
JPMorgan Sees ‘National Security Risk’ in Old Grid Networks.

Takeaways by Bloomberg AI

- JPMorgan Chase & Co. says aging grid infrastructure is a “national security risk” due to threats from extreme weather to cyberattacks.
- The bank views investments in grid infrastructure as “increasingly attractive” and a “massive investment opportunity” due to growing energy demand and volatility.
- JPMorgan expects $5.8 trillion of global grid investment through 2035, with $1 trillion expected in the US, as grids undergo a “fundamental reframe” from legacy assets to strategic infrastructure.

Continue reading.

Bloomberg Green

By Alastair Marsh

March 24, 2026

Why Small Municipalities Have Become Cybercriminals' Favorite Prey.

COMMENTARY | City and county managers can no longer see cybersecurity as an IT problem. They can take various practical steps before an incident occurs.

The call came at 6:47 a.m. on a Tuesday. The public works director couldn’t log in. Neither could anyone in finance. By the time the city manager arrived, the message on every screen was clear: the city’s entire network was encrypted, and the attackers wanted $350,000 in Bitcoin.

This wasn’t a major metropolitan area with a dedicated cybersecurity team. It was a community of 12,000 people with an IT department of one. The city had no incident response plan, no cyber insurance and backups that hadn’t been tested in over a year.

Stories like this play out thousands of times each year across America’s small municipalities. While headlines focus on attacks against major cities and Fortune 500 companies, criminal organizations have quietly discovered that small local governments offer something even better: essential services under political pressure to pay, defended by IT teams stretched impossibly thin.

Continue reading.

Route Fifty

By Alton Henley

March 27, 2026

States Weigh Pros and Cons of Investing in Cryptocurrency.

From strategic reserves to the bond market, policymakers increasingly eye digital currency options

Once considered a fringe investment, cryptocurrency is beginning to make inroads into state and local government finance.

In 2025 alone, at least 19 states considered or passed legislation that would allow a portion of state funds to be invested in digital assets or related investment products, according to a review by The Pew Charitable Trusts. Cryptocurrency is a form of digital currency that can be used to make payments, although it is more often treated as a high-risk investment.

Last May, New Hampshire became the first state to approve such a law and is now on track to issue the first municipal bonds backed by bitcoin, a cryptocurrency created in 2008. Texas, meanwhile, launched and seeded a state Strategic Bitcoin Reserve, making it the first state to fund a cryptocurrency reserve.

Continue reading.

The Pew Charitable Trusts

Authors: Liz Farmer and Gayathri Venu

March 31, 2026

North Dakota Moves Forward with Stablecoin as Local Banks Express Interest in Pilot Project.

The Bank of North Dakota is on track to introduce stablecoin to local banks this September after state regulators approved the technology's use in bank-to-bank transactions.

This story was originally published by the North Dakota Monitor.

The Bank of North Dakota is on track to introduce stablecoin to local banks this September after state regulators approved the technology's use in bank-to-bank transactions on Wednesday.

Ten local banks have expressed interest in participating in the pilot program for the state's planned Roughrider Coin, Bank of North Dakota CEO Don Morgan said in an interview following the North Dakota Industrial Commission meeting.

"Which is perfect because we want a wide, diverse selection so that we can fully test it out, make sure it's working and we build a good foundation," Morgan said.

Continue reading.

Route Fifty

By Jacob Orledge,
North Dakota Monitor

March 27, 2026

Data Center Restrictions Signed into South Dakota Law after Push for Incentives Failed.

After lawmakers rejected incentives for large data centers, Gov. Larry Rhoden signed a bill that puts new limits on them.

This story was originally published by the South Dakota Searchlight.

After lawmakers rejected proposals to incentivize the construction of large data centers in South Dakota, the governor signed a bill into law Tuesday that will place new limits on the industry.

The law applies to data centers with a peak electrical demand of 10 megawatts or greater. It will require data center companies to ensure their water use does not overburden local resources and to pay for the electrical infrastructure costs attributable to them. It also prohibits the state from overriding local ordinances limiting, prohibiting or otherwise regulating data centers.

Another bill Rhoden signed into law Tuesday allows the state Public Utilities Commission to assess data center companies the costs of regulatory reviews related to their projects.

Continue reading.

Route Fifty

By Joshua Haiar,
South Dakota Searchlight

March 25, 2026

PA House Lawmakers Approve Data Center Regulation Bill.

Lawmakers passed House Bill 1834 with a 104-95 vote.

Lawmakers in the Pennsylvania House of Representatives on Tuesday voted 104-95 to approve legislation that would task the state Public Utility Commission with developing statewide regulations for data centers as local concerns grow over their effects on communities – and electricity bills.

The legislation, House Bill 1834, would direct the PUC to develop temporary and permanent regulations for commercial data centers to curb the effects that power-hungry data centers could have on electricity rates.

Among other provisions, the bill would require data center regulations developed by the PUC to bar

electric companies from passing on costs of infrastructure updates and energy demands from data centers onto customers. HB 1834 would also require the PUC's data center regulation to ensure data centers are responsible for costs associated with regional transmission, network upgrades, grid reliability and PJM emergency capacity procurement caused by commercial data centers.

Continue reading.

Route Fifty

By Justin Sweitzer,
Managing editor, City & State Pennsylvania

March 25, 2026

Everywhere, All At Once: How The Growth Of Data Centers Could Carry Risks For U.S. Local Governments - S&P

Key Takeaways

- Data centers provide economic and revenue opportunities for U.S. local governments, but they could also lead to economic and revenue concentration and volatility as well as strain local resources.
- Long-term financial planning and risk analysis are crucial for local governments that contemplate data center development and related revenues.
- Smaller, more remote communities have fewer advantages in negotiating with data center developers; they may also be less able to adequately identify and plan for risks.
- The rapid expansion of data centers could stress housing affordability as well as pressure utilities to recover infrastructure investment costs from residential ratepayers.

Continue reading.

[Free Registration Required]

24-Mar-2026

Muni Market's Rough Month Roils Some Borrowing Plans: Bloomberg Video

Bloomberg's Shruti Singh, joins Scarlet Fu on "Bloomberg Real Yield." The municipal-bond market's weakest month in more than two years is starting to cause some borrowers to delay or shrink deals, or offer higher yields to lure investors, underwriters and investors say.

Watch video.

Mar 27th, 2026

How Active ETFs Are Helping Meet Rising Demand for Muni Bonds.

Key Takeaways:

- Active ETFs have helped unlock fixed income strategies in recent years.
- Muni bond interest has grown at the same time as investors look to reduce bills.
- Munis may be able to build on a strong turnaround in 2025.

Muni bonds may not always be the most exciting part of a portfolio, but they often play a very important role in reducing tax bills. This year has been very volatile for investors so far, too, making saving a bit here and there on those bills potentially even more important.

Understanding municipal bonds, and why active investing can unlock them, is the name of the game. Active ETFs, which have exploded in popularity since the ETF rule arrived in 2019, offer tax efficiency, flexibility, and liquidity. Perhaps most importantly, they can provide a deep, fundamental research-driven view into individual issuers.

Continue reading.

etfdb.com

by Nick Peters-Golden

Mar 26, 2026

Muni Market Rout Deepens as Iran War Stokes Inflation Concerns

Takeaways by Bloomberg AI

- Pressure is building in the US municipal bond market, with state and local debt selling off and benchmark yields climbing as much as seven basis points.
- The asset class is now poised for its worst month of performance in a year, driven by concerns about inflation due to the war with Iran.
- Despite the selloff, some investors see a “nice entry point” for buyers, as the surge in yields has caused state and local debt to cheapen from pricey valuations seen earlier this year.

Continue reading.

Bloomberg Markets

By Amanda Albright and Elizabeth Rembert

March 20, 2026

Muni Deals Lure $1 Trillion Market With a Shift to Shorter Debt.

Takeaways by Bloomberg AI

- US municipal borrowers are opting for shorter-dated debt to cater to investors that prefer those maturities.
- Municipal bonds issued with a maturity date of less than 15 years have totaled about $61.7 billion this year, up 24% from the same period in 2025.
- The demand from separately managed accounts is driving the shift to shorter-term debt, allowing localities to lower borrowing costs by focusing on that area.

A shift is afoot in how US municipal borrowers structure their debt sales.

Typically, state and local issuers favor longer maturities of 20 to 30 years, giving them more time to repay — akin to a homeowner with a 30-year mortgage. The University of Denver, for example, sold bonds this month maturing in 2056 to build laboratories and athletic facilities.

Lately, however, borrowers are opting for shorter-dated debt to cater to investors that prefer those maturities. Municipal bonds issued with a maturity date of less than 15 years have totaled about $61.7 billion this year, up 24% from the same period in 2025, data compiled by Bloomberg show.

Demand is growing for shorter-term debt along with the popularity of separately managed accounts, a corner of the muni market that has swelled to more than $1 trillion. These bespoke muni accounts tend to avoid the interest-rate risk of lengthier tenors, a particular concern lately as the Iran war boosts oil prices and stokes inflation concerns.

The appetite from SMAs, as they're known, has tamped down shorter-dated muni yields relative to longer securities, allowing localities to lower borrowing costs if they focus on that area. Issuers are taking note of the steep gap between short and long muni yields, said Julie Burger at Wells Fargo & Co.

"Many issuer clients are more actively considering strategies to capitalize on the short-end of the yield curve, rather than locking in long-dated yields," the bank's co-head of public finance said in an email.

The yield on the 30-year AAA muni benchmark was about 2.13 percentage points higher than on two-year debt as of March 23, around the biggest gap since September, according to data compiled by Bloomberg. That spread can add up for a municipality that's borrowing hundreds of millions of dollars.

It's also a different dynamic than has been seen in Treasuries in recent weeks, underscoring the power of the demand from SMAs. In the US government-bond market, the spike in oil prices has led traders to price out Federal Reserve interest-rate cuts, causing shorter maturities to underperform.

Hospital Deals

In one short-dated deal, Cleveland Clinic sold more than $500 million of bonds this month, roughly split between segments maturing in 2029 and 2032. The three-year portion, graded AA by S&P Global Ratings, priced with a yield of 2.51%, or 30 basis points above AAA securities, Bloomberg's BVAL pricing data shows.

The hospital system was "seeking shorter-term maturities where MMD prices offered attractive value," according to Chief Financial Officer Dennis Laraway. MMD is a reference to one of the muni market's AAA yield curves.

Last month, Houston Methodist, a non-profit hospital in Texas, raised roughly $1.25 billion in a bond sale that only included securities maturing from three to 10 years.

Brian Barney, a portfolio manager on Morgan Stanley's Parametric fixed-income team, said he's seeing more supply in the middle of the curve. In conversations, Barney said underwriters and issuers seem more interested in tailoring sales to investor preferences.

"They're watching the cost of capital, but they're also more and more cognizant of what buyers want," he said. "They want to make sure they're minimizing their cost of capital by maximizing their issuance into that demand."

Bloomberg Markets

By Elizabeth Rembert and Amanda Albright

March 24, 2026

— With assistance from Matthew Himel and Danielle Moran

Fitch: Local Government Credit Strong, School Districts Drive Negative Actions

Fitch Ratings-San Francisco/New York-19 March 2026: Local government credit quality remains strong, anchored by high reserves, budgetary control, and moderate long-term liability burdens, with most well positioned to address mounting economic- and demographic-driven fiscal pressures, Fitch Ratings says. The weighted average security rating (including bonds backed by dedicated tax revenues) is 'AA'. Eighty-nine percent of security ratings have a Stable Outlook, 5% have a Positive Outlook, and nearly 6% a Negative Outlook.

Continue reading.

Thu 19 Mar, 2026 – 5:09 PM ET

Public Finance in a Time of Structural Volatility.

If abruptly changing federal policy becomes a recurring feature, state and local governments will need to adjust how they govern, not just how they budget.

Last March, state and local officials in Kansas and Missouri were trying to understand what had just happened to their budgets. Federal grants supporting public health, nutrition assistance and community programs were suddenly reduced or cut off. Local leaders told a Kansas City news publication that they were scrambling to determine how much funding had been lost and what services would have to be scaled back. Some were calling members of Congress simply to confirm whether the money was truly gone.

This wasn't a recession. Revenues hadn't collapsed. What had changed were the rules. In the current environment, the tools built to manage downturns remain essential. But if abruptly changing federal policies — from tax law to Medicaid rules to funding streams — continue to reshape the fiscal landscape, those tools alone will not be enough. It will be time to re-examine larger issues of governance.

I've been talking with state and local finance officers over the past several months, and I keep hearing a version of the same thing: We know how to plan for economic downturns. What we're less prepared for is federal policy shifts mid-budget.

Continue reading.

governing.com

OPINION | March 24, 2026 • Craig S. Maher

Fitch: Pricing Power Shields US Transport Infrastructure from High Oil Prices

Fitch Ratings-New York/San Francisco-18 March 2026: The Iran conflict and surging oil prices may increase U.S. municipal transportation infrastructure costs and reduce demand but will not materially alter credit profiles or result in rating changes. Strong liquidity and pricing power insulate ratings from negative pressure, Fitch Ratings says.

Flight disruptions have minimal impact on U.S. airports because they serve a higher proportion of domestic travel than international travel. Similarly, U.S. ports have low exposure to Middle East shipping, with any disruptions nominally affecting port throughput.

We do not expect a material impact on global growth or inflation under Fitch's baseline assumption of a temporary oil price spike and a return to near pre-conflict price levels in 2H26. However, the risk of prolonged tensions is significant. If oil prices remain above USD95/barrel, Fitch estimates global GDP would decline by 0.4% over four quarters. Broader inflationary pressures from higher oil prices and slower growth would dampen consumer spending and reduce transportation volumes.

While we expect the oil price shock to be short-lived, sustained high oil prices would directly increase operations and maintenance (O&M) and capex costs, including fuel and oil-derived products such as rubber and asphalt. O&M rarely has a material impact on transportation financial performance, as municipal transport assets operate with high margins. Ample liquidity and comfortable debt service coverage ratios (DSCRs) help absorb one-off shocks.

The municipal transportation sector broadly benefits from strong pricing power that reflects the legal ability to increase rates. While political considerations may make this more difficult in the short term, particularly if U.S. growth slows, we expect most issuers would adapt their rate and cost structures over the long term.

Rated ports operate as landlords and usually benefit from minimum annual guarantees with shipping lines. Shipping lines may be pressured. However, competing lines have historically back-filled ports quickly when shipping lines leave, given the economic importance of cargo imports.

Higher airline ticket prices in response to higher jet fuel prices may modestly decelerate enplanement growth. Many airports have strong cost recovery provisions, such as residual airline use and lease agreements that auto-adjust airline charges higher when volumes fall, or compensatory features that allow mid-year adjustments and extraordinary financial backstops from airlines.

High gas prices will not cause a major decline in toll road traffic or revenues considering the

historically demonstrated low elasticity of demand due to the highly essential nature of automotive travel.

Fitch: US Public Power Planning Key to Absorbing Data Center Load Growth

Fitch Ratings-New York-16 March 2026: U.S. public power and cooperative utilities face accelerating data center and AI-related load growth that is reshaping demand profiles and introducing concentration risk, Fitch Ratings says. The trend is not inherently negative for credit quality, but strategic, careful power supply planning, liquidity management and credit risk protection will be key to mitigating customer concentration risk and preserving ratings.

Data centers consumed roughly 4% of the U.S.'s total electricity in 2025 and demand could double by 2030, according to the Energy Information Administration. However, data center demand can account for a much greater share of individual utility revenue and is particularly challenging for smaller utilities due to the large, sustained power needs of each facility and growth in hyperscaler campuses. These loads have doubled revenue for a few smaller Fitch-rated systems, and account for more than 30% of total revenue at others. To date, these utilities have successfully limited concentration risks by isolating power supply costs, maintaining adequate liquidity and funding necessary capex through customer contributions.

A clear, achievable power supply plan is critical for systems serving, or planning to serve, large loads. Strategies that involve the construction of new resources pose the highest risk to credit quality, given sizable debt issuance to fund capex and the potential for stranded assets if loads don't materialize. A reduction in planned data center growth or technological advancements that improve semiconductor efficiency may materially reduce data center power needs.

Continue reading.

S&P Sustainability Insights: Behind The Shades: Data Centers

Key Takeaways

- We typically assign a shade of Light Green to data centers for which low-carbon electricity accounts for a material portion of overall power demand.
- Water use is growing in importance, but the use and reporting of water risk metrics in the design and operation of data centers is still relatively nascent. In our assessments, we seek to understand how water risks are identified and managed, specifically in regions with high water stress.
- Data centers that address the most material environmental risks in their project design and/or operation–including the emissions intensity of electricity procured, water use, and energy efficiency–would receive a shade of Medium green or Light green.
- We expect most data centers that have no direct connection to low-carbon electricity, especially those used to train AI, to receive a shade of Orange due to their outsized electricity demand and other environmental impacts.

Continue reading.

23-Mar-2026 | 12:28 EDT

S&P U.S. And Canadian Not-For-Profit Toll Road Ratings And Outlooks: Current List

View the list.

20-Mar-2026 | 15:59 EDT

S&P Dry Run: The High Stakes Race Redefining The Colorado River's Downstream Credit Challenges

Uncertainty looms: Municipal water utilities face greater credit risks from reduced allocations and potential higher curtailments after the failure by the seven basin states to reach a consensus on the Colorado River operating framework that expires later this year.

Growing affordability concerns: For the more than 300 rated municipal water utility issuers within the Colorado River Basin, affordability pressures could increase from growing costs and sustained capital investment to maintain a reliable supply as operational physical risks intensify over time.

Credit differentiation emerging: Local governments and water utilities lacking above-average storage or banking capacity, strong proactive management, and rate flexibility are more exposed to higher costs despite having legal water rights priority.

Governance alignment: Many water utilities may move into alignment with their sponsoring local governments' policies on growth and development, infrastructure investments, and contingency planning.

Read the full report.

Muni Monthly: February 2026

This month's Muni Monthly covers performance, supply and demand technicals, fundamentals and valuations for the month ending February 2026.

Performance Overview: Strong Municipal Performance in February Counters Recent Weakness

In February, market sentiment was shaped by escalating US-Iran geopolitical tensions and sector-specific selloffs driven by concerns about AI's potential disruption to existing business models. Economic data presented a mixed picture, with January nonfarm payrolls increasing by 130,000 jobs, rebounding from December's revised 48,000 gain, while the unemployment rate edged down to 4.3%. Inflation data for January eased from the prior month, with headline Consumer Price Index (CPI) falling to 2.4% year-over-year (YoY) from 2.7% and core CPI easing to 2.5% YoY from 2.6%. All told, Treasuries rallied across the curve, and the municipal yields followed suit but generally underperformed the risk-off sentiment. The Bloomberg Municipal Bond Index gained 1.25% leading year-to-date (YTD) returns higher to 2.20%. February's strong performance counters recent weakness, with the index averaging negative returns in February, largely driven by softening demand ahead of tax season and limited new issuance.

Continue reading.

advisorperspectives.com

by Western Asset Management, 3/23/26

Housing Bonds Deliver Attractive Tax-Exempt Yields, says Nuveen's Dan Close.

Dan Close, Nuveen, joins 'The Exchange' to discuss municipal bond markets.

Watch video.

cnbc.com

Fri, Mar 20 20262:09 PM EDT

How Active ETFs Brought Muni Bonds Investing to Life.

Municipal bonds may not be the most exciting fixed income category out here, but they do play an important role in portfolios. Frequently offering tax-exempt opportunities and a solid base of reliable issuers, such bonds are often a pillar of the 40% side of portfolios. Where historically, mutual funds had limited the possibilities in muni bonds, the rise of active ETFs has unlocked muni bonds to a next level of potential.

While ETFs have been around for decades, they exploded in number and arguably, popularity, since the ETF rule was implemented in 2019. It was a catalyst that streamlined the launch of strategies within the wrapper, boosting product innovation and bringing more competition to all kinds of segments.

Muni Bonds Riding the ETF Wrapper

While today's innovative products frequently include muni bonds, one might question how they compare to mutual funds in terms of their disadvantages and the challenges of active management. The ETF wrapper gives them all the advantages of being more readily tradeable, often more transparent, and easier to use than mutual funds. Toggling their usage as a vehicle for tax exempt assets like muni bonds is another major benefit that makes things significantly less complicated.

Continue reading.

etfdb.com

by Nick Peters-Golden

Mar 20, 2026

Fitch: U.S. Public Finance Cyber Risk Elevated Due to Iran Conflict

Fitch Ratings-Austin/New York/San Francisco-09 March 2026: U.S. public finance issuers face elevated cyber risk because of the Iran conflict, Fitch Ratings says. Previous geopolitically motivated attacks on U.S. public finance entities primarily have targeted health care and utilities. Increased broad-based retaliatory cyber intrusions also are likely.

The attacks launched by Israel and the U.S. on Iran on Feb. 28 may lead to escalated cyber reprisals against U.S. public finance entities by Iran and its proxies, compared with attacks in summer 2025. Iranian state-sponsored actors, hacktivist groups, and lone-wolf attackers will likely target U.S. public entities and critical infrastructure more frequently. Risks include distributed denial-of-service attacks, financially motivated campaigns, and attacks that seek to cause physical disruption or destruction. Attacks on infrastructure such as power or water systems can create downstream risks for other sectors.

Public finance issuers are targets given the essential services they provide, IT system vulnerabilities, and data collection. Smaller, resource-constrained public finance entities are particularly vulnerable, as federal cybersecurity resource reductions may hinder robust defense, coordination, and response.

Federal authorities have identified Iran-affiliated actors as responsible for a broad array of previous high-tech attacks targeting U.S. infrastructure, typically through networks and internet-connected devices. Federal authorities have also warned that the recent escalation in the Iran conflict could prompt retaliatory attacks by lone-wolf actors.

Following a cyber incident, Fitch assesses a public finance issuer's ability to maintain operational continuity, the duration and scale of service delivery interruptions, impairments to cash flows, and reputational damage. Proactive risk management, including robust incident response planning, staff training, vendor oversight, and, if available, insurance, can mitigate threats and help preserve credit quality. Severe breaches that weaken credit metrics or reveal deficiencies in cyber risk management can lead to negative rating actions. Historically, most cyber incidents have not resulted in rating actions.

S&P: U.S. Not-For-Profit Electric Utilities' Ratemaking Flexibility Could Worsen From Indirect Exposure To Middle East Conflict

(**Editor's Note**: S&P Global Ratings believes there is a high degree of unpredictability around the duration and scale of the Middle East war and its potential effect on commodity prices, supply chains, economies, and credit conditions. As a result, our baseline forecasts carry a significant amount of uncertainty. As situations evolve, we will gauge the macro and credit materiality of potential shifts and reassess our guidance accordingly.)

This report does not constitute a rating action.

Key Takeaways

- Operating costs at not-for-profit (NFP) U.S. public power and electric cooperative utilities are unlikely to face direct exposure to higher oil and liquefied natural gas (LNG) prices triggered by the Middle East conflict.

- However, as the producers of a broad basket of consumer goods incorporate conflict-related costs in retail prices, NFP utilities' ratemaking flexibility and financial performance could erode.

Continue reading.

12-Mar-2026

Fitch Reviews Climate Vulnerability Feedback for U.S. Public Finance Rating Criteria.

Fitch Ratings-New York/Milan-16 March 2026: Fitch Ratings is reviewing feedback received on an exposure draft for Climate Vulnerability in U.S. Public Finance Rating Criteria and plans to publish the final criteria by end-1H26.

Fitch published the exposure draft on Dec. 23, 2025, and the feedback period ended on Feb. 1, 2026.

Climate Vulnerability Signals (Climate.VS) will be used in criteria as a screening tool to enhance Fitch's ability to identify climate-related risks in U.S. Public Finance and subject those ratings to additional analysis and consideration in our rating reviews.

The report, "Exposure Draft: Climate Vulnerability in U.S. Public Finance Rating Criteria," is available at www.fitchratings.com

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Municipal CUSIP Request Volumes Rise in February.

NORWALK, Conn., March 13, 2026 (GLOBE NEWSWIRE) — CUSIP Global Services (CGS) today announced the release of its CUSIP Issuance Trends Report for February 2026. 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 a monthly decrease request volume for new corporate identifiers, while municipal issuance rose.

North American corporate CUSIP requests totaled 7,358 in February, which represents a 2.3% decline on a monthly basis. On an annualized basis, North American corporate requests were up 18.1% over February 2025 totals. Requests for new U.S. corporate equity identifiers rose 4.4% and requests for new U.S. corporate debt identifiers climbed 4.3% for the month of February. The overall monthly decline in volume was driven by a 6.6% slowdown in requests for Canadian corporate identifiers and a 25.2% decline in requests for new medium-term notes (MTNs).

The aggregate total of identifier requests for new municipal securities – including municipal bonds, long-term and short-term notes, and commercial paper – rose 14.2% versus January totals. On a year-over-year basis, overall municipal volumes were up 0.7% through the end of February. Texas led state-level municipal request volume with a total of 113 new CUSIP requests in February, followed by Illinois (71) and New York (71).

Continue reading.

S&P U.S. Public Finance Rating Activity Brief: February 2026

Data as of Feb. 28, 2026.

In this report we present rating actions at the debt type level (e.g., general obligation, sales tax, parking revenue, etc.) rather than at the issuer level. Therefore, an issuer may have multiple rating actions associated with it in different sectors in the tables and charts. Because we present the rating actions at the debt level, the metrics presented may not be comparable to other research published by S&P Global Ratings or by other S&P Global divisions.

This report does not constitute a rating action.

Key Takeaways

- There were more than 230 rating actions across USPF through Feb. 28, 2026.
- Upgrades outpaced downgrades in the states, housing, not-for-profit, education, and transportation sectors.
- Downgrades outpaced upgrades in the public power, local governments, health care, and utilities sectors.
- Unfavorable outlook revisions exceeded favorable outlook revisions year-to-date.

Continue reading.

12-Mar-2026 | 14:56 EDT

McGuire Woods: Bipartisan Housing Bill Poses Risks for Single-Family Institutional Investors, Opportunities for Developers, Homebuilders

On March 2, 2026, Sens. Tim Scott and Elizabeth Warren introduced the 21st Century ROAD to Housing Act, a bipartisan legislative package that combines key provisions from the Senate's ROAD to Housing Act (S. 2651) with elements of the Housing for the 21st Century Act (H.R. 6644), which the House passed in February 2026.

One of the most significant provisions would limit how many single-family homes that REITs and institutional investors can own — and how long they can own them. The measure also opens many opportunities for developers and homebuilders, especially those focused on affordable housing.

The act represents the most significant federal housing reform effort since the 1990s, aiming to boost housing supply, modernize government housing programs, reduce regulatory barriers and unlock private capital for housing development. Given the breadth of the legislation — spanning nine titles — clients active in real estate development, investment and finance, including real estate investment trusts (REITs), multifamily and single-family rental developers, affordable housing sponsors and mortgage lenders, should carefully evaluate its provisions and potential implications.

Continue reading.

by Christopher J. Thanner

March 13, 2026

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Public-Private Partnerships: Driving Development of Modern Sports Facilities: McGuireWoods

The financing landscape for sports stadiums and arenas has undergone a fundamental transformation over the past three decades. What was once a model dominated by public subsidies has evolved into a more balanced and sophisticated approach, with public-private partnerships emerging as the preferred structure for creating durable, diversified revenue streams and ensuring public support for large-scale projects. This shift reflects not only changing political attitudes toward stadium subsidies but also a recognition that well-structured partnerships can deliver mutual benefits to teams, municipalities and surrounding communities.

The Evolving Balance of Public and Private Investment

The most striking trend in stadium financing is the dramatic shift in how costs are allocated between public and private sources. According to the authors of *Public Policy Toward Professional Sports Stadiums: A Review*, the median share of stadium construction costs covered by public spending has fallen from approximately 70% during the 1990-2000 period to roughly 50% in the 2010s and to closer to 40% since 2020. Some of the decrease in the share of public spending can be attributed to a recent trend of private financing, which includes the construction of the $5.5 billion SoFi Stadium that opened in 2020.

However, this evolution should not be viewed as a retreat from public participation but rather as a rebalancing toward structures that align incentives more effectively. Public entities remain essential partners, but their contributions are increasingly structured to generate returns — whether through economic development or community amenities — rather than serving as outright subsidies. The result is a public-private partnership model in which both sides have meaningful skin in the game and shared interests in the facility's long-term success.

Continue reading.

March 16, 2026

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Fitch: US Public Power Planning Key to Absorbing Data Center Load Growth

Fitch Ratings-New York-16 March 2026: U.S. public power and cooperative utilities face accelerating data center and AI-related load growth that is reshaping demand profiles and introducing concentration risk, Fitch Ratings says. The trend is not inherently negative for credit quality, but strategic, careful power supply planning, liquidity management and credit risk protection will be key to mitigating customer concentration risk and preserving ratings.

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smaller utilities due to the large, sustained power needs of each facility and growth in hyperscaler campuses. These loads have doubled revenue for a few smaller Fitch-rated systems, and account for more than 30% of total revenue at others. To date, these utilities have successfully limited concentration risks by isolating power supply costs, maintaining adequate liquidity and funding necessary capex through customer contributions.

A clear, achievable power supply plan is critical for systems serving, or planning to serve, large loads. Strategies that involve the construction of new resources pose the highest risk to credit quality, given sizable debt issuance to fund capex and the potential for stranded assets if loads don't materialize. A reduction in planned data center growth or technological advancements that improve semiconductor efficiency may materially reduce data center power needs.

Continue reading.

State Transportation Funding Could Get Even Tougher as Oil Prices Rise.

With oil prices spiking at a time when voters are focused on affordability, states could find it even harder to pay for transportation needs.

In Brief:

- Gas prices are rising as a result of the war in the Middle East and the blockage of oil shipping channels.
- States rely on gas taxes at the state and federal levels to pay for transportation infrastructure.
- Gas tax revenues are increasingly not big enough to cover all their needs, and lawmakers have a hard time raising them.

Continue reading.

governing.com

March 13, 2026 • Jared Brey

PWF Interview: Nossaman's Brandon Davis on Airport P3s, LA Infra, Enabling Legislation

Read the interview.

pwfinancing.com

January 2026

Tax Changes Highlight Utility of This Active Muni ETF.

The One Big Beautiful Bill Act (OBBBA) contains a plethora of tax alterations that advisors and

clients should be aware of. The tax advantages offered by municipal bonds remain in place. However, some of the changes could also make municipal debt and ETFs such as the PIMCO Intermediate Municipal Bond Active Exchange-Traded Fund (MUNI B+) even more appealing. This is good news for income-seeking clients and retirees.

MUNI attempts to beat the Bloomberg 1-15 Year Municipal Bond Index with holdings that are primarily short- and intermediate-term bonds. Currently, it has 576 holdings with an average effective duration of 4.79 years. The $2.74 billion ETF debuted in 2009. Its status as an actively managed fund could be compelling the current tax climate.

“Municipal bonds as an asset class is a little bit of a funny class compared to other types of classes,” noted Devin Ekberg of PIMCO’s advisor education group. “There’s a lot of inefficiencies and dislocations, last year in particular. In 2025, there was a lot of structural issues, a lot of supply that met the market, and it caused a lot of disruption in price and so forth. Unfortunately, that’s a very difficult environment for passive bond managers to handle.”

Continue reading.

etfdb.com

by Todd Shriber

Mar 11, 2026

Allspring Sponsor Spotlight: The Magic of Munis - Bloomberg

Nicholos Venditti, CFA, Head of Municipal Fixed Income, Allspring speaks about the magic of munis at Bloomberg Invest 2026 in New York.

Continue reading.

Mar 3rd, 2026

S&P Sustainability Insights: U.S. Municipal Sustainable Bond Outlook 2026: As Labeled Debt Volume Dwindles, Other Trends Emerge

This research report explores evolving topics relating to sustainability. It reflects research conducted by and contributions from S&P Global Ratings’ sustainability research and sustainable finance teams as well as our credit rating analysts (where listed).

This report does not constitute a rating action.

Key Takeaways

- In 2025, sustainable bond issuance fell 13% while the broader municipal market grew, marking the first divergence since the initial municipal sustainable bond was issued in 2013. S&P Global Ratings anticipates this slowdown will continue in 2026, with a further potential decrease of 7%-12%.

- Issuance remains concentrated in California, New York, and Massachusetts issuers (accounting for 62% of the market), anchored by large, repeat borrowers–predominately in affordable housing, sustainable infrastructure, and green energy.
- Green bonds demonstrate stronger alignment with external frameworks relative to other labeled structures, with over 79% undergoing third-party reviews (compared with 57% of all labeled bonds). (For purposes of this report, "labeled" refers to bonds designated by issuers as green, social, sustainability, or sustainability-linked.)

Continue reading.

02-Mar-2026 | 10:41 EST

KBRA Releases Research – Mass Transit Funding Pause: A Post-2025 Shutdown Update

KBRA releases research discussing the Trump Administration's mass transit funding pause and the implications for infrastructure investment, including examinations of four major infrastructure projects that are affected.

In October 2025, the Trump Administration announced that it had paused funding for several major mass transit projects, citing a review of administrative contracting practices. In KBRA's view, the unilateral pause in federal funding has significant implications for infrastructure investment across the municipal sector, as it raises questions regarding the stability of federal funding for transportation projects, particularly large, multiyear capital programs in which governments and other issuers rely on an uninterrupted flow of federal support. Issuers may now need to incorporate the possibility of litigation into capital planning to obtain funds that are due to them. What was historically considered inviolable is now appearing vulnerable.

With that backdrop in mind, this KBRA commentary examines the background of the following multibillion-dollar mass transit projects and discusses their current funding circumstances:

- The Hudson River Tunnel Project connecting New York and New Jersey
- The Metropolitan Transportation Authority's (MTA) Second Avenue Subway (SAS) expansion in New York City
- The Chicago Transit Authority's (CTA) Red Line extension
- CTA's Red and Purple Line modernization

Key Takeaways

- The October 2025 federal funding pause introduced uncertainty regarding the stability of federal funding for mass transit—a particularly acute risk factor for the four infrastructure projects, for which the federal Full Funding Grant Agreement (FFGA) share of total project costs ranges from approximately 34% to over 40%.
- The pause increases risks in the planning of multiyear capital projects including risks of greater delays, contract renegotiations, construction disruptions, cost escalation, and potential litigation.
- Issuer responses will likely be idiosyncratic. Strained intergovernmental relationships may result, and some issuers may consider litigation against the federal government as part of their response strategy.

Click here to view the report.

5 Mar 2026 | New York

Fitch: Pressures Mount on US Public Universities as State Revenue Weakens

Fitch Ratings-Chicago/New York/Austin-05 March 2026: Public universities in the U.S. could face more pressure over the next few years if states reduce higher education funding to manage tighter budgets as they assume greater spending responsibilities due to federal funding shifts and other demands, according to Fitch Ratings. Lower state funding may exacerbate other higher education sector challenges, such as weakening demographics, and ratings could be affected for some institutions that lack the means to fully offset revenue losses. Reduced support for state-funded scholarship programs could also worsen enrollment challenges.

State government support for higher education continues to increase, but the pace has slowed considerably. The State Higher Education Executive Officers Association (SHEEO) Grapevine report indicates total state support for higher education is up 1% in fiscal 2026 budgets after averaging more than 6% in each of the prior five years.

Growth in state funding is slowing even as public institution enrollment rises in 2025-2026 from 2024-2025. According to the National Student Clearinghouse, community college enrollment increased 3.0% yoy, while public four-year college enrollment grew 1.4%. This contrasts with a 1.4% decline in private nonprofit institution undergraduate enrollment.

Continue reading.

S&P U.S. Not-For-Profit Sector 2026 Outlook: Adapting To Rising Pressure

Sector View: Stable

- Credit quality for U.S. not-for-profit entities is stable, with financial resources strengthening across the sector and institutions remaining agile in their operations.
- Consistent donor gifts and solid investment returns in recent years have boosted endowments and investment portfolios, granting institutions greater flexibility to address the shifting federal funding landscape and operating and strategic needs.
- Cultural institutions continue to respond to evolving market demands, deploying strategic investments in emerging technologies and innovative programming to enhance engagement.
- Rising macroeconomic headwinds could hinder operating performance over the near term, with some subsectors better suited than others to handle the challenges.

Continue reading.

03-Mar-2026

How the Iran War Could Impact States and Localities.

The U.S. homeland is out of range of military strikes, but state and local governments

could see cyber attacks, cloud service disruptions and rising supply costs.

In Brief:

- In the wake of the U.S.-Israeli strikes on Iran, pro-Iranian hacktivists launched attacks. While most hacks focused on the Middle East, a Pennsylvania township was reportedly hit.
- Iranian drones struck several Amazon Web Services data centers in retaliation as well. Many tech companies have significant operations in the Middle East. The war could disrupt cloud services used by state and local governments.
- Iran blockaded a major oil transportation pathway, which may lead to spikes in the costs of goods and transportation. For state and local governments, that could mean projects delayed or coming in over budget.

Continue reading.

governing.com

by Jule Pattison-Gordon

March 6, 2026

Out of the Shadows: Public Banking for Municipal Finance

In a recent essay, we advanced a proposal for sub-federal governments to sell municipal bonds to their own public banks. We took the city as our primary point of departure, but the same lessons are applicable to U.S. counties and states. Establishing a public bank that regularly purchases municipal debt, we argued, would not only significantly expand a city's fiscal capacity to support its communities and environs, but also reclaim regional public finance from a parasitical and punishing bond market.

Since the publication of our essay, some commentators have criticized the proposal for involving city finance in so-called shadow banking, precisely because it places public credit creation outside traditional private capital markets. Such concerns are rooted in a legitimate wariness toward the unregulated and often fragile credit structures that trigger financial crises. However, this criticism fails to distinguish between speculative private ventures and institutionalized provisioning by the municipal public purse. Indeed, such a critique mistakes the absence of private middlemen for a lack of financial oversight and security. Our plan, by contrast, replaces the opaque and volatile shadows of private intermediation with a transparent, public-facing mechanism anchored in the enduring fiscal authority of the city government.

Continue reading.

Monthly Review

By Scott Ferguson, Tyler Suksawat

Mar 05, 2026

Aspen Institute Study Presents Strategy for U.S. Water Sustainability.

A new strategy report published by the Aspen Institute in February provides a comprehensive roadmap for strengthening water security and resiliency across the United States.

The Aspen National Water Strategy, published by the Aspen Institute's Energy & Environment Program, aims to ensure that communities, economies and ecosystems can thrive amid growing water-related challenges. The effort is being co-chaired by Martin Doyle of Duke University and Newsha Ajamiof the Lawrence Berkeley National Lab.

The strategy emphasizes that securing America's water future goes far beyond managing shortages or surpluses. The report notes that effective security depends on well-functioning, trusted and affordable water systems. It also highlights how resilient communities able to withstand floods, droughts, and wildfires, and institutions capable of adapting to changing climates, economies and social conditions will be in a better position for success.

Continue reading.

Water Finance & Management

by WFM Staff

February 23, 2026

Building America: Challenges In Wireline Broadband Deployment - Mintz

Most people do not spend much time thinking about the wires and cables that run under or along the streets and public rights-of-way where we walk, drive our cars, and ride our bikes every day. But these rights-of-way are critical to the delivery of our broadband, video, and telecommunications services. Ensuring providers can deploy facilities to reach our homes and businesses is essential to our everyday lives and to achieving the goal of giving every American access to broadband service. I recently had a chance to lead a CLE exploring these issues and offer the following points to think about—whether you are in the business or simply curious about what is going on.

Federal and state funding initiatives are driving massive deployment efforts.

The goal of making broadband available to all Americans has bipartisan support and long predates the COVID-19 pandemic. But with the pandemic highlighting the difficulty for those without a broadband connection to work or attend school and supercharged efforts to close the gap. Congress and the FCC have made more than $70 billion in funds available this decade to address buildout to rural areas through the American Rescue Plan Act (ARPA), the Rural Digital Opportunity Fund (RDOF), and the Broadband Equity, Access, and Deployment (BEAD) program. Many states have kicked in, too, with their own grant programs.

Most broadband providers need access to public rights-of-way.

While it is possible to beam broadband service from space, most broadband service is still provided through facilities placed over or under public rights-of-way. Broadband providers include companies that started as telephone and cable providers, who have always put their facilities in the rights of

way, but also include new players who are actively installing new fiber optic cable primarily—or entirely dedicated to—broadband use. Even wireless providers, who do not need to run wires to connect to the customers they serve, increasingly rely on “small cell” facilities placed in the rights of way. And those small cell facilities in turn connect to the providers’ distribution facilities by cables that are also in the right-of-way.

Continue reading.

Mintz – Paul D. Abbott

March 5 2026

Teachers Struggle to Afford Housing. What are Districts Doing About It?

To help recruit and retain staff, more districts are stepping in to give them a break on rent — and even a leg up on home ownership.

As some teachers struggle to afford housing in their school communities, a growing number of districts are taking the matter into their own hands by offering affordable housing for their staff.

An analysis published last year by the National Council on Teacher Quality found that nationwide housing costs rose on average 47% to 51% between 2019 and 2025, while average beginning teacher salaries grew at a much slower rate — 24%.

The need for affordable solutions for educators has become more acute given skyrocketing housing costs, said Meredith Coffey, senior policy and operations associate at the Thomas B. Fordham Institute, an education reform think tank.

Continue reading.

multifamilydive.com

by Anna Merod

March 3, 2026

Muni Bonds See Biggest Decline Since Tariff Fueled-Selloff.

Takeaways by Bloomberg AI

- Municipal bonds deepened their selloff on Tuesday, with benchmark yields rising as much as 11 basis points, as geopolitical unrest in the Middle East and surging oil prices roiled US Treasuries.
- Ten-year muni yields rose 11 basis points to 2.63% as of 4 p.m. in New York, marking the biggest gain since April.
- The turmoil raised concerns about demand for deals if the pressure continues, with buyers wanting to see stabilization in the Treasury market before committing to purchase new issues.

Continue reading.

Bloomberg Markets

By Aashna Shah and Erin Hudson

March 3, 2026

Bloomberg Municipals Podcast: Predictive Markets Will Revolutionize the Industry — MMA Founder Tom Doe

Predictive Markets Will Revolutionize the Industry — MMA Founder Tom Doe

Prediction markets may revolutionize the industry by improving credit transparency, trading efficiencies, hedging strategies, and portfolio management. They may also incite policy action in regions exposed to the greatest infrastructure and energy risks.

In our inaugural podcast, MMA Founder, Tom Doe, and Bloomberg's new Head of Municipal Research and Strategy, Matthew Gastall, discuss the markets' possibilities and promise.

Listen to audio.

Bloomberg Intelligence

Mar 06, 2026

Unmasking Muni Myths: Insights for Smart Investing - BlackRock

3 key takeaways:

- Investment speed in municipal bond portfolios does not equate to better outcomes.
- A higher yielding portfolio does not always mean better performance for a client.
- Using municipal bonds for tax-loss harvesting may help lower taxes, not just defer them.

People often hear claims such as 'humans only use 10% of our brains', we swallow spiders in our sleep', or 'that the liver can regenerate itself', but most of these popular myths do not hold up to research. Of the examples above, only the liver's ability to regenerate is true – so there is no need to lose sleep over spiders.1

Continue reading.

BlackRock

By Chris Ryan, CFP®

Mar 09, 2026

Municipal Bonds Offer a Rare Opportunity as Yields Climb, Says Nuveen's Dan Close.

The firm's head of municipals says attractive valuations and improving flows point to further upside for the asset class.

Municipal bonds are drawing renewed attention from investors after a period of underperformance that has pushed yields and spreads to historically attractive levels.

Dan Close, Head of Municipals at Nuveen, tells InvestmentNews that the current environment resembles previous market dislocations that ultimately created compelling entry points for investors. He points to the scale of municipal underperformance relative to broader fixed income markets as a key factor behind the opportunity.

"The muni market underperformed the Bloomberg US Aggregate Bond Index, a broad-based benchmark for taxable fixed income, by more than 400 basis points during the first three quarters of 2025," he says. "While performance improved in the third quarter, munis continue to lag the broader fixed income index by more than 200 basis points from the start of 2025 through February 2026."

Continue reading.

investmentnews.com

By Steve Randall

MAR 05, 2026

NASBO: Ten Facts to Know About Rainy Day Funds

With tighter state budget conditions, heightened economic uncertainty, and declining federal funding, one topic getting increased attention lately is rainy day funds. After experiencing significant growth earlier this decade, rainy day funds stand at near all-time highs. Given states are expecting more limited resources and facing budget pressures, what is the outlook for rainy day funds? What factors might states consider when deciding whether to use these funds? Do all states have a rainy day fund and how do fund sizes vary by state? And how do rainy day funds differ from general fund ending balances? Read on to learn more about recent trends in rainy day funds, how these funds can be used, and more.

Fact #1 – Most states expect to increase their rainy day fund balance this year.

According to NASBO's Fall 2025 Fiscal Survey, 32 states are projecting increases in their rainy day fund balance (in nominal dollars) in fiscal 2026 based on enacted budgets, while nine states reported no change and six states are projecting declines. This followed fiscal 2025, when 33 states reported increases to their rainy day funds, 14 states recorded decreases, and three states reported no change.

Despite most states increasing rainy day funds in fiscal 2025, the median rainy day fund balance as a percentage of general fund spending ticked down for the first time since the Great Recession, declining from an all-time high of 14.9 percent in fiscal 2024 to 13.1 percent in fiscal 2025. This decline is mainly due to general fund spending growing at a faster pace than the rainy day fund

balance for a majority of states and does not reflect widespread use of rainy day funds by states. It should also be noted, with spending levels in fiscal 2025 still impacted by heightened one-time expenditures, the median rainy day fund balance would be greater if measured as a percentage of ongoing expenditures.

Continue reading.

National Association of State Budget Officers

By Kathryn White posted 5 days ago

NASBO: State of the State Speeches Highlight Continued Strength and Affordability Concerns

Overview

Through February 25th, governors from 43 states and territories have delivered a State of the State address. In their speeches, governors described the state of their state as strong, resilient, and well positioned for the future. Many highlighted economic growth, job creation, fiscal discipline, record reserves, sustained investment in core priorities, and efforts to increase opportunities and build a brighter future. At the same time, challenges with affordability and the cost of living emerged as a central focus across many governors' addresses. Governors repeatedly cited rising housing, childcare, food, healthcare, and utility costs as top concerns for families.

Below are trends from State of the State speeches through January. To read individual summaries of State of the State addresses, please click here.

Continue reading.

National Association of State Budget Officers

By Brian Sigritz

Fitch Ratings Updates U.S. Public Power Rating Criteria.

Fitch Ratings-New York/Austin-26 February 2026: Fitch Ratings has updated its criteria for rating U.S. public power systems and electric cooperatives. This criteria updates and replaces the criteria from February 2025.

Notable revisions include:

–Confirmation that nonrecourse debt, or instances in which collection and repayment risk have effectively been transferred to a third party, and nonpayment would not result in a cross default or cross acceleration to an issuer's other outstanding debt may be excluded from the calculation of debt metrics and leverage for analytical purposes;

–Language specifying that alternate publicly monitored ratings may be used in place of Credit Opinions to assess purchaser credit quality.

The key elements in the updated criteria remain consistent with the prior version. The update has not resulted in any changes to outstanding ratings, and Fitch has not placed any credits Under Criteria Observation.

The updated criteria report is available at www.fitchratings.com.

Fitch: US Supreme Court Tariff Ruling Positive for Ports Amid Trade Uncertainty

Fitch Ratings-New York/San Francisco-02 March 2026: The U.S. Supreme Court's Feb. 20 ruling curbing the president's ability to unilaterally impose tariffs is generally positive for U.S. ports, Fitch Ratings says. Longer term, a lower overall tariff environment may help improve import demand and recovery in U.S.-bound ocean freight volumes, which would support port revenue and liquidity.

The Supreme Court's ruling invalidated broad-based tariffs on imports from most countries imposed under the International Emergency Economic Powers Act (IEEPA). Even with the 10% blanket tariff that the administration announced following the ruling, authorized through Section 122 of the Trade Act of 1974, the U.S. effective tariff rate (ETR) has fallen to 9.4% from 12.7%. ETRs for most countries remain unchanged, while 26 of the US's largest trading partners will see their ETR decline. No country's ETR increased.

However, tariff-related uncertainty remains and may temper port volume recovery. Long-term contractual guarantees with shipping lines and port tenants provide ports with a level of revenue stability despite volume fluctuations from tariff volatility.

Continue reading.

S&P Sustainability Insights: U.S. Municipal Sustainable Bond Outlook 2026: As Labeled Debt Volume Dwindles, Other Trends Emerge

Key Takeaways

- In 2025, sustainable bond issuance fell 13% while the broader municipal market grew, marking the first divergence since the initial municipal sustainable bond was issued in 2013. S&P Global Ratings anticipates this slowdown will continue in 2026, with a further potential decrease of 7%-12%.
- Issuance remains concentrated in California, New York, and Massachusetts issuers (accounting for 62% of the market), anchored by large, repeat borrowers–predominately in affordable housing, sustainable infrastructure, and green energy.
- Green bonds demonstrate stronger alignment with external frameworks relative to other labeled structures, with over 79% undergoing third-party reviews (compared with 57% of all labeled bonds). (For purposes of this report, "labeled" refers to bonds designated by issuers as green, social, sustainability, or sustainability-linked. See "Sustainable Bonds Defined.")

Continue reading.

02-Mar-2026 | 10:41 EST

S&P U.S. Independent Schools 2026 Outlook: Stable Enrollment And Financial Resilience Depend On Proactive Management

Sector View: Stable

- S&P Global Ratings' outlook on the U.S. independent school sector is stable, anchored by steady to improving demand trends, continued strengthening of resources and investment income, and largely proactive management teams.
- Despite an evolving education landscape and significant competition, we expect schools will focus on sustaining demand by further refining their value propositions, and that nimble management teams will successfully navigate potential financial headwinds.

Continue reading.

24-Feb-2026 | 11:49 EST

Municipal Bonds Offer Investors Shelter as Iran War Escalates.

Takeaways by Bloomberg AI

- The escalating Middle East conflict sent most safe haven assets higher as investors braced for the worst case scenarios, with municipal bonds expected to continue to be a shelter for investors.
- Municipal bonds slipped Monday as geopolitical concerns hammered Treasuries, with top-rated state and local government yields rising as much as five basis points.
- Despite the move, strong buy-side interest has supported performance and kept the overall market tone firm, with munis remaining the best performing fixed income asset class through February.

Continue reading.

Bloomberg Markets

By Erin Hudson and Aashna Shah

March 2, 2026

Muni Bonds See Biggest Decline Since Tariff Fueled-Selloff.

Takeaways by Bloomberg AI

- Municipal bonds deepened their selloff on Tuesday, with benchmark yields rising as much as 11 basis points, as geopolitical unrest in the Middle East and surging oil prices roiled US Treasuries.
- Ten-year muni yields rose 11 basis points to 2.63% as of 4 p.m. in New York, marking the biggest gain since April.
- The turmoil raised concerns about demand for deals if the pressure continues, with buyers wanting to see stabilization in the Treasury market before committing to purchase new issues.

Continue reading.

Bloomberg Markets

By Aashna Shah and Erin Hudson

March 3, 2026

Muni Market Update: Easing Ahead? Municipals Benefit from Stabilizing Conditions.

As we shared on 2/24, BlackRock recently noted that municipal bonds appear poised for a solid year after trailing U.S. Treasuries in 2025. Their outlook calls for investment-grade municipals to potentially deliver mid- to upper-single-digit returns in 2026 as market conditions stabilize. We continue to believe the asset class has a favorable tailwind: rates appear steady to modestly lower, supply remains manageable, and capital is rotating away from more volatile sectors such as private equity. Our base case remains approximately 75 basis points of rate cuts over the course of this year.

On the policy front, Lisa D. Cook cautioned that the Federal Reserve may face limitations in addressing rising unemployment if labor displacement from AI adoption accelerates. While AI is clearly enhancing productivity and supporting economic growth, it may also place pressure on the labor market over time. Some Fed members view this as a longer-term catalyst for easier monetary policy should job growth weaken into 2026–2027.

Continue reading.

dividend.com

by David Loesch

Mar 02, 2026

S&P U.S. Public Finance Rating Activity Brief: January 2026

Key Takeaways

- There were more than 90 rating actions across USPF through Jan. 31, 2026.
- Upgrades outpaced downgrades in the housing, charter schools, and transportation sectors.
- Downgrades outpaced upgrades in the local governments, health care, and utilities sectors.
- Unfavorable outlook revisions exceeded favorable outlook revisions year-to-date.

Continue reading.

18-Feb-2026 | 09:34 EST

Hedge Fund Fermat Calls Surge in Cat-Bond Sales Breathtaking.

Takeaways by Bloomberg AI

- John Seo says the market for catastrophe bonds is drawing in new issuers at a rate that's unlike anything he's seen before.
- The rise in first-time sellers has been driven by the rise in inflation, which has added about 50% to the cost of rebuilding property over the past half decade.
- Seo expects cat bond sales of about $24 billion this year, testing last year's record, and says the issuance surge is far from over.

Continue reading.

Bloomberg Green

By Gautam Naik

February 20, 2026

Trump Agenda Sparks Muni Investor Questions: Bloomberg Video

Financial advisers asked questions about President Donald Trump's agenda and its impact on municipal budgets and bonds at Morgan Stanley's "State of the States" webinar.

Elizabeth Rembert discussed their uncertainty on "Bloomberg Real Yield" with Scarlet Fu.

Watch video.

Feb 20th, 2026

Wall of Trump Questions Swamps Morgan Stanley Muni Webinar.

Takeaways by Bloomberg AI

- Financial advisers asked questions about President Donald Trump's agenda and its impact on municipal budgets and bonds at Morgan Stanley's "State of the States" webinar.
- The concerns are driven by a pattern of federal funding freezes and threats, which can create uncertainty for budget writers and affect states' credit quality.
- Morgan Stanley's Craig Brandon said that while there are questions about the impact of federal funding policies on state credit, he hasn't seen the anxiety translate into broad muni-market moves, and state credit is still viewed as generally steady.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert

February 19, 2026

Fitch Ratings Updates U.S. Water and Sewer Rating Criteria.

Fitch Ratings-Austin-17 February 2026: Fitch Ratings has revised its criteria for U.S. water and sewer utilities, updating and replacing the criteria from February 2025. The updated criteria report describes Fitch's methodology for assigning new ratings and monitoring existing ratings for U.S. municipal and not-for-profit water and sewer utilities (including wastewater and stormwater). Notable revisions that Fitch has made include:

–Updated operating cost burden thresholds to adjust for rates of inflation and to ensure accurate comparative evaluation. Periodic updates to the thresholds to recognize changes in sector-wide costs are likely to continue going forward.

–Inclusion of language clarifying when capital planning and management may be more influential in the assessment of operating risk than operating cost burden.

–Confirmation that when factors suggest that an entity's financial profile may be higher or lower than suggested by the Rating Positioning table, alternative operating, financial and liquidity metrics, along with attribute assessments, may be considered in determining the financial profile assessment and rating.

–Inclusion of secondary coverage metrics that may used as additional guidance when assessing the credit quality and financial profile of entities where debt balances and leverage metrics are, or are expected to be, temporarily distorted, including as a result of an entity's capex profile and its position within the capital life cycle.

The key elements in the updated criteria remain consistent with the prior version. The update has not resulted in any changes to outstanding ratings, and Fitch has not placed any credits Under Criteria Observation.

The updated criteria report is available at www.fitchratings.com

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S&P: For U.S. Not-For-Profit Electric Utilities, Capex, Affordability, And Performance Can Diverge

Key Takeaways

- As not-for-profit (NFP) electric utilities continue substantial infrastructure investments to meet generation, transmission, and distribution needs, financial metrics and our ratings could weaken if retail rate affordability hinders cost recovery.
- NFP utilities that serve many low-income customers or those utilities with small customer bases are particularly vulnerable to declining ratemaking flexibility, financial performance, and credit quality.
- We view larger utilities serving customers with sound incomes as best equipped to socialize cost increases and maintain financial performance and ratings.

Continue reading.

19-Feb-2026 | 09:15 EST

New U.S. Electric Generating Capacity Expected to Reach a Record High in 2026.

U.S. power plant developers and operators plan to add 86 gigawatts (GW) of new utility-scale electric generating capacity to the U.S. power grid in 2026 in the Energy Information Administration's latest Preliminary Monthly Electric Generator Inventory report, a record if realized.

Solar power makes up 51% of the planned 2026 capacity additions, followed by battery storage at 28% and wind at 14%.

In 2025, 53 GW of new capacity was added to the grid, the largest capacity installation in a single year since 2002.

Continue reading.

publicpower.org

by Paul Ciampoli

February 22, 2026

Study Details How Data Centers are Building Their Own Power Plants.

A new report from Cleanview identifies 46 data centers with a combined capacity of 56 GW that plan to build their own power "behind-the-meter."

That represents roughly 30% of all planned data center capacity in the United States, according to Cleanview's project tracker.

"In the last year, this trend has gone from niche to mainstream. 90% of the projects we identified—representing approximately 50 GW—were announced in 2025 alone," wrote Michael Thomas, CEO of Cleanview, in a summary of the report.

Continue reading.

publicpower.org

by Paul Ciampoli

February 21, 2026

Infrastructure Funding: Smart Strategies for Forging Resilience - NLC

The funding landscape for infrastructure projects is complex and dynamic. Facing intensifying challenges from extreme weather to aging systems, cities, towns and villages must be strategic in their infrastructure planning, diversification and partnering approach. Those that plan holistically, build strong partnerships and maximize their funding opportunities will be in a position to meet their goals for resilience and growth.

Strong Systems, Strong Cities: Linking Financial Resilience to Infrastructure Resilience

Infrastructure is the backbone of public health, business development and economic vitality. Yet, as demand for reliable and affordable power and water intensifies, the U.S. faces a $3.7 trillion infrastructure investment gap, according to the American Society for Civil Engineers' 2025 Report Card (PDF). Strictly in terms of disasters, from extreme storms to wildfires, the U.S. Chamber of Commerce notes that every $1 not invested in resilience can cost communities up to $33 in lost future economic activity. Especially with the uncertainty surrounding federal funding sources, the need is clear. Cities must fortify their financial resilience to build their infrastructure resilience.

Navigating the New Infrastructure Funding Landscape

See below for a look at how funding sources are evolving:

Continue reading.

National League of Cities

Authored by Francesca McCann, Director of Alternative Funding, Financing and P3, Black & Veatch

February 17, 2026

BlackRock Sees Improving Muni Returns This Year, Haskell Says.

Takeaways by Bloomberg AI

- Pat Haskell expects investment-grade muni debt to deliver "mid- to upper-single-digit returns" for investors, while the high-yield segment of the market will could earn "high single digits to low double digits".
- Haskell noted that "consecutive years of underperformance are rare" and typically only occur when fundamentals are weaker, which is not the case for munis, with credit quality for local and state governments being "sound".
- His team forecasts annual issuance will post another record year, with their estimate hovering around $575 billion, and Haskell is worried about the school sector, calling public school districts "the most challenged tax-backed sector" due to enrollment declines and rising operating costs.

Continue reading.

Bloomberg Markets

By Erin Hudson

February 23, 2026

Boom Times for Muni Bonds.

State and local governments have been issuing record amounts of debt, mostly to maintain and expand infrastructure. Will the surge continue?

In Brief:

- State and local governments issued nearly $500 billion in bonds in 2024, then broke that record in 2025.
- The money is mostly funding infrastructure repair, expansion and new projects. Some bonds help continue projects started with now-ended or frozen federal funding.
- Some investors see municipal bonds as a safer option compared to U.S. Treasury bonds or a potentially overheated stock market.

Municipal bonds are booming, with state and local governments issuing an unprecedented amount in the past two years.

Continue reading.

governing.com

Jule Pattison-Gordon

Feb. 24, 2026

Eversource Raises $1.5 Billion From Its First Hybrid Bonds.

Eversource Energy raised $1.5 billion from selling its first hybrid bonds, as the New England utility operator looks to refinance debt.

The 30.5-year securities were offered in two $750 million parts, according to a person with knowledge of the matter. One of the bonds can’t be bought back for 5.25 years, and the other not for 10.5 years, said the person, who asked not to be identified as they’re not authorized to speak publicly.

The notes will respectively yield 6.1% and 6.35%, both about 0.4 percentage point less than initial price talk, the person added.

Hybrid bonds have features of both debt and equity. They’ve grown more popular in recent years, particularly among utility holding companies, after a change in policies from Moody’s Ratings made it easier for corporations to determine how much equity-like credit they would get for selling the securities.

Barclays Plc, Bank of America Corp., Citigroup Inc., JPMorgan Chase & Co., Morgan Stanley and Mitsubishi UFJ Financial Group Inc. were bookrunners for the debt sale.

The deal was among 10 in the US investment-grade market on Monday — half of them from utilities.

Bloomberg Markets

By Davide Barbuscia

February 23, 2026 at 9:42 AM PST

How Bond Ladder ETFs Reimagine Retirement Income Strategies.

It goes without saying that investors traditionally look to the market to accumulate more wealth, not the other way around.

However, once investors approach retirement age, the focus tends to shift to decumulation rather than accumulation. In other words, older clients often look to advisors for help distributing their wealth in a liquid and transparent manner, while also enabling lifestyle preservation.

Oftentimes, investors look to products like money market funds as a low-risk way to put their cash to work. However, money market funds face their own challenges, including shifting interest rates and reinvestment risk.

Continue reading.

etfdb.com

by Nick Wodeshick

Feb 19, 2026

S&P 2025 Municipal Bond Market Review: Trends, Wins and Turning Points

The municipal bond market demonstrated robust performance in 2025, with record issuance of USD 580. 4 billion, a 13% increase from 2024. The market experienced heightened volatility due to geopolitical tensions, tariffs, the fed rate cut cycle and the passage of the U.S. tax and spending bill, also known as the One Big Beautiful Bill Act.

The bill had both positive and negative impacts on the municipal bond market. It preserved and expanded the federal tax exemption to additional sectors, notably private activity bonds (PABs) for new issuance in infrastructure and energy-related projects. The act blunted higher education bonds by creating additional tiered taxation on university endowments over USD 750,000 per student. Practically, this limits a university’s ability to offer need-based scholarships and pushes students to apply for private loans. In terms of healthcare sector impact, the 2025 budget bill reduced Medicaid spending by USD 1 trillion over the next 10 years, with implications of increasing unpaid care for hospitals and health institutions.

The U.S. Federal Reserve continued the loosening of monetary policy in 2025, with a series of three rate cuts of 25 bps each, bringing the official federal funds rate to 3.50%-3.75% at the end of December. This set the stage for further rate reductions in 2026 and brought renewed interest to

the USD 4.4 trillion municipal bond market.

Higher yields and credit quality along with strong issuer fundamentals set the stage for a strong 2025 finish. The S&P National AMT-Free Municipal Bond Index was up 3.77% for the year, with a tax equivalent yield (TEY) of 5.36%. In 2025, all indices within the National, Short, Intermediate and Long curve beat their 2024 performance.

Download Full Article (Free registration required.)

by Catalina Zota

Feb 13, 2026

S&P: U.S. Local Governments Are Mostly Insulated From Federal Funding Reductions Amid Ongoing Operating Stress

Key Takeaways

- Federal funding cuts to U.S. local governments are ongoing, but the timing of financial impact is unclear given legal challenges and uncertain implementation.
- Furthermore, the magnitude of funding across the 10 largest cities is relatively modest — ranging from less than 1% to about 3% of operations.
- Pressure on fiscal federalism, coupled with other risks we're watching for the sector including economic and demographic trends, could lead to uncertainty, distraction, and potential operational disruption.

New Funding Cuts Loom

In both Trump administrations, the federal government reduced, or threatened to reduce, revenue to LGs, frequently focusing on sanctuary cities. Proposals announced already in 2026 would cut federal funding to this cohort as well as the U.S. states where the cities are located that resist federal immigration enforcement.

S&P Global Ratings does not expect this issue will lead to rating changes–in isolation. This is due partly to the limited amount of federal revenues that make up LG budgets: on average, LGs receive less than 5% of their revenues from the federal government. However, a smaller magnitude does not necessarily preclude disruption to operations, especially if there are reductions to U.S. states' federal funding since states receive more than 30% of their operating revenue from the federal government

Continue reading. (Free registration required.)

12-Feb-2026 | 12:52 EST

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.

WSJ: The Demand for Bonds Is Insatiable. Even Risky Borrowers Are Reaping the Benefits.

Hard-to-shake optimism and a scarcity of long-dated debt have helped drive spreads to historic lows

Quick Summary:

Investor demand for U.S. corporate, state and city bonds has driven spreads to multiyear lows despite market concerns.

A new AI borrowing frenzy and lingering fears about potential defaults haven’t deterred investors hungry for bonds from U.S. companies, states and cities.

The extra yield—or spread—that investors demand to hold highly rated corporate bonds instead of ultrasafe U.S. Treasurys hit a 27-year low in late January. Spreads on speculative-grade corporate bonds dropped to an 18-year low. In the $4 trillion municipal bond market, the spread between interest rates on triple-A and triple-B bonds is at one of its lowest points in two years.

Those tight spreads are the latest sign of how bonds remain stubbornly resistant to concerns rattling other markets.

Continue reading.

The Wall Street Journal

By Heather Gillers and Sam Goldfarb

Feb. 12, 2026 5:30 am ET

How Climate Risk Flows From Insurance to City Budgets: Bloomberg Podcast

Climate adaptation is increasingly a matter of financial resilience, not just physical protection. Across the US, climate risk is filtering into rising insurance costs, shifting property values and heavy

reliance on property tax revenues, exposing some cities and counties to mounting fiscal strain and potential spillovers into municipal bond markets.

With climate exposure, tax dependence and access to federal aid varying sharply by location, risks are emerging unevenly across the country. So how are climate stresses reshaping municipal finances, and what should investors and policymakers be watching?

On today's show, Tom Rowands-Rees is joined by Danya Liu, a BloombergNEF specialist in climate resilience and adaptation, to discuss findings from her note "Climate Risk and US Municipal Finances: Storm Ahead?"

Listen to podcast.

Feb 11, 2026

S&P U.S. Not-For-Profit Acute Health Care Rating Actions, 2025 Year-End Review.

View the S&P rating actions.

12-Feb-2026 | 15:19 EST

S&P U.S. Not-For-Profit Health Care Rating Actions, January 2026.

View the S&P rating actions.

13-Feb-2026 | 16:30 EST

Federal Judge Blocks Trump Plan to Cut $600 Million in Health Funds.

It is the latest court ruling staving off deep cuts to social services that Democratic-led states say are politically motivated and would harm hundreds of thousands of people.

A federal judge in Illinois on Thursday blocked the Trump administration's plan to claw back $600 million in public health funds from four states led by Democrats, amid a wider effort by the federal government to pull funding from blue states.

Judge Manish S. Shah of the Federal District Court in Northern Illinois wrote in a two-page order that the plaintiff states — California, Colorado, Illinois and Minnesota — had provided enough evidence that the cuts were "based on arbitrary, capricious or unconstitutional rationales" to halt what would have been deep cuts in federal public health funding that had already been allocated while legal arguments continue in the case.

It is the latest court ruling staving off deep federal cuts to Democratic-led states, which say they are politically motivated.

Continue reading.

The New York Times

By Chris Cameron

Feb. 12, 2026

Four States Sue Trump Administration Over Cuts to Public Health Funding.

Feb 11 (Reuters) – Four Democratic-led states filed a lawsuit on Wednesday that seeks to block the Trump administration from terminating $600 million in public health funding.

In a complaint, opens new tab filed in federal court in Chicago, the states — California, Colorado, Illinois, and Minnesota — said they were being unlawfully subjected to "devastating funding cuts to basic public health infrastructure based on political animus and disagreements about unrelated topics such as federal immigration enforcement."

A spokesperson for the U.S. Department of Health and Human Services said on Monday that the grants are being terminated because they do not reflect the agency's priorities. HHS did not immediately respond to a request for comment on the lawsuit.

Continue reading.

reuters.com

By Jan Wolfe

February 11, 2026

US Muni Market Expands, Automation Trails.

Average daily notional volumes (ADNV) in US municipal bond trading was up 13.9% year-on-year (YoY) in 2025, according to a Coalition Greenwich report, reaching a record US$14.9 billion.

Trade count was up 22.1% YoY to 70,243. However, customers' average trade sizes fell 5.2% to US$289 thousand – and interdealer average trade sizes dropped 8.3% to US$96 thousand.

A contributing factor to this is an increase in e-trading adoption, Coalition Greenwich states, although use of the practice rose just 0.6 percentage points over the year to take 18.7% of the total market. Growth of electronic protocols has been driven in part by wider use of separately managed accounts, the report suggests, which necessitate more automated processes.

"We hope and expect to see more of auto-ex, portfolio trading [and] periodic auctions in the years ahead, but the muni market is always focused on the marathon and not the sprint," report authors Kevin McPartland and Neha Jain said.

Moving forward, the pair expect greater retail activity to push up automated trading levels. On the

institutional side, “While market participants want to maintain their relationships, they also must grapple with higher volumes and shrinking trading desks—to which the only answer is automation,” they conclude.

On a trading venue basis, Bloomberg has retained its long-term top spot with 44.1% of the market. Both ICE and Tradeweb saw slightly increased market shares YoY, up 1.3 percentage points to 16.4% and up 1.6 percentage points to 17.3% respectively.

fi-desk.com

By Lucy Carter

February 13, 2026537

Advisors Can’t Wait Too Long for Muni Yields Opportunity, Warns Franklin Templeton’s Barber.

Holding out for perfect clarity could mean a missed chance, municipal bonds director tells InvestmentNews.

With municipal yields sitting at elevated levels, advisors face the challenge of how to guide clients who remained underinvested through 2025 without falling into the temptation to wait for perfect clarity.

According to Ben Barber, director of the Municipal Bond Department at Franklin Templeton, the current setup itself argues against inaction.

“Municipal bonds continue to exhibit appealing yields compared to recent historical levels,” Barber told InvestmentNews, adding that “their relative underperformance against other fixed income sectors in 2025 has led to improved relative valuations,” two factors he believes advisors should weigh carefully when considering entry points for clients.

Together, Barber noted, yield levels and relative value help frame today’s opportunity set and reduce the risk of waiting too long for certainty that may never arrive.

Continue reading.

investmentnews.com

By Steve Randall

FEB 12, 2026

Bond Market Showing a Renewed Premium on Stability, says HilltopSecurities’ Tom Kozlik.

Tom Kozlik, HilltopSecurities, joins ‘The Exchange’ to discuss the action in bond markets, why it’ll be a good year for municipal bonds and much more.

Watch video.

cnbc.com

Tax-Free Energy Bonds Draw Billions From Yield-Hungry Investors.

These twists on munis offer rewards for those who understand the risk.

Takeaways by Bloomberg AI

- Investors bought $31.4 billion worth of prepaid energy bonds last year, with these bonds making up from 5% to 25% of a municipal debt index fund.
- Energy bonds differ from regular munis in that investors indirectly lend money to pay in advance for a 30-year supply of energy at a discount to prevailing energy prices.
- Bond buyers get a higher interest rate than on a regular muni bond, with a California prepaid energy offering priced in January having a 4.08% yield.

A complicated kind of debt deal is electrifying the muni market these days: prepaid energy bonds.

Last year investors bought $31.4 billion worth, three times as much as in 2022. If you buy a municipal debt index fund, energy bonds currently make up from 5% to 25% of your investment.

Here’s how they differ from regular munis. In a plain-vanilla general obligation bond, investors lend money to a government and rely on its taxing authority to pay it back. Or, in revenue bonds, investors get repaid through the money generated by an important project, such as a toll road, a hospital or a subway. Munis are attractive to wealthy individuals because the interest is generally exempt from federal income tax and, if the government is in their own state, local taxes as well.

Continue reading.

Bloomberg Markets

By Erin Hudson and Elizabeth Rembert

February 3, 2026

S&P U.S. Health Insurance Sector View 2026: Seeking Signs Of Recovery Amid Pricing And Structural Risks

View the S&P report.

04-Feb-2026

Fitch U.S. Public Finance: 2026 Rating Actions to 6 February

This is the U.S. Public Finance Rating Action Report 2026 Year to Date (January 1, 2026 to February 6, 2026).

Access Report

Mon 09 Feb, 2026 – 2:47 AM ET

Fitch: Improved U.S. Airport Medians Support Numerous Rating Upgrades

Fitch Ratings-New York/Austin/San Francisco-09 February 2026: The U.S. airport sector has remained resilient through economic and airline industry challenges. This resilience is reflected in strong median financial metrics for general airport revenue bonds (GARB), highlighted in Fitch Ratings' latest peer review, which have outperformed pre-pandemic fiscal 2019 levels. Improved leverage, revenue generation, and liquidity have led to multiple rating upgrades and Outlook revisions across all Federal Aviation Administration (FAA) hub sizes in Fitch's rated portfolio over the last two years.

Fitch's primary rating metric for U.S. municipal airports, leverage, improved on a point-in-time basis. Net debt to cash flow available for debt service fell to 3.7x in fiscal 2024 from 4.0x in fiscal 2019. Leverage also improved on a forward-looking year-five basis, to 2.4x from 3.6x. Leverage declined across all hub sizes, with the large hub point-in-time metric dropping the most, to 5.2x from 6.7x. Airports have benefited from continued amortization of outstanding debt, more time to complete volume-driven projects, lower infrastructure wear and tear, and operating efficiencies from completing typically disruptive maintenance projects during the pandemic travel lull. Together with stronger revenue, airline use and lease agreements (AULs), and liquidity, these factors have helped alleviate post-pandemic and inflationary pressures on capital plans.

Portfolio-wide, the fiscal 2024 median for enplanements is slightly below the fiscal 2019 median. However, this reflects shifts in Fitch's rated public finance portfolio. The median for large hubs rose to nearly 26 million enplanements in fiscal 2024 from almost 24 million in fiscal 2019. The median for medium hubs rose to 5.2 million from 5.0 million, while the median for small hubs was largely flat. Small hubs are generally more vulnerable to airlines' scheduling and route changes and tend to be more regionally focused, with greater exposure to low-cost and ultra-low-cost carriers compared with large hubs. Large hubs typically serve primary markets with higher wealth and strong origin/destination demand which underpins higher airline yields. Large hubs can also support aircraft upgauging to funnel more passengers through fewer flights, and some may serve as connecting airports, boosting demand.

Continue reading.

Transport Finance in 2026: High-Speed Trouble, Express Lanes Rush

2026 will be the last year of the Infrastructure Investment and Jobs Act (IIJA). It was a historic law, and there will be a big debate over its inevitable post-mortem. That debate, and the negotiations over the surface transportation legislation to follow (see Poole, this edition), are two topics that Public Works Financing will be covering in earnest this year. However, while federal spending will continue to be the most powerful force in American transportation finance, there are a few trends

outside the D.C. beltway that PWF plans to cover in 2026 as well.

Two of biggest trends in the overlap between American transport megaprojects and private financing are the following: first, the American high-speed rail sector is on the ropes, and several privately financed projects or procurements may determine whether the sector rebounds or implodes in 2026. Second, the priced managed lanes industry is poised to continue its boom from 2025, and 2026 could be its biggest year yet.

These are the transportation finance trends that PWF will be keeping an eye out for going into 2026. Are we missing anything? If there are other topics, trends or projects that you think we should pay attention to this year, then let us know at contact@publicworksfin.com.

Continue reading.

Public Works Financing

by Michael Bennon

December 2025

Key Commercial Considerations for Agencies Planning Express Lane P3s.

Priced managed lanes are having their moment. For decades after their mid-20th-century conception, only a handful of projects reached operation, and most were regarded as risky bets. They were difficult to forecast, dependent on government subsidies, and met with skepticism from both investors and the public. Over the past fifteen years, the narrative has shifted. Today, procuring and operating a public-private partnership (P3) priced managed lane (PML) on the right corridor is approaching routine.

Recent developments illustrate this transformation. Georgia's 15-mile-long SR-400 Express Lanes recently closed with the winning consortium covering the $4.7 billion construction cost and a $3.8 billion upfront payment. These figures would have seemed impossible a decade ago. Rating agencies, once skeptical, are now upgrading the credit of operational assets, recognizing their sustained performance through COVID-19's disruptions. P3 PML projects have routinely exceeded revenue expectations and investor appetite for managed lane debt is robust.

Three developments explain why priced managed lanes have become viable and attractive to both owners and investors. First, familiarity breeds acceptance. With dozens of facilities now operating, priced managed lanes are becoming normalized. The public accepts, if not always enthusiastically, that reliable mobility comes at a price.

Continue reading.

Public Works Financing

by John Brady, Jonathan Startin, and Noah Jolley

December 2025

S&P U.S. Municipal Water And Sewer Utilities Rating Actions, Fourth-Quarter 2025

Overview

S&P Global Ratings took 19 rating actions, made 32 outlook revisions, and placed three ratings on CreditWatch within the U.S. municipal water and sewer utilities sector in fourth-quarter 2025. We also affirmed 88 ratings with no outlook revisions.

Continue reading.

05-Feb-2026 | 13:02 EST

S&P ESG In Credit Ratings 2025 In Review: Physical Risk-Driven Rating Actions Increased

Read the S&P Report.

06-Feb-2026

Inside Active: Rockefeller's Petrone on Active Muni Advantages - Bloomberg Podcast

Actively managed municipal bond funds continue to attract strong investor interest, with active mutual funds taking in over $24 billion and active muni ETFs seeing over $22 billion in net flows last year. In this episode of Inside Active, host David Cohne, mutual fund and active management analyst at Bloomberg Intelligence, speaks with Alex Petrone, head of fixed income and head of distribution for the Americas at Rockefeller Capital Management, about the advantages of active management in the municipal bond market. They discuss why the steep municipal yield curve presents compelling investment opportunities, how active managers can exploit inefficiencies in a highly fragment market and why municipal bonds have historically shown resilience during economic downturns. The conversation also explores how technology is reshaping municipal credit research and portfolio construction. The podcast was recorded on January 27th.

Listen to podcast.

Bloomberg

Feb 03, 2026

Munis Need to Manage Fed Chair's Views: BI's Gastall

Matthew Gastall, head of municipal strategy and research for Bloomberg Intelligence, joins

“Bloomberg Real Yield”. A new Fed chair has sweeping implications for markets, especially municipals. The dichotomy between continued policy accommodation and a potential push for balance-sheet reduction has reignited debate over the yield curve’s trajectory.

Watch video.

Bloomberg Intelligence

Feb 6th, 2026

JPMorgan Says Bespoke Muni-Bond Accounts Grew to $1.3 Trillion.

Demand for tailor-made investments is fueling a surge in personalized portfolios of municipal bonds.

Separately managed accounts that invest in muni assets now hold an estimated $1.3 trillion across 180 managers, according to JPMorgan Chase & Co. That’s up 6% from a year ago.

Once designed for only the wealthiest investors, so-called SMAs have become popular with a broader range of clients as account minimums decrease. These portfolios are run by a professional money manager, but each client owns the securities directly instead of in a pool with other investors, like with mutual funds. That allows for a greater degree of personalization and enhanced tax-loss harvesting.

Continue reading.

Bloomberg Markets

By Aashna Shah

February 9, 2026

NYT: A Municipal Debt Boom Is Driving Public Projects and Tax Breaks for Investors

Municipal debt issuance surpassed $500 billion last year, a record that’s found a deep pool of buyers.

Across America, state and local governments have been selling bonds at a record clip to finance projects like airports, roads and utilities.

They have found a deep pool of buyers keen on realizing the tax-exemption benefits from holding this municipal debt, which also provides relatively high returns.

Borrowing in the municipal bond market surpassed $500 billion last year, breaking the $498 billion record set in 2024. The “muni market” is now worth well over $4 trillion, roughly equivalent to the market capitalization of Nvidia, the chip maker that has soared on the artificial intelligence boom, driving stocks to record highs.

“People really don’t understand how big this market is and how it impacts a lot of things that everybody does every day,” said Mike Bartolotta, an executive managing director and co-head of public finance at Hilltop Securities, a firm that specializes in municipal sales. “You drive to work, you go to school, you flush the toilet, you drink water? You’re likely going to use something that’s been touched by municipal securities.”

Continue reading.

The New York Times

By Talmon Joseph Smith

Jan. 28, 2026

Longer Dated Muni Bonds See Uptick in Demand on Elevated Yields.

Takeaways by Bloomberg AI

- Money managers say long-dated US state and local debt still look appealing despite municipal bonds getting increasingly expensive this year.
- Funds investing in long-term munis pulled in more than $800 million each week for the first three weeks of 2026, according to LSEG Lipper Global Fund Flows data.
- Benchmark 30-year munis offer about 1.6 percentage points more yield than 10-year munis — the highest level since 2013, according to data compiled by Bloomberg.

Continue reading.

Bloomberg Markets

By Maxwell Adler and Elizabeth Rembert

January 28, 2026

S&P: Prolonged Cold Spell Could Pressure U.S. Not-For-Profit Electric Utilities Ratings

Key Takeaways

- S&P Global Ratings is monitoring potential unbudgeted power-procurement costs and damages facing public power and electric cooperative utilities as a result of the Jan. 25-26 severe weather event referred to as Winter Storm Fern.
- In particular, the storm’s freezing rain and ice caused historic levels of customer outages throughout the Nashville Electric Service (NES) territory, but based on its initial infrastructure assessments, we believe NES is well positioned to absorb financial impacts given its strong liquidity position ($519 million), which provides a bridge to federal aid.
- The storm led to increased demand for heat and power, causing widespread spikes in natural-gas spot and wholesale electricity prices across power markets both in and beyond Tennessee, and the financial metrics of our rated utilities in the region may be pressured if cost-recovery practices do

not dynamically recover costs.

Following the winter storm, frigid temperatures and potential credit pressures remain beyond the damage that caused power outages of varying severity, particularly in Tennessee and Mississippi. NES experienced the highest percentage of customer outages of any of our rated not-for-profit electric utilities. As the extreme cold temperatures linger across the nation, particularly in the Electricity Reliability Council of Texas (ERCOT), PJM Interconnection LLC (PJM), and Midcontinent Independent System Operator (MISO) independent system operator (ISO) regions, S&P Global Ratings will monitor the size of unbudgeted storm-recovery, fuel, and power-procurement costs facing our rated public power and electric cooperative utilities. Even utilities that did not experience storm-related infrastructure damage could face credit pressures because of elevated and unbudgeted fuel- and power-procurement costs during extremely cold weather.

Continue reading.

29-Jan-2026

Fitch: US Public Power Systems Resilient Following Winter Storm Fern

Fitch Ratings-New York-02 February 2026: Despite the expansive winter storm and subfreezing temperatures that affected large portions of the Midwest, South, and Eastern U.S. last week, U.S. public power systems largely avoided systemic power outages and material operational impacts that could weaken utility finances and credit quality, Fitch Ratings says.

Ahead of the storm, regional grid operators and federal agencies took steps to preserve reliability. The U.S. Department of Energy issued emergency orders to expand dispatch flexibility and enable use of backup generation at large loads.

Grid operators in affected regions reported periods of elevated market prices. They cited demand spikes from frigid temperatures and power plant outages relating to tight natural gas supplies in parts of the country. However, available resource capacity broadly exceeded demand, and overall grid reliability was more robust than during Winter Storm Uri in 2021 and Winter Storm Elliot in 2022. The recent storm was less severe in terms of duration and frigid conditions across the South than those events. Improved reliability may also reflect winterization investments in natural gas infrastructure in Electric Reliability Council of Texas (ERCOT) and other markets.

Grid operators have also taken steps to bolster reliability. For example, the Southwest Power Pool increased its winter planning reserve margin to 36% for the 2026/2027 season. Planning reserve margins represent the amount of back-up power utilities must have to protect against unplanned conditions or events on the regional power grid.

News reports indicate significant loss of life and damage from the storm system, with at least 140 confirmed fatalities and over a million utility customers who lost power. Localized damage largely due ice accumulation and downed trees drove most outages, particularly in the South.

In the hard-hit mid-south region, the Tennessee Valley Authority (AA+/Stable) restored transmission service to all local power companies. Nashville Electric Service (AA+/Stable) outages peaked at about 230,000, and the utility is working to restore power to about 25,000 customers. Extensive mutual aid agreements among utilities provide a framework for assistance and cooperation to get power restored as quicky and safely as possible. However, crews will need time to fully address all

damage.

Fitch-rated municipally owned systems typically maintain robust liquidity balances that they can use for emergency infrastructure repairs. The majority of systems reported an excess of 225 days cash on hand at fiscal YE 2024. Many also maintain additional liquidity facilities to bridge timing gaps between restoration costs and available cost reimbursement by the U.S. Federal Emergency Management Agency (FEMA). FEMA typically reimburses around 75% of restoration costs. President Trump approved federal emergency disaster declarations for 12 states, mostly in the South, allowing these states to access FEMA support.

Forecast temperatures remain well below seasonal averages across the Midwest and East. Spot prices for natural gas and wholesale power remain above normal ranges. Retail customers may see higher monthly bills as utilities pass through some costs from this period, but Fitch does not expect these alone to materially affect credit quality. Fitch-rated public power utilities typically protect against price volatility through hedges and other mitigation strategies that reduce risks to operating costs from unfavorable market prices, which further insulates credit quality.

Affordable Housing Proposal Targets Individual Investors: Novogradac

Congress took enormous steps forward last summer to increase the nation's supply of affordable rental housing by expanding and enhancing the low-income housing tax credit (LIHTC) in the One Big Beautiful Bill Act (OBBBA). Now it's time to further encourage preservation of the existing stock with an affordable rental housing tax incentive targeted to a largely untapped investor market: individuals.

A proposed tax incentive–expected to be introduced in Congress early this year–would pave the way for nonprofit owners of affordable rental housing to syndicate tax losses to individuals to help facilitate the rehabilitation of existing homes. Novogradac estimates that the proposed incentive could renovate and preserve 250,000 to 333,000 affordable rental homes over 10 years.

The proposal comes at a time when a significant number of existing properties need rehabilitation funding and are approaching the end of their agreed-to affordability period.

Continue reading.

Novogradac

by Michael J. Novogradac, CPA

Fitch Ratings Updates Affordable Housing Rating Criteria.

Fitch Ratings-New York/Chicago/San Francisco-28 January 2026: Fitch Ratings has updated its "Affordable Housing Rating Criteria." The update consolidates 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. It covers affordable, mixed-income, military, workforce, senior, student and other types of affordable housing. Fitch does not expect any outstanding ratings to be affected by the criteria changes.

Fitch published an exposure draft of the criteria report on Oct. 15, 2025. We received one external written feedback response and one informal verbal comment in response to Fitch's proposed criteria revisions. The key changes to the consolidated 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;

–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.

In response to the feedback and further internal review and validation, Fitch made revisions and clarifying edits to the criteria. A feedback report published with the updated criteria summarizes these changes. Both reports are available at www.fitchratings.com.

Fitch Feedback Report: Affordable Housing Rating Criteria

Read the Fitch Feedback Report.

Wed 28 Jan, 2026 – 4:30 PM ET

S&P U.S. Charter Schools Rating Actions, 2025

Overview

In 2025, S&P Global Ratings lowered almost twice (29) the number of ratings than that it raised (15) across its rated universe of U.S. charter schools. Similarly, the number of charter school issuers for which we revised the outlook to negative (15) outpaced the number of outlook revisions to both stable (11) and positive (10) taken across our rated sector.

Continue reading.

28-Jan-2026 | 14:26 EST

S&P U.S. Higher Education Rating Actions, 2025

In 2025, S&P Global Ratings assigned 11 ratings, raised 12 ratings, and lowered 30 ratings on U.S. colleges and universities. While we revised our 2026 higher education sector outlook to negative from bifurcated, our rating actions during 2025 demonstrated a widening in credit quality for a fourth consecutive year, as the majority of the downgrades occurred at the lower end of the ratings

distribution. With threatened cuts to research funding and uncertainty on federal policies, strong institutions maintained their market position, healthy balance sheets, and fundraising, while struggling institutions faced enrollment challenges resulting in operational pressure and liquidity issues.

Continue reading.

27-Jan-2026 | 13:21 EST

ACA Subsidy Rollback: A Broader Credit Story for Public Finance - Kroll

KBRA expects an increase in uncompensated care across the health care ecosystem following the expiration of enhanced premium tax credits at the end of 2025, although the magnitude of the impact remains uncertain. This trend has negative credit implications for hospitals and creates knock-on pressures for states already facing budgetary constraints stemming from the One Big Beautiful Bill Act (OBBBA).

While there are proposals in Congress to address the expiration of the enhanced premium tax credits, none represent a long-term solution, and enactment remains uncertain. In KBRA's view, the risk of rising uncompensated care and mounting financial pressures at the state and local levels will remain ongoing credit concerns.

Key Takeaways

- Absent congressional action, enhanced premium tax credits will not be renewed, and current legislative proposals do not offer a long-term solution.
- Hospitals are likely to absorb the cost of increased uncompensated care, which will not be fully addressed by existing public programs designed to mitigate shortfalls.
- Policy changes in Washington are shifting greater responsibility for funding certain federal programs to state and local governments, with some states expanding subsidies to partially offset higher premiums.
- Given constrained governmental budgets and gloomy consumer sentiment,1 these dynamics amount to a zero-sum game and will continue to pressure the credit profiles of municipal issuers.

Background

An enhanced premium tax credit is a refundable credit that helps offset the cost of health insurance premiums for individuals purchasing coverage through the Affordable Care Act (ACA) marketplace. To qualify, a household must not be eligible for employer-sponsored insurance, Medicare, or Medicaid, and household income must not exceed 400% of the federal poverty level (FPL).

Premium tax credits were temporarily enhanced under the American Rescue Plan Act (ARPA) through removing the FPL income cap, increasing the value of the credit, and capping premiums as a percentage of income. These enhancements were subsequently extended through the Inflation Reduction Act (IRA). As of the end of 2025, the enhanced premium tax credits expired, effectively reverting eligibility and benefit levels to their pre-pandemic framework, including the reinstatement of the 400% FPL income cap. In KBRA's view, the absence of these enhancements is likely to result in a decline in the covered population and a meaningful increase in net premiums for those who maintain coverage, developments that could have negative credit implications across several sectors.

Various projections have outlined the possible effects of the expired enhanced premium tax credit on the insured population.2 , 3 For example, the Congressional Budget Office (CBO) estimated that letting the enhanced premium tax credits expire at the end of 2025 would increase the number of uninsured Americans by about 4.2 million by 2034 relative to a permanent extension of the credits. KBRA notes that most projections to date have overstated actual enrollment declines. The Centers for Medicare and Medicaid Services (CMS) reports4 that for states using the HealthCare.gov platform and state-based exchanges, approximately 22.8 million individuals enrolled in or were automatically renewed for coverage during the 2026 open enrollment period, a decline of 830,000 from approximately 23.6 million people at the same time last year.

KFF notes that enrollment declines have been less pronounced than projected, partly because reported figures reflect early plan selections rather than confirmed, paid coverage; as a result, final enrollment data will be necessary to fully assess the true impact on the covered population.

What Is the Effect of Uncompensated Care on Hospitals?

Uncompensated care places direct financial pressure on hospitals, but its reverberations extend beyond the health care sector, increasingly shifting the burden of addressing coverage gaps to the public sector.

- Hospitals absorb the cost of uncompensated care without reimbursement, compressing margins. Rising levels of uncompensated care often result in higher accounts receivable and increased write-offs, negatively affecting cash flow.
- Federal and state disproportionate share hospital (DSH) payments only partially offset these costs. State-level federal DSH allotments may cap total payments regardless of the level of uncompensated care, while hospital-specific DSH limits may further constrain the amount any individual hospital can receive.
- Thin margins at safety-net and rural hospitals may be further strained. These providers disproportionately serve uninsured and Medicaid patients, who are more likely to generate uncompensated care. Lower patient volumes at rural hospitals amplify the impact, as fixed costs are spread across fewer reimbursable cases.
- Unprofitable services are at heightened risk of reduction or elimination, including in areas where access to care is already limited. Hospitals often cut unprofitable service lines to preserve overall cash flow, potentially requiring patients to travel longer distances for care and increasing the risk of delayed access to time-sensitive treatment.

How Is Uncompensated Care Addressed and How Are States Responding?

The burden of uncompensated care is expected to fall disproportionately on safety-net hospitals, providers in Medicaid non-expansion states, and rural hospitals. There is no single funding mechanism for uncompensated care; instead, costs are addressed through a patchwork of the following public programs and health care provider strategies:

- DSH payments from federal and state governments partially fund clinical care provided to low-income, underinsured, and uninsured patients.
- Additional support is provided by state and local governments through various supplemental programs funded by a mix of appropriations, tax revenues, intergovernmental transfers, and other state premium subsidies.
- As public funding becomes more constrained, some hospitals may seek to shift a portion of the cost burden to private insurers through higher rates paid by the insured population.
- Many hospitals and health systems are increasingly emphasizing population health initiatives that aim to shift the focus from reactive care to proactive wellness. Providers may pursue available

federal and state grants to support population health-related investments.

Some states have expanded their health care subsidies to partially offset higher premiums. However, most states did not fully bridge the gap between insurance costs prior to the expiration of the enhanced premium tax credits and costs in the absence of those credits.

Cumulative Pressure on States: The Knock-on Effects

As outlined in KBRA's previous research on the OBBBA and the Federal Emergency Management Agency (FEMA) (see Related Publications section), policy changes in Washington are transferring greater responsibility for funding certain federal programs—particularly indigent care—to state and local governments. Given constrained governmental resources and current gloomy consumer sentiment, these shifts effectively represent a zero-sum game.

- A declining federal share of Medicaid and the Supplemental Nutrition Assistance Program (SNAP) would require states to absorb a greater portion of program costs, materially increasing their cost burden.
- As Medicaid eligibility standards tighten, volumes of uncompensated care are likely to rise, particularly at safety-net hospitals. Many of these providers already operate with minimal financial flexibility and may be forced to rely on additional state or local support or, in more severe cases, cease operations. Political pressure on state and local governments to support safety-net hospitals—especially in rural areas—could therefore intensify.
- Congressional and Trump Administration review of FEMA's role and responsibilities remains ongoing. If states and localities are required to assume a larger share of disaster recovery costs previously covered by FEMA, future federal funding may not be commensurate with current support levels, potentially constraining budgetary capacity to absorb higher costs associated with charity care.

Conclusion

KBRA has previously commented on the transfer of responsibility for certain federal programs to state and local governments. In an environment of constrained resources, these governments face difficult decisions around funding critical social welfare programs. KBRA will continue to monitor congressional legislative efforts related to the expired ACA enhanced premium tax credits, their implications for the nonprofit health care sector, and the broader set of countervailing pressures buffeting states.

Kroll Bond Rating Agency

28 Jan 2026

2026 FEMA Public Assistance Program Eligibility and Top Ten Tips to Protect Funding: Baker Donelson

A historic, widespread, and long-lasting winter storm is in progress, bringing destructive ice and heavy snow from the Plains to the Midwest and Northeast. Forecasts indicate dangerous travel conditions for days, and parts of the South are seeing catastrophic ice accumulations with significant power outages and tree damage. On the heels of Winter Storm Fern is another quickly developing major winter event expected to hit the coastal South.

These events, and more, come at a time when there remains significant uncertainty about the current status and future of the Federal Emergency Management Agency (FEMA). As of January 25, FEMA has issued 12 emergency declarations but next steps remain uncertain. Even with the competing priorities and preferences, all seem to agree that the assistance provided by FEMA will be more restrictive going forward. As such, it is more important than ever to be diligent in these early days and do as much as possible to protect eligibility for funding assistance in the event that a federal major disaster declaration is issued.

Snow and Winter Storm Declarations Under FEMA's Public Assistance Program

First, it is important to understand what is likely to be declared and what the corresponding eligibility might include. Historically, FEMA's approval of funding related to snow events has been more limited than other natural disaster events. FEMA's guidance specifically provides that, for eligibility to be considered, the impacted state must request and be issued a major disaster declaration that must include a request for snow assistance as part of that declaration. However, the difficulty in getting such a declaration cannot be over-stated – snow-related activities, including snow removal, de-icing, salting, snow dumps, and sanding of roads and other eligible facilities, is only an eligible emergency protective measure when a winter storm results in record or near-record snowfall.

Continue reading.

by Wendy Huff Ellard and Danielle M. Aymond

January 26, 2026

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January 26, 2026

Why the Catastrophe Bond Market Is So Hot Right Now.

Key Points

- Catastrophe bonds are known to offer highly attractive equity-like returns, low volatility and low correlation to broader financial markets.
- A subset of insurance-linked securities, CAT bonds have emerged as an increasingly mainstream financial instrument for investors.
- "It was just a shift, I think, mentally for everybody that looks at this space. We expect that now to continue from here on in," Andy Palmer, head of ILS structuring for EMEA and APAC at Swiss Re, told CNBC by video call.

Continue reading.

cnbc.com

by Sam Meredith

Mon, Feb 2 2026

Fitch U.S. Public Finance: 2026 Rating Actions to 30 January

This is the U.S. Public Finance Rating Action Report 2026 Year to Date (January 1, 2026 to January 30, 2026).

Access Report

Mon 02 Feb, 2026 – 3:02 AM 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

Fri 30 Jan, 2026 – 9:43 AM ET

Fitch ESG Sector Mapping Compendium.

Read the Fitch Compendium.

Thu 29 Jan, 2026 – 11:00 AM ET

Fitch Ratings Publishes General ESG Approach.

Fitch Ratings-Paris-29 January 2026: Fitch Ratings has published Fitch General ESG Approach, a report which details Fitch Rating's approach to addressing environmental, social and governance (ESG) considerations in its credit ratings.

Fitch's credit analysis factors in ESG considerations to the extent they are relevant and material to a credit rating decision. The report discusses Fitch's approach to assessing and disclosing the relevance and materiality of ESG considerations to Fitch's credit rating decisions for global public international-scale ratings across different sectors: corporates, financial institutions, structured finance, covered bonds, sovereigns, supranationals, public finance, and global infrastructure.

For different sectors or sub-sectors, Fitch maps the specific issues that may drive its assessment of the relevance and materiality of ESG general issues to the credit rating decision to the relevant rating drivers, rating factors, or analytical considerations addressed in our applicable criteria. An overview of this mapping is detailed in our accompanying report, Fitch ESG Sector Mapping Compendium.

Fitch discloses the relevance and materiality of ESG considerations to individual credit rating

decisions through its ESG relevance scores (ESG.RS). ESG.RS are not an input into the credit rating process but provide transparency on ESG-related credit risks that influenced the determination of credit ratings.

Public or Private? For Tribes, Access to Bond Markets Carries Cost Considerations.

Tribes can face higher expenses for public bond offerings than they face for private placements

Municipal bonds are a basic tool of public finance. Local and state governments rely on these debt obligations to pay for an array of capital projects, like roads, schools, and water systems. For tribal governments, however, use of municipal bonds is a different story. For example, as explored in previous Center for Indian Country Development (CICD) research, tribal governments have fewer allowable uses for their tax-exempt bonding than local and state governments have.

Recently, we explored another limitation on tribal bonding: tribes are likely to face higher costs for issuing bonds in the public market than other governments in the United States face. When we ran hypothetical scenarios of different tribal bond placements, we found that if a specific legal exemption that other governments receive applied to tribes, tribal public bond offerings could be more cost-effective. Our work to better understand tribal bonding is part of CICD's mission to advance economic self-determination and prosperity in Indian Country through actionable data and research that inform public policy discussions. This work aligns with the Federal Reserve Bank of Minneapolis' broader mission to pursue an economy that works for all of us.

Public offerings vs. private placements

When offering bonds to potential investors, issuers choose between public offerings or private placements. A public offering means an issuer is choosing to sell bonds in the public market, made up of all interested investors. A private placement means an issuer is choosing to sell bonds to select investors or a class of investors.

Continue reading.

Federal Reserve Bank of Minneapolis

Authors

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January 30, 2026

Tax Code Constraints Limit Tribal Tax-Exempt Bonding.

Legal barriers may contribute to tribal governments' lower usage of tax-exempt bonds

Article Highlights

- Tribal citizen per capita tax-exempt bond proceeds fall below U.S. residents as a whole
- Legal constraints to issuing bonds and raising government revenue likely contribute to gap
- Further analysis requires more complete tribal bond data

Tax-exempt municipal1 bonds play an important role in financing the construction of public purpose projects and supporting private development across the country. For a given level of risk, tax-exempt debt can offer a lower cost of capital than financing the same project using taxable debt.2 Tribal governments, however, face both legal and debt service barriers to using this important financing mechanism available to state and local governments. These barriers can create challenges for tribes seeking to access the half-trillion-dollar annual tax-exempt municipal bond market for low-cost capital financing.

Continue reading.

Federal Reserve Bank of Minneapolis

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April 25, 2024

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.

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.

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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.

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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.

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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.

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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.

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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

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