- Since April 1, 2020, less than 1% of our rating actions globally have stemmed from physical climate risks, indicating that such risks have not widely altered the creditworthiness of rated entities.
- That said, some sectors are more vulnerable to such credit risks based on the fixed location of economic bases or assets such as governments and infrastructure (utilities and transportation).
- Furthermore, in a scenario where extreme weather events become more frequent or severe, limitations on insurance coverage arise, authorities reduce capacity to finance disaster recovery, and rebuilding costs rise, physical climate risks could become more uniformly material to credit ratings.
- We believe that, in general, forward planning and adaptation to climate change could preserve economic bases in the long term, although emerging markets will likely remain the most exposed due to difficulty in funding and preparing for the impacts of physical climate risks.

Continue reading.

Free Registration Required.

23-Oct-2025 | 14:03 EDT

Fitch: Not-for-Profit Hospital Liquidity Strength Limits Market Bubble Risk

Fitch Ratings-Chicago/Austin/New York-23 October 2025: A sharp equity market correction would cause a drop in liquidity for Fitch-rated U.S. not-for-profit (NFP) hospitals as investment income comprises a growing share of hospitals' liquidity positions and revenue, Fitch Ratings says. Nevertheless, we believe credit effects would be limited, as hospitals in our rated portfolio maintain substantial unrestricted liquidity despite significant operating pressures over the past few years.

To evaluate this risk, Fitch assesses a hospital's financial resilience to economic/market cycles using its Portfolio Analysis Model (PAM). The model applies stresses tailored to the size and allocation of a hospital's investment portfolio to estimate stressed portfolio value changes over five years. A decline in value primarily reduces liquidity and increases leverage metrics.

Based on the PAM result, Fitch evaluates available liquid resources, operating cash flow capacity to bridge a market downturn, and the ability to adjust capital spending. Ratings should generally be able to withstand the PAM stress case, which reflects normal cyclical changes in valuations. Ratings can become pressured if actual declines are materially worse or more prolonged than the stress case, or if PAM-level declines coincide with already thin liquidity, softer operating cash flow and/or outsized capital programs.

Continue reading.

Fitch U.S. Public Finance: 2025 Rating Actions to 24 October

This is the U.S. Public Finance Rating Action Report 2025 Year to Date (1 January to 24 October).

Access Report

Sun 26 Oct, 2025 – 11:25 PM ET

U.S. Public Finance Default and Distress Analysis: Fitch Special Report

Distress and default rates in Fitch Ratings' U.S. Public Finance (USPF) portfolio have been consistently lower than other rated sectors over the past two decades. The cumulative distress rate of 1% over the past two decades was the lowest among major market sectors rated by Fitch.

Access Report

Mon 20 Oct, 2025 – 5:47 PM ET

S&P U.S. Mortgage Revenue Bond Program Medians: Credit Stability Reinforced By Strong Management During Program Expansion

Key Takeaways

- S&P Global Ratings' median rating for all U.S. housing finance agency (HFA) mortgage revenue bond (MRB) programs in 2024 is 'AA+' with a stable outlook.
- The median minimum asset-to-liability (A/L) parity for all MRB programs was stable at 122% (compared with 123% in 2023) while median credit losses declined.
- Credit quality for single-family and multifamily MRB programs generally remained stable with slightly weaker characteristics driven by increased new loan originations.
- HFAs continue to face strong product demand, exhibited by record high issuance in 2024, reaching approximately $47 billion, with year-to-date June 30, 2025, numbers indicating continued growth at $24 billion. While we anticipate sustained issuance will reduce net parity after losses (NPAL) for MRB programs, we expect minimal impact on credit given current overcollateralization levels and strong program management.

Continue reading.

Free Registration Required.

23-Oct-2025 | 11:20 EDT

Report Ranks Every State's Debt, from California's $497 billion to South Dakota's $2 billion.

Study finds state governments have a total of $2.7 trillion in debt, with 26 states exceeding $20 billion in debt each and 10 states over $70 billion.

State governments had $2.7 trillion in debt at the end of 2023, a new Reason Foundation analysis finds. This state debt is equivalent to approximately $8,000 per person nationally.

With $497 billion in liabilities, California had the largest state government debt as of the end of the 2023 fiscal year, the most recent year for which complete data are available.

Four other state governments had more than $200 billion in state debt: New York ($233 billion), Illinois ($223 billion), Texas ($217 billion), and New Jersey ($213 billion). Massachusetts had $120 billion in state liabilities, followed by Connecticut, Washington, Pennsylvania and Florida.

Meanwhile, 10 states—South Dakota, Idaho, Nebraska, Montana, New Hampshire, Utah, Vermont, Rhode Island, Wyoming, and Maine—each had less than $10 billion in debt at the end of 2023, according to Reason Foundation's State and Local Government Finance Report.

Continue reading.

reason.org

Mariana Trujillo

Managing Director

Jordan Campbell
Managing Director

October 23, 2025

[Procurement AI Tech Provider Starbridge Raises $42M.]

The company gathers procurement data and signals from agencies and turns them into action for sellers of public-sector technology. The investment is just the latest bet on AI for local and state government.

[Starbridge], a relative newcomer to government technology that uses AI for procurement, has raised $42 million.

Craft Ventures led the Series A funding round, which follows [$10 million in seed funding] earlier this year.

The investment reflects [yet another bet], amid speculation of a market bubble, that artificial intelligence will boost public-sector operations while providing profitable returns.

Continue reading

govtech.com

October 24, 2025 • News Staff

[Payment Tech Firm Government Window Wins PE Backing.]

The Georgia-based firm, looking to expand, has won a "strategic investment" from Riata Capital Group. The move comes as more public agencies beef up their payment offerings for taxes, permitting and other transactions.

[Government Window], a Georgia-based company that sells payments software to local and state government, has received a "strategic investment" from [Riata Capital Group], a Dallas-based private equity firm.

Terms were not disclosed.

The investment will go toward geographic expansion for Government Window, along with what a statement calls "the continued buildout of its leading payments software platform."

[Continue reading.]

govtech.com

October 20, 2025 • News Staff

TD Securities Unifies Municipal Business to Boost Efficiency.

TD Securities (TDS) has announced the integration of its Public Finance business, previously operating out of TD Securities (USA) LLC, into TD Financial Products.

"With all municipal business consolidated into one entity, we can now present a unified offering to our customers across all aspects of the municipal market, including public finance, voice trading, algorithmic trading, and structured products," said Matthew Schrager, Managing Director and Co-Head, Automated Trading, TDS.

"This integration will also enhance our capabilities within these areas through more seamless internal collaboration. For example, we can now apply the modeling that drives our algorithmic business to other aspects of the market, such as public finance or voice trading. For clients, this means stronger liquidity and an enhanced ability to meet their needs," he told Traders Magazine.

Continue reading.

tradersmagazine.com

By Anna Lyudvig

October 23, 2025

Gravity Buying Cityspan To Build A Fully Integrated Fintech Platform for Governments.

Gravity, a leading disclosure and budgeting automation company for the public sector, has announced the acquisition of Cityspan, a provider of cloud-based grants management and performance measurement systems. The deal marks a major expansion in Gravity's mission to deliver an end-to-end financial management solution for governments, connecting budgeting, reporting, grants, and citizen engagement through a single unified platform.

Based in Tampa, Florida, Gravity has rapidly emerged as one of North America's fastest-growing technology providers in public finance. The acquisition of Cityspan adds robust grants lifecycle management tools to Gravity's product portfolio, strengthening its ability to serve federal, state, and local governments.

Cityspan's technology is widely used by major public agencies and supports the entire grants process, including applications, contracting, performance tracking, and outcome reporting. Its architecture will be fully integrated into the Gravity platform by mid-2026, complementing the company's growing suite of financial management tools that includes disclosure, budgeting, lease management, and debt management solutions.

For governments, the integration of Cityspan's capabilities into Gravity's technology stack means the ability to manage every part of the financial lifecycle through one comprehensive system. This unified experience enhances compliance, audit readiness, and transparency while freeing staff from repetitive administrative tasks. The combined offering will help public agencies connect financial decisions directly to outcomes, creating a clearer link between taxpayer resources and community impact.

Cityspan's grants and performance management tools will now operate alongside Gravity's recently launched AI-powered Disclosure Studio and Engagement Studio platforms. These next-generation products are designed to streamline complex financial processes, simplify public disclosures, and foster better communication between governments and citizens. Together, they advance Gravity's goal of transforming how governments handle financial data—moving from disconnected systems to an intelligent, integrated platform.

The acquisition also builds on Gravity's growing momentum in the civic technology space following its recent purchase of coUrbanize, a leading community engagement platform. With Cityspan's expertise and data-driven performance tools, Gravity is now positioned to lead a new era in government financial management, combining transparency, accountability, and operational efficiency.

KEY QUOTES:

"This acquisition represents a major step forward in our mission to provide governments with a comprehensive, connected financial management platform. Cityspan brings proven grants management technology that serves some of the nation's largest public agencies. By integrating their capabilities into our platform, we're enabling governments to manage the entire financial lifecycle – from grants and budgets to disclosures and community engagement – all in one place. We're excited to welcome the Cityspan team to Gravity and to continue investing in their success."

Tyler Davey, Chief Executive Officer, Gravity

"Data-driven transparency is transforming the way governments serve their communities. Integrating Cityspan's trusted grants and performance management technology with Gravity's innovative platform extends our shared commitment to open, accountable government. Together, we're empowering public agencies to turn data into impact, ensuring every program, budget, and report reflects the real needs of the communities they serve."

Mark Min, Chief Executive Officer, Cityspan

Credit FAQ: How S&P Global Ratings Assigns The Loss Coverage Score For U.S. Long-Term Municipal Pools

S&P Global Ratings occasionally receives questions from market participants regarding how it assesses the loss coverage capability of U.S. long-term municipal pools such as state revolving funds, bond banks, and permanent school funds. Our approach to assigning a loss coverage score (LCS) is specified in the "U.S. Public Finance Long-Term Municipal Pools: Methodology And Assumptions," July 26, 2024, (see framework graphic). Here, we address some of the most frequently asked questions.

Continue reading.

[Free registration required.]

14-Oct-2025 | 15:41 EDT

Wharton: Why ESG Scores Are Moving the $4 Trillion Municipal Bond Market

Key Takeaways

- Investors are willing to pay more for municipal bonds with credible ESG scores, even when those bonds lack official “green” or “social” labels.
- The biggest price gains — worth about $870 million — went to bonds that were ineligible for a formal ESG label but benefited from new ESG data that provided extra insight into risk.
- Most issuers still avoid labeling, held back by politics, demographics, and the fixed costs of verification, leaving potential savings untapped.

Investors in the $4 trillion U.S. municipal bond market are paying more for bonds with credible environmental, social, and governance information, even when those bonds are not officially labeled as “green” or “social.”

That is the key finding of a new study into the green bonds market, co-authored by Wharton finance professor Daniel Garrett, Penn PhD student Mahdi Shahrabi, and Oregon State University professor Brian Gibbons. It shows that municipal bonds with third-party ESG scores trade at higher prices, signaling cheaper borrowing costs for issuers. On average, yields — which move inversely to prices — dropped by 3 to 4 basis points when a bond received an ESG score, even if it had no formal label.

An ESG score is a third-party assessment of a bond’s environmental, social, or governance features. A label, by contrast, is a formal designation — like “green bond” — from the issuer that requires meeting strict international criteria.

Continue reading.

Wharton

October 14, 2025

Municipal Bankruptcy: Avoiding and Using Chapter 9 in Times of Fiscal Stress - Orrick

This report is dedicated to the memory of John Knox, Co-author of the first edition and a wonderful person, partner and public finance attorney.

What should leaders of local governments know about municipal bankruptcy? The 3rd edition of this report offers a practical overview of both avoiding municipal bankruptcy and navigating through a chapter 9 case should a filing be necessary. The report emphasizes that underlying financial problems – whether structural operating deficits or catastrophic losses – must be resolved regardless of bankruptcy filing status, and that while chapter 9 can greatly benefit a local government, it also comes with significant costs and long-term consequences.

Drawing on real-world municipal bankruptcy cases including Detroit, Stockton, Jefferson County, Vallejo and San Bernardino, the report provides actionable frameworks for financial crisis assessment, bankruptcy preparation procedures, and post-bankruptcy recovery strategies.

Read the full report.

The Orrick Public Finance Green Book Series

October.14.2025

Bloomberg Video: Cyber Attack Ensnares $4.3T Muni Market's Key Site.

Concerns over cyber risks is growing in the municipal market as MuniOS got a ransomware attack that disrupted state and local borrowers' ability to post debt documents on this platform for several days, until it went back online Thursday morning. Bloomberg's reporter Erin Hudson discussed the story on "Bloomberg Markets" with Scarlet Fu.

Watch video.

Bloomberg Markets – Muni Moment

October 17th, 2025, 10:57 AM PDT

Cyber Attack Ensnares $4.3 Trillion Muni Market's Key Site.

Takeaways by Bloomberg AI

- A ransomware attack is disrupting state and local borrowers' ability to post debt documents on the municipal-bond market's main distribution platform, MuniOS.
- The MuniOS website has been out of service for several days due to the cyber attack, causing issuers, investors, bankers and lawyers headaches and inconvenience.
- Some issuers are shifting to alternative platforms, such as BondLink, and the Municipal Securities Rulemaking Board has suggested using its EMMA website to post preliminary official statements and other market information.

A ransomware attack is disrupting state and local borrowers' ability to post debt documents on the $4.3 trillion municipal-bond market's main distribution platform.

MuniOS, a website operated by Ann Arbor, Michigan-based tech company ImageMaster LLC, has been out of service for several days due to the cyber attack, according to people familiar with the matter who asked not to be named discussing the private matter.

Borrowers use the website to showcase their bond offering documents, and it's a popular service used by investors and analysts for information about transactions before they are sold. While market participants said they hadn't seen or experienced any delays in deals, some issuers are shifting long-held practices by turning to alternative platforms such as BondLink due to the disruption.

Representatives for ImageMaster did not respond to requests for comment.

The municipal bond market is where US states, cities, transportation systems, airports, colleges and other borrowers raise debt to finance infrastructure projects. Local governments often post their offering documents publicly on websites like MuniOS to accessibly market the deals to both institutional and retail buyers.

Inconvenient Outage

The MuniOS outage is causing issuers, investors, bankers and lawyers headaches and inconvenience, but so far transactions have proceeded normally, according to multiple market participants who spoke on the condition of anonymity. The disruption has prompted some to directly send large-file PDFs between parties the old-fashioned way, while others have seen their days fill up with long phone calls from investors unable to access documents, they say.

The documents for a $1.8 billion sale by the Texas Transportation Commission were posted to a different platform called McElwee & Quinn LLC, a financial printing services company, according to a spokesperson for the Texas Department of Transportation. Additionally, the agency provided physical copies of the document to address investor inquiries. The sale is proceeding as planned, the spokesperson said.

In ransomware attacks, hackers will lock up computer systems — sometimes stealing sensitive data — and hold them hostage in return for payment. Cybercriminals have pulled off several high-profile attacks in recent months, with corporations from the beverage maker Asahi Group Holdings Ltd. to the carmaker Jaguar Land Rover Automotive Plc being hit.

Concerns over cyber risks have been growing in the municipal market as well, with credit rating analysts raising it as a concern. In one high-profile situation last year, a Detroit suburb's bond sale was hacked and the proceeds were stolen.

The MuniOS website was launched in 1999 and is used by issuers to distribute and print their bond offering documents. Bloomberg reported in 2017 that the service had a market share of over 70%.

The Municipal Securities Rulemaking Board, the market's self-regulatory organization, sent out a notice on Tuesday that issuers can use its EMMA website to post preliminary official statements and other market information.

The notice did not mention the outage at MuniOS.com.

Bloomberg Technology

Erin Hudson and Amanda Albright

October 15, 2025

— With assistance from Elizabeth Rembert and Lynn Doan

[Barclays Sees Muni 'Space Bonds' Becoming $25 Billion Market.]

Takeaways by Bloomberg AI

- Barclays Plc says the municipal-bond market is poised for new debt sales for space facilities after the enactment of the One Big Beautiful Bill Act.
- The legislation lets spaceports sell tax-exempt bonds, known as private-activity bonds, with no limit to issuance, according to Barclays strategists.
- Barclays predicts that outstanding debt for spaceport bonds could grow to between $20 billion and

$25 billion by 2034, based on estimates from the Joint Committee on Taxation.

Barclays Plc says the municipal-bond market is poised for new debt sales for space facilities after the enactment of the Trump administration's One Big Beautiful Bill Act.

The legislation included a provision that would let spaceports sell tax-exempt bonds, known as private-activity bonds, similar to airports. In a report late last week, Barclays strategists led by Mikhail Foux said that there is no limit to issuance of spaceport bonds, unlike other types of private-activity bonds.

"This could become a relatively active municipal sub-sector, in our view," they wrote. "Several bond issues might be coming to the market in the not-so-distant future."

A spaceport is any facility located near a launch site or a reentry site. Eligible projects may be those that are used to operate flights, load cargo to or from the spacecraft, or manufacture and repair spacecraft, for example.

Barclays predicts that outstanding debt for spaceport bonds could grow to between $20 billion and $25 billion by 2034, based on estimates from the Joint Committee on Taxation.

The new financing tool "offers numerous benefits for private entities and corporations, as well as space agencies involved in space exploration and related activities," wrote Edwin Oswald and Kevin Roche, partners at Orrick, Herrington & Sutcliffe LLP, in an August report.

In Florida, the state's aerospace finance authority has identified $2.9 billion of infrastructure needs for the Kennedy Space Center and Cape Canaveral Space Force Station.

Space authorities in Oklahoma, Texas, New Mexico and California are potential future issuers of the debt, the Barclays strategists wrote in the report.

Bloomberg Markets

By Aashna Shah

October 20, 2025

Municipal Bonds in Congressional Districts: University of Chicago

Tax-exempt municipal bonds are the primary financing tool that state and local governments use to build roads, schools, water supply systems, public and non-profit hospitals and other public infrastructure. Today there are more than $3.5 trillion in active municipal bonds from more than 50,000 individual governments.

The goal of this research is to understand how tax-exempt municipal bonds impact communities. Using a first-of-its-kind dataset, we identify the types of state and local governments that use municipal bonds, and the types of infrastructure investments financed by those bonds, across US Congressional districts. This analysis allows us to explore previously-unknown patterns of municipal bond borrowing and investments both within and across regions. This analysis is based on data from ICE municipal bond reference and geospatial data.

Use the drop-down menu below to find a PDF-formatted report for each state and every

Congressional district. Please contact Justin Marlowe (jmarlowe@uchicago.edu), Director of the Center for Municipal Finance, with questions or other feedback on this project.

The University of Chicago

Fitch U.S. Public Finance Default and Distress Analysis.

Distress and default rates in Fitch Ratings' U.S. Public Finance (USPF) portfolio have been consistently lower than other rated sectors over the past two decades. The cumulative distress rate of 1% over the past two decades was the lowest among major market sectors rated by Fitch.

Access Report

Mon 20 Oct, 2025 – 5:47 PM ET

Fitch U.S. Public Finance: 2025 Rating Actions to 17 October

This is the U.S. Public Finance Rating Action Report 2025 Year to Date (1 January to 17 October).

Access Report

Mon 20 Oct, 2025 – 10:36 AM ET

Fitch Ratings Publishes Global Government-Related Entities Data Comparator.

Fitch Ratings-Shanghai/New York-14 October 2025: Fitch Ratings has published the second edition of its 2025 Global Government-Related Entities (GREs) Data Comparator. This interactive Excel file lists 460 Fitch-rated public GREs across Corporates and Public Finance and allows users to filter by key rating drivers across the cohort.

Fitch defines GREs as entities with a significant relationship to a government, often reflected through ownership, control, or support. These entities typically perform public policy functions, benefit from government backing, or hold strategic importance to the government. This report details not only the final ratings for all Fitch-rated GREs, but also allows users to filter and compare entities based on their Standalone Credit Profiles, rating anchors, notches from the anchor — top-down (negative values), bottom-up (positive values), or equalized with the parent (zero) — and the key risk factors Fitch uses to assign an overall support score.

The matrix of assessment scores used by Fitch to assign a support score, following an assessment of a parent's responsibility and incentive to support, together with the notching guideline are also included at the end of the report for reference. Fitch's support point system and notching guideline are outlined in the report for reference. All data is as of the end of the third quarter (Sept. 30, 2025).

The GRE Comparator can be viewed at www.fitchratings.com.

[S&P: U.S. CDFIs Still Steady Amid Funding And Economic Uncertainty]

Key Takeaways

- The rated universe of U.S. community development financial institutions (CDFIs) is stable, despite an uptick in debt in fiscal 2024 that created modest pressure on capital adequacy ratios.
- Strong management teams are instrumental in our views of creditworthiness, with robust portfolio management, deliberate underwriting and monitoring strategies, and demonstrated resilience amid funding and economic uncertainty.
- CDFIs remain primarily capitalized through lending relationships with banks motivated by the Community Reinvestment Act (CRA), with limited reliance on direct federal funding, and we expect capital market activity to remain an alternative.

Continue reading.

16-Oct-2025 | 09:28 EDT

S&P U.S. Higher Education Rating Actions, Third-Quarter 2025

View the S&P Rating Actions.

15-Oct-2025 | 15:50 EDT

S&P U.S. Not-For-Profit Health Care Outstanding Ratings And Outlooks As Of Sept. 30, 2025.

View the S&P Ratings and Outlooks.

17-Oct-2025 | 16:02 EDT

S&P U.S. Charter Schools Rating Actions, Third-Quarter 2025

View the Rating Actions.

14-Oct-2025 | 17:38 EDT

Fitch Ratings Publishes Exposure Draft of Affordable Housing Project Rating Criteria.

Fitch Ratings-New York/Chicago/San Francisco-15 October 2025: Fitch Ratings has published an exposure draft detailing proposed revisions to its rating criteria for Affordable Housing Projects

(AHPs).

“The proposed revisions will broaden the scope of the criteria to include additional property segments, subsectors and additional forms of underlying collateral in response to recent trends and market developments,” said Fitch Senior Director Karen Fitzgerald.

The updated criteria will consolidate the existing “U.S. Affordable Housing Rating Criteria” (published March 2022) and “U.S. Military Housing Rating Criteria” (published June 2022) into a combined, sector-specific criteria report, which will cover affordable, mixed-income, military, workforce, senior, student and other types of affordable housing.

Highlights of the proposed AHP criteria include:

–Expansion of the scope of the criteria to encompass additional property segments (e.g., mixed-income housing), subsectors (e.g., federally enhanced multifamily mortgage loans) and additional forms of underlying collateral (e.g., residual cash flows and discrete income streams), and to add new analytical guidance related to the expanded scope.

–Enhancement of the current guidance for assessing various risks and attributes that are common across sectors (e.g., refinance risk) by incorporating existing analytical frameworks or by referencing other relevant Fitch criteria that can be used to analyze these features.

–Expansion of the existing guidance for assessing the risks and attributes of AHP transactions.

–Consolidation of the key rating driver (KRD) tables for affordable housing and military housing projects, providing ‘aa’ through ‘b’ attribute guidance for all KRDs across housing types.

“These revisions reflect Fitch’s ongoing commitment to analytical rigor, transparency, and market relevance in the affordable housing and military housing sectors.” Fitzgerald added.

Fitch anticipates proposed criteria updates will have no rating impact on current ratings. In addition to the exposure draft, Fitch has also published an Exposure Draft Frequently Asked Questions (FAQs) on the proposed Affordable Housing Project Rating Criteria.

- Exposure Draft: Affordable Housing Project Rating Criteria
- Proposed Affordable Housing Project Rating Criteria (Exposure Draft Frequently Asked Questions)

Fitch is actively soliciting market feedback on the proposed criteria. Send comments to criteria.feedback@fitchratings.com by Nov. 21, 2025. Fitch’s “Exposure Draft: Affordable Housing Project Rating Criteria” and the FAQs are available at www.fitchratings.com or by clicking the links above.

S&P U.S. Transportation Infrastructure Transit Update: Operators And Stakeholders Confront "What's Fare?"

Key Takeaways

- We view the U.S. mass transit sector as stable, though a few operators with a historical reliance on fare revenue and ongoing operating deficits are facing credit pressures.
- Transit operators that have sought and received additional dedicated tax revenues, primarily from

sales taxes, have been able to maintain or improve financial metrics despite ongoing lower ridership.
- S&P Global Ratings anticipates that most transit operators will continue to adapt by adjusting service levels, re-evaluating fixed costs (including capital investments), and collaborating with stakeholders to strengthen recurring revenue sources to reach structural balance.

Continue reading.

13-Oct-2025 | 14:36 EDT

U.S. Mass Transit Ratings And Outlooks: Current List And Recent Rating Actions

Read the ratings and outlooks.

13-Oct-2025 | 14:38 EDT

As Stadium Boom Resumes, ‘Private Funding’ Often Comes With Public Strings.

Cities eager to tout privately financed sports stadiums are still spending big through tax breaks, land deals and public financing that shift costs back to taxpayers.

When the deep-pocketed Denver Broncos ownership group announced its plans for a new football stadium in September, city and state leaders applauded its pledge to privately finance both the stadium and a new mixed-use district surrounding it.

But the Broncos’ announcement contained some notable fine print. The multibillion-dollar stadium complex won’t be entirely funded by the team’s owners, which include members of Walmart’s Walton family.

“The project will include city and state support for public improvements,” the announcement noted.

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smartcitiesdive.com

By Vicky Uhland

Published Oct. 20, 2025

Nuveen’s Junk Muni Fund Slashes 99% of Its Chicago Schools Debt.

Takeaways by Bloomberg AI

- Nuveen has sold major holdings of Chicago’s cash-strapped school district bonds, trading out of debt positions it has held for close to a decade.
- The asset manager’s flagship high-yield fund sold nearly $315 million of its Chicago Board of Education municipal bonds in September, according to data compiled by Bloomberg.
- The trades come as Chicago’s school district is struggling financially, with a $734 million deficit and pressure to make a pension payment to the city, and has tapped credit lines, including drawing down $400 million from agreements with PNC Bank and Bank of America Corp.

Continue reading.

Bloomberg Markets

By Shruti Singh

October 17, 2025

States and Localities Count Dollars, Eye Options as Shutdown Continues.

State and local governments are considering how they can help federal workers and how long they can afford to continue social safety net programs and infrastructure projects.

In Brief:

- States are considering whether they can provide unemployment benefits to federal workers who are still employed but not getting paid.
- West Virginia allocated emergency money to keep its national parks open, and Colorado added new funding to support a nutrition program for infants, young children and parents who are pregnant or breastfeeding. But the funds will only last so long.
- Some experts and government officials worry about getting less information about disease outbreaks and limited support in case of natural disasters during the shutdown.

As the federal shutdown hits 10 days, state and local governments are looking for ways to support their federal workers who are going without pay. They’re also counting their dollars to see how long they can maintain safety net programs.

Lawmakers in Congress could reach an agreement before consequences become too severe. But the Trump administration and Congress have shown a willingness to endure shutdowns. The last federal shutdown took place under President Donald Trump’s first term and broke records when it lasted 35 days. Trump’s first term saw three shutdowns.

Continue reading.

governing.com

October 10, 2025 • Jule Pattison-Gordon

‘This Shutdown Feels Different.’ States Might Not Get Repaid When

Government Reopens.

Going without federal reimbursement for shutdown costs could force states to cut their own budget priorities.

States are doing what they generally do during a federal government shutdown: continuing to operate programs serving some of the neediest people.

That means schools are still serving federally subsidized meals and states are distributing funding for the federal food stamp program. For now.

If the shutdown drags on and federal dollars run out, states can only keep programs going for so long. States may choose to pay for some services themselves so residents keep their benefits.

But this time, state leaders have new worries about getting reimbursed for federal costs once the federal spending impasse is resolved. That’s traditionally been the practice following a shutdown, but the Trump administration’s record of pulling funding and targeting Democratic-led states has some officials worried about what comes after the shutdown.

Continue reading.

stateline.org

By: Kevin Hardy

October 9, 2025

Fitch: CDFI Equity Strong, Losses Low Amid Funding Shifts

Fitch Ratings-Chicago/San Francisco/New York-09 October 2025: Fitch Ratings has published its third annual Community Development Financial Institution (CDFI) Peer Credit Analysis, covering five years of audited data for 40 CDFI loan funds over fiscal 2020-2024. The report finds resilient credit profiles, with low delinquencies and losses, stable profitability and rising equity supporting financial strength.

As interest rates remain elevated and potential cutbacks and lags impact federal funding, Fitch expects shifts in funding mix and higher cost of funds. Fitch believes sector fundamentals and prudent risk management will continue to anchor credit strength.

CDFI balance sheets expanded over the past five years, with loans and equity rising faster than debt, keeping leverage in check. Equity growth has outpaced debt for many peers, lowering debt-to-equity ratios and supporting capital flexibility. Demand for affordable housing and community development loans remains strong amid tighter bank lending standards and weak affordability. Equity cushions will help support new funding sources, which are likely to lift costs of funds.

CDFI asset quality compares favorably with banks. Non-performing loans remain modest and net charge-offs low, reflecting active servicing, early interventions and loss mitigation. A prolonged federal funding disruption could delay or constrain certain grant disbursements or program approvals, pressuring near-term liquidity and timing of originations for some CDFIs. However, Karen Fitzgerald, Fitch Senior Director, U.S. Public Finance, notes that, “Sector liquidity, equity-to-assets ratios well above banks and conservative balance sheet management provide cushions against temporary funding volatility."

Fitch's latest CDFI Peer Credit Analysis is available at www.fitchratings.com.

[S&P U.S. Transportation Infrastructure Transit Update: Operators And Stakeholders Confront "What's Fare?"]

Key Takeaways

- We view the U.S. mass transit sector as stable, though a few operators with a historical reliance on fare revenue and ongoing operating deficits are facing credit pressures.
- Transit operators that have sought and received additional dedicated tax revenues, primarily from sales taxes, have been able to maintain or improve financial metrics despite ongoing lower ridership.
- S&P Global Ratings anticipates that most transit operators will continue to adapt by adjusting service levels, re-evaluating fixed costs (including capital investments), and collaborating with stakeholders to strengthen recurring revenue sources to reach structural balance.

The U.S. mass transit sector outlook remains stable, underpinned by supportive dedicated tax revenue growth — often exceeding drops in fare revenue — combined with operators' proactive adjustments to service levels and expenses that have helped restore fiscal balance in operating funds. This stabilizing credit trend is largely attributable to robust tax support and a historical trend of political support, demonstrated through both revenue growth and ongoing financial commitments from regional stakeholders. However, economic headwinds and the potential of waning political support could pressure ratings in the near term. For more information on S&P Global Ratings' U.S. economic outlook, see "Economic Outlook U.S. Q4 2025: Below-Trend Growth Persists Amid A Swirl Of Policy Shifts," Sept. 23, 2025.

Continue reading.

13-Oct-2025 | 14:36 EDT

What US Cities Can Learn From Vancouver's Transit Recovery.

Also today: Mapping a way out of the US housing affordability crisis, and the political transformation of California's billionaire mall king.

While transit agencies in cities from San Francisco to Philadelphia continue to struggle to match pre-Covid passenger counts, Vancouver's regional TransLink system has become a success story: Ridership has recovered to around 90% of 2019 levels, at a rate faster than almost any other major transit system in North America.

TransLink's CEO Kevin Quinn credits the success to several key strategies that make Canadians stand out from their US counterparts, including prioritizing frequent service and implementing land-use policies that promote dense development around transit stations. Population growth in nearby municipalities, fueled by immigration, also plays a role. In a conversation with contributor David

Zipper, Quinn — a transplant from Maryland —reflects on the lessons Vancouver offers to other North American cities.

[Continue reading.](#)

Bloomberg CityLab

By Arvelisse Bonilla Ramos

October 9, 2025

[Munis Are Very Resilient to Government Shutdowns, says Nuveen's Dan Close.](#)

Dan Close, Nuveen head of municipals, joins 'The Exchange' to discuss if municipal bonds can remain a safety play, if there are areas within municipals more attractive than others and much more.

[Watch video.](#)

cnbc.com

Fri, Oct 10 2025

[The Municipal Bond "Moment" Persists - But Cracks Are Forming](#)

The Moment is Still Here

Last week, we highlighted that municipal bonds were having a moment—and that remains true as we begin the first full week of October. Tax-exempt yields continue to hold near their mid-September levels, offering compelling relative value compared to the late-September lows. The Bloomberg Municipal Bond Index, a proxy for tax-exempt yields, closed at 3.64% on Friday, up 10 basis points from a recent low of 3.54% on Sept. 17, underscoring the attractive entry point currently available in the market at this "moment".

[Continue reading.](#)

advisorhub.com

by Tom Kozlik, HilltopSecurities

October 6, 2025

[BlackRock's Haskell Expects Muni Performance to Accelerate.](#)

The municipal-bond market just clocked its best month of returns since December 2023 — and one investing giant in the space says that momentum will continue through the end of 2025.

BlackRock Inc.'s Pat Haskell, who serves as head of municipals, said US state and local debt should do particularly well as this year's record surge of supply begins to dry up in November and December.

This year's heavy issuance has at times weighed on performance this year. Muni bonds have underperformed US Treasuries year-to-date, returning 2.9% while Treasuries have returned about 5.5%, according to Bloomberg indexes.

Continue reading.

Bloomberg Markets

By Erin Hudson

October 8, 2025

Fitch: Prolonged US Government Shutdown Could Strain Public Finance Credits

Fitch Ratings-New York/San Francisco-01 October 2025: A brief U.S. government shutdown is unlikely to affect most U.S. public finance (PF) credits, Fitch Ratings says. However, a prolonged shutdown could have negative credit ramifications for USPF issuers, especially those dependent on federal healthcare, housing, and higher education funding. Federal budgets directly support many functions carried out by states, local governments, and not-for-profit entities, and federal spending drives economic activity that underpins public finance credit quality.

Medicaid, which comprises roughly one-third of total state budgets, and Medicare are not funded through annual appropriations and therefore their funding is unaffected by a government shutdown. These programs account for over half of not-for-profit hospitals' payor mix.

The Federal Highway Administration's Highway Trust Fund (HTF), a dedicated funding source for federal highways and transit programs, is funded by gasoline and fuel taxes and is not subject to annual appropriations. HTF funds are expected to continue to flow to states to repay GARVEE bonds. GARVEE bonds also benefit from structural safeguards, and many issuers pre-pay debt service a year in advance.

Non-essential employees have been furloughed or required to work without pay, although the Government Employment Fair Treatment Act of 2019 requires deferred federal salaries be paid after a shutdown. It is unclear if certain federal employees will see permanent changes to their employment or pay status. If there are permanent staff reductions, localities with the highest proportion of federal employment are likely see lasting declines in tax revenues.

An extended federal government shutdown would exacerbate existing pressures on tax revenues and could create additional service demands in the District of Columbia (AA+/Stable). The federal continuing resolution passed in March 2025 allows advance appropriation of local funds for fiscal 2026 and 2027, enabling the District to continue operations during a shutdown.

The macroeconomic impact of a shutdown is limited in the near term. However, a protracted disruption, particularly if accompanied by significant funding withdrawals or workforce reductions, could slightly slow U.S. economic growth. Discretionary federal spending totalled $1.8 trillion in

2024, or about 6.0% of GDP, according to the Congressional Budget Office. A little more than half of this was non-defense discretionary spending. Fitch's USPF ratings account for normal economic cycles, and states' fiscal 2026 budgets anticipate slower economic growth.

Most state and local government ratings assume sufficient flexibility to address federal funding reductions, primarily through their own spending cuts. This reflects their significant autonomy within the U.S. federal structure. Local governments also bear the risk of absorbing state cutbacks after federal reductions, but they typically have broad budget tools and reserves to manage unforeseen developments.

Many states and local governments currently benefit from high reserves and solid liquidity, reflected in Fitch's generally robust assessment for governments' financial resilience and high credit ratings. But reserve and liquidity levels may decline, particularly for governments with lower financial resilience assessments, if governments are unable to quickly adjust to slower economic growth and shifts in federal spending priorities. Weaker sovereign public finances and federal spending cuts could diminish the reach and effectiveness of countercyclical actions, leaving USPF issuers vulnerable to a slowdown.

Revenue-supported entities are generally well-positioned to absorb the effects of reduced federal funding. However, an extended spending pause could negatively affect credits that rely on federal funding for certain programs, including those for housing, higher education, and public transit. Backfilling lost federal funds with own-source resources could affect operating performance over time.

The shutdown could also cause non-material operational disruptions at airports if non-essential Federal Aviation Administration and Transportation Security Administration workers are furloughed, although financial risk remains very low. Airport capital projects could be delayed if federal grant funding is held up.

Fitch Ratings Reviews Exposure Draft Feedback for U.S. Public Finance Charter School Rating Criteria

Fitch Ratings-New York/Chicago-01 October 2025: Fitch Ratings published an exposure draft for proposed revisions to its "U.S. Public Finance Charter School Rating Criteria" on Aug. 4, 2025. The comment period for feedback on the draft criteria ended on Sept. 30, 2025.

Fitch is reviewing feedback received on the draft criteria. The agency expects to address comments and publish the final criteria following the close of the comment period. Fitch will publish all written responses received by the end of the comment period, including the respondent's name, unless the response was clearly marked as confidential.

The exposure draft outlines proposed changes to Fitch's methodology for assigning Issuer Default Ratings (IDRs) and instrument ratings to U.S. charter schools. Charter schools offer K–12 education under authorized charters, providing curriculum choice and school-level operational flexibility while remaining accountable to performance and compliance standards. The criteria address demand and enrollment dynamics, financial resilience and liquidity, leverage and debt structure, governance effectiveness and charter renewal risk, and legal and security frameworks supporting operating continuity and bondholder protections.

Mission Creep: The Fed's Foray Into State and Local Debt

The Fed's scheme to offer credit to states and municipalities was fiscal policy in disguise, turning local mismanagement into a national problem.

ive years ago, The CARES Act authorized the Federal Reserve to create emergency lending facilities in the name of aiding the US economy during the COVID-19 economic downturn. In a 2021 appraisal of the Fed lending facilities, several AIER Sound Money Project (SMP) scholars observed:

> *Although some facilities likely helped to promote general liquidity, others were primarily intended to allocate credit, which blurs the line between monetary and fiscal policy. These credit allocation facilities were unwarranted and unwise.*

One such facility was the Municipal Liquidity Facility (MLF), which loaned money to state and local governments. In my recent AIER White Paper "Enabling Bad Behavior," I examined the two entities that took loans from the MLF: the State of Illinois and the New York Metropolitan Transportation Agency (MTA). I find that, while the MLF loans do not show any effect on the fiscal health of these entities during or after 2020, the MLF distorted the boundary between fiscal and monetary policy.

Continue reading.

thedailyeconomy.org

by Thomas Savidge

October 2, 2025

How to Prepare for ARPA SLFRF Closeout.

he U.S. Department of the Treasury has released new guidance (PDF) on how communities should prepare to close out their American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) awards.

Per statute, recipients must continue reporting on their SLFRF projects through 2027, even after funds are fully spent. However, Treasury has now introduced an early closeout option, a long-requested capability that NLC has consistently advocated for on behalf of municipalities nationwide.

As a reminder, **closeout is not the same as being administratively closed in the reporting portal.** Administrative closure occurs when a municipality misses a reporting deadline, and Treasury staff automatically lock the portal for that period. Past reporting portals cannot be reopened, but all reports are cumulative and continue forward.

Continue reading.

National League of Cities

by Dante Moreno

October 2, 2025

[Would The US Government Want To Issue CAT Bonds At Scale To Finance Losses From Climate Change?]

The alternative is taxation and greater deficits

Climate week just concluded in New York City. Instead of joining the chorus on how the US has withdrawn from the conversation, I thought I might write about something constructive. I have always worried that climate losses will eventually be socialized via greater deficits and eventually via greater taxation. What might an alternative look like? A private sector funded financing vehicle that can transfer risk from victims to a more risk loving investor, in exchange for appropriate returns. That is, something like CAT bonds.

How do CAT bonds work?

For those who may not be familiar, CAT bonds are effectively insurance on tightly defined catastrophic climate events. The actual structure is a bit complicated. An SPV (special purpose vehicle) is formed by an insurance company. Investors pay let's say $100 million to the SPV. This money will be used to pay out insured parties should the insurance company have to pay up if disaster strikes. Let's say the disaster is a 7.0 earthquake in a specific tightly defined region. The cash that comes in from investors is usually invested in US treasuries, which pay say 5% per annum.

The insurance company hands off the premiums it receives from selling coverage of $100 million to the SPV. Let's say that the premium is 6.5% on $100 million. The cumulative returns of 6.5% plus 5% on T-bills invested is passed on to investors every year till the disaster strikes. If disaster does not strike, the $100 million is returned to CAT bond investors at the end of the pre-arranged term, say at the end of three years. If the earthquake of 7.0 or higher does strike, the insurance company pays off the $100 million to insured parties.

Continue reading.

Forbes.com

By Shivaram Rajgopal, Contributor
I am the Kester and Brynes Professor at Columbia Business School and a Chazen Senior Scholar at the Jerome A. Chazen Institute for Global Business.

Sep 29, 2025, 07:13pm EDT

[Catastrophe Bond Investors Betting on Disasters are Helping Make Insurance Affordable.]

In many communities at high risk for natural disasters, a Wall Street financing tool that's gaining popularity, called a catastrophe bond, may make it easier for homeowners to get insurance. On Oak Island, North Carolina, homeowners who face annual hurricane risk are seeing the impacts firsthand.

The interest in catastrophe bonds comes as insured property losses increased from $30 billion in 2015 to over $110 billion in 2024, adjusted for inflation, the Insurance Information Institute found, while homeowner insurance premiums increased 40% faster than inflation between 2017 and 2022, according to the Consumer Federation of America. Many insurance companies have left high-risk markets altogether.

Catastrophe bonds are contingent on whether or not a disaster takes place. Insurance companies sponsor bonds that are then purchased by investors, typically institutional investors. If a natural disaster does not take place, investors get a return on their investment. But if a disaster meeting certain thresholds takes place, money goes to insurance companies to pay out customers' claims, and investors lose money. Catastrophe bonds are beneficial to insurers because they make large amounts of capital available to pay insurance claims. The bonds are appealing to investors because disasters that lead to insurance payouts are rare.

Continue reading.

CBS News

By Seiji Yamashita, Ash-har Quraishi

September 30, 2025

S&P Rating Changes Of 25 Major U.S. Cities Since 2000.

Continue reading.

01-Oct-2025 | 17:14 EDT
