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S&P: Debt Levels Flatline As U.S. States Prioritize Budget Management Over Investment.

After a small increase in fiscal 2014, the amount of aggregate tax-supported debt outstanding among the U.S. states declined in 2015. According to S&P Global Ratings' calculations, total tax-backed debt balances outstanding fell by 1.04% compared with 2014. In some states, sluggish economic and revenue growth has limited bonding capacity. But even where legal debt limits aren't a constraint, still-lean fiscal margins have contributed to a general reluctance on the part of many states to add new spending commitments despite low interest rates.

For instance, adding new infrastructure can involve more than incrementally higher debt service costs. Often, it also entails new ongoing spending to operate and maintain new roads or facilities. According to the Congressional Budget Office, it's common for more than half of total spending on transportation and water infrastructure to be for operations and maintenance.

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