

RatingsDirect®

Summary:

California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

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California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

Credit Profile

US\$803.635 mil lse rev rfdg bnds (State of California) (Various Capital Projs) ser 2024C dtd 10/03/2024 due 09/01/2039		
<i>Long Term Rating</i>	A+/Stable	New

Credit Highlights

- S&P Global Ratings assigned its 'A+' long-term rating to the California State Public Works Board's (SPWB) \$803.635 million lease revenue refunding bonds 2024 series C (various capital projects).
- At the same time, S&P Global Ratings affirmed its 'AA-' rating on the state's existing GO debt and issues linked to the state aid school intercept program, and its 'A+' rating on the appropriation-supported bonds.
- S&P Global Ratings also affirmed the long-term component of its 'AA+/A-1' and 'AAA/A-1+' ratings on California's GO variable-rate demand bonds. The long-term component of the dual ratings is based jointly on that of the obligor, California, and the various letter of credit (LOC) providers, under our "Methodology And Assumptions For Rating Jointly Supported Financial Obligations" (published May 23, 2016), assuming low correlation. The short-term component of the ratings matches the ratings on the LOC providers.
- The outlook is stable.

Security

The bonds are secured by base rental payments pledged under a stand-alone bond indenture and not on parity with other SPWB bonds.

Of California's debt service payments, the state's lease-backed and appropriation-backed debt is among the priority payments that fall behind payment of state general obligation (GO) bonds, as well as any required payments of internal cash flow fund borrowings, and certain other constitutionally required payments.

The bonds' debt service is supported by base rental lease payments from individual facility leases to SPWB, consisting of:

- New Stockton Courthouse (Judicial Council of California [JC]),
- Richard J. Donovan Correctional Facility: Medium Security Infill Complex (Department of Corrections and Rehabilitation of the State of California [CDCR]),
- Mule Creek State Prison: Medium Security Infill Complex (CDCR), and
- North Kern State Prison: Various buildings (CDCR).

Under the individual facility leases, the participating state agency is the lessee and SPWB is the lessor of the various leased sites and facility structures, which serve as the leased assets for the bond issue. JC and CDCR will make the base rental payments that secure the bonds.

Each facility lease is separate from the others, and there is no step-up in lease payments upon a shortfall from any one facility lease. Each state agency that has entered into its respective facility lease covenants in its facility lease to take such necessary action to cause all rental payments due under its facility lease to be included in the annual state budget, and to make the necessary annual allocations for the base rental payments, which, in aggregate with base rental payments under the other facility leases related to a series of bonds, match debt service payments on such series of bonds. Base rental payments are net payments, not subject to setoff. Each California agency is responsible for maintenance of the facilities under their separate facility leases.

The bonds are secured by base rental payments pledged under a stand-alone bond indenture and not on parity with other SPWB bonds.

Proceeds will be used to defease and refinance the SPWB's series 2014A, 2014B, and 2014C bonds.

Credit overview

We rate these obligations one notch lower than California's general creditworthiness (as reflected in the state 'AA-' GO rating) to account for the appropriation risk associated with pledged lease payments, which are derived, in part, from state general fund revenues.

Our consideration of the affordability and likelihood of the base rental payments is reflected in the appropriation rating and in our view of California's general creditworthiness. We believe that the base rental payments payable under the individual facilities leases that are pledged to the bonds are each for projects that are important to the state. California also has an established track record of appropriating resources as necessary to satisfy debt service on its lease revenue bonds outstanding. In our opinion, there are no unusual political, timing, or administrative risks related to the debt payment.

Base rental payments under each of the leases are abated to the extent there is damage, destruction, or title defect to the leased asset, which results in substantial interference with use and occupancy. We believe the risk of lease abatement is mitigated by the fact that all leased facilities relating to the bonds are already completed and available for occupancy, and provisions in each of the leases require a minimum of two years of rental interruption insurance, and separate fire and casualty insurance.

The required property insurance amount under the facility leases is equal to the full replacement value of the improved property, subject to a deductible of up to \$2.5 million per leased facility. The facility leases for projects leased to JC and CDCR permit all or a portion of the leased assets under a facility lease to be substituted with other property of at least equal annual fair rental value, compared with the annual base rental payments remaining unpaid under the facility lease. Casualty insurance for earthquake risk is only required if attainable at a reasonable cost, though we understand no facility currently maintains earthquake insurance. However, we previously evaluated the seismic risk of each structure included in the current refunding at the time of their original financings. The bonds are being issued under the State Building Construction Act of 1955, which requires the participating state agencies to allocate "first

lawfully available funds" to make lease payments for the use and occupancy of the leased assets. According to information provided by SPWB, available funds are those that typically support a participating agency and are appropriated in the state's annual budget. California's budget includes the lease payments as a component of each participating agency's operating budget.

Lease payment dates for the leases supporting the bonds are all due Feb. 15 and Aug. 15 for debt service due March 1 and Sept. 1, respectively. We believe the separation of the first lease payment from the July 1 start of the state's fiscal year mitigates late budget risk, and late budget risk is further mitigated by statutory legislation (Section 15848 of the State Building Construction Act) that provides that lease payments enjoy a continuous appropriation status, so that they might continue even when budget negotiations are at an impasse or if the lease payments were not included in the budget act. Also, the passage of Proposition 25 in November 2010 lowered the legislative threshold for budget passage to a simple majority from the previous two-thirds requirement. Since this change, the state has not begun a fiscal year without an enacted budget, and we believe California's risk of late budget adoption has been greatly reduced.

For more information, please see our full analysis on the state's GO debt, published Sept. 13, 2024, on RatingsDirect.

Environmental, social, and governance

California faces exposure to various physical risks, including wildfires, drought, floods, and natural disasters such as earthquakes, which can affect its economy and disrupt population migration. In response to these risks, the state incorporates increased spending into its long-term financial and capital planning. Compounding the potential demographic and economic disruptions from physical risks is the shortage of affordable housing—including insurance costs and availability, high social service costs, and the income disparity that exists throughout the state. In addition, about one-third of its population relies on Medicaid. However, we believe California is addressing these issues through increased funding for various social programs, such as bond-financed programs for housing of the homeless and mentally ill, changes to residential zoning laws, and higher social service spending.

The state has persistently provided audited results well after the end of its fiscal year. Its most recent available audited financial statements are for fiscal 2022, and were released in mid-March 2024, which we consider very late.

Outlook

The stable outlook reflects the outlook on the state GO rating, which reflects our view that the state's overall strong fiscal position and tools position California to manage through potential budgetary strain stemming from weaker-than-estimated revenue collections. In addition, we expect California will work to achieve longer-term structural balance, even if it opts to use available reserves to balance its budget beyond fiscal 2025.

Downside scenario

An inability to readily adapt to an evolving revenue and economic outlook, with a goal of long-term structural balance, could lead to downward rating pressure.

Upside scenario

Upward rating potential is limited for now. All else equal, it would depend in large part on the state's ability to achieve a higher degree of revenue stability and predictability, while continuing to build stronger reserves to guard against periods of volatile revenue.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of September 13, 2024)		
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California federally taxable var purp GO bnds		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California federally taxable var purp GO bnds ser 2022 due 10/01/2032		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California federally taxable var purp GO rfdg bnds		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California tax-exempt var purp GO bnds		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California various purp GO bnds dtd 07/01/2003 due 02/01/2008-2026 2028-2029 2033		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California var purp GO bnds (fed taxable BABs) dtd 12/01/2010 due 11/01/2015 2020-2021 2026 2030 2040		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California var purp GO rfdg bnds		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed

Summary: California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

Ratings Detail (As Of September 13, 2024) (cont.)

California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
California GO bnds (daily interest rate) ser 2003 A-1 thru A-3 dtd 04/15/2003 RMKT dtd 12/01/2009 due 05/01/2033		
<i>Long Term Rating</i>	AA+/A-1	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO rfdg bnds ser 2007 dtd 04/01/2007 due 08/01/2007-2028 2030 2032 2033		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (wrap of insured) (MBIA) (National) (ASSURED GTY) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (AGC & Syncora)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (AGM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (AMBAC)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed

Ratings Detail (As Of September 13, 2024) (cont.)

California GO (ASSURED GTY) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (FGIC) (National)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (MBIA) (National)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (MBIA) (National) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (MBIA) (National) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California GO (Syncora Gty)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AA+ / A-1	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AA+ / A-1	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AA+ / A-1	Affirmed

Summary: California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

Ratings Detail (As Of September 13, 2024) (cont.)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AA+ / A-1	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AA+ / A-1	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AAA / A-1+	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AAA / A-1+	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AAA / A-1+	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AAA / A-1+	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California JOINTCRIT		
<i>Long Term Rating</i>	AA+ / A-1	Affirmed
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
California Infrastructure & Economic Development Bank, California		
South Monterey County Joint Union High School District, California		
California Infrastructure & Econ Dev Bnk (South Monterey Cnty Jt Un High Sch Dist) SCHSTPR		
<i>Long Term Rating</i>	AA- / Stable	Affirmed
California State Public Works Board, California		
California		
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+ / Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+ / Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+ / Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+ / Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+ / Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+ / Stable	Affirmed

Summary: California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

Ratings Detail (As Of September 13, 2024) (cont.)		
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed

Summary: California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

Ratings Detail (As Of September 13, 2024) (cont.)

California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
<i>Unenhanced Rating</i>	NR(SPUR)	
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed

Summary: California State Public Works Board; Appropriations; General Obligation; Joint Criteria; School State Program

Ratings Detail (As Of September 13, 2024) (cont.)		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (wrap of insured) (FGIC & BHAC) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (AGM) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (AGM) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (ASSURED GTY) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (MBIA of Illinois)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (MBIA) (MBIA of Illinois)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
California State Pub Wks Brd (California) APPROP (Syncora Gty)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Golden State Tobacco Securitization Corp, California		
California		
Golden State Tobacco Securitization Corp (California) enhanced tobacco settlement asset-backed bnds (California) ser 2015A due 06/01/2045		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed

Ratings Detail (As Of September 13, 2024) (cont.)

Golden State Tobacco Securitization Corp (California) enhanced tobacco settlement asset-backed bnds (California) ser 2015A due 06/01/2045

<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Golden State Tobacco Securitization Corp (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Golden State Tobacco Securitization Corp (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Golden State Tobacco Securitization Corp (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Golden State Tobacco Securitization Corp (California) APPROP		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Golden State Tobacco Securitization Corp (California) APPROP (AGM) (SECMKT)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Golden State Tobacco Securitization Corp (California) APPROP (AMBAC)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Golden State Tobacco Securitization Corp (State of California)		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Golden State Tobacco Securitization Corp (State of California)		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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