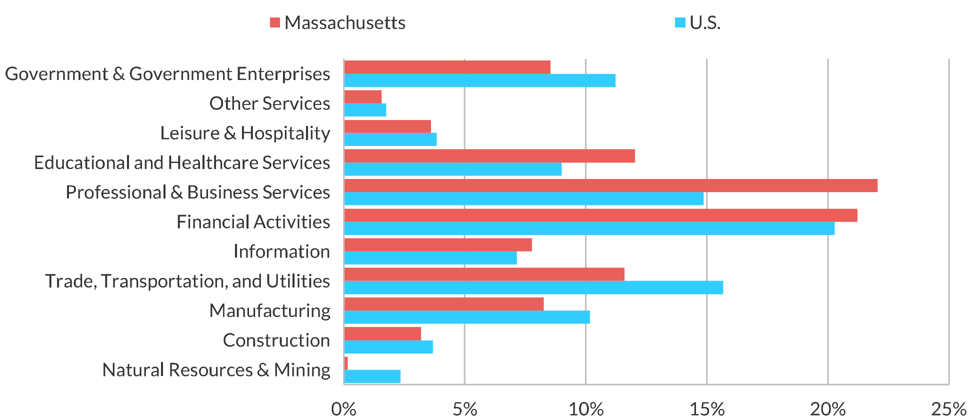
FitchRatings

Commonwealth of Massachusetts

The Commonwealth of Massachusetts' 'AA+' Long-Term IDR reflects its considerable economic resources, effective management of economic and revenue cyclicality and strong budget controls. The commonwealth's long-term liability burden for debt and Fitch-adjusted net pension liabilities (NPLs) remains well above the U.S. state median, but still represents a moderate burden on resources.

Components of Real GDP



Source: Fitch Ratings, DIVER by Solve, U.S. Bureau of Economic Analysis

Population Data Overview

	Massachusetts	U.S.
Total population (2024)	7,136,171	340,110,988
1990–2000 (% growth)	5.5	13.2
2000–2010 (% growth)	3.1	9.7
2010–Present (% growth)	9.0	10.2

Source: Fitch Ratings, DIVER by Solve, U.S. Census Bureau

Public Finance
State General Obligation
United States

Ratings

Long-Term IDR	AA+

Outlooks

Long-Term IDR	Stable

New Issues

$300,000,000 General Obligation Bonds, Consolidated Loan of2025 Series E	AA+
$450,000,000 General Obligation Bonds, Consolidated Loan of2025 Series F	AA+

Sale Date

Aug. 5, 2025, via competitive bid

Outstanding Debt

Issuer Ratings Information

Applicable Criteria

U.S. Public Finance Local Government Rating Criteria (April 2024)

Related Research

Fitch Rates Massachusetts Bay Transportation Auth's $992MM Sr. Sales Tax Bonds 'AAA'; Outlook Stable (June 2025)

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Key Rating Drivers

Revenue Framework - 'aaa'

Tax revenues are diverse but dominated by individual income taxes, which are sensitive to economic conditions, particularly the components related to capital gains. Baseline growth prospects for tax revenues are strong and expected to match national GDP, driven by the commonwealth's diverse underlying economy, which includes a significant knowledge-based industry component.

Expenditure Framework - 'aaa'

Like most states, Massachusetts' natural pace of spending growth is likely to slightly exceed expected revenue growth over time, requiring ongoing cost control. The commonwealth has ample ability to reduce spending through the economic cycle.

Long-Term Liability Burden - 'aa'

Long-term liability levels in Massachusetts, while comparatively high for a U.S. state, are a moderate burden on resources. The commonwealth's above-average liability position is partly the result of state funding of both capital needs and pensions that are more commonly funded at the local level in other states, primarily for K-12 education.

Operating Performance - 'aaa'

The commonwealth has superior gap-closing capacity, supported by conservative budgeting, ongoing fiscal monitoring, and a requirement to cut spending in response to emerging revenue gaps. Gap-closing capacity is also supported by a funding mechanism that redirects a portion of economically sensitive capital gains tax receipts into the stabilization fund, which functions as the commonwealth's rainy-day fund.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A slowing of economic growth that signals the commonwealth's revenue growth prospects will trail national economic growth, closer to the long-term inflation rate.
- Rapid growth in spending demands, particularly for fixed costs such as pension liabilities, that weakens Massachusetts' expenditure flexibility and historically strong operating performance.
- An increase in long-term liabilities, resulting in a liability burden that consistently exceeds 20% of personal income.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Continued efforts to maintain structural balance during periods of economic growth, particularly in light of elevated carrying costs given ongoing pension funding demands and capital plans, and/or preservation of reserves at or near current levels could lead to improvement in Fitch's assessment of budget management.
- A sustained reduction in the long-term liability burden closer to or below 10% of personal income, accompanied by a reduction in carrying costs.

Economic Resource Base

Massachusetts has a broad and wealthy economy. Education levels are high, and although population growth is below the U.S. average, it is strong for the Northeast region. Strong healthcare, technology, and education sectors have supported GDP growth in line with the nation's and position the commonwealth for solid future gains. Massachusetts is the second-wealthiest state in the nation in terms of per capita personal income.

IDR Current Developments

Massachusetts Economic Update

Massachusetts suffered a more severe job market shock than the nation as a whole early in the pandemic, with nonfarm payrolls falling 18% from February to April 2020, steeper than the 15% national decline for that period. Although Massachusetts had subsequently fully recovered lost employment, recent performance has been weak and was slightly below the pre-pandemic level as of June 2025, at -0.5%, well below the national post-pandemic employment expansion of 4.9%. Massachusetts' unemployment rate had been trending below the U.S. rate through late 2024, but was 4.8% in June, above the U.S. rate of 4.1%. The commonwealth's employment-to-population ratio (EPOP) of 63.7% as of June 2025 compares favorably to the national EPOP of 60.2%, even if marginally below its pre-pandemic ratio of 64.0%.

Massachusetts Budgetary Update

For the first time in many years, Massachusetts enacted a virtually on-time budget just after the start of the July 1 fiscal year. Massachusetts's revenues exceeded forecast in fiscal 2025, with tax revenues up 7% yoy as of the mid-June report. The benchmark for the year assumed modest 2% yoy growth. The fiscal 2026 budget is based on a consensus tax revenue estimate of $43. 6 billion that incorporates 2.2% growth in tax revenues relative to the revised fiscal 2025 benchmark, with an additional $2.4 billion available for distribution to transportation and education initiatives from the 4% "Fair Share" surtax on personal income over $1 million. After modest vetoes, the $60.9 billion fiscal 2026 budget for all operating funds increases spending $3 billion yoy (5%) and, as in fiscal 2025, dedicates increased spending to education and transportation initiatives.

The "Fair Share" surtax has been generating higher revenues than anticipated, allowing the commonwealth to make a sizeable $1.3 billion supplemental appropriation for fiscal 2025 from excess fiscal 2023 and 2024 collections. The supplemental appropriation provides $758.8 million in transportation funding, including one-time funding for infrastructure as well as operating support for the Massachusetts Bay Transportation Authority (MBTA). The balance of the supplemental appropriation provides $561.4 million for education including early childhood education and care, K-12, and higher education.

The fiscal 2026 budget similarly relies on the Fair Share surtax to increase funding for education and transportation. Although the governor and legislature had previously agreed to limit the appropriation to $1.95 billion, below the forecast of $2.4 billion, the budget appropriates the full $2.4 billion, with $1.7 billion going to education and $712 million to transportation. K-12 schools will receive $760 million, higher education $266 million, and early childhood education and childcare $469 million. Of the surtax funds going to transportation, the MBTA will receive $470 million in operating support and $550 million will be transferred to the Commonwealth Transportation Fund, where it is expected to be used to leverage over $5 billion in new borrowing. In addition to increased funding from the income surtax, other notable spending items include a 7% increase, to $7.36 billion, in chapter 70 aid to cities and towns to more fully fund the school funding formula, $1.64 billion for higher education, and $1.1 billion for financial assistance related to childcare.

Although spending is increasing, the commonwealth also took steps to restrain some areas of spending and to increase resilience to potential economic and federal funding uncertainty. The budget extends a state government hiring freeze through fiscal 2026, eliminates a proposed 2% raise for executive branch employees, and holds back $125 million in funds earmarked for local projects until later in the fiscal year. The governor is also seeking authority to make unilateral mid-year spending cuts to parts of state government beyond the executive branch if revenues fall short of budget by more than $400 million.

Reserves Remain Well Funded

Reserves remain high, with the stabilization fund -- the commonwealth's budget reserve -- reaching $8.2 billion as of the end of fiscal 2025, roughly equal to 19.7% of tax revenue and 12.5% of total budgeted revenues.

The commonwealth enacted legislation that allocates a portion of stabilization fund interest earnings to fund capital investments through 2026, including to provide matching funds for federal discretionary grant opportunities and debt reduction. The legislation will limit the transfers to years in which the balance of the fund in the most recently ended fiscal year grew relative to the prior year and exceeds 10% of all budgeted revenues for all budgeted funds. Given the stabilization fund's current balance, Fitch does not believe transferring interest earnings for two fiscal years would negatively affect the gap-closing capacity provided by the fund.

Credit Profile

Revenue Framework

General fund resources are derived primarily from individual income, sales and corporate income taxes. The first two are particularly important, with approximately 58% of fiscal 2025 tax revenues coming from individual income taxes and another 24% from sales taxes. The individual income tax is levied at flat rates based on income type. A 5% rate has been applicable to most income categories since Jan. 1, 2020, under a statute that had gradually reduced the rate from 5.3% beginning Jan. 1, 2012. The statute also reinstated the state charitable deduction as of Jan. 1, 2023, after delays in the fiscal 2021 and 2022 budgets.

As noted, voters approved the Fair Share surtax, a permanent 4% surtax on personal income over $1.0 million, in November 2022, which became effective in the 2023 tax year. Surtax revenue collections were well above the forecast $1.0 billion, at $2.4 billion, in fiscal 2024, allowing the legislature to enact supplemental spending of $759 million for transportation and $561 million for education. Fair Share revenues are dedicated to education and transportation programs.

Solid economic fundamentals and a diverse revenue system are the basis of a revenue profile that is likely to approximate national GDP growth over time, although growth may be limited by the Chapter 62F tax revenue growth limit. Chapter 62F caps the amount of revenue the commonwealth may collect in any given fiscal year relative to the rates of wage and salary growth in the commonwealth. Once the limit is exceeded, the commonwealth must refund any excess revenues via income tax credits, as was the case in fiscal 2023 when the commonwealth refunded $2.9 billion of excess fiscal 2022 tax revenues, marking the first time since 1987 that the limit was triggered.

The commonwealth has no significant legal limitations on its ability to raise revenues. The Chapter 62F tax revenue growth limit has not hindered the commonwealth's ability to manage its revenue resources. The voter initiative environment has periodically been active and certain revenues have been affected by past voter petitions, notably property taxes. Importantly, the legislature retains the ability to make changes to statutes passed by successful voter initiative petitions.

Economic Data Overview

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10-year CAGR
Total nonfarm employment (% change)												
Massachusetts	2.0	2.0	1.9	1.3	1.1	1.5	-8.3	3.8	4.0	1.2	0.1	0.8
U.S.	1.9	2.1	1.8	1.6	1.6	1.3	-5.8	2.9	4.3	2.2	1.3	1.3
Labor force (% change)												
Massachusetts	1.8	0.7	0.9	2.0	2.5	0.7	-2.7	-0.3	0.9	1.1	2.5	0.8
U.S.	0.3	0.8	1.3	0.7	1.1	0.9	-1.7	0.3	1.9	1.7	0.6	0.8
Unemployment rate (% labor force)												
Massachusetts	5.7	4.8	4.0	3.8	3.5	3.0	9.3	5.3	3.6	3.5	4.0	4.5
U.S.	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0	4.8
Personal income (% change)												
Massachusetts	4.5	6.6	3.8	4.8	5.3	4.9	6.7	8.1	2.7	5.4	5.7	5.4
U.S.	5.1	4.7	2.7	4.9	5.1	4.8	6.8	9.2	3.1	5.9	5.4	5.2
Real GDP (% change)												
Massachusetts	1.9	3.7	1.4	1.6	3.6	3.1	-1.2	6.5	2.0	1.2	2.9	2.5
U.S.	2.5	2.9	1.8	2.5	3.0	2.6	-2.2	6.1	2.5	2.9	2.8	2.5

Source: Fitch Ratings; DIVER by Solve, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

Expenditure Framework

Massachusetts' expenditure profile is very broad, driven by an expansive scope of services. Medicaid and other social services are the largest single spending commitments, at just over half of general fund spending. Education is also a significant commitment, with extensive commonwealth funding of local schools and a broad higher education network. Funding formula changes for local schools under the 2019 Student Opportunity Act (SOA) are intended to address needs in districts with higher concentrations of poverty.

The SOA was expected to result in a seven-year, $1.5 billion ramp-up of formula funding beginning in fiscal 2021, but the pandemic delayed the initial increases. The commonwealth's education commitment extends to covering local teacher pension liabilities but not the liability associated with other post-employment benefits (OPEB). Consistent with practices in many smaller states, the commonwealth is responsible for delivering or funding a variety of services routinely funded at the local levels elsewhere.

As with most states, current services spending is expected to be in line with to marginally above expected revenue growth, primarily driven by social services, particularly Medicaid. The fiscal challenge of Medicaid is common to all U.S. states. Based on Congressional Budget Office (CBO) estimates, Fitch projects that the enacted reconciliation bill, H.R. 1, would reduce federal Medicaid aid to states by approximately 3% in federal fiscal year (FFY) 2026 (beginning October 1, 2025), rising to 18% by FFY 2034. Fitch considers these levels within the capacity of most states to manage primarily with spending reductions, likely within their own Medicaid spending, and possibly with revenue increases.

Importantly, the most substantial change (implementation of work requirements for certain Medicaid recipients) is likely to reduce overall enrollment and therefore both state and federal spending. The curtailment of provider taxes, which will directly reduce revenues for state governments and providers, phases in gradually. Additionally, the bill includes a Rural Health Transformation Program funded at $50 billion that aims to smooth revenue losses for rural health providers. Specific implications of the Medicaid revisions for each state will vary, potentially widely, and are contingent on how the federal government and states implement the statutory changes.

Federal revenues typically comprised 29% to 30% of Massachusetts' total governmental revenues prior to the pandemic, as reported in the commonwealth's annual comprehensive financial reports (ACFR). Federal revenues ticked up to 32% in fiscal 2021 and remained at that slightly elevated rate through fiscal 2023.

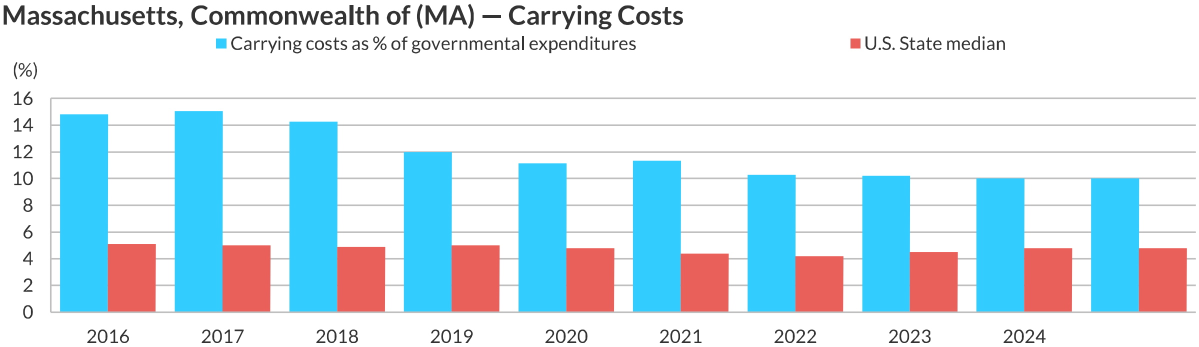
Massachusetts' spending on health and social services, primarily Medicaid, typically comprises about 42% of total governmental spending, as reported in the state ACFR. As a share of spending, health and social services increased slightly, to 44%, in fiscal 2021, remaining higher than historical levels at 46% through fiscal 2023, before dropping to 42% in fiscal 2024. Beyond statutory changes, as with all federal programs, Medicaid remains subject to regulatory changes that could affect various aspects of the program.

The commonwealth retains ample ability to cut spending; statute allows for swift response in the event of forecast revenue underperformance, including the governor's statutory powers to unilaterally cut allotments under Section 9C of commonwealth General Law, Chapter 29.

Massachusetts' carrying costs for long-term liabilities were 10% in 2024, versus Fitch's U.S. states median of 4.2% (as of 2023). Under commonwealth finance law, revenues available for budgeting are net of statutory pension contributions and transfers for the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA).

Pension changes were undertaken in 2011, and the commonwealth maintains a relatively conservative statutorily closed amortization target for achieving full funding in 2040. Pension contributions have risen in part due to experience updates and shifts to more cautious actuarial assumptions. Based on a funding schedule that it updates every three years, most recently in January 2023, the commonwealth forecasts contributions to rise about 9.6% per year until fiscal 2028, after which the rate of increase will drop to 4% through the projected date of full prefunding. This is projected to occur in fiscal 2036, four years ahead of the target date for full funding. Fitch views this contribution trajectory as manageable within the commonwealth's overall fiscal framework.

Massachusetts, Commonwealth of (MA) — Carrying Costs



Source: Fitch Ratings, Massachusetts, Commonwealth of (MA) Annual Comprehensive Financial Reports

Long-Term Liability Burden

Debt and Fitch-adjusted NPLs are comparatively high for a state but represent a moderate burden on resources. On a combined basis, the commonwealth's burden of direct debt and adjusted NPLs equaled 15.8% of personal income, well above the 4.2% U.S. states median, as of Fitch's November 2024 report on state liabilities, which referred to 2023 state financial statements data. As of June 30, 2024, the long-term liability burden was 15.2%.

Fitch estimates the commonwealth's direct debt at a comparatively high 7.1% of personal income, including sales tax-backed obligations of the MBTA and MSBA and annual contractual assistance commitments supporting the Massachusetts Department of Transportation. The comparable state median as of the November 2024 state liabilities report was 1.8%. The commonwealth's above-average role in funding local government capital needs, relative to most other states, partially drives its higher debt burden.

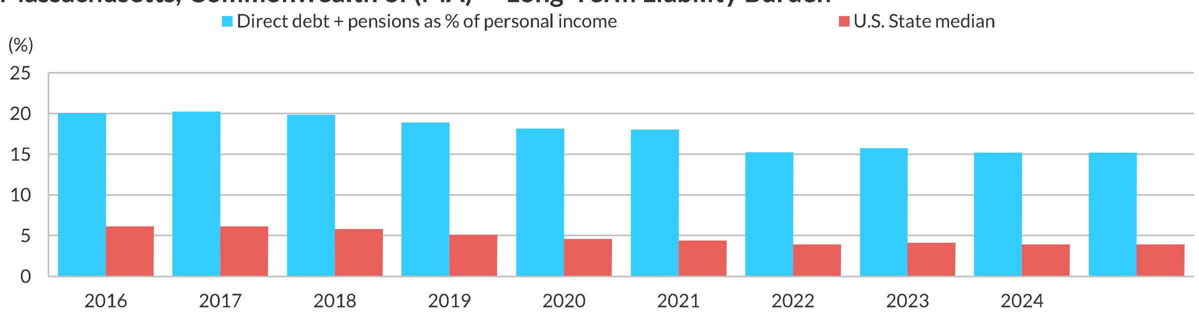
Fitch expects Massachusetts' direct debt to remain comparatively high for a U.S. state. A $16 billion transportation bond authorization to be directed toward highways, transit, bridges and other commonwealth and local transportation needs was enacted in 2021. The authorization is flexible as to whether the debt can be issued as general obligation (GO) bonds or special obligation bonds. Similarly, the "MassTRAC" program, enacted in 2022, included $6.3 billion in borrowing. Issuance under these programs is ongoing, with timing dictated by the commonwealth's rolling five-year capital plan.

The commonwealth issued special obligation revenue bonds in July 2022 to pay off federal unemployment insurance trust fund loans. The special obligation bonds are repaid by assessments on employers, with no nexus to the commonwealth's fiscal operations. Fitch does not incorporate these bonds into its calculations of Massachusetts' long-term liabilities.

Pension liabilities for the commonwealth are also a higher burden than in most other states. In fiscal 2024, the Fitch-adjusted NPL was 8.3% versus a 2.5% state median as of the November 2024 state liabilities report. The two pension systems covering Massachusetts state employees and teachers (except in the city of Boston) had respective funded ratios of 72.0% and 61.5% as of June 30, 2024, based on 7% discount rates. These are down from 77.5% and 62.0%, respectively, as of June 30, 2021, when the discount rate was 7.15%.

The commonwealth carries a net OPEB liability for state employees, but not local teachers, of $16.2 billion, based on a 4.6% discount rate and net of prefunding built in recent years from tobacco settlement moneys, excess capital gains collections and other sources. The net OPEB liability is 2.4% of personal income.

Massachusetts, Commonwealth of (MA) — Long-Term Liability Burden



Source: Fitch Ratings, Massachusetts, Commonwealth of (MA) Annual Comprehensive Financial Reports

Operating Performance

The Fitch Analytical Stress Test (FAST) model relates historical tax revenue volatility to GDP to support the assessment of operating performance under Fitch's criteria. FAST is not a forecast but represents Fitch's estimate of possible revenue behavior in a downturn, based on historical revenue performance. Actual revenue declines will vary from FAST results, which provide a relative sense of the risk exposure of a particular state compared to other states. Despite its comparatively higher exposure to revenue declines, as shown by FAST, Massachusetts has superior financial resilience that would enable it to manage through fiscal stress.

Fitch believes the commonwealth retains superior capacity to address cyclical downturns and has repeatedly demonstrated its commitment to maintaining a solid financial position. Mechanisms for maintaining balance include the governor's requirement to reduce allotments or identify alternative balancing measures in the event of a midyear forecast deficiency, under Section 9C of commonwealth General Law, Chapter 29 (as noted). The governor used this power to reduce spending by $375 million in fiscal 2024.

Additionally, since 2011, the commonwealth has operated under a mechanism to reduce the effects of volatile capital gains-related tax revenues on its budget. Capital gains-related receipts that can be included in the budget are capped annually at a level that rises in line with U.S. GDP growth, with excesses dedicated to the stabilization fund (90%) and retiree benefit obligations (10%). For fiscal 2024, this mechanism resulted in a $30 million transfer to the stabilization fund stemming from the commonwealth's decision to use most excess capital gains to support spending. Absent this change, the commonwealth would have deposited an additional $265 million to the fund.

As noted, the commonwealth has enacted legislation to transfer earnings in the stabilization fund to a fund for capital improvements for two fiscal years, through fiscal 2026. Fiscal 2024 investment earnings totaling $420.8 million were accordingly transferred to the Commonwealth Federal Matching and Debt Reduction Fund. Given the high balance in the stabilization fund, at just over 20% of tax revenues as of fiscal 2024, Fitch does not expect the use of earnings in the fund for capital purposes to affect the commonwealth's ability to respond to a downturn.

Budgetary management during periods of economic recovery consistently supports the rebuilding of financial flexibility. The commonwealth’s relatively slow fiscal recovery from the Global Financial Crisis limited its ability to quickly restore fiscal resilience. The commonwealth faced budgetary challenges at several points during the economic expansion that ended with the pandemic, including from the effect of shifting federal tax law and from unexpected demands for Medicaid.

Despite these initial post-recession drags on fiscal progress, conservative revenue assumptions and the reserve funding mechanisms noted above enabled the commonwealth to rebuild a sizable stabilization fund balance. The commonwealth has limited its use of nonrecurring resources. Budgetary mechanisms to shift cyclical windfalls to the stabilization fund raised its balance considerably in the period immediately preceding the pandemic, a trend that accelerated during the post-pandemic expansion.

Peer Analysis

Massachusetts' peer group includes North Carolina (AAA), Virginia (AAA), Michigan (AA+) and Colorado (not rated), comprising the third decile according to state GDP. Massachusetts has benefited from strong long-term economic growth that supports expectations for healthy revenue growth, although it has higher long-term liabilities than its peers. As with other highly rated states, Massachusetts' operating performance is very strong, with the commonwealth's mechanisms for maintaining budgetary balance supporting its ability to manage through the economic cycle.

Additional Security Details

Fitch has affirmed the ratings on the commonwealth's GO and GO-linked bonds as follows:

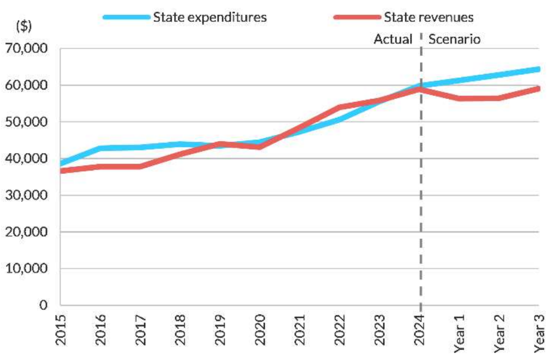
- GO bonds at 'AA+';
- Massachusetts Development Finance Agency (MDFA) special obligation bonds (commonwealth contract assistance) at 'AA+';
- Commonwealth-guaranteed bonds, issued by the MBTA and the University of Massachusetts Building Authority, at 'AA+';
- MassDOT metropolitan highway system (MHS) revenue bonds (subordinate), commonwealth contract assistance secured, at 'AA+'.

For the commonwealth contract assistance bonds issued by the MDFA and commonwealth-guaranteed bonds issued by the MBTA and University of Massachusetts Building Authority, the commonwealth's obligation under the contract to make payments equal to debt service is a GO of the commonwealth, to which its full faith and credit are pledged.

For the MassDOT MHS subordinate revenue bonds, the commonwealth's annual fixed, dedicated payments are a full faith and credit obligation of the commonwealth and are expected to cover all subordinated debt service, linking the rating to the commonwealth's 'AA+' rating, rather than to MHS toll revenues, which are also pledged to the bonds on a subordinated basis.

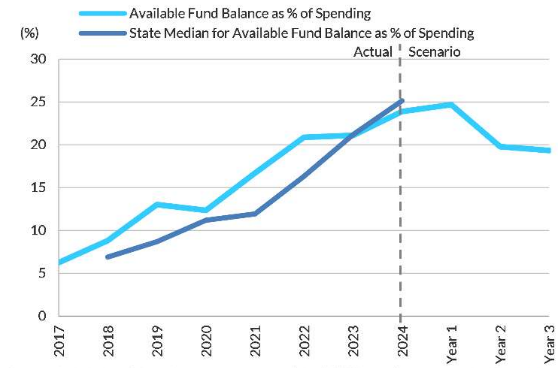
A large share of outstanding debt is variable rate and, thus, exposed to the risks associated with interest rate volatility, but Fitch expects that MassDOT will work with the commonwealth to ensure annual payments are sufficient to cover debt service if interest rate risks increase.

State Revenues and Expenditures in an Unaddressed Stress



Source: Fitch Ratings, Massachusetts, Commonwealth of (MA) Annual Comprehensive Financial Reports

Available Fund Balance as % of Spending in an Unaddressed Stress



Source: Fitch Ratings, Massachusetts, Commonwealth of (MA) Annual Comprehensive Financial Reports

Scenario Parameters:			**Year 1**	**Year 2**	**Year 3**
GDP assumption (% change)			(1.0%)	0.5%	2.0%
Expenditure assumption (% change)			2.5%	2.5%	2.5%
Revenue output (% change)	**Minimum y1 stress:** -1%	**Case used:** Moderate	(4.3%)	0.2%	4.6%
State Median			(2.7%)	0.8%	4.3%

Revenues, expenditures, and net change in fund balance	**Actuals**										**Scenario output**		
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Year 1**	**Year 2**	**Year 3**
Expenditures													
Total expenditures	52,682	58,074	58,593	60,283	59,794	62,895	70,260	77,782	83,293	87,312	89,494	91,732	94,025
% Change in total expenditures	5.4%	10.2%	0.9%	2.9%	(0.8%)	5.2%	11.7%	10.7%	7.1%	4.8%	2.5%	2.5%	2.5%
State expenditures	38,637	42,841	43,026	43,952	43,466	44,419	47,307	50,568	55,500	59,785	61,279	62,811	64,382
% Change in state expenditures	4.9%	10.9%	0.4%	2.2%	(1.1%)	2.2%	6.5%	6.9%	9.8%	7.7%	2.5%	2.5%	2.5%
Revenues													
Total revenues	50,610	52,992	53,391	57,454	60,335	61,556	71,381	81,193	83,578	86,383	84,566	85,364	88,674
% Change in total revenues	6.1%	4.7%	0.8%	7.6%	5.0%	2.0%	16.0%	13.7%	2.9%	3.4%	(2.1%)	0.9%	3.9%
Federal revenues	14,045	15,233	15,567	16,331	16,328	18,475	22,953	27,214	27,793	27,527	28,215	28,920	29,643
% Change in federal revenues	6.8%	8.5%	2.2%	4.9%	(0.0%)	13.2%	24.2%	18.6%	2.1%	(1.0%)	2.5%	2.5%	2.5%
State revenues	36,565	37,760	37,824	41,123	44,008	43,080	48,428	53,979	55,785	58,856	56,351	56,443	59,031
% Change in state revenues	5.8%	3.3%	0.2%	8.7%	7.0%	(2.1%)	12.4%	11.5%	3.3%	5.5%	(4.3%)	0.2%	4.6%
Excess of revenues over expenditures	(2,073)	(5,082)	(5,202)	(2,829)	542	(1,339)	1,121	3,411	285	(928)	(4,928)	(6,368)	(5,350)
Total other financing sources	2,759	5,050	5,526	4,070	1,731	1,231	2,784	905	801	5,465	2,237	2,438	2,369
Net change in fund balance	686	(32)	324	1,241	2,273	(108)	3,905	4,316	1,086	4,537	(2,691)	(3,930)	(2,981)
Available Fund Balance	3,513	3,896	3,670	5,318	7,795	7,763	11,741	16,231	17,559	20,852	22,096	18,161	18,167
% Total expenditures	6.7%	6.7%	6.3%	8.8%	13.0%	12.3%	16.7%	20.9%	21.1%	23.9%	24.7%	19.8%	19.3%
% State expenditures	9.1%	9.1%	8.5%	12.1%	17.9%	17.5%	24.8%	32.1%	31.6%	34.9%	36.1%	28.9%	28.2%
% Total revenues	6.9%	7.4%	6.9%	9.3%	12.9%	12.6%	16.4%	20.0%	21.0%	24.1%	26.1%	21.3%	20.5%
% State revenues	9.6%	10.3%	9.7%	12.9%	17.7%	18.0%	24.2%	30.1%	31.5%	35.4%	39.2%	32.2%	30.8%

Notes: Scenario analysis represents an unaddressed stress on issuer finances. Fitch's scenario analysis assumes the GDP and expenditure growth sequence shown in the 'Scenario Parameters' section.
For further details, please see Fitch's US Tax-Supported Rating Criteria.
Source: Fitch Ratings and U.S. state annual financial statements

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.