

Debt Ceiling Deal Likely to Avert Default, Not Expected to Claw Back State & Local Govt. Fiscal Aid

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- Lawmakers agreed on a framework debt ceiling agreement and the draft legislation is titled the Fiscal Responsibility Act of 2023.
- The House is expected to vote on the plan on Wednesday (May 31) and it may take the Senate until the weekend to vote. We expect it will become law before the new "X-date" of June 5.
- We are not expecting Coronavirus State and Local Recovery Funds to be included in the unspent COVID-recovery money clawed back as part of the agreement.
- We only saw relatively small differences in the AAA municipal benchmark on Tuesday (May 30) compared to where AAA MMD closed on Friday before the extended holiday weekend. Download the full article

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