OFFICIAL STATEMENT

New Issue

This Official Statement provides information about the Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement.

$101,975,000
STATE OF WISCONSIN
$47,440,000 GENERAL OBLIGATION BONDS OF 2009, SERIES A
$54,535,000 GENERAL OBLIGATION BONDS OF 2009, SERIES B (TAXABLE)

Dated: Date of Delivery **Due: May 1, as shown on inside front cover**

Ratings	AA– Fitch Ratings Aa3 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Services
Tax Matters	Interest on the 2009 Series A Bonds is, for federal income tax purposes, excluded from gross income and is not an item of tax preference for federal individual or corporate alternative minimum taxes. Interest on the 2009 Series A Bonds is not excluded from taxable income for purposes of State of Wisconsin income and franchise taxes—*See pages 8-9.* Interest on the 2009 Series B Bonds is taxable as ordinary income for federal income tax purposes and taxable income for purposes of State of Wisconsin income and franchise taxes—*See pages 10-14.* For purposes of Section 265(b)(7) of the Code, the 2009 Series A Bonds are obligations issued in 2009 that are not refunding bonds—*See page 9*.
Redemption	The 2009 Series A Bonds maturing on and after May 1, 2020 are callable at par on May 1, 2019 or any date thereafter—*See page 2*. The 2009 Series B Bonds are callable at par on May 1, 2019 or any date thereafter—*See page 2.* The 2009 Series B Bonds maturing on May 1, 2030 are subject to mandatory sinking fund redemption at par—*See page 3.*
Security	General obligations of the State of Wisconsin–*See page 2.*
Purpose	Proceeds from the Bonds are being used for various governmental purposes—*See page 4*.
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2009
Denominations	Multiples of $5,000
Closing/Settlement	On or about June 18, 2009
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See page 4.*
2008 Annual Report	This Official Statement incorporates by reference, and includes updated information and makes changes or additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 26, 2008.

The Bonds were sold at competitive sales on June 3, 2009. The interest rates payable by the State, which are shown on the inside front cover, resulted from the award of the Bonds.

June 3, 2009

CUSIP NUMBERS, MATURITIES, PRINCIPAL AMOUNTS, AND INTEREST RATES

$101,975,000
STATE OF WISCONSIN

$47,440,000 GENERAL OBLIGATION BONDS OF 2009, SERIES A

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705L VS3	2012	$ 3,340,000	2.00%	Not Callable	-
97705L VT1	2013	3,505,000	3.00	Not Callable	-
97705L VU8	2014	3,680,000	4.00	Not Callable	-
97705L VV6	2015	3,865,000	4.00	Not Callable	-
97705L VW4	2016	4,060,000	4.00	Not Callable	-
97705L VX2	2017	4,260,000	4.00	Not Callable	-
97705L VY0	2018	4,475,000	5.00	Not Callable	-
97705L VZ7	2019	4,700,000	5.00	Not Callable	-
97705L WA1	2020	4,935,000	4.00	2019	100%
97705L WB9	2021	5,180,000	4.00	2019	100
97705L WC7	2022	5,440,000	4.00	2019	100

Purchase Price: $49,951,043.26

$54,535,000 GENERAL OBLIGATION BONDS OF 2009, SERIES B (TAXABLE)

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705L WD5	2023	5,710,000	5.15%	2019	100
97705L WE3	2024	5,995,000	5.20	2019	100
97705L WF0	2025	6,295,000	5.25	2019	100
97705L WG8	2026	6,610,000	5.30	2019	100
97705L WH6	2030[a]	29,925,000	5.40	2019	100

Purchase Price: $53,962,150.50

[a] This maturity is a term bond. For a schedule of the mandatory sinking fund redemption payments, see "THE BONDS; Redemption Provisions; *Mandatory Sinking Fund Redemption*" herein.

This document is called the Official Statement because it is the only document that the State has authorized for providing information about the Bonds. This document is not an offer or solicitation for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, or anything else related to the offering of the Bonds.

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State's permission. The State prepared this document and is responsible for its accuracy and completeness. The Underwriters did not prepare this document. In accordance with their responsibilities under federal securities laws, the Underwriters are required to review the information in this document and must have a reasonable basis for their belief in the accuracy and completeness of its key representations.

Certain statements in this document are forward-looking statements that are based on expectations, estimates, projections, or assumptions. Forward-looking statements contained in this document are made as of the date hereof, and the State undertakes no obligation to update such statements to reflect subsequent events or circumstances. Actual results could differ materially from the anticipated results.

Some of the people who prepared, compiled, or reviewed the information in this document had specific functions that covered some of its aspects but not others. For example, financial staff may have been asked to assist with quantitative financial information, and legal counsel, with specific documents or legal issues.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. The delivery of this document or any sale of the Bonds does not imply that there has been no change in the matters contained in this document since the date of this document. Material referred to in this document is not part of this document unless expressly included.

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STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS

Voting Members	**Term of Office Expires**
Governor Jim Doyle, Chairperson	January 2, 2011
Senator Fred A. Risser, Vice-Chairperson	January 6, 2013
Senator Ted Kanavas	January 6, 2013
Senator Jeffrey Plale	January 2, 2011
Representative Spencer Black	January 2, 2011
Representative Gordon Hintz	January 2, 2011
Representative Dean Kaufert	January 2, 2011
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	——
Mr. Dave Haley, State Chief Architect Department of Administration	——
Building Commission Secretary	
Mr. David W. Helbach, Administrator Division of State Facilities Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

OTHER PARTICIPANTS

Mr. J.B. Van Hollen State Attorney General	January 2, 2011
Mr. Michael L. Morgan, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
Telefax (608) 266-7645
DOACapitalFinanceOffice@wisconsin.gov

Mr. Frank R. Hoadley
Capital Finance Director
(608) 266-2305
frank.hoadley@wisconsin.gov

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
larry.dallia@wisconsin.gov

Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
david.erdman@wisconsin.gov

SUMMARY DESCRIPTION OF BONDS

Selected information is presented on this page for the convenience of the reader. To make an informed investment decision, a prospective investor should read the entire Official Statement.

Principal Amount and Description:	$47,440,000 State of Wisconsin General Obligation Bonds of 2009, Series A $54,535,000 State of Wisconsin General Obligation Bonds of 2009, Series B (Taxable)
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (on or about June 18, 2009)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2009
Maturities:	*2009 Series A Bonds:* May 1, 2012-2022 *2009 Series B Bonds:* May 1, 2023-2030
Redemption:	*Optional*—The 2009 Series A Bonds maturing on or after May 1, 2020 are callable at par on May 1, 2019 or any date thereafter. The 2009 Series B Bonds are callable at par on May 1, 2019 or any date thereafter—*See page 2* *Sinking Fund*—The 2009 Series B Bonds maturing on May 1, 2030 are subject to mandatory sinking fund redemption at par—*See page 3*
Form:	Book-entry-only—*See page 4*
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of April 15, 2009, general obligations of the State were outstanding in the principal amount of $6,032,181,430.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Matters:	Interest on the 2009 Series A Bonds is, for federal income tax purposes, excluded from gross income and is not an item of tax preference for federal individual or corporate alternative minimum taxes. Interest on the 2009 Series A Bonds is not excluded from taxable income for purposes of State of Wisconsin income and franchise taxes—*See pages 8-9* Interest on the 2009 Series B Bonds is taxable as ordinary income for federal income tax purposes and is taxable income for purposes of State of Wisconsin income and franchise taxes—*See pages 10-14* For purposes of Section 265(b)(7) of the Code, the 2009 Series A Bonds are obligations issued in 2009 that are not refunding bonds—*See page 9*
Legal Opinion:	Validity opinion on all Bonds and tax opinion of the 2009 Series A Bonds to be provided by Foley & Lardner LLP—*See page C-1*

OFFICIAL STATEMENT

$101,975,000
STATE OF WISCONSIN

$47,440,000 GENERAL OBLIGATION BONDS OF 2009, SERIES A
$54,535,000 GENERAL OBLIGATION BONDS OF 2009, SERIES B (TAXABLE)

INTRODUCTION

This Official Statement provides information about the $47,440,000 General Obligation Bonds of 2009, Series A **(2009 Series A Bonds)** and $54,535,000 General Obligation Bonds of 2009, Series B (Taxable) **(2009 Series B Bonds)** (collectively, the 2009 Series A Bonds and the 2009 Series B Bonds are called the **Bonds)**. The Bonds are being issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and includes updated information and makes changes or additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 26, 2008 **(2008 Annual Report)**.

The 2009 Series B Bonds will be "qualified Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended **(Code)**. Based on the credit allowed for "qualified Build America Bonds", the State will elect to receive from the United States Treasury on each payment date a direct payment in the amount of 35% of the interest payable by the State with respect to such date, and the credit will not be allowed to the taxpayers holding the 2009 Series B Bonds.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, as well as an authorizing resolution that the State of Wisconsin Building Commission **(Commission)** adopted on November 12, 2008, as amended by a resolution the Commission adopted on April 15, 2009.

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all the State's general obligations. The Commission is assisted and staffed by the State of Wisconsin Department of Administration **(Department of Administration)**.

The Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 26th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, its financial condition, and its general obligation debt is included as APPENDIX A, which incorporates by reference Parts II and III of the 2008 Annual Report. APPENDIX A also includes updated information and makes changes or additions to Parts II and III of the 2008 Annual Report, including but not limited to:

- Revised General Fund tax revenue estimates for the 2008-09 fiscal year and the 2009-11 biennium, which were part of a May 11, 2009 memorandum from the Legislative Fiscal Bureau **(LFB)**, along with modifications to the estimates for the 2009-11 biennium that were provided by LFB on May 14, 2009.

- Information on the executive budget for the 2009-11 biennium, which was introduced on February 17, 2009 (2009 Assembly Bill 75).

- Information on 2009 Wisconsin Act 2, which was introduced on February 17, 2009 and signed into law on February 19, 2009. This act is referred to as the "State economic stimulus and budget repair bill" and addresses, in part, the projected budget deficit for the 2008-09 fiscal year.
- Updated General Fund tax collection projections for the 2008-09 fiscal year and the 2009-11 biennium, which were part of a January 29, 2009 memorandum from LFB.
- Projected and actual General Fund cash flows as of April 30, 2009.

Requests for additional information about the State may be directed to:

Contact:	State of Wisconsin Capital Finance Office Department of Administration Attn: Capital Finance Director
Mail:	101 East Wilson Street, FLR 10 P.O. Box 7864 Madison, WI 53707-7864
Phone:	(608) 266-2305
E-mail:	DOACapitalFinanceOffice@wisconsin.gov
Web site:	www.doa.wi.gov/capitalfinance

THE BONDS

General

The inside front cover of this Official Statement sets forth the maturity dates, amounts, and interest rates for each series of the Bonds. The Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee. The Commission has appointed, as the securities depository for the Bonds, The Depository Trust Company, New York, New York **(DTC)**. See "THE BONDS; Book-Entry-Only Form".

The Bonds will be dated their date of delivery (expected to be June 18, 2009) and will bear interest from that date payable on May 1 and November 1 of each year, beginning on November 1, 2009.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. So long as the Bonds are in book-entry-only form, payments of principal and interest for each Bond will be paid to the securities depository.

The Bonds are issued as fully registered certificated bonds in principal denominations of $5,000 or multiples of $5,000.

Security

The Bonds are direct and general obligations of the State. The full faith, credit, and taxing power of the State are irrevocably pledged to make principal and interest payments on the Bonds. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient to make principal and interest payments on the Bonds as the payments become due. The Bonds are secured equally with all other outstanding general obligations issued by the State.

Redemption Provisions

Optional Redemption

The 2009 Series A Bonds maturing on or after May 1, 2020 and the 2009 Series B Bonds may be redeemed on May 1, 2019 or any date thereafter, in whole or in part in multiples of $5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem Bonds, and the Capital Finance Director may direct the amounts and maturities of the Bonds to be redeemed.

Mandatory Sinking Fund Redemption

The 2009 Series B Bonds maturing on May 1, 2030 **(2030 Term Bonds)** are subject to redemption before their maturity date at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date, from mandatory sinking fund payments that are required to be made in amounts sufficient to redeem on May 1 of each year the respective amounts specified below:

Redemption Date (May 1)	**Principal Amount**
2027	$6,940,000
2028	7,290,000
2029	7,655,000
2030[a]	8,040,000

[a] Stated maturity

Optional redemption (or the purchase by the Commission in lieu of redemption) of the 2030 Term Bonds will be applied to reduce the mandatory sinking fund payments established for the 2030 Term Bonds so redeemed or purchased in such manner as the Capital Finance Director will direct.

Selection of Bonds

So long as the Bonds are in book-entry-only form, selection of the beneficial owners affected by the redemption will be made by the securities depository and its participants in accordance with their rules.

Notice of Redemption

So long as the Bonds are in book-entry-only form, any redemption notice will be sent to the securities depository between 30 and 60 days before the redemption date. A redemption notice may be revoked by sending notice to the securities depository at least 15 days before the proposed redemption date.

Interest on any Bond called for redemption will cease to accrue on the redemption date so long as the Bond is paid or money is provided for its payment.

Registration and Payment of Bonds

So long as the Bonds are in book-entry-only form, payment of principal will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration. Payment of interest will be made by wire transfer to the securities depository or its nominee on the payment date.

Ratings

At the State's request, the following ratings have been assigned to the Bonds:

Rating	Rating Agency
AA–	Fitch Ratings
Aa3	Moody's Investors Service, Inc.[a]
AA	Standard & Poor's Ratings Services

[a] On March 17, 2008, Moody's Investors Services, Inc. changed its rating outlook on the State's general obligations from "stable" to "negative".

Any explanation of what a rating means may only be obtained from the rating agency giving the rating. No one can offer any assurance that a rating given to the Bonds will be maintained for any period of time; a rating agency may lower or withdraw the rating it gives if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Bonds.

Application of Bond Proceeds

The Wisconsin Legislature has established the borrowing purposes and amounts for which public debt may be issued. APPENDIX B includes a summary of those purposes and the amounts both authorized and previously issued for each borrowing purpose. APPENDIX B also identifies the purposes and amounts for which the Bonds are being issued.

Bond proceeds will be deposited in the State's Capital Improvement Fund. Bond proceeds will be spent as the State incurs costs for the various borrowing purposes; until spent, the money will be invested by the State of Wisconsin Investment Board.

Book-Entry-Only Form

The Bonds will initially be issued in book-entry-only form. Purchasers of the Bonds will not receive bond certificates but instead will have their ownership in the Bonds recorded in the book-entry system.

Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Bonds. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system **(DTC Participants)**. All transfers of ownership in the Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The State will make all payments of principal of, and interest and any redemption premium on, the Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State will provide notices and other communications about the Bonds to DTC. Owners of the Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but will rather give a proxy through the DTC Participants.

Redemption

If less than all of the Bonds of a given maturity are being redeemed, DTC's practice is to determine by lottery the amount of the Bonds to be redeemed from each DTC Participant.

Discontinued Service

In the event that participation in DTC's book-entry system were to be discontinued and a successor securities depository were not obtained, bond certificates would be executed and delivered to DTC Participants.

Further Information

Further information concerning DTC and DTC's book-entry system is available at www.dtcc.com. The State is not responsible for any information available on DTC's web site. That information may be subject to change without notice.

The State is not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the Bonds or to follow the procedures established by DTC for its book-entry system.

Possible Discontinuance of Book-Entry-Only System

In the event the Bonds were not in book-entry-only form, how the Bonds are redeemed and paid would differ.

Bonds would be selected for redemption by lot. Any redemption notice would be published between 30 and 60 days before the date of redemption in a financial newspaper published or circulated in New York, New York. The notice would also be mailed, postage prepaid, between 30 and 60 days before the redemption date to the registered owners of any Bonds to be redeemed. The mailing, however, would not be a condition to the redemption; any proceedings to redeem the Bonds would still be effective even if the notice were not mailed. A redemption notice could be revoked by publication of a notice at least 15 days before the proposed redemption date in a financial newspaper published or circulated in New York, New

York. Any revocation notice would also be mailed, postage prepaid, at least 15 days before the proposed redemption date to the registered owners of any Bonds to have been redeemed. The mailing, however, would not be a condition to the revocation; the revocation would still be effective even if the notice were not mailed. Interest on any Bond called for redemption would cease to accrue on the redemption date so long as the Bond were paid or money were provided for its payment.

Payment of principal would be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying Agent, as designated by the Commission. Payment of interest due on the Bonds would be made by check or draft mailed to the registered owner shown in the registration book at the close of business on the record date—which is the 15th day (whether or not a business day) of the calendar month before the interest payment date.

OTHER INFORMATION

Limitations on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and Statutes. There is an annual limit of three-quarters of one percent, and a cumulative limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual limit is $3,857,954,728, and the aggregate limit is $25,719,698,185. A funding or refunding obligation does not count for purposes of the annual debt limit or the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations. As of April 15, 2009, general obligations of the State were outstanding in the principal amount of $6,032,181,430.

Borrowing Plans for 2009

General Obligations

The Bonds are the second and third series of general obligations to be issued in this calendar year. The State has previously issued $18 million of general obligation subsidy bonds for the Clean Water Fund Program. In addition, the Commission has authorized the issuance of the following general obligations:

- Up to $509 million of general obligation refunding bonds to refund general obligation bonds previously issued for general governmental purposes. The amount and timing of any issuance of general obligation refunding bonds depend on market conditions.
- Up to $50 million of general obligation subsidy bonds to be purchased by the Environmental Improvement Fund for the Clean Water Fund Program. The amount and timing of issuance of general obligation subsidy bonds for this purpose depend on various factors, including the amount and timing of loan disbursements from the Clean Water Fund Program.
- Up to $85 million of general obligations for the veterans housing loan program, which may be in the form of bonds, commercial paper notes, or extendible municipal commercial paper. The amount and timing of issuance of general obligations for this purpose depend on originations of veterans housing loans.
- Up to $57 million of general obligation refunding bonds to refund general obligation bonds previously issued for the veterans housing loan program. The amount and timing of issuance of general obligation refunding bonds for this purpose depend on market conditions and other factors relating to the veterans housing loan program.
- General obligations for the funding of the State's outstanding general obligation commercial paper notes and extendible municipal commercial paper, which were outstanding in the amount of $640 million as of April 15, 2009. The amount and timing of any issuance of general obligations for this funding purpose depend on various factors.

Other Obligations

The Commission has authorized up to $215 million of transportation revenue bonds to fund highway projects and transportation facilities. The issuance of these transportation revenue bonds is expected in the second or third quarter of this calendar year. The Commission has authorized up to $250 million of transportation revenue refunding bonds to refund previously issued transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend on market conditions.

The Commission has authorized up to $125 million of clean water revenue refunding bonds to refund previously issued clean water revenue bonds. The amount and timing of any issuance of clean water revenue refunding bonds depend on market conditions.

The State, acting by and through its Department of Administration, issued one series of general fund annual appropriation bonds in this calendar year in the par amount of $1.5 billion. The proceeds were used to purchase tobacco settlement payments to be received pursuant to the Master Settlement Agreement (entered into among the participating cigarette manufacturers, 46 states, and six other U.S. jurisdictions in conjunction with the settlement of certain smoking-related litigation), which had been sold in calendar year 2002 to Badger Tobacco Asset Securitization Corporation. As a result of the State's purchase, all obligations previously issued by Badger Tobacco Asset Securitization Corporation were defeased.

The State expects to issue operating notes for the 2009-10 fiscal year in the second or third quarter of this calendar year; however, the operating notes have not yet been authorized by the Commission.

Underwriting

The Bonds were purchased through competitive bidding on June 3, 2009 by the following **Underwriters**.

2009 Series A Bonds—Merrill Lynch & Co.

2009 Series B Bonds—Barclays Capital Inc.

The true-interest-cost rate to the State for the 2009 Series A Bonds is 3.381151%, and the true-interest-cost rate to the State for the 2009 Series B Bonds is 3.546156% (reflecting the direct payment the State will elect to receive from the United States Treasury on each interest payment date in the amount of 35% of the interest payable by the State with respect to such date).

Reference Information About the Bonds

Both the tables on the following page and the tables on the inside front cover include information about the Bonds and are provided for reference. The CUSIP number for each maturity has been obtained from sources the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. Each Underwriter has provided the reoffering yields and prices with respect to the series of Bonds the Underwriter purchased. For each of the Bonds subject to optional redemption, the yield shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

Legal Investment

State law provides that the Bonds are legal investments for the following:

- Banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business.
- Personal representatives, guardians, trustees, and other fiduciaries.
- The State and all public officers, municipal corporations, political subdivisions, and public bodies.

$47,440,000
State of Wisconsin
General Obligation Bonds of 2009, Series A

Dated Date: Date of Delivery
First Interest Date: November 1, 2009
Delivery/Settlement Date: On or about June 18, 2009

CUSIP	Year (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705L VS3	2012	$ 3,340,000	2.00%	1.75%	100.695%	Not Callable	-
97705L VT1	2013	3,505,000	3.00	2.08	103.401	Not Callable	-
97705L VU8	2014	3,680,000	4.00	2.52	106.739	Not Callable	-
97705L VV6	2015	3,865,000	4.00	2.72	106.898	Not Callable	-
97705L VW4	2016	4,060,000	4.00	2.92	106.675	Not Callable	-
97705L VX2	2017	4,260,000	4.00	3.12	106.095	Not Callable	-
97705L VY0	2018	4,475,000	5.00	3.22	113.634	Not Callable	-
97705L VZ7	2019	4,700,000	5.00	3.42	113.136	Not Callable	-
97705L WA1	2020	4,935,000	4.00	3.59	103.378 [a]	2019	100%
97705L WB9	2021	5,180,000	4.00	3.72	102.291 [a]	2019	100
97705L WC7	2022	5,440,000	4.00	3.85	101.218 [a]	2019	100

[a] These 2009 Series A Bonds are priced to the May 1, 2019 first optional call date.

$54,535,000
State of Wisconsin
General Obligation Bonds of 2009, Series B (Taxable)

Dated Date: Date of Delivery
First Interest Date: November 1, 2009
Delivery/Settlement Date: On or about June 18, 2009

CUSIP	Year (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705L WD5	2023	$ 5,710,000	5.15%	5.15%	100.000%	2019	100%
97705L WE3	2024	5,995,000	5.20	5.20	100.000	2019	100
97705L WF0	2025	6,295,000	5.25	5.25	100.000	2019	100
97705L WG8	2026	6,610,000	5.30	5.30	100.000	2019	100
97705L WH6	2030[a]	29,925,000	5.40	5.50	98.760	2019	100

[a] This maturity is a term bond. For a schedule of the mandatory sinking fund redemption payments, see "THE BONDS; Redemption Provisions; *Mandatory Sinking Fund Redemption*" herein.

Legal Opinions

Bond Opinion

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. Bond Counsel will deliver an approving opinion when the Bonds are delivered, in substantially the form shown in APPENDIX C. If certificated Bonds were issued, then the opinion would be printed on the reverse side of each Bond.

Attorney General

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the Bonds, (2) the validity of the Bonds or any of the proceedings taken with respect to the issuance, sale, execution, or delivery of the Bonds, or (3) the pledge or application of any moneys or security provided for the payment of the Bonds.

If certificated Bonds were issued, then a certificate of the Attorney General would be printed on the reverse side of each Bond.

TAX MATTERS

Tax Exemption – 2009 Series A Bonds

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the 2009 Series A Bonds is excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the 2009 Series A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes and is not included in adjusted current earnings in determining federal alternative minimum taxable income of corporations. As to questions of fact material to Bond Counsel's opinion, Bond Counsel has relied upon certified proceedings and certifications of public officials without independently undertaking to verify them. Moreover, the State must comply with all requirements of the Code that must be satisfied after the 2009 Series A Bonds are issued for interest on the 2009 Series A Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has promised to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the 2009 Series A Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date the 2009 Series A Bonds were issued. The proceedings authorizing the 2009 Series A Bonds do not provide for an increase in interest rates or a redemption of the 2009 Series A Bonds in the event interest on the 2009 Series A Bonds ceases to be excluded from gross income.

Certain requirements and procedures contained or referred to in the authorizing resolution and other relevant documents may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel does not express any opinion as to any 2009 Series A Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Foley & Lardner LLP.

Future legislation or clarifications or amendments to the Code, if enacted into law, may cause the interest on the 2009 Series A Bonds to be subject, directly or indirectly, to federal taxation, or otherwise prevent the owners of the 2009 Series A Bonds from realizing the full current benefit of the tax status of the interest on the 2009 Series A Bonds. Prospective purchasers of the 2009 Series A Bonds are encouraged to consult their own tax advisors regarding any pending federal legislation.

The opinion of Bond Counsel is based on legal authorities that are current as of its date, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the 2009 Series A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service **(IRS)** or the courts, and it is not a guarantee of result.

The IRS has an active tax-exempt bond enforcement program. Bond Counsel is not obligated to defend the State regarding the tax-exempt status of the 2009 Series A Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners of the 2009 Series A Bonds and other parties other than the State would have little, if any, right to participate in an IRS examination of the 2009 Series A Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the State may legitimately disagree may not be practicable. Any action of the IRS, including but not limited to selection of the 2009 Series A Bonds for examination, or the course or result of such an examination, or an examination of obligations presenting similar tax issues may affect the market price, or the marketability of the 2009 Series A Bonds, and may cause the State or the owners of the 2009 Series A Bonds to incur significant expense.

Bond Counsel expresses no opinion about other federal tax consequences arising regarding the 2009 Series A Bonds. There may be other federal tax law provisions that could adversely affect the value of an investment in the 2009 Series A Bonds for particular owners of 2009 Series A Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a 2009 Series A Bond.

De Minimis Safe Harbor Exception For Tax-Exempt Interest Expense of Financial Institutions

In the case of a financial institution, the Code generally disallows that portion of a taxpayer's interest expense that is allocable to tax-exempt interest. The amount of interest that is disallowed is an amount which bears the same ratio to such interest expense as the taxpayer's average adjusted bases of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted bases of all assets of the taxpayer. The general rule of section 265(b) of the Code denying financial institutions' interest expense deductions allocable to tax-exempt obligations does not apply to "qualified tax-exempt obligations". The 2009 Series A Bonds are not "qualified tax-exempt obligations" for this purpose.

The American Recovery and Reinvestment Act of 2009 amends section 265(b) of the Code to provide that tax-exempt obligations issued during 2009 and 2010 and held by a financial institution, in an amount not to exceed two percent of the adjusted basis of the financial institution's assets, are not taken into account for the purpose of determining the portion of the financial institution's interest expense subject to the pro rata interest disallowance rule of section 265(b). For the purposes of this rule, a refunding bond (whether a current or advance refunding) is treated as issued on the date of issuance of the refunded bond (or, in a case of a series of refundings, the original bond).

The American Recovery and Reinvestment Act of 2009 also amends section 291(e) of the Code to provide that tax-exempt obligations issued during 2009 and 2010, and not taken into account for purposes of calculation of a financial institution's interest expense subject to the pro rata interest disallowance rule, are treated as having been acquired on August 7, 1986. As a result, such obligations are financial institution preference items, and the amount allowable as a deduction by a financial institution with respect to interest incurred to carry such obligations is reduced by 20 percent.

Bond Counsel is of the opinion that, for purposes of section 265(b)(7) of the Code, the 2009 Series A Bonds are obligations issued in 2009 that are not refunding bonds.

State of Wisconsin Income and Franchise Taxes

Interest on the 2009 Series A Bonds is not excluded from State of Wisconsin income and franchise taxes. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a 2009 Series A Bond.

Premium 2009 Series A Bonds

Each 2009 Series A Bond has an Issue Price that is greater than the amount payable at the maturity of the 2009 Series A Bond.

Any 2009 Series A Bond purchased in the initial offering at the Issue Price will have "amortizable bond premium" within the meaning of Section 171 of the Code. An owner of a 2009 Series A Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in the 2009 Series A Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the owner owned the 2009 Series A Bond. The adjusted tax basis in a 2009 Series A Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the 2009 Series A Bond.

Owners of 2009 Series A Bonds that do not purchase their 2009 Series A Bonds in the initial offering at the Issue Price should consult their own tax advisors with respect to the federal tax consequences of owning 2009 Series A Bonds. Owners of 2009 Series A Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning 2009 Series A Bonds.

Tax Status – 2009 Series B Bonds

In the opinion of Bond Counsel, under existing law, interest on the 2009 Series B Bonds will be includible in gross income of the owners thereof for federal income tax purposes.

Any discussion of U.S. federal tax issues included in this Official Statement is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal tax penalties that may be imposed on the taxpayer. Such discussions were written in connection with the promotion or marketing of the 2009 Series B Bonds. Each taxpayer should seek advice from an independent tax advisor based on the taxpayer's particular circumstances.

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of 2009 Series B Bonds by certain persons. This summary does not consider all the possible federal income tax consequences of the purchase, ownership, or disposition of the 2009 Series B Bonds and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons that purchase a 2009 Series B Bond at its issue price, which is the first price at which a substantial amount of the 2009 Series B Bonds is sold to the public, and that hold 2009 Series B Bonds as "capital assets" within the meaning of section 1221 of the Code. This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold 2009 Series B Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprising a 2009 Series B Bond and one or more other investments, or United States Owners (as defined below) that have a "functional currency" other than the United States dollar (**Special Taxpayers**). Except to the extent discussed below under "TAX MATTERS; Tax Status – 2009 Series B Bonds; *Non-United States Owners,"* this summary is applicable only to a person (**United States Owner**) that is the beneficial owner of 2009 Series B Bonds and is (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State (including the District of Columbia), or (iii) a person otherwise subject to federal income taxation on its worldwide income. This summary is based upon the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or the interpretations, any of which may be applied retroactively. It does not discuss the tax laws of any state, local, or foreign governments.

United States Owners—Payments of Stated Interest

In general, for a beneficial owner that is a United States Owner, interest on a 2009 Series B Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes.

United States Owners—Original Issue Discount

If the stated redemption price at maturity of a 2009 Series B Bond exceeds its "issue price," such excess is treated as original issue discount (**OID**) unless the amount of such excess is less than a specified *de minimis* amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity). The issue price of the 2009 Series B Bonds is the price at which a substantial amount of the 2009 Series B Bonds is first sold to the public. The issue price of the 2009 Series B Bonds is expected to be the amount set forth in "OTHER INFORMATION; Reference Information About the Bonds", but is subject to change based on actual sales.

With respect to a United States Owner that purchases in the initial offering a 2009 Series B Bond issued with OID, the amount of OID that accrues during any accrual period equals (a) the product of (i) the "adjusted issue price" of the 2009 Series B Bond at the beginning of the accrual period (which price equals the issue price of such 2009 Series B Bond plus the amount of OID that has accrued on a constant-yield basis in all prior accrual periods minus the amount of any payments, other than "qualified stated interest," received on the 2009 Series B Bond in prior accrual periods) and (ii) the yield to maturity of such 2009 Series B Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (b) any qualified stated interest payable on the 2009 Series B Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period.

A United States Owner of a 2009 Series B Bond issued with OID must include in gross income for federal income tax purposes the amount of OID accrued with respect to each day during the taxable year that the United States Owner owns the 2009 Series B Bond. Such an inclusion in advance of receipt of the cash attributable to the income is required even if the United States Owner is on the cash method of accounting for United States federal income tax purposes. The amount of OID that is includible in a United States Owner's gross income will increase the United States Owner's tax basis in the 2009 Series B Bond. Such basis will be decreased by the amount of any payments other than qualified stated interest received on the 2009 Series B Bond. The adjusted tax basis in a 2009 Series B Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale or retirement) of the 2009 Series B Bond.

If a 2009 Series B Bond issued with OID is purchased by a United States Owner for a cost that exceeds the adjusted issue price as of the purchase date and that is less than the stated redemption price at maturity of the 2009 Series B Bond, the amount of OID that is deemed to accrue thereafter to the United States Owner will be reduced to reflect the amortization of such excess (**acquisition premium**) over the remaining life of the 2009 Series B Bond.

United States Owners—2009 Series B Bonds Purchased at a Premium

Under the Code, a United States Owner that purchases a 2009 Series B Bond for an amount in excess of its stated redemption price at maturity may elect to treat such excess as "amortizable bond premium," in which case the amount of interest required to be included in the United States Owner's income each year with respect to interest on the 2009 Series B Bond will be reduced by the amount of amortizable bond premium allocable (based on the 2009 Series B Bond's yield to maturity) to that year. If such an election is made, the amount of each such reduction in interest income will result in a corresponding reduction in the United States Owner's tax basis in the 2009 Series B Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the United States Owner at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States Owner and may not be revoked without the consent of the IRS.

United States Owners—2009 Series B Bonds Purchased at a Market Discount

A 2009 Series B Bond will be treated as acquired at a market discount (**market discount Bond**) if the amount for which a United States Owner purchased the 2009 Series B Bond is less than the 2009 Series B Bond's principal amount, unless such difference is less than a specified *de minimis* amount.

In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount Bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the 2009 Series B Bond. Alternatively, a United States Owner of a market discount Bond may elect to include market discount in income currently over the life of the market discount Bond. That election applies to all debt instruments with market discount acquired by the electing United States Owner on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the tax basis of the 2009 Series B Bond in the hands of the United States Owner will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Owner elects to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount Bond with respect to which it is made and is irrevocable. A United States Owner of a market discount Bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the 2009 Series B Bond in an amount not exceeding the accrued market discount on such 2009 Series B Bond until the maturity or disposition of the 2009 Series B Bond.

United States Owners—Election to Treat All Interest as OID

A United States Owner may elect in the year of acquisition of a 2009 Series B Bond to account for all interest (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, and *de minimis* market discount, as adjusted by any amortizable bond premium or acquisition premium) that accrues on the 2009 Series B Bond by using the constant yield method applicable to OID. Any such election may not be revoked without the consent of the IRS.

United States Owners—Purchase, Sale, Exchange, and Retirement of 2009 Series B Bonds

A United States Owner's tax basis in a 2009 Series B Bond generally will equal its cost, increased by any market discount and original issue discount included in the United States Owner's income with respect to the 2009 Series B Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the 2009 Series B Bond. A United States Owner generally will recognize gain or loss on the sale, exchange, or retirement of a 2009 Series B Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Owner's tax basis in the 2009 Series B Bond. Except to the extent described above under "TAX MATTERS; Tax Status – 2009 Series B Bonds; *United States Owners—2009 Series B Bonds Purchased at a Market Discount*," gain or loss recognized on the sale, exchange, or retirement of a 2009 Series B Bond will be capital gain or loss and will be long-term capital gain or loss if the 2009 Series B Bond was held for more than one year.

Non-United States Owners

The following is a general discussion of certain United States federal income and estate tax consequences resulting from the beneficial ownership of 2009 Series B Bonds by a person other than a United States Owner or a former United States citizen or resident (**Non-United States Owner**).

Interest earned on a 2009 Series B Bond by a Non-United States Owner will be considered "portfolio interest," and will not be subject to United States federal income tax or withholding, if:

- the Non-United States Owner is neither (i) a "controlled foreign corporation" that is related to the State as described in Section 881(c)(3)(C) of the Code, nor (ii) a bank receiving the interest on a loan made in the ordinary course of its business;
- the certification requirements described below are satisfied; and
- the interest is not effectively connected with the conduct of a trade or business within the United States by the Non-United States Owner.

The certification requirements will be satisfied if either (i) the beneficial owner of the 2009 Series B Bond timely certifies, under penalties of perjury, to the State or to the person that otherwise would be required to withhold United States tax that such owner is a Non-United States Owner and provides its name and address, or (ii) a custodian, broker, nominee, or other intermediary acting as an agent for the beneficial owner (such as a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its trade or business) that holds the 2009 Series B Bond in such capacity timely certifies, under penalties of perjury, to the State or to the person that otherwise would be required to withhold United States tax that such statement has been received from the beneficial owner of the Bond by such intermediary, or by any other financial institution between such intermediary and the beneficial owner, and furnishes to the State or to the person that otherwise would be required to withhold United States tax a copy thereof. The foregoing certification may be provided on a properly completed IRS Form W-8BEN or W-8IMY, as applicable, or any successor forms, duly executed under penalties of perjury. With respect to the certification requirement for 2009 Series B Bonds that are held by an entity that is classified for United States federal income tax purposes as a foreign partnership, the applicable Treasury Regulations provide that, unless the foreign partnership has entered into a withholding agreement with the IRS, the foreign partnership will be required, in addition to providing an intermediary Form W-8IMY, to attach an appropriate certification by each partner, and to attach a statement allocating payments on such 2009 Series B Bonds to the various partners.

If a Non-United States Owner is engaged in a trade or business in the United States and interest on the 2009 Series B Bond is effectively connected with the conduct of such trade or business, the Non-United States Owner, although exempt from the withholding tax discussed above (provided that such beneficial owner timely furnishes the required certification to claim such exemption), may be subject to United States Federal income tax on such interest (and on any gain realized on a sale or other disposition of the 2009 Series B Bond) in the same manner as if it were a United States Owner. If the non-United States Owner is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a 2009 Series B Bond will be included in the earnings and profits of the beneficial owner if the interest is effectively connected with the conduct by the beneficial owner of a trade or business in the United States. Such a beneficial owner must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States Federal withholding tax.

Any payments to a Non-United States Owner of interest that do not qualify for the portfolio interest exemption and that are not effectively connected with the conduct of a trade or business within the United States by the Non-United States Owner will be subject to United States Federal income tax and withholding at a rate of 30% (or at a lower rate under an applicable tax treaty).

Any capital gain or market discount realized on the sale, exchange, retirement, or other disposition of a 2009 Series B Bond by a Non-United States Owner will not be subject to United States federal income or withholding taxes if (i) the gain is not effectively connected with a United States trade or business of the Non-United States Owner and (ii) in the case of an individual, the Non-United States Owner is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement, or other disposition and certain other conditions are met.

2009 Series B Bonds owned by an individual that is neither a citizen nor a resident of the United States for United States Federal estate tax purposes at the time of the individual's death will not be subject to United States Federal estate tax, provided that at the time of the individual's death the income from the 2009 Series B Bonds was not or would not have been effectively connected with a United States trade or business of the individual and that the individual qualified for the exemption from United States Federal withholding tax (without regard to the certification requirements) described above.

Purchasers of 2009 Series B Bonds that are Non-United States Owners should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes upon income realized in respect of the 2009 Series B Bonds.

Information Reporting and Back-up Withholding

In general, information reporting requirements will apply with respect to payments to a United States Owner of principal and interest (and with respect to annual accruals of OID) on the 2009 Series B Bonds, and with respect to payments to a United States Owner of any proceeds from a disposition of the 2009 Series B Bonds. This information reporting obligation, however, does not apply with respect to certain United States Owners including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Owner subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed to properly report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Owner on or with respect to the 2009 Series B Bonds.

Any payments of interest and OID on the 2009 Series B Bonds to a Non-United States Owner generally will be reported to the IRS and to the Non-United States Owner, whether or not such interest or OID is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Any payments of interest and OID on the 2009 Series B Bonds to a Non-United States Owner generally will not be subject to backup withholding and additional information reporting, provided that (i) the Non-United States Owner certifies, under penalties of perjury, on IRS Form W-8BEN (or a suitable substitute form) that it is not a United States person and certain other conditions are met, or (ii) the Non-United States Owner otherwise establishes an exemption.

The payment to a Non-United States Owner of the proceeds of a disposition of a 2009 Series B Bond by or through the United States office of a broker generally will not be subject to information reporting or backup withholding if the Non-United States Owner either certifies, under penalties of perjury, on IRS Form W-8BEN (or a suitable substitute form) that it is not a United States person and certain other conditions are met, or the Non-United States Owner otherwise establishes an exemption. Information reporting and backup withholding generally will not apply to the payment of the proceeds of a disposition of a 2009 Series B Bond by or through the foreign office of a foreign broker (as defined in applicable Treasury regulations). Information reporting requirements (but not backup withholding) will apply, however, to a payment of the proceeds of the disposition of a 2009 Series B Bond by or through (i) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (ii) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (iii) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (iv) a foreign partnership if at any time during its tax year one or more of its partners are United States persons that, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding provisions may be credited against the United States federal income tax liability of the beneficial owner, and may entitle the beneficial owner to a refund, provided that the required information is furnished to the IRS.

Disclaimer Regarding Federal Tax Discussion

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the 2009 Series B Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Tax Considerations

In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of 2009 Series B Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in 2009 Series B Bonds.

Interest on the 2009 Series B Bonds is taxable as ordinary income for federal income tax purposes and is taxable income for purposes of State of Wisconsin income and franchise taxes.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes certain fiduciary and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA (**ERISA Plans**). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) of the Code (**Qualified Retirement Plans)** and on individual retirement accounts described in Section 408(b) of the Code (collectively, **Tax-Favored Plans**). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Accordingly, assets of such plans may be invested in Bonds without regard to the ERISA considerations described below, subject to the provisions of applicable federal and state law. Any such plan which is a Qualified Retirement Plan and exempt from taxation under Sections 401(a) and 501(a) of the Code, however, is subject to the prohibited transaction rules set forth in the Code.

In addition to the imposition of general fiduciary requirements, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities with underlying assets that include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, **Benefit Plans**) and persons who have certain specified relationships to the Benefit Plans (**Parties in Interest** or **Disqualified Persons**), unless a statutory or administrative exemption is available. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available.

Certain transactions involving the purchase, holding, or transfer of Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the State were deemed to be assets of a Benefit Plan. Under a regulation issued by the United States Department of Labor (**Plan Assets Regulation**), the assets of the State would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code only if the Benefit Plan acquires an "equity interest" in the State and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. However, without regard to whether the Bonds are treated as an equity interest for such purposes, the acquisition or holding of Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the State, or any of its affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. A prohibited transaction could also occur in the event that a Benefit Plan transfers a Bond to a Party in Interest or Disqualified Person. In such case, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (**PTCE**) 96-23, regarding transactions effected by "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts", PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional assets managers."

Any ERISA Plan fiduciary considering whether to purchase Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State **(Annual Reports)**. By December 27 of each year, the State will send the report to each nationally recognized municipal securities information repository **(NRMSIR)** and to any state information depository **(SID)** for the State. The State will also provide notices of the occurrence of certain events specified in the undertaking to each NRMSIR, or the Municipal Securities Rulemaking Board **(MSRB)**, and to any SID. At this time, there is no SID for the State. Part I of the 2008 Annual Report, which contains information on the undertaking, is included by reference as part of this Official Statement.

Copies of the Annual Reports and notices may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
Attn: Capital Finance Director
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov
www.doa.wi.gov/capitalfinance

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the NRMSIRs, or the MSRB, and to any SID. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: June 3, 2009

STATE OF WISCONSIN

/s/ JIM DOYLE
Governor Jim Doyle, Chairperson
State of Wisconsin Building Commission

/s/ MICHAEL L. MORGAN
Michael L. Morgan, Secretary
State of Wisconsin Department of Administration

/S/ DAVID W. HELBACH
David W. Helbach, Secretary
State of Wisconsin Building Commission

APPENDIX A

INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin **(State)**, contained in Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 26, 2008 **(2008 Annual Report)**, which can be obtained as described below. This Appendix also includes changes or additions to the information presented in Parts II and III of the 2008 Annual Report, including:

- Revised General Fund tax revenue estimates for the 2008-09 fiscal year and the 2009-11 biennium, which were part of a May 11, 2009 memorandum from the Legislative Fiscal Bureau **(LFB)**, along with modifications to the estimates for the 2009-11 biennium that were provided by LFB on May 14, 2009.
- Information on the executive budget for the 2009-11 biennium, which was introduced on February 17, 2009 (2009 Assembly Bill 75).
- Information on 2009 Wisconsin Act 2, which was introduced on February 17, 2009 and signed into law on February 19, 2009. This act is referred to as the "State economic stimulus and budget repair bill" and addresses, in part, the projected budget deficit for the 2008-09 fiscal year.
- Updated General Fund tax collection projections for the 2008-09 fiscal year and the 2009-11 biennium, which were part of a January 29, 2009 memorandum from LFB.
- Projected and actual General Fund cash flows as of April 30, 2009.

Part II of the 2008 Annual Report contains general information about the State. More specifically, that part presents information about the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization of, and services provided by, the State
- Results of fiscal year 2007-08
- State budget
- Potential effects of litigation
- Obligations of the State
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as APPENDIX A to Part II of the 2008 Annual Report are the audited general purpose external financial statements for the fiscal year ending June 30, 2008, prepared in conformity with generally accepted accounting principles **(GAAP)** for governments as prescribed by the Government Accounting Standards Board, and the independent auditor's report provided by the State Auditor.

Part III of the 2008 Annual Report contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2008 Annual Report has been filed with each nationally recognized municipal securities information repository **(NRMSIR)** and is also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin." The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2008 Annual Report may also be obtained from:

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov

The State has independently provided, since July 2001, monthly reports on general fund financial information. These monthly reports are not required by any of the State's undertakings provided to permit compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. These monthly reports are available on the State's Capital Finance Office web site that is listed above and are filed as material information notices with each NRMSIR; however, such reports are not incorporated by reference into this Official Statement or Part II of the 2008 Annual Report, and the State is not obligated to continue providing such monthly reports in the future.

After publication and filing of the 2008 Annual Report, certain changes or events have occurred that affect items discussed in the 2008 Annual Report. Listed below, by reference to particular sections of Parts II and III of the 2008 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes or additions have not been filed with the NRMSIRS. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRS, some of which may be notices that do not describe listed material events under the State's Master Agreement on Continuing Disclosure.

State Budget; Budget for 2008-09 Fiscal Year (Part II; Pages 28-33). Add the following new sections, which include changes or additions based on events that occurred, or information that was released, after the date of the Preliminary Official Statement (May 22, 2009).

May 11, 2009 General Fund Tax Revenue Estimates; Update on 2009-11 Biennial Budget

On May 11, 2009, LFB released a memorandum that included revised General Fund tax revenue estimates for the 2008-09 fiscal year. The total estimate of General Fund tax revenues for the 2008-09 fiscal year is $12.118 billion, which is approximately $926 million, or 7.1%, lower than actual General Fund tax collections for the 2007-08 fiscal year. This projection is also $408 million lower than the amount previously projected by LFB on January 29, 2009. The table on the following page provides a summary of the revised General Fund tax revenue estimates for the 2008-09 fiscal year (reflecting current law including 2009 Wisconsin Act 2, which was enacted after the LFB projections of January 29, 2009) and, for comparison, other previous projections.

A complete copy of the May 11, 2009 LFB memorandum is included on pages A-10 through A-16 of this Official Statement.

As of date of this Official Statement, the Legislature's Joint Committee on Finance has completed review and approved a budget bill for the 2009-11 biennium (2009 Assembly Bill 75). Some provisions of Governor Doyle's executive budget for the 2009-11 biennium that affect the 2008-09 fiscal year were included in 2009 Wisconsin Act 11, which was enacted on May 15, 2009. *The Legislature's Joint Committee on Finance completed its review and approval of the budget bill for the 2009-11 biennium after the date of the Preliminary Official Statement (May 22, 2009).*

Based on the General Fund tax revenue estimates in the May 11, 2009 LFB memorandum, provisions of 2009 Wisconsin Act 11, and the budget bill that has been approved by the Legislature's Joint Committee on Finance, a negative ending General Fund balance is projected for the 2008-09 fiscal year. It is expected that legislation will be introduced to address this projected negative ending balance by authorizing the State to use additional federal economic stimulus money that has been allocated to it.

The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget (which the Legislature did for the 2007-09 biennium), and if final budgetary expenses of any fiscal year exceed available revenues (which may occur in the 2008-09 fiscal year if legislation such as that discussed above is not enacted), then the Legislature must take action to balance the budget in the succeeding fiscal year.

Projected General Fund Tax Revenues Compared to Previous Projections
2008-09 Fiscal Year
(in Millions)

	LFB Projections May 2009	LFB Projections January 2009	DOR Projections November 2008	LFB Projections February 2008	2007-09 Biennial Budget
Individual Income	$ 6,185.0	$ 6,585.0	$ 6,705.4	$ 6,965.0	$ 7,105.5
Sales and Use	4,130.0	4,025.0	4,097.4	4,295.0	4,479.4
Corp. Income & Franchise	615.0	650.0	720.0	815.0	860.3
Public Utility	320.7	327.0	309.1	316.2	214.4
Excise					
Cigarettes	558.8	565.0	565.4	523.7	531.0
Liquor & Wine	44.0	44.0	43.5	43.0	43.0
Tobacco Products	41.0	41.5	39.9	41.2	41.2
Beer	10.0	10.0	9.8	9.4	9.4
Insurance Company	140.0	170.0	184.7	160.0	144.0
Estate	21.0	22.0	25.4	30.0	25.0
Miscellaneous Taxes	52.0	55.7	61.7	73.0	73.0
TOTAL	$12,117.5	$12,495.2	$12,762.3	$13,271.5	$13,626.2

Provisions From 2009 Assembly Bill 75; 2009-11 Executive Budget

On February 17, 2009, Governor Doyle's executive budget for the 2009-11 biennium was introduced (2009 Assembly Bill 75) and included provisions that affect the 2008-09 fiscal year. Specifically, if enacted as introduced, approximately $597 million of funds from the federal economic stimulus bill would be used for certain education and Medicaid expenditures, thereby reducing General Fund appropriations in the same amount for the 2008-09 fiscal year.

A projected General Fund condition statement reflecting provisions of the executive budget for the 2009-11 biennium is included in the table on the following page. For the purpose of comparison, the table includes the projected General Fund condition statements based, respectively, on 2009 Wisconsin Act 2 (which is discussed on this page A-4), the January 29, 2009 LFB memorandum addressing General Fund tax collection projections (which is also discussed on page A-4), and the initial enactment of the budget for the 2007-09 biennium (2007 Wisconsin Act 20). However, the table does not reflect the revised General Fund tax revenue estimates provided by LFB on May 11, 2009 or the modifications to 2009 Assembly Bill 75 that have been approved by the Legislature's Joint Committee on Finance.

State Economic Stimulus and Budget Repair Bill

On February 19, 2009, the Governor signed into law 2009 Wisconsin Act 2, which was introduced in the Legislature on February 17, 2009 and referred to as the State economic stimulus and budget repair bill. This act addressed, in part, the projected budget shortfall at that time for the 2008-09 fiscal year and the 2009-11 biennium.

Projected General Fund Condition Statement
2008-09 Fiscal Year
(in Millions)

	February 2009- 2009-11 Executive Budget[(a)]	February 2009- 2009 Act 2	January 2009-LFB Memorandum	October 2008- 2007 Act 20 (Budget Bill)
Revenues				
Opening Balance	$ 130.6	$ 130.6	$ 130.6	$ 67.0
Taxes	12,525.6	12,525.6	12,495.2	13,626.2
Department Revenues				
Tribal Gaming	93.9	93.9	93.9	46.3
Other	619.4	570.4	532.3	435.0
Total Available	$13,396.6	$13,320.6	$13,252.1	$14,174.5
Appropriations				
Gross Appropriations	$13,437.4	$14,074.8	$14,117.9	$14,212.1
Compensation Reserves	132.6	132.6	132.6	156.6
Sum Sufficient Reestimates	n/a	(18.6)	(18.3)	n/a
Biennial Appro. Spending Ahead[(b)]	n/a	(34.8)	(34.8)	n/a
Less: Lapses	(416.5)	(416.5)	(416.5)	(262.0)
Net Appropriations	$13,153.5	$13,737.5	$13,781.0	$14,106.8
Balances				
Gross Balance	$ 216.1	$ (416.9)	$ (528.8)	$ 67.7
Less: Required Statutory Balance	0.0	0.0	(65.0)	(65.0)
Net Balance, June 30	$ 216.1	$ (416.9)	$ (593.8)	$ 2.7

(a) Reflects provisions of the executive budget for the 2009-11 biennium, but does not reflect the revised General Fund tax revenue estimates provided by LFB on May 11, 2009 or the modifications to 2009 Assembly Bill 75 that have been approved by the Legislature's Joint Committee on Finance .
(b) Certain biennial appropriations from the 2008-09 fiscal year were expended in the 2007-08 fiscal year.

January 29, 2009 General Fund Tax Collection Projections (Updated February 11, 2009)

On January 29, 2009, LFB released a memorandum that included updated General Fund tax collection projections for the 2008-09 fiscal year. The total projection of General Fund tax collections for the 2008-09 fiscal year was $12.495 billion, which was approximately $548 million, or 4.2%, lower than actual General Fund tax collections for the 2007-08 fiscal year. This projection was also $267 million lower than the amount previously projected on November 20, 2008 by the Department of Revenue **(DOR)**. The January 29, 2009 LFB memorandum also identified potential shortfalls at that time for the State's medical assistance program, the Department of Children and Families, and the Department of Corrections. Provisions of 2009 Wisconsin Act 2 addressed many of these potential shortfalls.

State Budget; Budget for 2009-11 Biennium (Part II – Page 31). Update with the following information, which include changes or additions based on events that occurred, or information that was released, after the date of the Preliminary Official Statement (May 22, 2009).

Update on 2009-11 Biennial Budget

As of date of this Official Statement, the Legislature's Joint Committee on Finance has completed review and approved a budget bill for the 2009-11 biennium (2009 Assembly Bill 75). This budget bill for the 2009-11 biennium will be considered by both the Wisconsin Assembly and Wisconsin Senate; changes to this budget bill may occur, and when approved by both it will be forwarded to Governor Doyle for enactment and possible vetoes. Based on the General Fund tax revenue estimates in the May 11, 2009 LFB memorandum and the budget bill that has been approved by the Legislature's Joint Committee on Finance, the projected ending General Fund balance at June 30, 2011 is $135 million. *The Legislature's*

Joint Committee on Finance completed its review and approval of the budget bill for the 2009-11 biennium after the date of the Preliminary Official Statement (May 22, 2009).

May 11, 2009 General Fund Tax Revenue Estimates, Including May 14, 2009 Modifications

On May 11, 2009, LFB released a memorandum that included revised General Fund tax revenue estimates for the 2009-11 biennium, namely, $11.719 billion for the 2009-10 fiscal year and $12.251 billion for the 2010-11 fiscal year. These projections are $573 million and $622 million lower, respectively, than the General Fund tax revenue projections provided by LFB on January 29, 2009. These projections also reflect an annual change of negative 3.3% in the first year and 4.5% in the second year. On May 14, 2009, LFB released a memorandum that included two modifications to the May 11, 2009 estimates, which further reduce the General Fund tax revenue estimates for the 2009-11 biennium by $51 million.

A complete copy of the May 11, 2009 LFB memorandum is included on pages A-10 through A-16 of this Official Statement.

Executive Budget for 2009-11 Biennium

Governor Doyle's executive budget for the 2009-10 and 2010-11 fiscal years was introduced on February 17, 2009 (2009 Assembly Bill 75). The table on the following page includes the estimated General Fund condition statement for the 2009-10 and 2010-11 fiscal years is based on the governor's executive budget. However, the table does not reflect the revised General Fund tax revenue estimates provided by LFB on May 11, 2009, as modified on May 14, 2009 or the modifications to 2009 Assembly Bill 75 that have been approved by the Legislature's Joint Committee on Finance.

Estimated General Fund Condition Statement[(a)]
2009-10 and 2010-11 Fiscal Years
(In millions)

	Governor's Executive Budget 2009-10 Fiscal Year	Governor's Executive Budget 2010-11 Fiscal Year
Revenues		
Opening Balance	$ 216.1	$ 236.2
Taxes	12,845.2	13,376.5
Department Revenues		
Tribal Gaming	26.6	31.3
Other	561.6	572.7
Total Available	13,649.4	14,216.7
Appropriations		
Gross Appropriations	13,702.0	14,230.3
Compensation Reserves	47.3	96.0
Less: Lapses	(336.0)	(378.2)
Net Appropriations	13,413.2	13,948.0
Balances		
Gross Balance	236.2	268.7
Less: Required Statutory Balance	(65.0)	(130.0)
Net Balance, June 30	$ 171.2	$ 138.7

(a) Does not reflect the revised General Fund tax revenue estimates provided by LFB on May 11, 2009, as modified on May 14, 2009 or the modifications to 2009 Assembly Bill 75 that have been approved by the Legislature's Joint Committee on Finance.

Detailed tables containing additional information on the governor's executive budget for the 2009-10 and 2010-11 fiscal years can be found on pages A-8 and A-9. In addition, information may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov

LFB January 29, 2009 Memorandum (Updated February 11, 2009)

The January 29, 2009 LFB memorandum also included General Fund tax collection projections for the 2009-11 biennium, namely, $12.208 billion for the 2009-10 fiscal year and $12.757 billion for the 2010-11 fiscal year. These projections are $60.1 million and $15.2 million lower, respectively, than the General Fund tax revenue projections provided by DOR on November 20, 2008. These projections also reflect an annual change of negative 2.3% in the first year and 4.5% in the second year.

State Budget; Potential Effect of Litigation; Litigation Regarding Transfer from Injured Patients and Family Compensation Fund (Part II; Pages 34). Update with the following information.

On December 19, 2008, the Dane County Circuit Court granted the State's motion for summary judgment, thus dismissing this case. On March 17, 2009, the Wisconsin Medical Society, Inc. filed an appeal of the dismissal with a Wisconsin court of appeals.

Statistical Information; Table II-38 – Unemployment Rate Comparison (Part II; Page 78). Update with the table on the following page.

UNEMPLOYMENT RATE COMPARISON[(a)]
By Month 2003 To 2009
By Quarter 1999 To 2002

	2009		2008		2007		2006		2005		2004		2003	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January.......	7.7	8.5	5.5	5.4	5.5	5.0	5.1	5.1	5.5	5.7	5.9	6.3	6.2	6.5
February.....	8.8	8.9	5.8	5.2	5.8	4.9	5.7	5.1	6.0	5.8	6.2	6.0	6.7	6.4
March.........	9.4	9.0	5.6	5.2	5.6	4.5	5.6	4.8	5.6	5.4	6.3	6.0	6.6	6.2
April...........	8.8	8.6	4.4	4.8	5.2	4.3	4.9	4.5	4.9	4.9	5.3	5.4	6.0	5.8
May............			4.2	5.2	4.7	4.3	4.5	4.4	4.6	4.9	4.9	5.3	5.5	5.8
June............			4.9	5.7	5.1	4.7	4.9	4.8	4.9	5.2	5.3	5.8	6.2	6.5
July			4.8	6.0	4.8	4.9	4.7	5.0	4.7	5.2	4.9	5.7	5.7	6.3
August			4.7	6.1	4.7	4.6	4.5	4.6	4.3	4.9	4.6	5.4	5.4	6.0
September ..			4.4	6.0	4.3	4.5	4.2	4.4	4.1	4.8	4.2	5.1	4.9	5.8
October			4.4	6.1	4.2	4.4	3.9	4.1	3.9	4.6	4.1	5.1	4.6	5.6
November ..			5.2	6.5	4.3	4.5	4.3	4.3	4.4	4.8	4.3	5.2	4.8	5.6
December...			5.8	7.1	4.6	4.8	4.5	4.3	4.6	4.6	4.5	5.1	4.9	5.4
Annual Average			4.7	5.8	4.9	4.6	4.7	4.6	4.8	5.1	5.0	5.5	5.5	6.0

2002 Quarters	Wis.	U.S.	2001 Quarters	Wis.	U.S.
I	6.2	6.2	I	4.6	4.6
II	5.4	5.7	II	4.3	4.3
III	4.8	5.7	III	4.1	4.8
IV	4.7	5.6	IV	4.5	5.2

2000 Quarters	Wis.	U.S.	1999 Quarters	Wis.	U.S.
I	3.9	4.4	I	3.9	4.7
II	3.4	3.9	II	3.1	4.2
III	3.2	4.0	III	2.7	4.2
IV	3.0	3.7	IV	2.6	3.8

[(a)] Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.

Source: Department of Workforce Development and U.S. Bureau of Labor Standards

Table II-5; State Budget—General Fund (Part II–Page 32). Update with the following.

State Budget--General Fund

	Actual 2007-08[(a)]	Budget 2008-09 (Budget Repair Bill - 2009 Wisconsin Act 2)	Governor's Executive Budget 2009-10	Governor's Executive Budget 2010-11
RECEIPTS				
Fund Balance from Prior Year	$ 66,288,000	$ 130,696,000	$ 216,100,000 [(b)]	$ 236,241,000
Tax Revenue				
State Taxes Deposited to General Fund				
Individual Income	6,713,681,000	6,585,000,000	6,613,200,000	6,833,900,000
General Sales and Use	4,268,045,000	4,034,400,000	4,010,800,000	4,265,200,000
Corporate Franchise and Income	837,807,000	677,700,000	860,400,000	902,000,000
Public Utility	297,460,000	327,000,000	331,000,000	340,000,000
Excise				
Cigarette/Tobacco Products	485,469,000	599,800,000	744,000,000 [(c)]	744,600,000 [(c)]
Liquor and Wine	45,166,000	44,000,000	45,800,000	47,600,000
Malt Beverage	9,624,000	10,000,000	10,000,000	10,000,000
Inheritance, Estate & Gift	158,789,000	22,000,000	0 [(d)]	0 [(d)]
Insurance Company	156,606,000	170,000,000	178,500,000	180,000,000
Other	92,712,000	55,700,000	51,500,000	53,200,000
Subtotal	13,065,359,000	12,525,600,000	12,845,200,000	13,376,500,000
Nontax Revenue				
Departmental Revenue				
Tribal Gaming Revenues[(e)]	n/a	93,922,200	26,600,000	31,300,000
Other	311,464,000	570,367,400	561,600,000	572,700,000
Program Revenue-Federal	6,803,292,000	6,440,565,100	8,933,517,900	8,102,286,900
Program Revenue-Other	3,817,723,000	4,138,705,400	4,353,141,600	4,454,910,700
Subtotal	10,932,479,000	11,243,560,100	13,874,859,500	13,161,197,600
Total Available	$ 24,064,126,000	$ 23,899,856,100	$ 26,936,159,500	$ 26,773,938,600
DISBURSEMENTS AND RESERVES				
Commerce	$ 240,689,000	297,356,200	$ 351,614,600	$ 399,711,500
Education	10,853,809,000	11,206,194,400	11,630,171,100	11,821,298,800
Environmental Resources	321,892,000	352,393,100	345,510,400	339,192,100
Human Relations and Resources	9,645,679,000	9,281,574,700	10,333,937,800	10,522,546,600
General Executive	802,326,000	1,127,630,700	1,100,545,100	1,067,736,900
Judicial	126,563,000	128,761,600	136,182,700	136,567,600
Legislative	65,047,000	71,588,000	74,488,200	74,527,900
General Appropriations	2,047,768,000	2,188,558,500	3,016,168,600	2,425,873,400
Subtotal	24,103,773,000	24,654,057,200	26,988,618,500	26,787,454,800
Less: (Lapses)	n/a	(416,490,000)	(336,000,000)	(378,200,000)
Compensation Reserves	n/a	132,617,900	47,300,000	96,000,000
Required Statutory Balance	n/a	0	65,000,000	130,000,000
Biennial Appropriation Adjustment	n/a	(34,777,000)	n/a	n/a
Sum Sufficient Reesitmates	n/a	(18,640,600)	n/a	n/a
Changes in Continuing Balance	(197,777,000)	n/a	n/a	n/a
Total Disbursements & Reserves	$ 23,905,996,000	$ 24,316,767,500	$ 26,764,918,500	$ 26,635,254,800
Fund Balance	$ 158,130,000	$ (416,911,400)	$ 171,241,000	$ 138,683,800
Undesignated Balance	$ 130,696,000	$ (416,911,400)	$ 236,241,000	$ 268,683,800

(a) The amounts shown are unaudited, rounded to the nearest thousand dollars and are based on statutorily required accounting and not on GAAP.

(b) The change from the fiscal year 2008-09 budget ending balance is principally related to the application of $597 million of federal stimulus monies to fiscal year 2008-09 Medicaid and education expenditures.

(c) Reflects an increase in the cigarette tax of $.75 per pack and increases in the moist snuff and tobacco products taxes.

(d) State estate taxes are based on the federal credit under federal law. For deaths occurring on or after January 1, 2008, the State estate tax has been eliminated.

(e) Tribal gaming revenues are budgeted separately; however, when the payments are received by the State, they are not specifically reported but rather included within the category entitled "Nontax Revenue - Departmental Revenue".

Sources: Legislative Fiscal Bureau and Department of Administration

Table II-6; State Budget—All Funds (Part II–Page 33). Update with the following.

State Budget--All Funds[(a)]

	Actual 2007-08[(b)]	Budget 2008-09 (Budget Repair Bill - 2009 Wisconsin Act 2)	Governor's Executive Budget 2009-10	Governor's Executive Budget 2010-11
RECEIPTS				
Fund Balance from Prior Year	$ 66,288,000	$ 130,696,000	$ 216,100,000 [(c)]	$ 236,241,000
Tax Revenue				
Individual Income	6,713,681,000	6,585,000,000	6,613,200,000	6,833,900,000
General Sales and Use	4,268,045,000	4,034,400,000	4,010,800,000	4,265,200,000
Corporate Franchise and Income	837,807,000	677,700,000	860,400,000	902,000,000
Public Utility	297,460,000	327,000,000	331,000,000	340,000,000
Excise				
Cigarette/Tobacco Products	485,469,000	599,800,000	744,000,000 [(d)]	744,600,000 [(d)]
Liquor and Wine	45,166,000	44,000,000	45,800,000	47,600,000
Malt Beverage	9,624,000	10,000,000	10,000,000	10,000,000
Inheritance, Estate & Gift	158,789,000	22,000,000	0 [(e)]	0 [(e)]
Insurance Company	156,606,000	170,000,000	178,500,000	180,000,000
Other	1,289,677,000 [(f)]	55,700,000 [(f)]	51,500,000 [(f)]	53,200,000 [(f)]
Subtotal	14,262,324,000	12,525,600,000	12,845,200,000	13,376,500,000
Nontax Revenue				
Departmental Revenue				
Tribal Gaming Revenues[(g)]	n/a	93,922,200	26,600,000	31,300,000
Other	311,464,000	570,367,400	561,600,000	572,700,000
Total Federal Aids	6,803,292,000	7,268,089,200	10,049,729,000	8,936,329,200
Total Program Revenue	3,817,723,000	4,138,705,400	4,353,141,600	4,454,910,700
Total Segregated Funds	1,261,672,000	3,388,539,700	3,474,629,400	3,523,046,300
Bond Authority	524,289,000	585,740,000	497,315,000 [(h)]	461,800,000 [(h)]
Employee Benefit Contributions [(i)]	(1,685,342,000) [(j)]	9,173,493,000	10,720,000,000	10,936,000,000
Subtotal	11,033,098,000	25,218,856,900	29,683,015,000	28,916,086,200
Total Available	$ 25,361,710,000	$ 37,875,152,900	$ 42,744,315,000	$ 42,528,827,200
DISBURSEMENTS AND RESERVES				
Commerce	$ 379,999,000	$ 477,782,700	$ 537,769,200	$ 602,598,200
Education	11,306,059,000	11,286,360,500	11,754,158,200	11,947,211,000
Environmental Resources	3,495,714,000	3,368,179,800	3,650,976,100	3,422,778,700
Human Relations and Resources	11,057,911,000	9,867,185,400	10,982,821,800	11,184,506,500
General Executive	6,968,877,000	1,281,122,700	1,236,706,900	1,186,845,500
Judicial	126,899,000	129,517,400	136,950,800	137,335,700
Legislative	65,047,000	71,588,000	74,488,200	74,527,900
General Appropriations	2,898,716,000	2,388,384,500	3,205,587,800	2,588,739,900
General Obligation Bond Program	502,966,000	585,740,000	497,315,000 [(h)]	461,800,000 [(h)]
Employee Benefit Payments [(i)]	5,695,344,000	5,977,452,000	6,067,000,000	6,663,000,000
Reserve for Employee Benefit Payments [(i)]	(7,380,686,000)	3,196,041,000	4,653,000,000	4,273,000,000
Subtotal	35,116,846,000	38,629,354,000	42,796,774,000	42,542,343,400
Less: (Lapses)	n/a	(416,490,000)	(336,000,000)	(378,200,000)
Compensation Reserves	n/a	132,617,900	47,300,000	96,000,000
Required Statutory Balance	n/a	0	65,000,000	130,000,000
Biennial Appropriation Adjustment	n/a	(34,777,000)	n/a	n/a
Sum Sufficient Reesitmates	n/a	(18,640,600)	n/a	n/a
Change in Continuing Balance	(9,913,266,000)	n/a	n/a	n/a
Total Disbursements & Reserves	$ 25,203,580,000	$ 38,292,064,300	$ 42,573,074,000	$ 42,390,143,400
Fund Balance	$ 158,130,000	$ (416,911,400)	$ 171,241,000	$ 138,683,800
Undesignated Balance	$ 130,696,000	$ (416,911,400)	$ 236,241,000	$ 268,683,800

(a) The all-funds budget assumes that certain categories of revenues are expended in like amounts. This includes federal funds, revenues paid into specific funds (other than the General Fund) for a specified program or purpose or which are credited to an appropriation to finance a specific program or agency, and proceeds of general obligation debt. In any given fiscal year, there may be a balance at year-end in the funds, specific program, or agency.

(b) The amounts shown are unaudited, rounded to the nearest thousand dollars and are based on statutorily required accounting and not on GAAP.

(c) The change from the fiscal year 2008-09 budget ending balance is principally related to the application of $597 million of federal stimulus monies to fiscal year 2008-09 Medicaid and education expenditures.

(d) Reflects an increase in the cigarette tax of $.75 per pack and increases in the moist snuff and tobacco products taxes.

(e) State estate taxes are based on the federal credit under federal law. For deaths occurring on or after January 1, 2008, the State estate tax has been eliminated.

(f) The budgeted amounts do not include taxes collected for segregated funds. The largest such tax is the motor fuel tax. The State collected approximately $1.0 billion of motor fuel taxes in the 2007-08 fiscal year.

(g) Tribal gaming revenues are budgeted separately; however, when the payments are received by State, they are not specifically reported but rather included within the category entitled “Nontax Revenue - Departmental Revenue”.

(h) Does not include the capital budget for the 2009-11 biennium.

(i) State law separates the accounting of employee benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables II-1 and II-2 of Part II of the 2008 Annual Report.

(j) The amount includes employee benefit contributions reduced by net investment losses of $4.7 billion.

Sources: Legislative Fiscal Bureau and Department of Administration

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 11, 2009

Senator Mark Miller, Senate Chair
Representative Mark Pocan, Assembly Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

Last January, this office prepared estimates of general fund tax collections for 2008-09 and the two years of the 2009-11 biennium. These figures, with modifications to reflect the April 1 increases in the federal excise taxes on tobacco and the provisions of 2009 Wisconsin Act 2, were incorporated into the Governor's 2009-11 biennial budget bill.

Recently, tax collections data for April became available and the May, 2009, national economic forecast was released by IHS Global Insight, Inc. (Global Insight). Prior to April, actual collections, in the aggregate, were tracking closely with the estimates. Weakness was evident in the corporate income and franchise tax, but this was offset by better than anticipated sales tax receipts. However, the April collection report shows a decrease of 35.8% (-$317 million) in monthly individual income tax revenues compared to last April. Year-to-date income tax collections are now 8.3% below last year's level, compared to -2.7% through March. Similar decreases have occurred at the federal level and in a number of other states.

After the January tax revenue estimates were released, measures of economic activity in the fourth quarter of 2008 were revised downward significantly. Global Insight issued new economic forecasts in February and March that were considerably more pessimistic than the January forecast. The April and May forecasts were somewhat more positive, but are still significantly below the January projections.

Based on our review of tax collections data and the new economic forecast, we now believe that general fund tax revenues will be lower than the previous estimates by $408 million in 2008-09, $573 million in 2009-10, and $622 million in 2010-11. The three-year reduction is $1,603 million, or approximately -4.3%.

Most of the net decrease is due to the individual income tax and corporate income and franchise tax. Estimated revenues from the general sales and use tax have been increased considerably, and smaller adjustments have been made to some of the other tax sources.

Table 1 shows the revised tax revenue estimates and Table 2 outlines the May, 2009, economic forecast by Global Insight. The tax revenue estimates in Table 1 reflect current law (including Act 2), but do not incorporate any of the tax law changes recommended by the Governor in the budget bill. The sections following the tables present additional information about the economic forecast and the new revenue estimates.

TABLE 1

Projected General Fund Tax Collections
Current Law Through 2009 Act 2
($ in Millions)

	2007-09 Biennium		2009-11 Biennium	
	2007-08 Actual	2008-09 Estimated	2009-10 Estimated	2010-11 Estimated
Individual Income	$6,713.7	$6,185.0	$5,870.0	$6,080.0
General Sales and Use	4,268.1	4,130.0	4,055.0	4,280.0
Corporate Income and Franchise	837.8	615.0	650.0	740.0
Public Utility	297.5	320.7	318.2	327.4
Excise				
Cigarette	455.7	558.8	534.8	529.5
Tobacco Products	45.2	44.0	45.8	47.6
Liquor and Wine	29.8	41.0	40.1	40.6
Beer	9.6	10.0	10.0	10.0
Insurance Company	156.6	140.0	148.0	148.0
Estate	158.8	21.0	0.0	0.0
Miscellaneous Taxes	70.3	52.0	47.0	48.0
Total	$13,043.0	$12,117.5	$11,718.9	$12,251.1
Change from Prior Year		-$925.5	-$398.6	$532.2
Percent Change		-7.1%	-3.3%	4.5%

TABLE 2

Summary of National Economic Indicators
IHS Global Insight, Inc.
May, 2009
($ in Billions)

	2008	2009	2010	2011
Nominal Gross Domestic Product	$14,264.6	$14,017.6	$14,339.4	$15,017.5
% Change	3.3%	-1.7%	2.3%	4.7%
Real Gross Domestic Product	$11,652.0	$11,294.9	$11,458.7	$11,846.8
% Change	1.1%	-3.1%	1.5%	3.4%
Consumer Prices (Percent Change)	3.8%	-1.2%	1.5%	2.3%
Personal Income	$12,102.7	$12,078.3	$12,294.7	$12,779.2
% Change	3.8%	-0.2%	1.8%	3.9%
Personal Consumption Expenditures	$10,057.9	$9,988.2	$10,281.2	$10,692.2
% Change	3.6%	-0.7%	2.9%	4.0%
Economic Profits	$1,476.5	$1,222.5	$1,329.4	$1,521.2
% Change	-10.1%	-17.2%	8.7%	14.4%
Unemployment Rate	5.8%	9.2%	10.1%	9.5%
Total Employment (Millions)	137.0	132.0	131.2	133.2
% Change	-0.4%	-3.7%	-0.6%	1.5%
Housing Starts (Millions)	0.903	0.535	0.884	1.294
% Change	-32.6%	-40.7%	65.0%	46.4%

National Economic Forecast

With the exception of the first half of 2008, when positive economic growth coincided with the payment of more than $100 billion of personal tax rebates by the federal government, the U.S. economy has been contracting since the fourth quarter of 2007. The declines have been particularly steep in recent months, with real (inflation-adjusted) gross domestic product (GDP) falling by 6.3% and 6.1%, respectively, in the fourth quarter of 2008 and the first quarter of 2009. Since December, 2007, 5.7 million jobs have been lost nationwide. More than two-thirds of these job losses occurred in the last seven months. The U.S. seasonally adjusted unemployment rate has increased from less than 5% at the end of 2007 to 8.9% in April. As of March, Wisconsin's seasonally adjusted unemployment rate was 8.5%, and the unadjusted rate was 9.4%.

Global Insight's January forecast (which was used in preparing the previous revenue estimates) estimated that real GDP fell by 5.6% in the fourth quarter of 2008, and anticipated another significant decline in the first quarter of this year (-5.4%) and a smaller decline in the second quarter. Low levels of growth were expected to resume in the second half of this year, and a stronger recovery was expected in 2010 and 2011.

The May forecast assumes that a similar pattern of decline and growth will occur, but overall economic activity will be at lower levels than estimated in January. Annualized real GDP growth over the remainder of 2009 is now estimated at -2.5% in the second quarter, 0.2% in the third quarter, and 0.7% in the fourth quarter. Last January's estimates were -1.8%, 0.5%, and 1.6%, respectively. Real GDP growth is estimated at 1.5% in 2010 and 3.4% in 2011, compared to estimated growth rates of 2.2% and 3.2% in the January forecast. It should be noted that even though the projected 2011 growth rate is slightly higher under the May forecast (3.4% compared to 3.2%), the estimated amount of real GDP in dollars is $139 billion lower than in the January forecast, because of the reduced estimates for 2009 and 2010.

Similar trends can be seen in the estimates for other broad economic indicators. Nominal (current-dollar) GDP is now projected to fall by 1.7% in 2009, and then increase by 2.3% in 2010 and 4.7% in 2011. The January growth rates were -1.4%, 3.5%, and 4.8%, respectively. Personal income growth is now estimated at -0.2% in 2009, 1.8% in 2010, and 3.9% in 2011, compared to the January estimates of 0.8%, 2.5%, and 4.5%. In terms of specific sources of income, the May estimates for wage income are 1% to 2% lower than the January estimates, but the new estimates of business, rental, and investment income have been reduced more significantly from the January figures (4% to 5% decreases). This is consistent with the April income tax collections data, which shows stable withholding collections, but very large decreases in quarterly estimated payments and net payments with returns (remittances less refunds). It is also consistent with the estimates of corporate profits, which have been reduced significantly since January.

Personal consumption was down significantly in the fourth quarter of 2008, but showed a small increase in the first quarter of this year. The May estimates (in dollars) are higher than the January projections in 2009 and 2010, but lower in 2011. Consumption is projected to decline by 0.7% in 2009 and then increase by 2.9% in 2010 and 4.0% in 2011. Global Insight indicates that the sharp first-quarter decline in real GDP was primarily due to decreased investment by businesses and significant reductions in inventories, rather than falling consumption. Inventory-to-sales ratios are still high by historical standards, but the recent decreases will help set the stage for future output growth.

Global Insight expects employment to continue to decline through the remainder of this year and the first quarter of 2010. Net increases in employment are expected beginning in the second quarter of next year. However, it is anticipated that the peak level of employment seen in late 2007 will not be reached until the beginning of 2013. The seasonally adjusted unemployment rate is estimated at 9.2% in 2009, 10.1% in 2010, and 9.5% in 2011. Compared to the January forecast, the projected levels of employment and growth rates are lower in each year. The unemployment rate is about 1% higher in each year.

The housing sector is expected to continue exerting a drag on economic growth during the remainder of 2009. Housing starts are estimated at 535,000 this year, and sales of new and existing homes are estimated at 4.8 million. These figures compare with starts of 2.1 million and sales of 8.4 million when the market was peaking in 2005. With improvements in affordability, due to recent price declines, low interest rates, and the federal tax credit for first-time home buyers, increases in housing starts are forecast beginning in the third quarter of this year and in 2010 and 2011. Sales of new and existing homes are also expected to begin increasing later this year. However, the housing recovery will be constrained by more restrictive lending practices, and the level of activity seen in 2005 is not expected to recur for at least 10 years. The current housing indicators are below Global Insight's January estimates.

Global Insight also prepared two alternative forecasts, each with an estimated probability of 20%. The optimistic scenario assumes that the monetary and fiscal policy efforts of the federal government and foreign central banks take effect sooner than under the baseline forecast. There is still a decrease in real GDP until the third quarter of this year, but after that, growth resumes more quickly. The pessimistic alternative assumes that the financial crisis worsens, credit remains tight, and housing and consumer spending decline further. Under this scenario, the recession is deeper and more protracted, particularly in 2010. Real GDP growth is estimated at -3.9% in 2009, -1.0% in 2010, and 2.7% in 2011, compared to the baseline estimates of -3.1%, 1.5%, and 3.4%, respectively.

Revised General Fund Tax Estimates

Individual Income Tax. Individual income tax receipts are estimated at $6,185 million in 2008-09, $5,870 million in 2009-10, and $6,080 million in 2010-11. The revised figures represent decreases relative to the previous projections of $400 million in 2008-09, $465 million in 2009-10, and $517 million in 2010-11. These decreases total $1,382 million and represent 86% of the three-year reduction in total taxes (-$1,603 million) reported above.

In January, income tax collections for 2008-09 were estimated to decrease by 1.9% compared to collections in 2007-08, based on the economic forecast and taxable personal income growth at the time. The reestimate is based on year-to-date tax collections that are 8.3% below the collections total for the same period last year. The estimates for the 2009-11 biennium have also been decreased to reflect the estimated reduction in base year collections and lower levels of personal income. In January, Global Insight projected U.S. personal income would increase by 0.8% in 2009, 2.5% in 2010, and 4.5% in 2011, but the May forecast projects personal income to decrease by 0.2% in 2009 and increase by only 1.8% in 2010 and 3.9% in 2011.

Sales Tax. Through April, 2009, total year-to-date sales tax collections were 3.3% lower than in April, 2008. If the impact of the *Menasha Corporation* decision and other factors are accounted for, the adjusted year-to-date growth rate is -1.9%. Our estimate under Act 2, was for an annual reduction of 5.5% at the close of the 2008-09 fiscal year. At this time, based on year-to-date collections and an increased forecast of taxable consumption expenditures, we believe that sales tax revenue will be higher than the Act 2 estimates by $96 million in 2008-09, $66 million in 2009-10, and $37 million in 2010-11. The revised estimates are $4,130 million, $4,055 million, and $4,280 million, respectively. The upward revisions primarily reflect higher than anticipated year-to-date collections and a more optimistic forecast over the remainder of 2008-09. Slightly lower growth is projected over the 2009-11 biennium, but the higher base year causes the estimates to be increased in all three years.

Corporate Income and Franchise Tax. Corporate income and franchise tax revenues are now projected to be $615 million in 2008-09, $650 million in 2009-10, and $740 million in 2010-11. Compared to the previous estimates, the revised estimates represent decreased corporate income and franchise tax revenues of $63 million in 2008-09, $126 million in 2009-10, and $93 million in 2010-11. Both sets of estimates include additional revenues from the combined reporting provisions in Act 2. The new estimates reflect year-to-date corporate income and franchise tax collections, which are 29.1% lower than in 2007-08. Similarly, corporate estimated payments have decreased 28.0%, compared to the same period last year.

The drop in collections mirrors the sharp decline in corporate earnings and business fixed investment in recent months. The Standard and Poor's stock index fell over 40% between the first quarter of 2008 and 2009. Business fixed investment dropped at an annual rate of 30% in the first quarter of 2009. Due to the significant reductions in business production and inventory since the fourth quarter of 2008, the economy may be approaching a point where meeting subsistence demand requires an increase in output. The forecast projects that corporate profits will begin to rebound in the fourth quarter 2009 and continue to increase throughout the forecast period. As a result, corporate income and franchise tax revenues are projected to increase in 2009-10 and 2010-11.

Public Utility Taxes. Compared to January's estimates, public utility taxes are estimated to be lower by $6 million in 2008-09, and $13 million in 2009-10 and 2010-11. The reductions are attributable to the private light, heat, and power company taxpayer group, which is subject to a gross receipts tax. Increases in electric rates due, in part, to the construction of new power production plants have been offset by large decreases in natural gas prices. Lower natural gas prices have affected gross receipts tax collections in two ways. First, consumers' natural gas rates are lower. Second, natural gas has increasingly been used as a power source for electricity generation, and lower natural gas prices have resulted in less dramatic electric rate increases than estimated in January and in ratepayer refunds in some instances due to fuel adjustment clause provisions in electric rates. Finally, the economic contraction is estimated to decrease commercial and industrial power consumption in 2009 and 2010.

Insurance Premiums Tax. Insurance premiums tax collections are projected to be $140 million in 2008-09 and $148 million in 2009-10 and 2010-11. These projections represent decreases from the previous estimates of $30 million in 2008-09, $31 million in 2009-10, and $32 million in 2010-11. The new estimates primarily reflect premiums tax collections, which have declined significantly in recent months. Through April, insurance premiums tax collections are 11% lower than collections through April, 2008. The decline in premiums tax revenues reflects the decline in economic activity throughout the economy. Individuals are less likely to purchase insurance during economic downturns, while as businesses downsize they take actions to reduce insurance bills. For example, even though the cost of health insurance is expected to continue to rise, businesses can control some of the cost by switching to higher deductible, lower cost plans with lower premiums. Insurance premium tax revenues are projected to increase somewhat as the economy rebounds.

Miscellaneous Taxes. Estimated revenues from miscellaneous taxes have been reduced by $4 million in 2008-09 and by $5 million in 2009-10 and 2010-11. The projected reduction in revenue is primarily due to a steeper than anticipated year-to-date decrease in real estate transfer fee collections of -31.6%, as well as a reduced forecast in housing indicators over the 2009-11 biennium. The estimates for the remaining miscellaneous taxes, municipal and circuit court-related fees, and the occupational tax on coal, have not been revised. Total miscellaneous tax revenues are estimated at $52 million in 2008-09, $47 million in 2009-10, and $48 million in 2010-11.

Other Taxes. Estimated revenues from the estate tax, which is no longer being imposed, have been reduced by $1 million in 2008-09 due to refunds in recent months. The estimates for the excise taxes on alcohol and tobacco have not been revised.

Impact on General Fund Balance

Based upon the tax collection estimates of this analysis, the balance in the general fund at the end of the 2008-09 fiscal year is projected to be -$189.0 million, and the net balance at the end of the 2009-11 biennium is estimated at -$1,449.7 million. These general fund balance projections are based upon: (1) the provisions of 2009 AB 75, as modified, to date, by the Joint Committee on Finance; and (2) the current law tax collection estimates of this analysis.

AB 75, as introduced, projected a net balance of $139.0 million at the end of the 2009-11 biennium. The $139.0 million balance is decreased by $1,588.7 million to -$1,449.7 million. The $1,588.7 million figure is the net result of the reduction in estimated tax collections (-$1,603.2 million) and changes made, to date, by the Joint Committee on Finance that improve the balance ($14.5 million).

The balance estimates do not take into consideration any revenue or appropriation modifications that may occur over the remainder of the Finance Committee's work on AB 75.

This office will continue to review the revenue and expenditure estimates used in AB 75, as well as tax collections data and new economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

Sincerely,

Bob

Robert Wm. Lang
Director

RWL/sas
cc: Members, Wisconsin Legislature

General Fund Information; General Fund Cash Flow (Part II; Pages 40-48).

The following tables provide updates and additions to various tables containing General Fund information for the 2008-09 fiscal year, which are presented on either a cash basis or an agency-recorded basis. These tables contain information through April 30, 2009, which include changes or additions based on events that occurred, or information that was released, after the date of the Preliminary Official Statement (May 22, 2009).

The projections and estimates in the following tables, unless otherwise noted, reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226), the updated General Fund tax collection projections, as included in the January 29, 2009 LFB memorandum (and updated on February 11, 2009), the State's economic stimulus and budget repair bill for the 2008-09 fiscal year and the 2009-11 biennium (2009 Wisconsin Act 2), approximately $281 million of federal economic stimulus money the State has received, or expects to receive, for its medical assistance program, the provisions of 2009 Wisconsin Act 11, which authorizes the use of approximately $291 million in federal economic stimulus money the State expects to receive from the U.S. Department of Education, and the revised General Fund tax revenue estimates included in the May 11, 2009 LFB memorandum. The federal economic stimulus money discussed above is only a portion of such funds that the State expects to receive.

The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month. The following tables may show negative balances on a cash basis.

The State can have a negative cash balance at the end of a fiscal year. The Wisconsin Statutes provide certain administrative remedies, such as temporary reallocation, to deal with periods when the balance, on a cash basis, is negative. If the amount of temporary reallocation available to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

Table II-8; Actual and Projected General Fund Cash Flow (Page 43). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2008 TO APRIL 30, 2009
PROJECTED GENERAL FUND CASH FLOW; MAY 1, 2009 TO JUNE 30, 2009[(a)]

(In Thousands of Dollars)

	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009
BALANCES[(a)(b)]												
Beginning Balance	$ 24,835	$ 172,120	$ 464,375	$ 895,808	$ 1,403,014	$ 1,127,538	$ 410,515	$ 1,092,877	$ 806,618	$ (495,304)	$ 25,401	$ 191,499
Ending Balance [(c)]	172,120	464,375	895,808	1,403,014	1,127,538	410,515	1,092,877	806,618	(495,304)	25,401	191,499	(315,929)
Lowest Daily Balance [(c)]	17,165	(74,304)	125,448	395,498	868,079	(238,871)	410,515	779,066	(495,304)	(624,085)	(169,605)	(925,561)
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 599,419	$ 416,459	$ 852,654	$ 635,921	$ 448,743	$ 530,156	$ 1,006,460	$ 545,149	$ 670,829	$ 998,549	$ 354,415	$ 761,786
Sales & Use	424,497	414,465	400,891	405,299	372,531	327,928	401,249	317,588	294,522	331,356	332,654	363,994
Corporate Income	29,250	34,416	144,769	36,415	25,102	137,104	22,307	23,474	136,888	48,873	14,818	126,164
Public Utility	61	150	1,178	4,977	166,701	115	128	191	4	1,474	172,880	483
Excise	68,383	58,369	61,880	62,978	52,292	50,023	54,133	49,301	49,764	48,873	52,842	55,093
Insurance	712	1,106	37,504	440	1,372	36,557	3,671	18,941	17,457	26,148	1,095	25,270
Inheritance	12,093	10,971	7,118	3,216	458	453	754	580	650	143	-	-
Subtotal Tax Receipts	$ 1,134,415	$ 935,936	$ 1,505,994	$ 1,149,246	$ 1,067,199	$ 1,082,336	$ 1,488,702	$ 955,224	$ 1,170,114	$ 1,455,416	$ 928,704	$ 1,332,790
NON-TAX RECEIPTS												
Federal[(a)]	$ 563,248	$ 566,365	$ 480,475	$ 697,621	$ 505,320	$ 695,264	$ 617,061	$ 736,395	$ 626,896	$ 978,945	$ 753,991	$ 858,581
Other & Transfers	514,783	206,097	514,202	574,653	260,962	248,921	417,508	497,953	431,782	817,033	281,093	655,121
Note Proceeds[(d)]	801,840	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,879,871	$ 772,462	$ 994,677	$ 1,272,274	$ 766,282	$ 944,185	$ 1,034,569	$ 1,234,348	$ 1,058,678	$ 1,795,978	$ 1,035,084	$ 1,513,702
TOTAL RECEIPTS	$ 3,014,286	$ 1,708,398	$ 2,500,671	$ 2,421,520	$ 1,833,481	$ 2,026,521	$ 2,523,271	$ 2,189,572	$ 2,228,792	$ 3,251,394	$ 1,963,788	$ 2,846,492
DISBURSEMENTS												
Local Aids	$ 1,172,822	$ 130,313	$ 881,727	$ 181,686	$ 1,026,759	$ 1,344,140	$ 232,877	$ 276,002	$ 1,395,788	$ 144,399	$ 191,900	$ 2,002,200
Income Maintenance	636,352	425,402	352,616	720,279	433,319	506,686	437,842	455,947	446,256	1,166,590	334,445	339,104
Payroll and Related	474,451	427,624	275,539	508,109	287,731	447,779	537,623	394,529	280,478	414,839	386,805	384,723
Tax Refunds	76,352	67,223	47,309	69,728	92,804	127,611	176,175	615,597	496,215	485,844	174,300	172,100
Debt Service	104,317	0	158,589	-	0	-	-	0	358,264	-	28,837	-
Miscellaneous	392,867	365,581	353,458	434,512	268,344	317,328	456,392	538,342	348,045	313,316	475,670	455,793
Note Repayment[(d)]	9,840	-	-	-	-	-	-	195,414	205,668	205,701	205,733	-
TOTAL DISBURSEMENTS	$ 2,867,001	$ 1,416,143	$ 2,069,238	$ 1,914,314	$ 2,108,957	$ 2,743,544	$ 1,840,909	$ 2,475,831	$ 3,530,714	$ 2,730,689	$ 1,797,690	$ 3,353,920

(a) The projections in this table reflect the budget (2007 Wisconsin Act 20), the budget adjustment bill (2007 Wisconsin Act 226), the economic stimulus and budget repair legislation (2009 Wisconsin Act 2), the updated General Fund tax collections provided by LFB on January 29, 2009 (as updated on February 11, 2009), and the State's economic stimulus and budget repair bill for the 2009-09 fiscal year, the 2009-11 biennium (2009 Wisconsin Act 2), the revised General Fund tax revenue estimates included in the May 11, 2009 LFB memorandum, and provisions of 2009 Wisconsin Act 11 that, among other provisions, authorized the State to use $291 million of federal economic stimilus money received from the U.S. Department of Edcuation. The projections also reflect approximately $281 million of federal economic stimulus money the State has received, or expects to receive, for its medical assistance program, the assumption that the State will receive approximately $75 million pursuant to the amended gaming compacts with tribal governments, and the additional receipts resulting from lapses and timing of transfers during May and June 2009. The federal economic stimulus money referenced above is only a portion of such federal money the State expects to receive. This table does not include any temporary reallocation (which has been previously referred to as interfund borrowing).

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are expected to range from $206 to $350 million during the 2008-09 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average approximately $10 million during the 2008-09 fiscal year.

(c) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund; for the 2008-09 fiscal year this amount may be, pursuant to provisions of 2009 Wisconsin Act 11, up to 7% of the general-purpose revenue appropriations then in effect, or approximately $965 million. In addition, the Secretary of Administration may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect, or approximately $414 million for fiscal year 2008-09. If the amount of temporary reallocation available to the General Fund is not sufficient, the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

(d) Includes $800 million of operating note proceeds issued on July 1, 2008 and impoundment payments made on February 27, 2009, March 31, 2009, and April 30, 2009, and expected to be made on May 29, 2009. The February 27, 2009 impoundment payment reflected the premium received on July 1, 2008 and deposited into the Operating Note Redemption Fund.

Table II-9; General Fund Cash Receipts and Disbursements Year to Date; Compared to Estimates and Previous Fiscal Year. (Page 44). Replace with the following updated table.

2008-09 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[(a)]
(Cash Basis)
As of April 30, 2009
(Amounts in Thousands)

	FY08 through April 2008	FY09 through April 2009				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY08 Actual to FY09 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 6,969,406	$ 6,704,339	$ 6,943,860	$ (239,521)	$ (239,521)	$ (265,067)
Sales	3,771,128	3,690,326	3,569,970	120,356	120,356	(80,802)
Corporate Income	757,107	638,598	623,985	14,613	14,613	(118,509)
Public Utility	153,474	174,979	165,300	9,679	9,679	21,505
Excise	394,077	555,996	536,700	19,296	19,296	161,919
Insurance	153,720	143,908	169,345	(25,437)	(25,437)	(9,812)
Inheritance	128,556	36,436	30,953	5,483	5,483	(92,120)
Total Tax Receipts	$ 12,327,468	$ 11,944,582	$ 12,040,113	$ (95,531)	$ (95,531)	$ (382,886)
Non-Tax Receipts						
Federal	$ 5,455,935	$ 6,467,590	$ 5,972,123	$ 495,467	$ 495,467	$ 1,011,655
Other and Transfers	3,454,458	4,483,894	3,982,926	500,968	500,968	1,029,436
Note Proceeds	594,000	801,840	801,840	-	-	207,840
Total Non-Tax Receipts	$ 9,504,393	$ 11,753,324	$ 10,756,889	$ 996,435	$ 996,435	$ 2,248,931
TOTAL RECEIPTS	$ 21,831,861	$ 23,697,906	$ 22,797,002	$ 900,904	$ 900,904	$ 1,866,045
DISBURSEMENTS						
Local Aids	$ 6,414,716	$ 6,786,513	$ 6,836,108	$ 49,595	$ 49,595	$ 371,797
Income Maintenance	4,637,442	5,581,289	4,910,133	(671,156)	(671,156)	943,847
Payroll & Related	3,701,841	4,048,702	3,956,309	(92,393)	(92,393)	346,861
Tax Refunds	2,008,529	2,254,858	2,027,100	(227,758)	(227,758)	246,329
Debt Service	606,742	621,170	611,363	(9,807)	(9,807)	14,428
Miscellaneous	3,631,942	3,788,185	3,757,172	(31,013)	(31,013)	156,243
Note Repayment	466,900	616,623	617,199	576	576	149,723
TOTAL DISBURSEMENTS	$ 21,468,112	$ 23,697,340	$ 22,715,384	$ (981,956)	$ (981,956)	$ 2,229,228
2008-09 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ (81,052)	$ (81,052)	

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

(b) The estimates in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the budget adjustment bill (2007 Wisconsin Act 226), the issuance of $800 million in operating notes for the 2008-09 fiscal year, the updated General Fund tax collection projections included in the January 29, 2009 LFB memorandum (as updated on February 11, 2008), the State's economic stimulus and budget repair bill for the 2008-09 fiscal year and the 2009-11 biennium (2009 Wisconsin Act 2), approximately $281 million in economic stimulus money the State has received, or expects to receive, for its medical assistance program, the revised General Fund tax revenue estimates included in the May 11, 2009 LFB memorandum, and the provisions of 2009 Wisconsin Act 11, which authorizes the use of approximately $291 million of other federal economic stimulus money the State expects to receive from the U.S. Department of Education. The federal economic stimulus money discussed above is only a portion of such funds that the State expects to receive.

(c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed, which may result in large variances. This column includes adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration

Table II-10; General Fund Monthly Position (Page 45). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION[(a)]
July 1, 2006 through April 30, 2009 – Actual
May 1, 2009 through June 30, 2009 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance		Receipts[(c)]	Disbursements[(c)]
2006	July	$ 4,563	(d)	$ 1,920,630	$ 2,121,122
	August	(195,929)	(d)	1,695,545	1,391,455
	September	108,161	(d)	2,288,498	2,041,092
	October	355,567		2,130,549	1,373,404
	November	1,112,712		1,856,520	2,086,743
	December	882,489	(d)	1,791,636	2,501,552
2007	January	172,573		2,570,733	1,717,796
	February	1,025,510		1,949,875	1,947,201
	March	1,028,184		1,869,287	2,934,724
	April	(37,253)	(d)	2,548,712	1,896,578
	May	614,881		2,009,550	1,525,908
	June	1,098,523	(d)	2,307,089	3,356,463
	July	49,149		2,746,602	2,446,001
	August	349,750	(d)	1,772,536	1,483,505
	September	638,781		2,185,645	2,100,805
	October	723,621		2,124,755	1,430,699
	November	1,417,677		1,962,257	2,248,605
	December	1,131,329	(d)	1,769,558	2,454,032
2008	January	446,855		2,699,255	1,782,044
	February	1,364,066		2,155,175	2,401,752
	March	1,117,489	(d)	1,953,094	3,283,120
	April	(212,537)	(d)	2,462,984	1,837,549
	May	412,898		1,987,901	1,816,466
	June	584,333	(d)	2,614,345	3,173,842
	July	24,836		3,014,286	2,867,001
	August	172,121	(d)	1,708,398	1,416,143
	September	464,376		2,500,671	2,069,238
	October	895,809		2,421,520	1,914,314
	November	1,403,015		1,833,481	2,108,957
	December	1,127,539	(d)	2,026,521	2,743,544
2009	January	410,516		2,523,271	1,840,909
	February	1,092,878		2,189,572	2,475,831
	March	806,619	(d)	2,228,792	3,530,714
	April	(495,303)	(d)	3,251,394	2,730,689
	May	25,402	(d)	1,963,788	1,797,690
	June	191,500	(d)	2,846,492	3,353,920

Source: Wisconsin Department of Administration.

(a) The General Fund balances presented in this table are not based on generally accepted accounting principles (GAAP).

(b) The projections in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the budget adjustment bill (2007 Wisconsin Act 226), the updated General Fund tax collection projections included in the January 29, 2009 LFB memorandum (as updated on February 11, 2008), the State's economic stimulus and budget repair bill for the 2008-09 fiscal year and the 2009-11 biennium (2009 Wisconsin Act 2), approximately $281 million of federal economic stimulus money the State has received, or expects to receive, for its medical assistance program, the revised General Fund tax revenue estimates included in the May 11, 2009 LFB memorandum, and the provisions of 2009 Wisconsin Act 11, which authorizes the use of approximately $291 million in federal economic stimulus money the State expects to receive from the U.S. Department of Education. The federal economic stimulus money discussed above is only a portion of such funds that the State expects to receive.

(c) Operating notes were not issued for the 2006-07 fiscal year but were issued for the 2007-08 and 2008-09 fiscal years.

(d) At some period during this month, the General Fund was in a negative cash position. The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund; for the 2008-09 fiscal year this amount may be, pursuant to provisions of 2009 Wisconsin Act 11, up to 7% of the general purpose revenue appropriations then in effect, or $965 million. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of the general-purpose revenue appropriations then in effect (approximately $414 million for the 2008-09 fiscal year) for a period of up to 30 days. If the amount of temporary reallocation available to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration

Table II-11; Balances in Funds Available for Temporary Reallocation (Page 46). Replace with the following updated table.

BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION[(a)]
July 31, 2006 to April 30, 2009 – Actual
May 31, 2009 to June 30, 2009 – Estimated
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool **(LGIP)**, and the second table does include such balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of $2.2 billion during November 2005 to a high of $4.3 billion in August 2008. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2006	2007	2008	2009
January		$ 1,048	$ 1,203	$ 1,045
February		1,131	1,265	1,180
March		1,154	1,298	1,124
April		1,114	1,210	1,020
May		1,202	1,166	1,166
June		1,208	1,079	1,079
July	$ 932	1,141	910	
August	1,052	1,204	944	
September	1,067	1,204	1,081	
October	925	1,110	906	
November	966	1,229	1,011	
December	1,019	1,244	1,072	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2006	2007	2008	2009
January		$ 4,509	$ 4,943	$ 5,372
February		4,773	5,255	5,543
March		4,860	5,453	5,440
April		4,593	5,273	4,852
May		4,408	5,010	5,010
June		4,536	4,813	4,813
July	$ 4,218	4,862	5,422	
August	3,978	4,383	4,589	
September	3,845	4,264	4,479	
October	3,361	3,900	3,900	
November	3,477	4,017	3,936	
December	3,764	4,141	4,461	

(a) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.

Source: Wisconsin Department of Administration

Table II-12; General Fund Recorded Revenues (Page 47). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES[a]
(Agency-Recorded Basis)
July 1, 2008 to April 30, 2009 compared with previous year

	Annual Fiscal Report Revenues 2007-08 FY[b]	Projected Revenues 2008-09 FY[c]	Recorded Revenues July 1, 2007 to April 30, 2008[d]	Recorded Revenues July 1, 2008 to April 30, 2009[e]
Individual Income Tax	$ 6,713,681,000	$ 6,585,000,000	$ 5,318,582,539	$ 4,883,902,987
General Sales and Use Tax	4,268,045,000	4,034,400,000	3,160,756,558	$3,061,203,592
Corporate Franchise and Income Tax	837,807,000	677,700,000	632,314,740	444,602,336
Public Utility Taxes	297,460,000	327,000,000	146,498,916	161,708,095
Excise Taxes	540,259,000	653,800,000	364,120,240	482,520,891
Inheritance Taxes	158,789,000	22,000,000	126,583,629	20,638,743
Insurance Company Taxes	156,606,000	170,000,000	102,755,816	80,802,327
Miscellaneous Taxes	70,296,000	55,700,000	76,140,922	63,476,314
SUBTOTAL	13,042,943,000	12,525,600,000	9,929,223,360	9,198,855,283
Federal and Other Inter-Governmental Revenues[f]	6,803,292,000	6,440,565,100	5,525,125,105	6,544,140,682
Dedicated and Other Revenues[g]	4,151,603,000	4,802,995,000	3,648,763,471	3,983,721,158
TOTAL	$ 23,997,838,000	$ 23,769,160,100	$ 19,103,111,936	$ 19,726,717,123

(a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2007-08 fiscal year, dated October 15, 2008.

(c) The projections in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the budget adjustment bill (2007 Wisconsin Act 226), the updated General Fund tax collection projections included in the January 29, 2009 LFB memorandum (as updated on February 11, 2008), and the State's economic stimulus and budget repair bill for the 2008-09 fiscal year and the 2009-11 biennium (2009 Wisconsin Act 2). The projections in these tables *do not reflect* approximately $281 million of federal economic stimulus money the State has received, or expects to receive, for its medical assistance program, the revised General Fund tax revenue estimates included in the May 11, 2009 LFB memorandum, and provisions of 2009 Wisconsin Act 11, which authorizes the use of approximately $291 million in federal economic stimulus money the State expects to receive from the U.S. Department of Education.

(d) The amounts shown are 2007-08 fiscal year revenues as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by the Department of Revenue from time to time in its monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.

(e) The amounts shown are 2008-09 general purpose revenues and program revenue taxes collected across all State agencies. There may be differences between the tax revenues shown in this table and those reported by the Department of Revenue from time to time in its monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.

(f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

(g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration

Table II-13; General Fund Recorded Expenditures by Function (Page 48). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2008 to April 30, 2009 compared with previous year

	Annual Fiscal Report Expenditures 2006–07 FY[(b)]	Appropriations 2007–08 FY[(c)]	Recorded Expenditures July 1, 2007 to April 30, 2008[(d)]	Recorded Expenditures July 1, 2008 to April 30, 2009[(e)]
Commerce	$ 240,689,000	$ 297,356,200	$ 195,378,099	$ 192,317,069
Education	10,853,809,000	11,206,194,400	8,128,033,318	8,572,989,415
Environmental Resources	321,892,000	352,393,100	294,857,793	302,906,724
Human Relations & Resources	9,645,679,000	9,281,574,700	7,989,627,057	8,649,921,405
General Executive	802,326,000	1,127,630,700	727,885,011	781,264,534
Judicial	126,563,000	128,761,600	107,024,133	111,464,284
Legislative	65,047,000	71,588,000	50,025,121	48,619,555
General Appropriations	2,047,768,000	2,188,558,500	1,978,901,744	2,087,023,055
TOTAL	$ 24,103,773,000	$ 24,654,057,200	$ 19,471,732,276	$ 20,746,506,040

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2007-08 fiscal year, dated October 15, 2008.

(c) The estimates in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the budget adjustment bill (2007 Wisconsin Act 226), and the State's economic stimulus and budget repair bill for the 2008-09 fiscal year and the 2009-11 biennium (2009 Wisconsin Act 2).

(d) The amounts shown are 2007-08 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2008-09 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration

APPENDIX B

State of Wisconsin
General Obligation Issuance Status Report
April 15, 2009

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings[a]	G.O. Bonds of 2009 Series A&B	Total Authorized Unissued Debt
University of Wisconsin; academic facilities..........................	$ 1,567,180,800	$ 1,268,161,744	$ 13,072,507		$ 285,946,549
University of Wisconsin; self-amortizing facilities................	1,615,268,200	1,090,371,661	2,911,822		521,984,717
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.................…………	1,432,000,000	464,324,651	405,319		967,270,030
Natural resources; municipal clean drinking water grants...................................	9,800,000	9,518,744	141,818		139,438
Clean water fund program.................	697,643,200	534,594,053			163,049,147
Safe drinking water loan program………………………	38,400,000	38,311,520			88,480
Natural resources; nonpoint source grants..................	94,310,400	88,384,918	190,043		5,735,439
Natural resources; nonpoint source ……………………	11,000,000	7,295,000	1,454		3,703,546
Natural resources; environmental repair......................	54,000,000	47,219,054	203,594		6,577,352
Natural resources; urban nonpoint source cost-sharing…………………………	29,900,000	22,878,640	30,671		6,990,689
Natural resources; contaminated sediment removal…….	17,000,000	8,000,000			9,000,000
Natural resources; environmental segregated fund supported administrative facilities…………….	10,339,800	7,532,686	143		2,806,971
Natural resources; segregated revenue supported dam safety projects…………………	6,600,000	6,157,779	617		441,604
Natural resources; pollution abatement and sewage collection facilities, ORAP funding................	145,060,325	145,010,325	50,000		
Natural resources; pollution abatement and sewage collection facilities.............	893,493,400	874,927,239	18,513,077		53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow...............	200,600,000	194,312,599	6,287,401		
Natural resources; recreation projects.........................	56,055,000	56,053,994	1,006		
Natural resources; local parks land acquisition and development...........................	2,490,000	2,447,741	42,259		
Natural resources; recreation development.................	23,061,500	22,914,510	141,325		5,665
Natural resources; land acquisition.............................	45,608,600	45,116,929	491,671		
Natural resources; Wisconsin natural areas heritage program............................	2,500,000	2,445,793	17,174		37,033

General Obligation Issuance Status Report–Continued
April 15, 2009

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings[a]	G.O. Bonds of 2009 Series A&B	Total Authorized Unissued Debt
Natural resources; segregated revenue supported facilities........................	73,277,700	55,417,692	93,544		17,766,464
Natural resources; general fund supported administrative facilities..................	11,410,200	11,204,102	21,753		184,345
Natural resources; ice age trail.....................................	750,000	750,000			
Natural resources; dam safety projects…………………	5,500,000	5,400,148	49,701		50,151
Natural resources; segregated revenue supported land acquisition............	2,500,000	2,500,000			
Natural resources; Warren Knowles - Gaylord Nelson stewardship program............	231,000,000	227,652,895	1,306,849		2,040,256
Transportation; administrative facilities..................	8,890,400	8,759,479	33,943		96,978
Transportation; accelerated bridge improvements.................................	46,849,800	46,849,800			
Transportation; rail passenger route development...	82,000,000	1,932,921	3,016		80,064,063
Transportation; accelerated highway improvements................................	185,000,000	185,000,000			
Transportation; connecting highway improvements................................	15,000,000	15,000,000			
Transportation; federally aided highway facilities...........................	10,000,000	10,000,000			
Transportation; highway projects...........................	41,000,000	41,000,000			
Transportation; major highway and rehabilitation projects.......................	565,480,400	565,480,400			
Transportation; Marquette interchange and I 94 north-south corridor reconstruction projects......................	303,300,000	265,300,000	3,018,078		34,981,922
Transportation; state highway rehabilitation projects.......................	300,000,000	297,942,103	1,182,897		875,000
Transportation; harbor improvements....................	53,400,000	38,791,500	234,581		14,373,919
Transportation; rail acquisitions and improvements.........................	66,500,000	48,886,684	5,187		17,608,129
Transportation; local roads for job preservation, state funds...................	2,000,000	2,000,000			
Corrections; correctional facilities......................	812,235,900	785,800,337	11,467,562		14,968,001
Corrections; self-amortizing facilities and equipment…………………….	7,337,000	2,115,438	99		5,221,463
Corrections; juvenile correctional facilities……..	28,984,500	27,493,551	108,861		1,382,088
Health services; mental health and secure treatment facilities...........…	172,817,700	142,445,268	895,124		29,477,308

General Obligation Issuance Status Report–Continued
April 15, 2009

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings[a]	G.O. Bonds of 2009 Series A&B	Total Authorized Unissued Debt
Agriculture; soil and water……………………..	33,075,000	29,157,960	3,025		3,914,015
Agriculture; conservation reserve enhancement…	40,000,000	11,591,000			28,409,000
Administration; Black Point Estate…………………	1,600,000	1,598,655	445		900
Administration; energy conservation projects; capital improvement fund………….	30,000,000	1,300,000			28,700,000
Building commission; previous lease rental authority.............................…	143,071,600	143,068,654			2,946
Building commission; refunding tax-supported general obligation debt.................…	2,102,086,430	2,102,086,530			
Building commission; refunding self-amortizing general obligation debt.................…	272,863,033	272,863,033			
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005…	250,000,000	250,000,000			
Building commission; refunding tax-supported and self-amortizing general obligation debt………………………………	1,775,000,000	1,266,025,000			508,975,000
Building commission; housing state departments and agencies.................................…	554,279,900	427,888,306	2,356,097		124,035,497
Building commission; 1 West Wilson street parking ramp...............................…	15,100,000	14,805,521	294,479		
Building commission; project contingencies...................…	47,961,200	45,114,610	64,761		2,781,829
Building commission; capital equipment acquisition......…	126,335,000	116,528,761	740,327		9,065,912
Building commission; discount sale of debt....................…	90,000,000	67,493,598		572,850	21,933,553
Building commission; discount sale of debt (higher education bonds).............…	100,000,000	99,988,833 [b]			11,167
Building commission; other public purposes.................…	1,883,901,000	1,535,764,586	8,728,268	101,402,151	238,005,995
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities….	10,000,000	10,000,000			
Bond Health Center………………..	1,000,000				1,000,000
HR Academy, Inc.…………………..	1,500,000	1,500,000			
Medical College of Wisconsin, Inc.; biomedical research and technology incubator………………..	35,000,000	25,000,000			10,000,000
Marquette University; dental clinic and education facility…	15,000,000	14,999,182	818		
Civil War exhibit at the Kenosha Public Museums…………………..	500,000	500,000			

General Obligation Issuance Status Report–Continued
April 15, 2009

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings[(a)]	G.O. Bonds of 2009 Series A&B	Total Authorized Unissued Debt
Swiss cultural center…………………	1,000,000				1,000,000
Hmong cultural centers……………..	2,250,000	250,000			2,000,000
Milwaukee Police Athletic League; youth activities center………………	1,000,000	1,000,000			
Children's research institute………..	10,000,000	10,000,000			
Administration; school educational technology infrastructure financial assistance…………………	71,911,300	71,480,216	431,066		18
Administration; public library educational technology infrastructure financial assistance………..………	269,000	268,918	42		40
Educational communications board; educational communications facilities……………………………..	23,981,500	22,127,389	38,515		1,815,596
Historical society; self-amortizing facilities..............…	1,157,000	1,029,156	3,896		123,948
Historical society; historic records............................…	18,650,000				18,650,000
Historical society; historic sites................................…	3,107,800	3,058,756	847		48,197
Historical society; museum facility............................…	4,384,400	4,362,469			21,931
Historical society; Wisconsin history center……………	30,000,000				30,000,000
Public instruction; state school, state center and library facilities………………..	7,367,700	7,330,612	32,509		4,579
Military affairs; armories and military facilities...…	32,772,500	26,547,447	195,308		6,029,745
Veterans affairs; veterans facilities...........………….	10,090,100	9,405,485	50,593		634,022
Veterans affairs; self-amortizing mortgage loans...…	2,205,840,000	2,122,542,395			83,297,605
Veterans affairs; refunding bonds............................…	1,015,000,000	761,594,245			253,405,755
Veterans affairs; self-amortizing facilities……………	38,051,600	14,717,450	1,613		23,332,537
State fair park board; board facilities.........................……	14,787,100	14,769,363	1		17,736
State fair park board; housing facilities...........................…	11,000,000	10,999,985	15		
State fair park board; self-amortizing facilities...........…..	52,987,100	52,026,915	22,401		937,784
Total..…	$21,061,425,088	$17,294,486,928	$73,888,122	$101,975,000	$3,591,075,139

[(a)] Interest earnings reduce issuance authority by the same amount.

[(b)] Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the statutory authority to issue debt.

Source: Wisconsin Department of Administration.

APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds, it is expected that Foley & Lardner LLP will deliver a legal opinion in substantially the following form:

(Letterhead of Foley & Lardner LLP)

$47,440,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2009, SERIES A

$54,535,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2009, SERIES B (TAXABLE)

We have served as bond counsel in connection with the issuance by the State of Wisconsin **(State)** of its $47,440,000 General Obligation Bonds of 2009, Series A, dated the date hereof (**2009 Series A Bonds)** and its $54,535,000 General Obligation Bonds of 2009, Series B (Taxable), dated the date hereof (**2009 Series B Bonds** and, collectively with the 2009 Series A Bonds, **Bonds)**. The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission **(Commission)** on November 12, 2008, as amended by a resolution adopted by the Commission on April 15, 2009 **(Resolution)**.

We examined the law, a certified copy of the proceedings relating to the issuance of the Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. Interest on the 2009 Series A Bonds is excluded from gross income for federal income tax purposes. It also is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes and is not included in adjusted current earnings in determining federal alternative minimum taxable income of corporations. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the 2009 Series A Bonds are issued for interest on the 2009 Series A Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the 2009 Series A Bonds to be included in gross income for federal income tax purposes, in some cases retroactive to the date the 2009 Series A Bonds were issued. For purposes of Section 265(b)(7) of the Internal Revenue Code of 1986, as amended, the 2009 Series A Bonds are obligations issued in 2009 that are not refunding bonds. This letter expresses no opinion about other federal tax law consequences regarding the 2009 Series A Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only the matters set forth as our opinion in the Official Statement). However, in serving as bond counsel, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Bonds, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law. In serving as bond counsel, we have established an attorney-client relationship solely with the State.

Very truly yours,

FOLEY & LARDNER LLP