

Bond Case Briefs

Municipal Finance Law Since 1971

S&P: U.S. States' And Transit Debt Hit Emergency Brake During Pandemic As Infrastructure Needs Accelerated

Key Takeaways

- Most states' debt levels are sustainable and continuing to moderate compared to the peak in 2012. Unlike past recessions, only three states issued debt for budgetary or deficit purposes in fiscal 2020.
- Infrastructure needs exceed what states and transportation agencies can finance if credit quality is to be maintained. A large federal plan could propel their recovery and make a substantial down payment on a decade-long \$1.5 trillion underinvestment.
- Mass transit systems, key to the economic recovery in some states, are beginning to regain ridership, but pandemic-delayed projects will have riders returning to systems with continued costly infrastructure needs.
- Aligning infrastructure and capital borrowing with sustainability principles is gaining momentum.

[Continue reading.](#)