

Research Update:

Massachusetts Series 2026B And D GO Bonds Rated 'AA+'; Outlook Stable

May 28, 2026

Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to the **Commonwealth of Massachusetts**' approximately \$985 million 2026 general obligation (GO) bonds consolidated loans, series D, and GO refunding bonds, series B.
- At the same time, we affirmed our 'AA+' long-term rating on Massachusetts' GO bonds outstanding, as well as on various other bonds secured by annual appropriations from the commonwealth.
- We also affirmed our 'A+' long-term rating on the **Boston Housing Authority**'s series 2003 housing project bonds (West Broadway Homes IV project), supported by a commonwealth annually appropriated state-operating subsidy, subject to the terms of a trust agreement.
- Finally, we affirmed our 'AA+' long-term rating on the **Massachusetts Bay Transportation Authority**'s (MBTA) sales tax bonds outstanding, our 'AA+/A-1' dual rating on the MBTA's variable-rate demand purchase debt, our 'A-1+' short-term rating on the authority's commercial paper program, and our 'AA+' long-term rating on a U.S. Department of Transportation third-lien Railroad Rehabilitation & Improvement Financing loan agreement for the MBTA's commuter rail safety and resiliency program.
- The outlook, where applicable, is stable.

Rationale

Security

Massachusetts' full faith and credit secures the GO bonds.

The proceeds for the 2026D bonds will finance or reimburse the costs of various capital expenditures included in the commonwealth's capital investment plan. The series B refunding bonds proceeds will be used to refund Massachusetts' previously issued bonds.

Credit highlights

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The ratings reflect our view of the commonwealth's strong economic metrics, with very high per capita income levels compared with the nation, partially as a result of the strong presence of high-tech companies in the Boston metropolitan statistical area (MSA). The rating further reflects our view of some historical cyclical volatility in financial results given volatile revenue sources, although recent strong growth in tax collections and federal aid have led to large operating surpluses and reserves. It also reflects our view of the commonwealth's high debt, pension, and other postemployment benefits (OPEB) liabilities, with a history of funding less than full annual actuarial recommendations to its pension and OPEB funds.

We believe that Massachusetts' economy, with a substantial high-tech presence in the Boston MSA, has been a bright spot: A substantial proportion of highly skilled workers with high income levels support revenue growth and strong finances. Strong tax growth is expected to boost the commonwealth's budget stabilization fund (BSF) balance, which statutorily receives both excess general fund revenue as well as capital gains tax revenue above an annual benchmark, along with revenue from certain other lesser sources. Strong revenue growth, combined with extra federal aid and strong budgetary management practices, helped the commonwealth end its past three fiscal years in an extremely strong financial position, with the highest reserves in its history. The BSF totaled \$8.1 billion, or 11% of operating revenue and other sources as of fiscal year-end June 30, 2025. Given that certain statutory conditions were met, interest earnings from the BSF were transferred in fiscal 2025 to the commonwealth federal matching and debt reduction fund totaling approximately \$421 million to the credit of fiscal 2024. The timing of the transfer is the reason that the BSF's balance declined in fiscal 2025. Fiscal 2026 is projected to end with balances that we still consider strong, with a BSF of \$8.1 billion, or 12% of budgeted operating revenue and other sources.

Despite the commonwealth's historically strong finances and economy, financial risks remain, which recent federal policy and economic uncertainty could exacerbate. We believe Massachusetts has an above-average dependence on cyclical capital gains tax revenue compared with that of other states, and that this, while beneficial in strong stock market periods, could significantly recede during market corrections and periods of economic contraction. However, the commonwealth's process of diverting capital gains tax above the threshold to fund its BSF and pension offset its funding ongoing operations. Increases in Medicaid expenditures are also a potential budgetary pressure with the expiration of higher Medicaid reimbursement rates that the federal government implemented during the COVID-19 pandemic. Other long-term pressures are Massachusetts' relatively high debt and moderately high pension and OPEB liabilities, which could increase over time.

Massachusetts, along with other states, is working to comply with the federal Reconciliation Act, signed into law in July 2025, which extends state and local tax deductions and introduces changes to Medicaid that could lower Medicaid rolls and reduce federal or other resources available to fund state programs. Given that Medicaid is the largest expenditure (inclusive of state and federal funding) in states' budgets, states are exploring solutions to reduce Medicaid spending, shift legacy programs, and offset higher costs. Estimates from the Massachusetts' Department of Revenue project losses in tax revenue of \$650 million in 2026 and \$1.3 billion in the next three years, absent legislative action. The magnitude and implementation period of potential federal changes are critical to making timely budget adjustments, but we believe states generally possess good autonomy to implement changes to their Medicaid programs, which could help them manage a shift in expenditures. Active management, forecasting, and long-term planning will be important for states to navigate these changes, without weakening state credit quality. For more information, see our report "[Under The Knife: U.S. States Prepare For Federal Medicaid Cuts As H.R. 1 Leaves Less Operating Room](#)," May 18, 2026.

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The commonwealth also faces difficulties in the long term, as very strong revenue performance in previous fiscal years transitions to more subdued revenue estimates across states. Potential national recessionary pressures, when combined with Massachusetts' long-term liabilities (among the highest in the nation) and history of underfunding pensions, could lead to budgetary pressures as revenue growth softens and tests the commonwealth's commitment to strong BSF levels. S&P Global Market Intelligence forecasts that real gross state product (GSP) growth will lag that of the national level output growth rate by 20 basis points in 2026 and 30 basis points in 2027.

Massachusetts' fiscal 2026 budget, approved in July 2025, provided for approximately \$58 billion in authorized spending, which is about 0.4% lower than revised fiscal 2025 spending, excluding spending of income surtax revenue and projected transfers to the Medical Assistance Trust Fund. The budget is based on a consensus revenue estimate of \$43.67 billion, composed of a baseline estimate of \$41.2 billion and a \$2.4 billion estimate of revenue from the 4% surtax on personal income above the surtax threshold. The governor also filed a supplemental budget for fiscal 2026 after adoption that appropriates \$100 million to provide a flexible pool of resources to respond quickly to changing economic conditions and federal policy changes that might arise over the course of the year. The supplemental budget also provides for a \$30 million transfer to the Housing Preservation and Stabilization Trust Fund and includes provisions that would expand the governor's budget reduction authority under Section 9C of Chapter 29 of the General Laws to permit reductions beyond the executive branch in the event of revenue substantially below benchmarks or other significant negative effects, as well as providing authority for line-item transfers to create flexibility as the commonwealth navigates economic and federal policy uncertainty. After incorporating recent actions to provide some resources to respond to economic uncertainties and flexibility to respond to federal policies, expenditure and uses are projected to exceed revenue by about \$2.6 billion, or 3.8% of expenditures before adjustment for nonrecurring appropriations.

The governor's proposed fiscal 2027 budget totaling \$60.1 billion (excluding medical assistance trust fund and surtax) is roughly 1.1% higher than estimated fiscal year-end 2026 spending. The proposal is built on a consensus baseline revenue estimate of \$42.2 billion and \$2.7 billion in surtax revenue, collectively 2.9% more than the fiscal 2026 benchmark. The budget proposal also includes legislative changes to modify the capital gains threshold and the percentage of transfers required to the BSF and for long-term liabilities. We expect that the commonwealth will continue to find solutions, including program savings and hiring controls, to address budget pressures that might arise and develop a sustainable approach for budget resilience in future years. The commonwealth projects ending BSF balances for fiscal 2027 at about \$8.2 billion.

Our latest U.S. economic outlook slightly raised real GDP growth forecasts for calendar years 2026 and 2027, but we note that recent growth could be tempered by the escalation of geopolitical conflict. (For more information, see "[Economic Outlook U.S. Q2 2026: Curb Your Enthusiasm](#)," March 25, 2026.) We forecast that annual average U.S. real GDP growth will remain relatively level for the next two fiscal years, but also raised our probability of a U.S. recession over the next 12 months to 30% from 20%. Labor conditions have softened but remain broadly consistent with trend growth in our view. Based on S&P Global Market Intelligence's economic forecast for the commonwealth, we anticipate that economic output and employment will be muted for the balance of the year, with the potential to soften in 2026 below the national level.

The 'AA+' GO rating reflects our view of Massachusetts':

- Deep and diverse economy and income levels among the highest in the nation, with per capita incomes averaging approximately 129% of the national level since 2021;

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- History of timely monitoring of revenue and expenditures, and swift action when needed to make adjustments;
- Well-balanced institutional framework that supports predictability, structural balance, and revenue-raising autonomy;
- Strong financial, debt, and budget management policies, including annualized formal debt affordability statements and multiyear capital investment planning;
- Steady financial performance and historically high BSF reserves equal to about 12% of revenue, positioning Massachusetts well to manage future fiscal pressures; and
- High debt, pension, and OPEB liabilities that could escalate future costs.

Environmental, social, and governance

We consider Massachusetts' physical risks moderately negative in our credit rating analysis because of the commonwealth's coastal exposure to rising sea levels, with about two-thirds of its population in the Boston MSA and substantial property value in the combined Boston and Cape Cod area, exposing the state to significant economic disruption following a high-impact event. However, the commonwealth has been addressing environmental risks since 2004 through its Clean Energy Climate Plan, which is regularly updated to meet the needs of the commonwealth, and has historically maintained a stable management and policy framework to respond to developing risks. We view social and governance risks as neutral in our credit rating analysis.

Outlook

The stable outlook reflects our view of Massachusetts' underlying economy and very strong reserves, despite the commonwealth's economically sensitive revenue.

Downside scenario

We could lower our rating if we come to believe that Massachusetts will fail to make budget adjustments it deems necessary to maintain structural balance or strong reserves if revenue weakens. Other factors that could lead to a negative rating action include significant increases in debt or other fixed costs, or a significant decline in pension funding as a result of falling significantly behind required pension funding contributions.

Upside scenario

If Massachusetts significantly reduces its pension and debt obligations while demonstrating commitment to strong budgetary policies and pension funding discipline, especially during periods of economic contraction, we could raise our rating.

Credit Opinion

Institutional Framework

State finance law requires that the governor submit a balanced budget, and the House and Senate each produce one as well. The final general appropriation act must also be balanced. If there is a revenue shortfall, the governor is required by section 9C of Chapter 29 to reduce agency appropriations or recommend a transfer from the BSF.

The commonwealth has autonomy to raise taxes and has adjusted its tax structure. Medicaid was budgeted for about 32% of total fiscal 2026 spending, while direct local aid accounted for about 13%. Funding levels for major program areas have been adjusted as needed. Massachusetts voters have approved revenue growth limitations, but these have not weakened operations or limited flexibility, in our view. More significant measures to reduce or eliminate major tax sources have been on the ballot but are not yet approved. A 4% income tax surcharge on incomes of more than \$1 million (surtax revenue) was approved through a ballot initiative in November 2022, raising the top income tax rate for those making more than \$1 million per year, effective tax year 2023.

Massachusetts is a voter-initiative state. Although there have been initiatives that limit the overall growth in state tax revenue and there is a limit on the amount of bonds outstanding and debt service appropriations, these have not substantially altered Massachusetts' ability to manage its budget or fund debt service, in our opinion. Although more recent ballot initiatives to reduce or eliminate the commonwealth's major tax sources that made the ballot were not approved, the legislature can amend an initiative. The commonwealth provides a relatively high level of service, in our opinion. Adjustments have been made to programs, but reductions to areas such as education have been limited.

Management

In our view, the commonwealth's management practices are strong, well-embedded, and likely sustainable. Many are related to debt and financial management and are embedded in statute.

Highlights include the following:

- Massachusetts uses internal resources and outside economic forecasting firms to develop a consensus revenue forecast. It has regularly performed monthly revenue estimates and quarterly budget reviews. Legislation approved in 2008 requires that revenue reports are to be submitted semimonthly to the legislature.
- A five-year capital improvement plan (CIP; administrative intent, not binding) coordinates all types of debt issuance, informed by a detailed debt affordability analysis that officials update each year.
- The commonwealth has detailed, and frequently reviewed investment policies managed through the Office of the Treasurer. Quarterly cash flow projections are prepared and submitted to the legislature.
- Massachusetts has a statutorily established BSF that prescribes a mechanism for funding, as well as funding levels, although the mechanism has been weakened periodically by the legislature's decision to adjust deposit thresholds and suspend required transfers into the fund in certain years.

Statute requires the deposit of 100% of consolidated net surplus in any given year into the BSF. The statute also provides that the BSF's maximum amount cannot exceed 25.5% of the current year's revenue. The commonwealth must use any excess for tax reduction. In 2010, the state passed a statutory law that directed excess capital gains tax revenue of more than \$1 billion to the BSF, although Massachusetts subsequently suspended or lowered this threshold in fiscal years 2015 and 2016. Legislation in 2012 indexed the \$1 billion capital gains excess threshold to the growth in U.S. GDP for each fiscal year beginning with fiscal 2014. The statute also directs 5% of the excess capital gains tax to the state retiree benefits trust fund, and another 5% to pension liabilities. We believe the capture of above-trend capital gains tax enhances the BSF, while decreasing some of the cyclicity of state revenue.

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The commonwealth is authorized to issue GO debt, special obligation debt, and federal grant anticipation notes. For direct debt, there is a statutory limit allowing the issue of up to 105% of the previous year's limit. In addition to the above-mentioned statutory requirement, Executive Office for Administration and Finance maintains an annual borrowing limit policy for CIP budgeting, which is designed to keep debt service within 8% of budgeted revenues. The treasurer's office maintains debt management and swap policies that we view as comprehensive. There is a statutory limit on debt outstanding and a limitation, as stipulated by Massachusetts' debt affordability policy published annually with the commonwealth's CIP, which is designed to limit debt service on Massachusetts' direct debt to no more than 8% of budgeted revenue. These limitations have not impaired flexibility to manage capital and infrastructure requirements. There is no statutory priority for funding debt, but debt service payments are not subject to the warrant requirement applicable to other state spending, and we understand that the comptroller and other state officials have developed procedures to prioritize payments, and that debt service is given the highest priority among various payment obligations.

Massachusetts has detailed, and frequently reviewed investment policies managed through the office of the treasurer. Quarterly cash flow projections are prepared and submitted to the legislature.

Once the budget is approved, the Secretary of Administration and Finance (A&F) monitors expenditures at least quarterly and receives regular monthly updates on revenue receipts. The A&F secretary is required to formally update revenue projections and submit them to the legislature in October. If officials expect projected revenue to be insufficient to meet appropriations, A&F certifies this, and pursuant to statute (section 9C of Chapter 29), the governor is required to reduce allotments, submit proposals to raise additional revenue, or make appropriations from the BSF to restore balance. Budget adjustments have historically been implemented regularly and on time, and deficits are not carried forward.

Economy

We believe the Massachusetts economy, anchored by the Boston MSA that includes many higher-education institutions and associated technology companies, represents an important credit strength.

Massachusetts' recent economic experience has mirrored national trends, although per-capita income has grown slightly faster than that of the nation, spurred by growth in the high-paying professional, scientific, and technical services sectors, which have suffered less in the recent recession than lower-paying service sectors. Although we view the state's economy as slightly more concentrated in education and health services than the nation as a whole, these sectors have remained relatively stable and contributed to relatively high wages compared with the nation.

The commonwealth has always had high income levels, with per-capita income ranking among the highest across all states. We expect that income will remain well ahead of that of other states, based on a highly educated workforce that has jobs more conducive to telecommuting. S&P Market Intelligence forecasts real GSP to rise 1.7% in 2026 and increase 7.2% through 2029, lower than the U.S. GDP forecast of 8.0%.

The increasing role of services in the economy reflects growth in research laboratories, computer software, management consulting, other business services, and health care. Higher-education anchors, a high level of federal research funding, and venture capital give the commonwealth a leading edge in emerging industries, such as biotechnology, software, communications

equipment, and surgical instruments. S&P Market Intelligence estimates about 10% of state employment is in the high technology-related industries. In addition, Massachusetts has defense-related industries that have ranked high in the value of federal defense and research contract awards.

Financial Performance, Reserves, And Liquidity

Massachusetts has established a formal BSF under statutory law that receives excess capital gains taxes over a threshold amount, adjusted annually to reflect the average rate of growth in U.S. GDP over the preceding five years. Under statutory law, tax revenue collected from capital gains income during a fiscal year that exceeds the threshold is required to be transferred, with 90% to the BSF, 5% to the State Retiree Benefits Trust Fund (for OPEBs), and an additional 5% to the commonwealth's pension liability fund.

We view Massachusetts' liquidity as strong, with the historical help of annual cash flow note borrowing although the commonwealth has not issued cash flow notes since 2020. The commonwealth does not engage in interfund borrowing, so the general fund cannot borrow from the BSF without an act of the legislature. The commonwealth obtained a line of credit for \$1 billion from a syndicate of banks, meant to ensure adequate liquidity for cash flow purposes. No amount was outstanding under the line, which is scheduled to expire April 30, 2029.

We believe the commonwealth's revenue forecasting is good. Massachusetts prepares quarterly revenue updates and uses a consensus revenue forecast for budgeting purposes. The governor is required to recommend midyear budget adjustments, if necessary. We believe that state budgeting has historically been done with an eye toward long-term structural balance, apart from the below-actuarially required contribution (ARC) pension contributions. However, we believe that Massachusetts is a high-service state, with expenditures that can be difficult to reduce at times. Medicaid accounted for 32.4% of budgeted fiscal 2025 total operating expenditures and other uses, while health and human services accounted for 14.0%.

Fiscal 2025 results show that expenditure and uses exceeded revenue by about \$984 million, or 1.3% of expenditures before adjustment for nonrecurring appropriations, and were funded using prior-year surplus revenue and federal appropriations that were already set aside. The commonwealth anticipates no tax rebates paid for fiscal 2025, as revenue did not exceed the allowable limit as defined by Chapter 62F Massachusetts General Laws based on the fiscal 2025 revenue results.

Debt And Liabilities

Debt

By most measures, Massachusetts' debt burden remains high compared with that of other states. The variable-rate portfolio is less than 1% of total GO debt, and the commonwealth actively manages this under formal debt policies.

The current five-year CIP includes projects that maintain debt service below the commonwealth's calculation of 8% of budgeted revenues. Massachusetts' debt and capital affordability committee conducts an annual debt affordability analysis. The committee includes seven voting members and eight nonvoting members from the legislature and is charged with formally reviewing the CIP and providing an estimate of debt authorization for the year. Our debt

calculation includes special tax bonds, supported by statewide tax sources, in the ratios we use to assess total tax-supported debt.

Pensions

We consider the commonwealth's pension funding low but improving, with Massachusetts' recent schedule to fully fund its pensions by 2039 following several years of substantial underfunding. ARC is calculated using previous Governmental Accounting Standards Board (GASB) Statement 27 methodology for comparison because the more recent GASB Statement Nos. 67 and 68's actuarially determined contribution (ADC) is arrived at using commonwealth statutory law that is not based on the current year's full actuarial requirement. Every year the ARC is not funded, it will continue increasing until full ARC funding is reached. The commonwealth projects will have fully funded its pension liabilities by fiscal 2039, based on increasing contributions 4% per year through 2038, which will increase annual state contributions substantially, to \$7.9 billion in 2038 from \$5.1 billion in fiscal 2027.

Massachusetts has underfunded its actuarially required annual pension contribution over the years. Pension contributions are statutorily determined based on a funding schedule set every three years, and the state has made contributions in accordance with its schedule set in 2023 before the most recent funding schedule adopted in January 2026. The commonwealth has contributed less than its actuarial annually recommended contribution since 2011, funding an estimated 98.9% of its annual actuarial recommendation in fiscal 2025, which could escalate pension costs and introduce additional pressures to future budgets. Massachusetts expects the contribution for fiscal 2026 to exceed the recommendation.

The commonwealth gradually lowered its retirement funds' investment return assumption in recent years, which we view as positive, although this has slowed improvement in Massachusetts' combined pension funded ratio and increased funding needs. Its current plan assumes it will reach full amortization of the commonwealth's unfunded liability by fiscal 2039, in line with its statutory requirement, assuming actuarial assumptions are met. However, from a funding standpoint, Massachusetts has continued to calculate its contribution by setting funding targets based on percentage increases to contributions rather than adjusting for increases necessary to keep level amortization of the liability. This translates into a back-loaded amortization of the liability.

Furthermore, the commonwealth continues to establish its contribution levels on a three-year lagged budgetary basis, although actuarial valuations are conducted each year. This policy of only adjusting the pension contribution schedule every three years can cause Massachusetts to fall below full ADC funding when actuarial assumptions miss actual experience, such as missed investment returns, or actuarial assumptions themselves have been changed, such as the recent lowering of assumed rates of return. While a three-year lag in resetting pension contributions could provide Massachusetts with a more predictable funding schedule, we believe it also exposes the commonwealth to the risk of never catching up to full ADC funding if its actuarial assumptions prove too aggressive. Experience studies are only conducted every six years, as per statute, which we view as a credit weakness. Although the commonwealth updates portions of the studies more frequently, it has done this as needed rather than on a set schedule.

Other postemployment benefits

The state has sizable OPEBs but has made good funding progress in reducing its OPEB liabilities by putting money aside in an OPEB trust fund.

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As of June 30, 2025, Massachusetts' retirement trust had a \$12.7 billion net unfunded OPEB liability, which we consider sizable, at \$1,762 per capita, although the state cut OPEBs significantly a few years ago due to various reform measures that have been phased in, along with deposits to an OPEB trust fund.

Deposits to the trust fund enable a somewhat higher assumed actuarial discount rate under a blended interest rate assumption that assumes lower rates after trust fund assets are depleted, and which lowers actuarial unfunded liabilities. Massachusetts has dedicated a portion of tobacco settlement revenue toward its OPEB trust fund to provide a permanent funding source, which we consider a credit strength, although the exact deposits have deviated from formula, depending on the year of the enacted budget. The portion of tobacco settlement money dedicated to the OPEB trust fund was scheduled to increase in 10% increments each year until it reaches 100%, although the incremental increase in contributions has been revised since 2016. The actual percentage of tobacco settlement revenue deposited in the OPEB trust fund annually since fiscal 2020 has been 10% and is projected at 10% in fiscal 2025. In fiscal 2020, legislation suspended the transfer of 5% of capital gains tax into the OPEB trust, but a total of \$239.4 million has been deposited between fiscal years 2021 and 2024.

Massachusetts--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.17
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.35
Debt and liabilities	5.50

Massachusetts--key credit metrics

	2026e	2025a	2024a	2023a
Economy				
State population ('000s)		7,139	7,082	7,031
Real GSP per capita (\$)			88,076	86,815
Real GSP per capita % of U.S.		129	130	132
State PCPI (\$)			93,568	89,757
State PCPI % of U.S.		128	128	129
State unemployment rate (%)		4.0	3.5	3.6
Financial performance - S&P Global Ratings adjusted				
Operating fund revenues (mil. \$)	70,180	73,654	66,462	62,970
Operating fund expenditures (mil. \$)	72,815	74,638	66,796	61,459
Operating result (mil. \$)	(2,635)	(984)	(334)	1,511
Operating result % of revenues	-3.8	-1.3	-0.5	2.4
Reserves and liquidity - S&P Global Ratings adjusted				
Available reserves (mil. \$)	8,114	8,111	8,524	8,036
Available reserves % of operating revenues	11.6	11.0	12.8	12.8

Massachusetts--key credit metrics

	2026e	2025a	2024a	2023a
Debt and liabilities				
Net direct debt cost % of revenues	--	4.4	6.2	4.9
Pension and OPEB cost % of revenues	--	5.7	5.5	5.3
Total current cost % of total government revenues	--	10.1	11.7	10.2
Net direct debt (mil. \$)	--	44,584	43,662	41,103
Net direct debt per capita (\$)	--	6,235	6,116	5,804
Direct debt 10-year amortization (%)	--	39	40	43
Combined NPLs (mil. \$)	--	37,350	41,136	42,683
NPLs per capita (\$)	--	5,223	5,762	6,027
Combined pension plan funded ratio (%)	--	70.7	66.7	63.9

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other periodic disclosures. Economic data is sourced directly from S&P Global Market Intelligence and reported on a calendar year basis, while financial data is reported on a state fiscal year basis. Combined plan NPLs are calculated applying the respective state proportionate share of plan NPLs. GSP--Gross state product (real). PCPI--Per capita personal income (nominal). OPEB--Other postemployment benefits. NPLs--Net pension liabilities. e--Estimated. a--Actual.

Ratings List

New Issue Ratings

US\$233,790,000 The Commonwealth of Massachusetts, General Obligation Refunding Bonds, 2026 Series B, dated: Date of Delivery, due: July 1, 2038

Long Term Rating AA+/Stable

US\$750,000,000 The Commonwealth of Massachusetts, General Obligation Bonds Consolidated Loan of 2026, Series D, dated: Date of Delivery, due: June 1, 2056

Long Term Rating AA+/Stable

Ratings Affirmed

Multiple Revenue Stream

Massachusetts Bay Transp Auth, MA Sales Tax 1st Lien and Special Assessments 2nd Lien A-1+

Massachusetts Bay Transp Auth, MA Sales Tax and GO AA+/Stable

Massachusetts Bay Transp Auth, MA Unlimited Tax General Obligation and Massachusetts TIFIA/RRIF Sales Tax 3rd Lien AA+/Stable

Massachusetts MA, Commercial Paper Program 2nd Lien A-1+

Strong Link Massachusetts Bay Transp Auth, MA Sales Tax 1st Lien and Unlimited Tax General Obligation AA+/Stable

States

Massachusetts, MA Appropriation Contract A+/Stable

Massachusetts, MA General Obligation AA+/Stable

Massachusetts, MA General Obligation and Metro Hwy Sys, MA Toll Facility Revenues 2nd Lien AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have

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different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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