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.

$316,070,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2011, SERIES 2

Dated: Date of Delivery **Due: November 1 as shown below**

Ratings AA Fitch Ratings
Aa2 Moody's Investors Service, Inc.
AA Standard & Poor's Ratings Services

Tax Exemption Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers—*See pages 9-10.*

Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10.*

Redemption The Bonds maturing on November 1, 2022 are callable at par on November 1, 2021 or any date thereafter—*See page 3.*

Security General obligations of the State of Wisconsin—*See page 3.*

Purpose Proceeds from the Bonds are being used for both the current refunding and advance refunding of general obligation bonds previously issued for general governmental purposes—*See pages 2-3.*

Interest Payment Dates May 1 and November 1, beginning May 1, 2012

Delivery On or about October 13, 2011

Denominations Multiples of $5,000

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 pages 4-5.*

2010 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 23, 2010.

The prices and yields listed below were determined on September 22, 2011 at negotiated sale. The Bonds were purchased at an aggregate purchase price of $380,774,539.77.

CUSIP	Due (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (November 1)	Call Price
97705L L39	2013	$ 1,205,000	3.00%	0.37%	105.366%	Not Callable	-
97705L L47	2014	1,245,000	4.00	0.52	110.516	Not Callable	-
97705L L54	2015	16,175,000	4.00	0.74	112.983	Not Callable	-
97705L L62	2016	24,220,000	4.00	1.08	114.313	Not Callable	-
97705L L70	2017	10,000,000	4.00	1.39	115.093	Not Callable	-
97705L M53	2017	17,515,000	5.00	1.39	120.877	Not Callable	-
97705L L88	2018	32,150,000	5.00	1.64	122.282	Not Callable	-
97705L L96	2019	39,655,000	5.00	1.93	122.786	Not Callable	-
97705L M20	2020	69,780,000	5.00	2.16	123.231	Not Callable	-
97705L M38	2021	15,000,000	4.00	2.30	115.175	Not Callable	-
97705L M61	2021	49,220,000	5.00	2.30	124.102	Not Callable	-
97705L M46	2022	39,905,000	5.00	2.47	122.393[(a)]	2021	100%

[(a)] These Bonds are priced to the November 1, 2021 first optional call date.

Jefferies & Company **Siebert Brandford Shank & Co., L.L.C.**

BAIRD **Barclays Capital** **J.P. Morgan** **Ramirez & Co., Inc.**

September 23, 2011

This document is called the Official Statement because it is the only document 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, and anything else related to the offering.

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 is the author of this document and is responsible for its accuracy and completeness. The Underwriters are not the authors of 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 this information had specific functions that covered some aspects of the offering but not others. For example, financial staff focused on quantitative financial information, and legal counsel focused on specific documents or legal issues assigned to them.

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 incorporated.

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF THE BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	**Term of Office Expires**
Governor Scott Walker, Chairperson	January 5, 2015
Representative Dean Kaufert, Vice-Chairperson	January 7, 2013
Senator Robert Cowles	January 7, 2013
Senator Fred Risser	January 7, 2013
Senator Dale Schultz	January 5, 2015
Representative Joan Ballweg	January 7, 2013
Representative Gordon Hintz	January 7, 2013
Mr. Robert Brandherm, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. Gil Funk, State Chief Engineer Department of Administration	——
State Chief Architect (Vacant) Department of Administration	——
Building Commission Secretary	
Ms. Summer R. Shannon-Bradley, Interim 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 5, 2015
Mr. Mike Huebsch, 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. David R. Erdman
Assistant Capital Finance Director
(608) 267-0374
david.erdman@wisconsin.gov

* The Building Commission is composed of eight members. The Governor serves as the chairperson. Each house of the Wisconsin State Legislature appoints three members. One citizen member is appointed by the Governor and serves at the Governor's pleasure. State law provides for the two major political parties to be represented in the membership from each house.

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Refunding Bonds of 2011, Series 2
Principal Amount:	$316,070,000
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (on or about October 13, 2011)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2012
Maturities:	November 1, 2013-2022—*See front cover.*
Redemption:	The Bonds maturing on November 1, 2022 are callable at par on November 1, 2021 or any date thereafter—*See page 3*
Form:	Book-entry-only—*See pages 4-5.*
Paying Agent:	All payments of principal of, 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 September 1, 2011, general obligations of the State were outstanding in the amount of $7,429,127,656.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Proceeds from the Bonds are being used for both the current refunding and advance refunding of general obligation bonds previously issued for general governmental purposes— *See pages 2-3.*
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 Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers—*See pages 9-10.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10.*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP—*See page C-1.*

OFFICIAL STATEMENT

$316,070,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2011, SERIES 2

INTRODUCTION

This Official Statement provides information about the $316,070,000 General Obligation Refunding Bonds of 2011, Series 2 **(Bonds)**, which are 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 23, 2010 **(2010 Annual Report)**.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and issued pursuant to authorizing resolutions that the State of Wisconsin Building Commission **(Commission)** adopted on February 16, 2011, April 6, 2011, and August 11, 2011.

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 25th 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 2010 Annual Report. APPENDIX A also includes updated information, or makes changes or additions to, Part II of the 2010 Annual Report, including, but not limited to, the following items:

- Preliminary General Fund tax collections for the 2010-11 fiscal year as provided by the Legislative Fiscal Bureau (**LFB**) on September 2, 2011.
- Budget adjustment legislation for the 2010-11 fiscal year (2011 Wisconsin Acts 10, 13, and 27) and the resulting projected General Fund condition statement for the 2010-11 fiscal year.
- Estimated General Fund tax revenues for the 2011-13 biennium, as included in a memorandum provided by LFB on May 11, 2011.
- Summary information about the budget for the 2011-13 biennium (2011 Wisconsin Act 32), which generally took effect on July 1, 2011.

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

PLAN OF REFUNDING

The Commission is empowered by law to issue refunding bonds. The Bonds are being issued for the purposes and within the amounts authorized by the Wisconsin State Legislature. See APPENDIX B.

The Bonds are being issued for the following purposes:

- Current refunding a portion of general obligation bonds that mature on November 1, 2011 and were previously issued by the State for general governmental purposes **(Current Refunding).**
- Advance refunding of general obligation bonds previously issued by the State for general governmental purposes **(Advance Refunding)**. The refunded maturities (or refunded portions of maturities) associated with the Advance Refunding are currently outstanding in the total principal amount of $291,480,000 **(Refunded Bonds)**. APPENDIX D identifies, and provides information about, the Refunded Bonds.

Current Refunding

To provide for the Current Refunding, Bond proceeds issued for this purpose will be deposited into the State's Bond Security and Redemption Fund on or before October 17, 2011 and will be used on November 1, 2011 to pay, along with other amounts from the State, the principal of, and premium (if any) and interest on, general obligation bonds maturing on that date. Money in each sinking fund of the Bond Security and Redemption Fund is irrevocably appropriated only for payment of principal of, and interest on, the general obligation bonds giving rise to such fund, and premium, if any, due upon redemption of such bonds. More generally, there is irrevocably appropriated, as a first charge on all revenues of the State, a sum sufficient for the payment of the installments of principal, interest, and premium due, if any, on all public debt of the State as the same falls due.

Advance Refunding

To provide for the Advance Refunding of the Refunded Bonds, Bond proceeds will be used to purchase direct noncallable general obligations of the United States or its agencies, corporations wholly owned by the United States, the Federal National Mortgage Association, or any corporation chartered by an act of Congress **(Escrow Obligations)**. These Escrow Obligations, together with the interest to be earned and a beginning cash deposit, will be sufficient:

- to pay when due the interest on the Refunded Bonds to and including their respective redemption or maturity dates, and
- to redeem or pay the principal of the Refunded Bonds on their respective redemption or maturity dates at their respective redemption prices or amounts of maturing principal.

Refunding Escrow Agreement

The Escrow Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund **(Escrow Fund)** created by a Refunding Escrow Agreement **(Escrow Agreement)**, between the State and The Bank of New York Mellon Trust Company, N.A. **(Escrow Trustee)** solely for the benefit of the owners of the Refunded Bonds.

The Escrow Fund will be held by the Escrow Trustee in trust to make principal and interest payments on the Refunded Bonds. The Escrow Fund will be held by the Escrow Trustee separate and apart from all other funds or accounts held by the Escrow Trustee. The Escrow Trustee will have no lien whatsoever upon any moneys in the Escrow Fund for any of its fees and costs incurred in carrying out the provisions of the Escrow Agreement. Instead, the State will pay these fees and costs to the Escrow Trustee from other available funds.

The arithmetical accuracy of the computations of the sufficiency of the amounts deposited into the Escrow Fund will be independently verified by Samuel Klein and Company, Certified Public Accountants **(Verification Agent)**.

All money in the Escrow Fund may be expended only for the payment of the principal of, and interest on, the Refunded Bonds; however, notwithstanding the amount in the Escrow Fund, there is irrevocably appropriated, as a first charge on all revenues of the State, a sum sufficient for the payment of the Refunded Bonds. Each year, for the purpose of determining the constitutional limit on public debt, the amount in the Escrow Fund will be subtracted from the outstanding aggregate public debt of the State.

THE BONDS

General

The front cover of this Official Statement sets forth the maturity dates, amounts, interest rates, and other information for 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 October 13, 2011) and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 2012.

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 Bonds maturing on November 1, 2022 may be redeemed on November 1, 2021, 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.

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

The following ratings have been assigned to the Bonds:

Rating	Rating Organization
AA	Fitch Ratings
Aa2	Moody's Investors Service, Inc.
AA	Standard & Poor's Ratings Services

Any explanation of what a rating means may only be obtained from the rating organization 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 organization 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.

Sources and Uses of Funds

The proceeds from the sale of the Bonds are expected to be used as follows:

Sources	
Principal Amount of the Bonds	$ 316,070,000.00
Original Issue Premium	66,413,324.05
TOTAL SOURCES	$ 382,483,324.05
Uses	
Deposit to Bond Security and Redemption Fund (Current Refunding)	$ 53,403,728.39
Deposit to Escrow Fund (Advance Refunding)	326,868,412.08
Underwriters' Discount	1,708,784.28
Applied to Costs of Issuance	502,399.30
TOTAL USES	$ 382,483,324.05

Book-Entry-Only Form

The Bonds are being initially 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 a 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 any notices or 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 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 was not appointed, 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.

Redemption and Payment if Bonds Are Not in Book-Entry-Only Form

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 was paid or money was 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

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is $3,651,481,746, and the cumulative debt limit is $24,343,211,640. Funding or refunding obligations, such as the Bonds, are not subject to the annual limit but are accounted for in applying 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 September 1, 2011, general obligations of the State were outstanding in the principal amount of $7,429,127,656. The issuance of the Bonds will not cause the State to exceed its annual debt limit.

Borrowing Plans for Calendar Year 2011

General Obligations

The Bonds are the fifth series of general obligations to be issued in this calendar year. The State previously issued the following general obligations in this calendar year:

- Two series of general obligation bonds in the aggregate par amount of $758 million for various governmental purposes.
- One series of general obligation refunding notes in the par amount of $225 million to refund general obligation bonds maturing on May 1, 2011 or May 1, 2012 that were previously issued for various governmental purposes.
- One series of general obligation refunding bonds in the par amount of $275 million to refund the aforementioned notes and to advance refund certain other general obligation bonds previously issued for various governmental purposes.

In addition, the Commission has authorized the issuance of the following general obligations:

- Up to $223 million of general obligation refunding obligations to refund general obligation bonds previously issued for general governmental purposes. These refunding obligations must be issued by June 30, 2013 and provide for structural refunding of general obligation bonds scheduled to mature during the 2011-13 biennium. The State expects to issue an additional series of these refunding obligations, up to the amount of remaining authority, between February 1, 2012 and May 1, 2012.
- Up to $160 million of general obligation refunding obligations to refund general obligation bonds previously issued for general governmental purposes. These refunding obligations can only be issued if there is a reduction in the true interest cost to the State, and the amount and timing of any additional issuance of these refunding obligations depend on market conditions.
- Up to $30 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 any 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 $102 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 any issuance of general obligations for this purpose depend on originations of veterans housing loans and market conditions.
- Up to $90 million of general obligation refunding bonds to refund general obligation bonds previously issued for the veterans housing loan program. The amount and timing of any 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 $593 million as of September 1, 2011. The amount and timing of any issuance of general obligations for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates either with a different form of variable-rate obligation or with bonds bearing a fixed interest rate.

Other Obligations

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 $150 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.

On July 19, 2011, the State issued operating notes in the par amount of $800 million for the 2011-12 fiscal year, which mature on June 15, 2012.

Underwriting

The Bonds are being purchased by the **Underwriters**, for which Jefferies & Company, Inc. is acting as the representative. The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the State at an aggregate purchase price, not including accrued interest, of $380,774,539.77 (reflecting an original issue premium of $66,413,324.05 and underwriters' discount of $1,708,784.28). The Underwriters have agreed to reoffer the Bonds at the public offering prices or yields set forth on the front cover. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the Bonds if any Bonds are purchased.

Certain legal matters will be passed upon for the Underwriters by their counsel, Gonzalez Saggio & Harlan LLP.

Reference Information About the Bonds

Information about the Bonds is provided for reference in both the table on the following page and the table on the front cover. The CUSIP number for each maturity has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices for the Bonds. For each of the Bonds subject to optional redemption, the yield at issuance shown is the lower of the yield to first optional call date or the yield to the nominal maturity date.

Financial Advisor

Public Financial Management, Inc. has been employed by the State to perform professional services in the capacity of financial advisor **(Financial Advisor)**. The Financial Advisor has provided advice on the plan of refunding and the structure of the Bonds, reviewed certain legal and disclosure documents, including this Official Statement, for financial matters, and reviewed the pricing of the Bonds by the Underwriters.

Verification of Mathematical Computations

The arithmetical accuracy of certain computations was independently verified by the Verification Agent. These computations, which were provided by the Underwriters, indicate (1) the projected receipts from the Escrow Obligations, together with an initial cash deposit, are sufficient to make all payments of the principal of and interest on the Refunded Bonds to become due on or before their respective maturity or early redemption dates, and (2) the yield of the Escrow Fund is less than the yield on the Bonds. The Verification Agent relied upon assumptions and information supplied by the Underwriters on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Refunded Bonds will be paid as described in its report.

$316,070,000
State of Wisconsin
General Obligation Refunding Bonds of 2011, Series 2

Dated Date: Date of Delivery
First Interest Date: May 1, 2012
Issuance Date: On or about October 13, 2011

CUSIP	Due (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (November 1)	Call Price
97705L L39	2013	$ 1,205,000	3.00%	0.37%	105.366%	Not Callable	-
97705L L47	2014	1,245,000	4.00	0.52	110.516	Not Callable	-
97705L L54	2015	16,175,000	4.00	0.74	112.983	Not Callable	-
97705L L62	2016	24,220,000	4.00	1.08	114.313	Not Callable	-
97705L L70	2017	10,000,000	4.00	1.39	115.093	Not Callable	-
97705L M53	2017	17,515,000	5.00	1.39	120.877	Not Callable	-
97705L L88	2018	32,150,000	5.00	1.64	122.282	Not Callable	-
97705L L96	2019	39,655,000	5.00	1.93	122.786	Not Callable	-
97705L M20	2020	69,780,000	5.00	2.16	123.231	Not Callable	-
97705L M38	2021	15,000,000	4.00	2.30	115.175	Not Callable	-
97705L M61	2021	49,220,000	5.00	2.30	124.102	Not Callable	-
97705L M46	2022	39,905,000	5.00	2.47	122.393[(a)]	2021	100%

[(a)] These Bonds are priced to the November 1, 2021 first optional call 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.

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 Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain 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 Internal Revenue Code of 1986, as amended (**Code**) that must be satisfied after the Bonds are issued for interest on the 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 Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date the Bonds were issued. The proceedings authorizing the Bonds do not provide for an increase in interest rates or a redemption of the Bonds in the event interest on the 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 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 Bonds to be subject, directly or indirectly, to federal taxation, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the 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 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service **(IRS)** or the courts, and it is not a guaranty 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 Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners of the Bonds and other parties other than the State would have little, if any, right to participate in an IRS examination of the 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 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 Bonds, and may cause the State or the owners of the Bonds to incur significant expense.

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

State of Wisconsin Income and Franchise Taxes

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

Premium Bonds

Each Bond has an Issue Price that is greater than the amount payable at the maturity of the Bond (**Premium Bond**).

Any Premium 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 Premium 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 Premium 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 Premium Bond. The adjusted tax basis in a Premium 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 Premium Bond.

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

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 Annual Report to the Municipal Securities Rulemaking Board **(MSRB)**. The State will also provide to the MSRB notices of the occurrence of certain events specified in the undertaking. Part I of the 2010 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 MSRB. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: September 23, 2011

STATE OF WISCONSIN

/S/ SCOTT WALKER

Governor Scott Walker, Chairperson
State of Wisconsin Building Commission

/S/ MIKE HUEBSCH

Mike Huebsch, Secretary
State of Wisconsin Department of Administration

/S/ SUMMER R. SHANNON-BRADLEY

Summer R. Shannon-Bradley, Interim Secretary
State of Wisconsin Building Commission

APPENDIX A

INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin **(State)** and its general obligations, contained in Part II and Part III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2010 **(2010 Annual Report)**, which can be obtained as described below. This Appendix also includes updated information or makes changes or additions to the information presented in Part II of the 2010 Annual Report, including, but not limited to, the following items:

- Preliminary General Fund tax collections for the 2010-11 fiscal year as provided by the Legislative Fiscal Bureau (**LFB**) on September 2, 2011.
- Budget adjustment legislation for the 2010-11 fiscal year (2011 Wisconsin Acts 10, 13, and 27) and the resulting projected General Fund condition statement for the 2010-11 fiscal year.
- Estimated General Fund tax revenues for the 2011-13 biennium, as included in a memorandum provided by LFB on May 11, 2011 **(May 11, 2011 LFB Memorandum)**.
- Summary information about the budget for the 2011-13 biennium (2011 Wisconsin Act 32), which was initially introduced on March 1, 2011 as the executive budget for the 2011-13 biennium (2011 Assembly Bill 40 and 2011 Senate Bill 27), adopted with some changes by the Legislature on June 16, 2011, signed into law by the Governor on June 26, 2011, and generally took effect on July 1, 2011.

Part II of the 2010 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 2009-10
- State budget
- Potential effects of litigation
- Obligations of the State
- Employee pension funds and other post-employment benefits
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as APPENDIX A to Part II of the 2010 Annual Report are the audited general purpose external financial statements for the fiscal year ending June 30, 2010, 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 2010 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 2010 Annual Report was filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access (**EMMA**) system, and also is 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 2010 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
Attn: Capital Finance Director
P.O. Box 7864
101 E. Wilson Street, FLR 10
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 have been filed as informational notices with each nationally recognized municipal securities information repository or as additional voluntary information with the MSRB; however, such reports are not incorporated by reference into this Official Statement or Part II of the 2010 Annual Report, and the State is not obligated to continue providing such monthly reports in the future.

After publication and filing of the 2010 Annual Report, certain changes or events have occurred that affect items discussed in the 2010 Annual Report. Listed below, by reference to particular sections of Part II of the 2010 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 MSRB. However, the State has filed, and expects to continue to file, informational notices with the MSRB, some of which may be notices that are not required to be filed under the State's undertakings.

This Official Statement may include changes or additions that were released after the date of the Preliminary Official Statement (dated September 12, 2011). Any such change or addition is identified accordingly.

State Budget; 2010-11 Fiscal Year Revenue Projections (Part II; Page 33)**.** Update with the following information.

Preliminary General Fund Tax Collections

On September 2, 2011, LFB provided a memorandum that includes preliminary data on General Fund tax collections for the 2010-11 fiscal year. Based on information provided by the Wisconsin Department of Revenue (**Department of Revenue** or **DOR**), preliminary General Fund tax collections in the 2010-11 fiscal year totaled $12.912 billion, or an increase of $780 million (or 6.4%) from collections in the 2009-10 fiscal year. This preliminary total of General Fund tax collections in the 2010-11 fiscal year is a decrease of $13 million (or 0.1%) from the projections provided in the May 11, 2011 LFB Memorandum.

This preliminary data from LFB is unaudited and subject to final review by the State Controller's Office prior to the publication of the State's Annual Fiscal Report (budgetary basis), which will be published by October 15, 2011.

The table on the following page includes a summary of the preliminary General Fund tax collections for the 2010-11 fiscal year and also provides, for comparison, the final GPR tax revenue collections for the 2009-10 fiscal year, estimates shown in a memorandum provided by LFB on January 27, 2010, estimates provided by DOR in December, 2010, and estimates shown in the May 11, 2011 LFB Memorandum.

PRELIMINARY AND ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2010-11 FISCAL YEAR
(in Millions)

		2010-11 Fiscal Year			
	2009-10 Fiscal Year (Final)	LFB Estimate Jan. 2010	DOR Estimate Dec. 2010	LFB Estimate May 2011	LFB Preliminary Sept. 2011
Individual Income	$ 6,089.2	$ 6,505.0	$ 6,324.8	$ 6,690.0	$ 6,700.6
Sales and Use	3,944.2	4,235.0	4,177.0	4,090.0	4,109.0
Corp. Income & Franchise	834.5	800.0	924.6	880.0	852.9
Public Utility	319.4	327.2	346.7	339.5	341.3
Excise					
Cigarettes	644.2	630.0	629.1	620.0	604.8
Liquor & Wine	44.2	44.7	44.2	46.0	45.8
Tobacco Products	59.9	62.6	63.9	61.6	60.9
Beer	9.6	9.7	9.6	9.5	9.3
Insurance Company	130.7	135.0	135.3	139.5	140.0
Miscellaneous Taxes	54.9	52.0	49.1	48.6	47.3
TOTAL	$12,131.7	$12,801.2	$12,704.3	$12,924.7	$12,911.9

May 2011 LFB Memorandum

On May 11, 2011, LFB provided a memorandum that included estimates of General Fund tax revenues for the 2010-11 fiscal year, which at that time were $12.925 billion, or an increase of $793 million (or 6.5%) from collections in the 2009-10 fiscal year and an increase of $233 million from projections in a memorandum provided by LFB on January 31, 2011 **(January 31, 2011 LFB Memorandum)**.

A complete copy of the May 11, 2011 LFB Memorandum is included on pages A-11 through A-16 of this Official Statement.

January 2011 LFB Memorandum

The January 31, 2011 LFB Memorandum included estimates of General Fund tax collections for the 2010-11 fiscal year, which at that time were $12.691 billion, or an increase of $560 million (or 4.6%) from collections in the 2009-10 fiscal year and a decrease of $13 million from projections provided by the Department of Revenue in December 2010.

December 2010 Updated Revenue Projections

On December 27, 2010, the Department of Administration reported that the Department of Revenue had provided updated projections of general purpose tax revenues for the 2010-11 fiscal year and the 2011-13 biennium, which reflected the projected national economic impact from the then-recent enactment of federal legislation that included an extension of unemployment benefits and a reduction of payroll taxes.

State Budget; 2010-11 Fiscal Year General Fund Condition Statement Projections (Part II; Pages 31-33)**.** Update with the following information.

Results of 2010-11 Fiscal Year

The 2010-11 fiscal year ended June 30, 2011. The Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year will be published by October 15, 2011. This report will include the ending budgetary undesignated balance for the 2010-11 fiscal year. Preliminary General Fund tax collection amounts included earlier in this Appendix A do not offer guidance on the General Fund balance (budgetary basis) for the 2010-11 fiscal year. See "State Budget; 2010-11 Fiscal Year Revenue Projections; *Preliminary General Fund Tax Collections*" in this Appendix A. Other general purpose revenues and final general purpose revenue expenditures will have substantial bearing on the final General Fund balance (budgetary basis).

The State intends to file the Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year, when it is available, with the MSRB through its EMMA system.

Projected General Fund Condition Statement

The gross ending General Fund balance for the 2010-11 fiscal year is projected to be $87 million. This balance reflects provisions of the budget adjustment legislation contained in 2011 Wisconsin Acts 13 and 27 and the updated General Fund tax revenue estimates contained in the May 11, 2011 LFB Memorandum. See "State Budget; 2010-11 Fiscal Year General Fund Condition Statement Projections; *June Budget Adjustment Legislation*", "State Budget; 2010-11 Fiscal Year General Fund Condition Statement Projections; *March Budget Adjustment Legislation*", and "State Budget; 2010-11 Fiscal Year Revenue Projections; *May 2011 LFB Memorandum*" in this Appendix A.

The following table includes an updated General Fund condition statement for the 2010-11 fiscal year, as included in a memorandum dated May 26, 2011 from LFB that addressed provisions of 2011 Wisconsin Act 27. The following table also includes, for comparison, the estimated General Fund condition statement for the 2010-11 fiscal year from the budget for the 2009-11 biennium (2009 Wisconsin Act 28), as included in the November 19, 2010 report from the State of Wisconsin Department of Administration (**Department of Administration** or **DOA**) and as included in the January 31, 2011 LFB Memorandum.

PROJECTED GENERAL FUND CONDITION STATEMENT
2010-11 FISCAL YEAR
(in Millions)

	2009 Act 28 (June 2009)	DOA Report (November 2010)	LFB Memorandum (January 2011)	2011 Act 27 (May 2011)
Opening Balance	$ 368.9	$ 71.1	$ 25.7[a]	$ 25.7
Revenues				
Taxes	12,882.3	12,646.9	12,691.4	12,924.7
Department Revenues				
Tribal Gaming	22.6	23.4	22.3	22.3
Other	790.4	812.0	833.7	701.0
Total Available	14,064.2	13,553.4	13,573.3	13,673.7
Appropriations				
Gross Appropriations	14,104.8	13,814.5	14,109.3	14,043.0
Compensation Reserves	96.0	96.0	96.0	96.0
Sum Sufficient Reestimates			(121.6)	
Less: Lapses	(411.8)	(367.2)	(389.1)	(552.1)
Net Appropriations	13,789.0	13,543.3	13,451.8	13,586.9
Balances				
Gross Balance	275.1	10.1	121.3	86.8
Less: Req'd. Statutory Balance	(65.0)	(65.0)	(65.0)	(65.0)
Net Balance, June 30	$ 210.1	$ (54.9)	$ 56.4	$ 21.6

[a] The opening balance reported in the January 31, 2011 LFB Memorandum is $45 million lower than the opening balance in the November 29, 2010 DOA Report to reflect a report from the Legislative Audit Bureau that certain 2009-10 fiscal year transfers and expenditures were incorrectly reported.

June Budget Adjustment Legislation

Certain budget adjustment legislation for the 2010-11 fiscal year, the provisions of which also affect the 2011-13 biennium (2011 Wisconsin Act 27), took effect on June 30, 2011. The fiscal impacts of this act on the 2010-11 fiscal year are included in the above table, and the fiscal impacts on the 2011-13 biennium are included in the estimated General Fund Condition for the 2011-13 biennium. See "Budget for 2011-13 Biennium; *2011 Wisconsin Act 32*" in this Appendix A. One significant expenditure authorized by this act was the payment from the General Fund to the Injured Patients and Families Compensation Fund, pursuant to determination made by the Wisconsin Supreme Court in July 2010, to replace a $200 million transfer previously made in the 2007-09 biennium from the Injured Patients and Families Compensation Fund to the Medical Assistance Trust Fund.

March Budget Adjustment Legislation

Certain budget adjustment legislation for the 2010-11 fiscal year was adopted by the Legislature on March 10, 2011 and signed into law by the Governor on March 11, 2011 (2011 Wisconsin Act 10). Provisions of this act include:

- Increases in employee health and retirement contributions, which increased General Fund revenues by approximately $28 million.
- Minor decreases to certain appropriations and increases in certain lapse assumptions, which decreased General Fund appropriations by approximately $6 million.
- Modifications to the collective bargaining rights of public employees in the State (except for certain protective occupation employees under the Wisconsin Retirement System or under the City of Milwaukee or Milwaukee County retirement systems).

2011 Wisconsin Act 10 did not take effect until June 29, 2011. Delay in the effective date resulted from relief granted by the Dane County circuit court in a case filed by the Dane County District Attorney based on allegations that the State's open meeting laws were violated by a legislative committee that referred the related bill to both houses of the Legislature; however, on June 14, 2011, the Wisconsin Supreme Court vacated and declared void all orders and judgments of the Dane County Circuit Court with respect to the case.

On June 15, 2011, various unions primarily representing municipal employees filed a lawsuit in the United States District Court for the Western District of Wisconsin, asking, among other things, that a declaratory judgment be entered on the basis that certain provisions of 2011 Wisconsin Act 10 deny public employees their right to collectively bargain and violate the First and Fourteenth Amendments of the U.S. Constitution and that preliminary and permanent orders be entered to enjoin the implementation and enforcement of 2011 Wisconsin Act 10. The district court has neither granted nor denied the plaintiffs' motion for a temporary restraining order or preliminary injunction. On July 6, 2011, two other unions representing municipal employees filed suit in the same federal court, before the same judge, and on the same claims; however, plaintiffs filed no motion for any temporary restraining order or preliminary injunction.

Three cases have also been filed in circuit court regarding 2011 Wisconsin Act 10. One case seeks a permanent injunction against any implementation of 2011 Wisconsin Act 10 due to its enactment allegedly occurring in derogation of the quorum requirements in the Wisconsin Constitution and in violation of open meeting laws in the Wisconsin Statutes. This case has been dismissed, but no final judgment has been entered yet. The second case seeks a declaratory judgment generally for the same reasons and further alleges that components of 2011 Wisconsin Act 10 constitute an unconstitutional burden on the exercise of municipal employees' rights to associate, assemble, express their views, and petition the government. This second case has been dismissed, and final judgment entered. The third case alleges violations of the Wisconsin Constitution and was filed on August 18, 2011 by unions representing teachers for the City of Madison and public works employees for the City of Milwaukee. Claims in this case include, but are not limited to, 2011 Wisconsin Act 10 being unconstitutional since it does not accomplish "budget repair" as required by the Governor's purpose for calling the special legislative session during which it was passed.

Other budget adjustment legislation (2011 Wisconsin Act 13) took effect on April 8, 2011. The provisions of this legislation include the following:

- Reductions in required transfers and lapses to the General Fund, which decreased General Fund revenues by approximately $79 million.
- Increase of General Fund appropriations by $159 million, which addresses shortfalls previously identified for Medical Assistance and the Department of Corrections.

- Increase of transfers or lapses to the General Fund of $163 million, which primarily reflected an assumed $165 million of debt restructuring in the 2010-11 fiscal year (which was subsequently completed in April 2011).

State Budget; Budget for 2011-13 Biennium (Part II; Pages 33-34)**.** Update with the following information.

2011 Wisconsin Act 32

The budget for the 2011-13 biennium was initially introduced on March 1, 2011 as the executive budget for the 2011-13 biennium (2011 Assembly Bill 40 and 2011 Senate Bill 27), adopted with some changes by the Legislature on June 16, 2011, signed into law, with partial vetoes, by the Governor on June 26, 2011 (2011 Wisconsin Act 32), and became effective on July 1, 2011 (except as otherwise provided in the act).

The following table includes the estimated General Fund condition statement for the 2011-12 and 2012-13 fiscal years.

ESTIMATED GENERAL FUND CONDITION STATEMENT
2011-12 AND 2012-13 FISCAL YEARS
(in Millions)

	Enacted Budget 2011-12 Fiscal Year	Enacted Budget 2012-13 Fiscal Year
Revenues		
Opening Balance	$ 86.2	$ 73.4
Taxes	13,297.2	13,779.2
Department Revenues		
Tribal Gaming	26.5	28.1
Other	647.9	584.6
Total Available	14,057.9	14,465.3
Appropriations		
Gross Appropriations	13,996.2	14,765.5
Transfers to Other Funds	262.5	137.6
Compensation Reserves	28.8	81.9
Less: Lapses	(303.0)	(594.2)
Net Appropriations	13,984.5	14,390.9
Balances		
Gross Balance	73.4	74.4
Less: Required Statutory Balance	(65.0)	(65.0)
Net Balance, June 30	$ 8.4	$ 9.4

Detailed information and summary tables and charts concerning the budget for the 2011-13 biennium may be obtained from the following addresses (neither the following LFB website nor the summary available at such website are incorporated by reference into this Official Statement):

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
legis.wisconsin.gov/lfb/2011-13%20Budget/2011_07_05%20tables%20and%20charts.pdf

In addition, the following is a summary of certain provisions of the budget for the 2011-13 biennium (2011 Wisconsin Act 32):

- Total General Fund spending for the biennium increases by $697 million, or 2.50%, over the base year (the 2010-11 fiscal year, which is doubled for this biennium-to-fiscal-year comparison). This biennial increase reflects a $1.240 billion increase in funding for Medicaid (to replace one-time federal funding in the 2009-11 biennium) and a $543 million decrease in other General Fund appropriations.
- Provides General Fund spending of $160 million for the new Wisconsin Economic Development Corporation (which replaces economic development functions performed by the Wisconsin Department of Commerce), makes changes to capital gains taxes for long-term investments in State businesses, and makes changes to combined reporting requirements applicable to controlled groups of corporations.
- Reduces school aids by $793 million over the biennium and lowers school district revenue limits so that the reduction in school aids does not result in local property tax increases. Pursuant to provisions of budget adjustment legislation (2011 Wisconsin Act 10), it is expected that this reduction in school aid will be offset by savings resulting from school district employee contributions toward their pension and health insurance benefits.
- Numerous actions to address the rapid growth in health care costs including, but not limited to, increased health care premium contributions from State employees, increased copayments and deductibles, flexibility for the Department of Heath Services to pursue cost-control approaches, and consolidation of eligibility determinations.

The following is a summary of how the budget for the 2011-13 biennium (2011 Wisconsin Act 32) was balanced taking into account the structural deficit from the prior biennium, agency requests for the 2011-13 biennium, and the increased estimates of General Fund tax collections, pursuant to the May 2011 LFB Memorandum:

- $2.604 billion in spending changes, which include General Fund spending reductions, items requested by agencies and not included in the biennial budget, along with other cuts and lapses, Medicaid reestimates and efficiencies, and other General Fund spending increases.
- $425 million of other measures, which include $339 million of general obligation debt restructuring expected to be completed in the 2011-12 fiscal year through issuance of general obligation refunding bonds (such as the Bonds) for a current refunding of general obligations maturing in the 2011-12 fiscal year and establishing a revised amortization schedule with no principal reduction in the 2011-12 fiscal year for outstanding general obligation commercial paper notes and extendible municipal commercial paper.
- $208 million reduction in revenues resulting from various changes relating to capital gains exclusion for Wisconsin-based investments for State income tax purposes, treatment of Wisconsin Retirement System contributions by employees as pre-tax for State income tax purposes, and transfer of motor vehicle-related sales tax to the Transportation Fund.

State Budget; Revenue Projections For 2011-13 Biennium (Part II; Pages 33-34)**.** Establish this new section and update with the following information.

May 2011 LFB Memorandum

The May 11, 2011 LFB Memorandum includes estimates of General Fund tax collections for the 2011-13 biennium. The following table includes a summary of the estimated General Fund tax collections for the 2011-13 biennium and also provides, for comparison, the projections provided by the Department of Revenue in December, 2010 and projections in the January 31, 2011 LFB Memorandum.

A complete copy of the May 11, 2011 LFB Memorandum is included on pages A-11 through A-16 of this Official Statement.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2011-12 AND 2012-13 FISCAL YEARS
(in Millions)

	2011-12 Fiscal Year			2012-13 Fiscal Year		
	DOR Projection Dec. 2010	LFB Projection Jan. 2011	LFB Projection May 2011	DOR Projection Dec. 2010	LFB Projection Jan. 2011	LFB Projection May 2011
Individual Income	$ 6,727.6	$ 6,650.0	$ 6,930.0	$ 6,976.3	$ 7,000.0	$ 7,290.0
Sales and Use	4,360.8	4,350.0	4,270.0	4,500.7	4,485.0	4,385.0
Corp. Income & Franchise	914.9	900.0	890.0	943.9	925.0	920.0
Public Utility	365.2	344.6	344.6	374.9	352.6	352.6
Excise						
Cigarettes	634.2	615.0	615.0	631.7	610.0	610.0
Liquor & Wine	44.8	46.4	47.1	45.0	47.5	48.2
Tobacco Products	67.6	66.5	63.6	70.5	69.0	65.7
Beer	9.5	9.5	9.5	9.4	9.5	9.5
Insurance Company	126.4	133.3	147.0	133.0	134.6	150.0
Miscellaneous Taxes	53.0	49.0	51.6	55.0	57.0	57.0
TOTAL	$13,304.0	$13,164.3	$13,368.4	$13,740.4	$13,690.2	$13,888.0

January 2011 LFB Memorandum

The January 31, 2011 LFB Memorandum included estimates of General Fund tax collections for the 2011-13 biennium. At that time, more than half of the lower estimates were due to the impact of recent legislation from a special session addressing health savings accounts, tax deductions and credits for relocated businesses, and tax exclusions for new employees.

December 2010 Updated Revenue Projections

On December 27, 2010, the Department of Administration reported that the Department of Revenue had provided updated projections of general purpose tax revenues for the 2011-13, which reflected the projected national economic impact from the then-recent enactment of federal legislation that included an extension of unemployment benefits and a reduction of payroll taxes. The same federal legislation also reinstated a modified federal estate tax to allow for a deduction for state estate taxes, which under current State law results in the continued elimination of State estate taxes for deaths occurring on or after January 1, 2008.

State Budget; Potential Effect of Litigation; Litigation Regarding Transfer from Injured Patients and Family Compensation Fund (Part II; Page 35). Update with the following information:

On August 2, 2011, the State repaid $200 million (plus $33 million of lost earnings and interest) from the General Fund to the State's Injured Patients and Families Compensation Fund. This repayment was made pursuant to the July 2010 Wisconsin Supreme Court ruling and provisions of 2011 Wisconsin Act 27.

State Obligations; Employee Pension Funds (Part II; Pages 62-64)**.** Update with the following information:

Provisions of 2011 Wisconsin Act 10, as amended by 2011 Wisconsin Act 32, will make the following changes to the Wisconsin Retirement System **(WRS)** required contributions; these changes are generally effective for the payroll to be paid on August 25, 2011 for employees of the State, and a payroll close to that date for other participants of the WRS (depending on status of existing respective collective bargaining agreements):

- The total retirement contribution must be split equally between the employee required contribution and the employer required contribution for general employees and for elected officials and judges.
- The employee required contribution for protective occupations with Social Security and for protective occupations without Social Security is the same as for general employees. The

employer required contribution for these groups is the difference between the total required contribution and the employee required contribution.

- The benefit adjustment contribution is eliminated.
- All new participants after July 1, 2011 are subject to a five-year vesting requirement. Participants terminating before fully vesting are not eligible for a retirement benefit but can receive a separation benefit of member contributions and interest.
- The eligibility requirements for participation in the WRS are increased with an employee being expected to work 75% of full-time employment, up from an expectation of working 50% of full-time employment.
- Employee required contributions may not be paid by the employer on behalf of the employee.
- Employee paid contributions are treated as pretax contributions under section 414(h)(2) of the Internal Revenue Code.
- The new WRS contribution rates for employees and employers are as follows:

WISCONSIN RETIREMENT SYSTEM
STATE EMPLOYER AND EMPLOYEE CONTRIBUTIONS

Employee Classification	Employee Required	Employer Required
General employees (including teachers)	5.80%	5.80%
Elected officials, judges, and state executives	6.65	6.65
Protective occupations with Social Security	5.80	8.90
Protective occupations without Social Security	5.80	11.20

Statistical Information; Table II-28 – State Assessment (Equalized Value) of Taxable Property (Part II; Page 75). Replace with the updated table that appears on the following page.

Statistical Information; Table II-39 – Unemployment Rate Comparison (Part II; Page 80). Replace with the updated table that appears on the following page.

STATE ASSESSMENT (EQUALIZED VALUE) OF TAXABLE PROPERTY

Calendar Year	Value of Taxable Property	Rate of Increase (Decrease)
2002	$335,326,478,700	—
2003	360,710,211,300	7.6%
2004	391,187,814,700	8.4
2005	427,933,562,000	9.4
2006	468,983,199,800	9.6
2007	497,920,348,700	6.2
2008	514,393,963,700	3.3
2009	511,911,983,100	(0.5)
2010	495,904,192,300	(3.1)
2011	486,864,232,800	(1.8)

Source: Department of Revenue

UNEMPLOYMENT RATE COMPARISON[(a)]
By Month 2006 to 2011
By Quarter 2002 to 2005

	2011		2010		2009		2008		2007		2006	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	8.2	9.8	10.0	10.6	7.7	8.5	5.0	5.4	5.5	5.0	5.1	5.1
February	8.5	9.5	10.3	10.4	8.8	8.9	5.2	5.2	5.8	4.9	5.7	5.1
March	8.1	9.2	10.1	10.2	9.4	9.0	5.0	5.2	5.5	4.5	5.5	4.8
April	7.4	8.7	8.7	9.5	8.8	8.6	4.2	4.8	5.1	4.3	4.8	4.5
May	7.4	8.7	8.2	9.3	8.7	9.1	4.2	5.2	4.5	4.3	4.4	4.4
June	8.1	9.3	8.4	9.6	9.1	9.7	4.7	5.7	5.0	4.7	4.9	4.8
July	7.7	9.3	8.1	9.7	8.8	9.7	4.6	6.0	4.7	4.9	4.7	5.0
August			7.8	9.5	8.6	9.6	4.7	6.1	4.5	4.6	4.4	4.6
September			7.1	9.2	8.0	9.5	4.3	6.0	4.2	4.5	4.1	4.4
October			7.0	9.0	7.9	9.5	4.5	6.1	3.9	4.4	3.9	4.1
November			7.2	9.3	8.0	9.4	5.2	6.5	4.1	4.5	4.3	4.3
December			7.1	9.1	8.3	9.7	5.9	7.1	4.3	4.8	4.5	4.3
Annual Average			8.3	9.6	8.5	9.3	4.8	5.8	4.8	4.6	4.7	4.6

2005 Quarters	Wis.	U.S.	2004 Quarters	Wis.	U.S.
I	5.7	5.6	I	6.1	6.1
II	4.8	5.0	II	5.1	5.5
III	4.4	5.0	III	4.6	5.4
IV	4.3	4.7	IV	4.3	5.1

2003 Quarters	Wis.	U.S.	2002 Quarters	Wis.	U.S.
I	6.5	6.3	I	6.2	6.2
II	5.9	6.1	II	5.4	5.7
III	5.3	6.0	III	4.8	5.7
IV	4.8	5.5	IV	4.7	5.6

[(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

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State of Wisconsin

May 11, 2011

Senator Alberta Darling, Senate Chair
Representative Robin Vos, Assembly Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

Last January, this office released estimates of general fund tax revenues for 2010-11 and the two years of the 2011-13 biennium. Those figures, which included the effects of tax legislation enacted during the January, 2011 Special Session (Act 1, relating to health savings accounts; Act 3, creating a tax deduction/credit for businesses that relocate to Wisconsin; and Act 5, creating a tax deduction for businesses that add employees in Wisconsin), were incorporated into the Governor's 2011-13 biennial budget bill.

Recently, tax collections data for April became available and IHS Global Insight, Inc. (Global Insight) released its May, 2011, forecast of the U.S. economy. The collections data shows considerable strength in the individual income tax, but lower than expected revenues from the sales tax and the corporate income and franchise tax. However, the strength in income tax collections significantly exceeds the weakness in the other two major taxes.

The May economic forecast shows some improvement over the January forecast for a number of economic indicators, including nominal (current dollar) gross domestic product (GDP), personal consumption, personal income, home sales, and corporate profits. But total employment, light vehicle sales, housing starts, and real (inflation-adjusted) GDP are expected to be somewhat lower in 2011 through 2013 than was projected in January. Also, Global Insight assigns a higher probability to its pessimistic alternative in the new forecast (20% in April versus 15% in January). Compared to the January forecast, the U.S. unemployment rate is expected to be about 0.5% lower in 2011 and 2012; however, this is due to reduced labor force participation rather than an increase in employment. Consumer prices are expected to be somewhat higher relative to the January forecast, primarily due to increased inflation in 2011. Crude oil prices are expected to be 10% to 15% higher than forecast in January. Although there are a number of differences between the two forecasts, in terms of magnitude, most of the major economic indicators in the current forecast do

not vary significantly from the January figures. Both forecasts project a continued slow recovery over the next several years, with nominal GDP growth of 4% to 5% each year and 1% to 2% annual employment growth.

Based on our review of the collections data and the new economic forecast, we now believe that general fund tax revenues will be higher than the previous estimates by $233 million in 2010-11, $204 million in 2011-12, and $199 million in 2012-13. The three-year increase is $636 million, or 1.6%. Over the three-year period, the income tax estimates have been increased by $910 million, and the sales tax and corporate tax projections have been reduced by $240 million and $68 million, respectively. Smaller revisions have been made to the estimates for other taxes.

As noted, the primary factor in the revised estimates is unanticipated strength in individual income tax collections since the January figures were released. When those estimates were prepared, total income tax collections through December, 2010, were 3.7% above the year-to-date collections for the prior year. Quarterly estimated payments of income taxes on business, investment, and retirement income were relatively strong (10.3% growth), but withholding payments showed only 2.8% year-to-date growth. Based on Global Insight's January forecast of taxable components of personal income, it was estimated that the second half of the fiscal year would see slightly better growth rates, and that total income tax revenues in 2010-11 would be 4.3% higher than the 2009-10 amount.

In the months since the January estimates were released, total income tax collections have increased by approximately 28% over the same four-month period last year, and year-to-date growth through April has improved to 12.3%. The main source of strength has been in amounts collected with income tax returns filed this spring for the 2010 tax year. In the last four months, payments remitted with returns have increased by almost 35% compared to last year, and refunds are 7.3% lower. Together, this has resulted in additional revenues of $228 million over the amount collected during the same period last year. The most likely reasons for this strength are the large gains in the stock market since early 2009 and improved business profits of pass-through entities (partnerships, limited liability companies, and subchapter S corporations) that are taxed under the individual income tax.

In addition, withholding taxes have increased substantially in recent months. Monthly growth in April was 13.3%, and year-to-date growth has improved to 5.5%. Growth in estimated taxes has tapered off somewhat, but is still at 7.6% year-to-date through April. Many other states have also reported strong personal income tax collections this spring.

An offsetting factor that could affect future income tax collections involves the changes to local government employee retirement contributions included in 2009 Act 10. When Act 10 was passed by the Legislature, it was understood that the increased retirement contributions by state and local employees would be made from the employee's after-tax income, and that the employee's liability for federal payroll (FICA) taxes and federal and state income taxes would not be impacted. This office has recently learned that it will be possible for local governing bodies to implement the retirement contributions in a way that allows them to be made from the employee's pre-tax income for federal and state income tax purposes. Structuring the contributions this way would result in the local employees paying lower federal and state income taxes, but would not affect federal payroll

taxes. If this option were used by all local units of government in Wisconsin, state income taxes would be reduced by an estimated $40 million annually beginning in 2011-12. A similar payment structure could be implemented for retirement contributions by state employees, but additional legislative action would be needed.

However, the Dane County Circuit Court has issued a temporary restraining order prohibiting implementation of Act 10 until litigation regarding passage of the bill has been resolved. Also, it has been reported that some local units of government have entered into contracts that do not require employees to make the retirement contributions specified in Act 10. In addition, if the Act 10 provisions take effect, it is unclear how many other local government units would implement the retirement contributions in a way that allows them to be made from the employee's pre-tax income. Because of this uncertainty, the revised income tax estimates do not include an adjustment to reflect this factor. However, the estimates may have to be reduced in the future if the Act 10 provisions take effect and local governments elect to structure the retirement contributions as described above.

Table 1 shows the revised general fund tax estimates and Table 2 outlines the May, 2011, economic forecast by Global Insight. The tax revenue estimates in Table 1 reflect all legislation passed to date, but do not include any of the tax law changes recommended by the Governor in the biennial budget bill. The sections following the tables present additional information about the new revenue estimates.

TABLE 1

Projected General Fund Tax Collections
Current Law Through 2011 Act 15
($ in Millions)

	2009-11 Biennium		2011-13 Biennium	
	2009-10 Actual	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated
Individual Income	$6,089.2	$6,690.0	$6,930.0	$7,290.0
General Sales and Use	3,944.2	4,090.0	4,270.0	4,385.0
Corporate Income and Franchise	834.5	880.0	890.0	920.0
Public Utility	319.4	339.5	344.6	352.6
Excise				
Cigarette	644.3	620.0	615.0	610.0
Tobacco Products	59.9	61.6	63.6	65.7
Liquor and Wine	44.2	46.0	47.1	48.2
Beer	9.6	9.5	9.5	9.5
Insurance Company	130.7	139.5	147.0	150.0
Miscellaneous taxes	55.8	48.6	51.6	57.0
Total	$12,131.7	$12,924.7	$13,368.4	$13,888.0
Change from Prior Year		$793.0	$443.7	$519.6
Percent Change		6.5%	3.4%	3.9%

TABLE 2

Summary of National Economic Indicators
IHS Global Insight, Inc., May, 2011
($ in Billions)

	2010	2011	2012	2013
Nominal Gross Domestic Product	$14,660.4	$15,315.7	$15,994.1	$16,709.0
% Change	3.8%	4.5%	4.4%	4.5%
Real Gross Domestic Product	$13,248.2	$13,605.7	$14,002.9	$14,388.8
% Change	2.9%	2.7%	2.9%	2.8%
Consumer Prices (Percent Change)	1.6%	3.0%	1.8%	2.0%
Personal Income	$12,546.7	$13,207.6	$13,693.4	$14,318.9
% Change	3.1%	5.3%	3.7%	4.6%
Personal Consumption Expenditures	$10,349.0	$10,879.9	$11,326.3	$11,740.5
% Change	3.5%	5.1%	4.1%	3.7%
Economic Profits	$1,624.8	$1,708.7	$1,734.7	$1,776.2
% Change	29.2%	5.2%	1.5%	2.4%
Unemployment rate	9.6%	8.8%	8.3%	7.8%
Total Nonfarm Payrolls (millions)	129.8	131.4	133.7	136.2
% Change	-0.7%	1.2%	1.8%	1.8%
Light Vehicle Sales (millions)	11.5	12.7	14.6	15.8
% Change	11.0%	10.1%	14.6%	8.4%
Housing Starts (millions)	0.585	0.630	1.021	1.418
% Change	5.6%	7.6%	62.0%	38.9%

Individual Income Tax. Individual income tax receipts are estimated at $6,690 million in 2010-11, $6,930 in 2011-12, and $7,290 million in 2012-13. The revised figures represent increases relative to the previous projections of $340 million in 2010-11, $280 million in 2011-12, and $290 million in 2012-13. These increases total $910 million.

In January, income tax collections for 2010-11 were estimated to increase by 4.3% compared to collections in 2009-10, based on the economic forecast and collections data at the time. The reestimate is based on year-to-date tax collections that are 12.3% above the collections total for the same period last year. The estimates for the 2011-13 biennium have also been increased to reflect the estimated increase in base year collections.

Sales Tax. Through April, 2011, total year-to-date sales tax collections were 4.1% higher than in April, 2010. If the impact of the *Menasha Corporation* decision and other factors are

accounted for, the adjusted year-to-date growth rate is 2.9%. Sales tax revenue estimates have been reduced by $60 million in 2010-11, $80 million in 2011-12, and $100 million in 2012-13. In January, this office estimated total year-over-year growth for 2010-11 at 5.2% based, in part, on year-over-year growth in collections of 5.1% through December. Since that time, sales tax collections have weakened as compared to forecasted growth in taxable personal consumption, and the downward revision primarily reflects this lower-than-expected growth. The revised estimates are $4,090 million in 2010-11, $4,270 million in 2011-12, and $4,385 million in 2012-13.

Corporate Income and Franchise Tax. Corporate income and franchise tax revenues are now projected to be $880 million in 2010-11, $890 million in 2011-12, and $920 million in 2012-13. Compared to the previous estimates, the revised estimates represent decreased corporate income and franchise tax revenues of $55 million in 2010-11, $10 million in 2011-12, and $3.4 million in 2012-13.

The new estimates reflect year-to-date corporate income and franchise tax collections. The monthly rate of growth of corporate collections has slowed substantially in the past three months, and estimated payments are lower than last year. The 2010-11 estimate includes two one-time tax settlement amounts. The May, Global Insight forecast includes projections of slightly higher corporate profits than in January, so that corporate income and franchise tax collections are expected to increase each year of the 2011-13 biennium. Both sets of estimates have been adjusted to reflect the impact of corporate income/franchise tax law changes enacted during the 2009-11 biennium, including combined reporting, use of 100% of throwback sales in the apportionment formula, repeal of the domestic production activities income deduction, and enactment of a number of tax credits, such as the economic development and super research and development tax credits. The estimates also reflect tax law changes enacted in the January, 2011 Special Session, including the relocated business tax credit, and income exclusion for increased employment.

Excise Taxes. Excise tax revenues are reestimated at $737.1 million in 2010-11, $735.2 million in 2011-12, and $733.4 million in 2012-13, and are lower than the previous estimates by $1.8 million, $2.2 million, and $2.6 million, respectively. The reduction is primarily due to lower than expected year-to-date growth in tobacco products tax collections. The reduction in tobacco products revenue is partially offset by higher than expected liquor tax collections.

Insurance Premiums Tax. Insurance premiums taxes are projected to be $139.5 million in 2010-11, $147 million in 2011-12, and $150 million in 2012-13. These projections represent increases from the previous estimates of $7.5 million in 2010-11, $13.7 million in 2011-12, and $15.4 million in 2012-13. The new estimates reflect premiums tax collections, which are 6.7% higher than collections through April, 2010. Insurance premiums taxes are projected to increase in each year of the biennium, as the economy continues its gradual expansion.

Miscellaneous Taxes. Estimated revenues from miscellaneous taxes have been increased by $2.6 million in 2010-11 and 2011-12. The projected increase in revenue is primarily due to better than anticipated real estate transfer fee collections. Although the current estimate is higher than the January projection, real estate transfer fee collections are still estimated to be 15.1% below the 2009-10 amount. As with the January estimates, growth is expected to resume in 2011-12. Total

miscellaneous tax revenues are estimated at $48.6 million in 2010-11, $51.6 million in 2011-12, and $57.0 million in 2012-13.

Other Taxes. The estimates for public utility taxes, the cigarette tax and the beer tax, have not been revised.

Impact on General Fund Balance

Based upon the tax collection estimates of this analysis, the net balance in the general fund at the end of the 2010-11 fiscal year is projected to be $214.6 million, and the net balance at the end of the 2011-13 biennium is estimated at $659.9 million. These general fund balance projections are based upon: (1) the provisions of 2011 SB 27/AB 40, as modified, to date, by the Joint Committee on Finance; (2) bills enacted to date in the current legislative session; and (3) the current law tax collection estimates of this analysis.

It should be noted that the balance figures noted above do not include the effect of 2011 Act 10, which is pending resolution by the courts.

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 SB 27/AB 40.

This office will continue to review the revenue and expenditure estimates used in SB 27/AB 40, 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,

Robert Wm. Lang
Director

RWL/sas
cc: Members, Wisconsin Legislature

General Fund Information; General Fund Cash Flow (Part II; Pages 41-50).

The following tables provide updates and additions to various tables containing General Fund information for the 2010-11 and 2011-12 fiscal years, which are presented on either a cash basis or an agency-recorded basis. Unless otherwise noted, these tables contain information through August 31, 2011. This information became available after the date of the Preliminary Official Statement (dated September 12, 2011), which included information through July 31, 2011.

The results, projections, and estimates in the following tables for the 2010-11 fiscal year reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of $762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund ($511 million for medical assistance programs, $194 million for education aids, and $57 million for other various purposes), $800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, structural refunding authority of $165 million included in budget adjustment legislation (more specifically, in 2011 Wisconsin Act 13), and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum. The federal economic stimulus money discussed above is only a portion of such funds that the State received or expected to receive in the General Fund.

The results, projections, and estimates in the following tables for the 2011-12 fiscal year reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32), $800 million of operating note receipts received on July 19, 2011 and the resulting impoundment payments due in February, March, April, and May 2012, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.

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-10; Actual and Revised General Fund Cash Flow. (Part II; Page 45). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2010 TO JUNE 30, 2011[a]

(Amounts in Thousands)

	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
BALANCES[a][b]												
Beginning Balance	$ 383,306	$ (84,448)	$ 497,619	$ 919,992	$ 1,439,908	$ 1,426,253	$ (108,976)	$ 1,750,979	$ 1,727,093	$ 614,211	$ 971,165	$ 1,453,134
Ending Balance[c]	(84,448)	497,619	919,992	1,439,908	1,426,253	(108,976)	1,750,979	1,727,093	614,211	971,165	1,453,134	303,777
Lowest Daily Balance [c]	(122,974)	(90,410)	297,835	709,092	962,221	(213,810)	(123,219)	1,651,343	533,357	531,962	971,165	243,610
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 483,412	$ 627,258	$ 671,124	$ 535,724	$ 636,984	$ 598,745	$ 1,041,402	$ 495,200	$ 621,935	$ 1,096,334	$ 581,508	$ 761,237
Sales & Use	385,326	387,798	382,658	374,812	368,633	344,533	416,955	316,745	296,266	344,239	341,210	374,874
Corporate Income	43,130	25,350	173,894	43,590	43,933	153,785	70,049	25,002	183,010	76,976	28,579	169,179
Public Utility	-	63	62	2,428	175,062	213	-	1	12	4,921	163,640	41
Excise	70,623	68,097	67,433	62,432	54,637	68,316	65,540	45,804	51,090	65,273	49,863	61,255
Insurance	1,531	1,182	31,965	376	1,366	33,335	937	32,385	19,800	19,489	1,136	14,974
Subtotal Tax Receipts	$ 984,022	$ 1,109,748	$ 1,327,136	$ 1,019,362	$ 1,280,615	$ 1,198,927	$ 1,594,883	$ 915,137	$ 1,172,113	$ 1,607,232	$ 1,165,936	$ 1,381,560
NON-TAX RECEIPTS												
Federal	$ 809,284	$ 822,212	$ 926,039	$ 710,540	$ 752,733	$ 603,077	$ 1,374,583	$ 624,735	$ 700,308	$ 516,832	$ 739,894	$ 927,890
Other & Transfers	436,955	288,640	608,849	397,638	442,147	311,520	485,864	719,897	466,592	394,350	310,525	440,282
Note Proceeds[d]	803,408	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 2,049,647	$ 1,110,852	$ 1,534,888	$ 1,108,178	$ 1,194,880	$ 914,597	$ 1,860,447	$ 1,344,632	$ 1,166,900	$ 911,182	$ 1,050,419	$ 1,368,172
TOTAL RECEIPTS	$ 3,033,669	$ 2,220,600	$ 2,862,024	$ 2,127,540	$ 2,475,495	$ 2,113,524	$ 3,455,330	$ 2,259,769	$ 2,339,013	$ 2,518,414	$ 2,216,355	$ 2,749,732
DISBURSEMENTS												
Local Aids	$ 1,429,366	$ 202,649	$ 860,448	$ 119,341	$ 1,033,776	$ 1,309,475	$ 221,063	$ 270,789	$ 1,326,605	$ 81,828	$ 180,604	$ 1,948,828
Income Maintenance	795,141	602,501	615,203	620,435	677,923	1,361,190	324,938	493,827	434,516	439,584	521,744	793,321
Payroll and Related	539,995	304,252	341,331	429,142	395,512	480,524	463,313	404,790	506,333	475,354	289,803	477,749
Tax Refunds	58,790	56,259	53,503	89,888	95,080	119,659	117,635	542,888	572,238	448,974	134,964	112,771
Debt Service	214,486	-	167,832	408	-	39	263	262	-	163,165	-	-
Miscellaneous	452,237	472,872	401,334	348,410	286,859	377,866	468,163	382,054	408,381	348,743	403,449	566,420
Note Repayment[d]	11,408	-	-	-	-	-	-	189,045	203,822	203,812	203,822	-
TOTAL DISBURSEMENTS	$ 3,501,423	$ 1,638,533	$ 2,439,651	$ 1,607,624	$ 2,489,150	$ 3,648,753	$ 1,595,375	$ 2,283,655	$ 3,451,895	$ 2,161,460	$ 1,734,386	$ 3,899,089

(a) Results in this table reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of $762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund ($511 million for medical assistance programs, $194 million for education aids, and $57 million for other various purposes), $800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, $165 million of structural refunding authority included in 2011 Wisconsin Act 13, and the estimated General Fund tax revenue collections for the 2010-11 fiscal year shown in the May 11, 2011 LFB Memorandum. This table does not include any temporary reallocations of cash.

(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 were expected to range from $200 to $400 million during the 2010-11 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately $10 million during the 2010-11 fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. For the 2010-11 fiscal year, the Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 7% of the total general-purpose revenue appropriations then in effect with an additional 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2010-11 fiscal year were approximately $986 million and $422 million, respectively. If the amount available for temporary reallocation 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.

(d) Includes proceeds of $800 million of operating notes issued on July 1, 2010 and impoundment payments made in February 2011, March 2011, April 2011, and in May 2011. The February 2011 impoundment payment reflected the premium received on July 1, 2010 and deposited into the Operating Note Redemption Fund.

Table II-10; Actual and Revised General Fund Cash Flow. (Part II; Page 45). Add the following table for the 2011-12 fiscal year.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2011 TO AUGUST 31, 2011
PROJECTED GENERAL FUND CASH FLOW; SEPTEMBER 1, 2011 TO JUNE 30, 2012[a]

(Amounts in Thousands)

	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012
BALANCES[a][b]												
Beginning Balance	$ 303,777	$ 68,536	$ 331,967	$ 559,790	$ 1,087,534	$ 916,625	$ 88,817	$ 1,203,470	$ 1,040,152	$ (353,214)	$ 222,225	$ 702,159
Ending Balance[c]	68,536	331,967	559,790	1,087,534	916,625	88,817	1,203,470	1,040,152	(353,214)	222,225	702,159	(87,996)
Lowest Daily Balance [c]	(106,671)	(193,350)	37,063	416,343	824,114	(545,758)	88,817	687,294	(353,214)	(514,974)	(46,828)	(382,301)
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 493,305	$ 681,394	$ 748,890	$ 675,163	$ 539,367	$ 538,969	$ 1,157,958	$ 559,112	$ 484,108	$ 1,394,063	$ 567,637	$ 637,168
Sales & Use	409,609	404,000	377,134	371,436	360,226	332,472	400,888	310,541	294,693	338,875	338,677	376,088
Corporate Income	37,126	39,496	148,484	38,616	35,520	148,588	35,694	23,236	183,591	46,063	27,287	148,852
Public Utility	28	43	69	2,343	169,268	207	-	-	-	4,755	167,372	517
Excise	67,793	66,226	60,212	71,213	60,065	63,072	65,273	52,805	50,238	64,539	56,252	61,239
Insurance	2	600	26,123	307	1,116	27,242	766	26,466	16,835	21,084	981	23,863
Subtotal Tax Receipts	$ 1,007,863	$ 1,191,759	$ 1,360,912	$ 1,159,078	$ 1,165,562	$ 1,110,550	$ 1,660,579	$ 972,160	$ 1,029,465	$ 1,869,379	$ 1,158,206	$ 1,247,727
NON-TAX RECEIPTS												
Federal[d]	$ 492,597	$ 698,242	$ 697,054	$ 673,982	$ 709,155	$ 637,195	$ 780,313	$ 734,496	$ 729,908	$ 629,270	$ 839,305	$ 671,108
Other & Transfers	590,592	263,237	614,645	478,668	366,490	305,333	606,255	664,835	365,005	411,445	367,989	500,893
Note Proceeds[e]	804,894	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,888,083	$ 961,479	$ 1,311,699	$ 1,152,650	$ 1,075,645	$ 942,528	$ 1,386,568	$ 1,399,331	$ 1,094,913	$ 1,040,715	$ 1,207,294	$ 1,172,001
TOTAL RECEIPTS	$ 2,895,946	$ 2,153,238	$ 2,672,611	$ 2,311,728	$ 2,241,207	$ 2,053,078	$ 3,047,147	$ 2,371,491	$ 2,124,378	$ 2,910,094	$ 2,365,500	$ 2,419,728
DISBURSEMENTS												
Local Aids	$ 1,499,562	$ 171,288	$ 853,694	$ 141,832	$ 960,363	$ 1,174,813	$ 214,693	$ 250,067	$ 1,222,142	$ 123,076	$ 156,701	$ 1,807,111
Income Maintenance	494,447	641,061	641,731	592,631	588,762	675,870	604,096	585,816	636,535	600,044	478,274	301,306
Payroll and Related	347,575	350,128	425,066	326,424	383,304	458,327	426,288	389,436	481,391	319,001	444,884	451,693
Tax Refunds	119,879	71,956	72,013	94,903	118,307	192,635	128,852	603,368	560,932	459,342	145,055	77,671
Debt Service	230,057	-	-	200,707	258	-	6,936	-	-	240,899	-	-
Miscellaneous[f]	426,773	655,374	452,284	427,487	361,122	379,241	551,629	515,394	413,122	388,671	457,030	572,102
Note Repayment[e]	12,894	-	-	-	-	-	-	190,728	203,622	203,622	203,622	-
TOTAL DISBURSEMENTS	$ 3,131,187	$ 1,889,807	$ 2,444,788	$ 1,783,984	$ 2,412,116	$ 2,880,886	$ 1,932,494	$ 2,534,809	$ 3,517,744	$ 2,334,655	$ 1,885,566	$ 3,209,883

(a) Results, projections, or estimates in this table reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32) and the estimated General Fund tax revenue collections for the 2011-12 fiscal year shown in the May 11, 2011 LFB Memorandum. This table does not include any temporary reallocations of cash.

(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 $500 million to $1.2 billion during the 2011-12 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 $60 million during the 2011-12 fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. For the 2011-12 fiscal year, the Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the total general-purpose revenue appropriations then in effect with an additional 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2011-12 fiscal year are approximately $1.275 billion and $425 million, respectively. If the amount available for temporary reallocation 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.

(d) The July 2011 Federal receipts estimate was reduced by approximately $271 million and re-categorized as Other & Transfers to be received throughout the fiscal year. This revisions reflects a change in the projected timing and estimated disbursements for the Medicaid program.

(e) Includes proceeds of $800 million of operating notes issued on July 19, 2011 and impoundment payments to be made in February 2012, March 2012, April 2012, and in May 2012. The February 2012 impoundment payment reflects the premium received on July 19, 2011 and deposited into the Operating Note Redemption Fund.

(f) Reflects $234 million paid to the Injured Patients and Families Compensation Fund on August 2, 2011.

Table II-11; General Fund Cash Receipts and Disbursements Year-to-Date; Compared to Estimates and Previous Fiscal Year. (Part II; Page 46). Replace with the following updated table.

2010-11 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[a]
(Cash Basis)
As of June 30, 2011
(Amounts in Thousands)

	FY10 through June 2010	FY11 through June 2011				
	Actual	Actual [b]	Estimate[b]	Variance	Adjusted Variance[c]	Difference FY10 Actual to FY11 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 7,682,024	$ 8,150,863	$ 7,996,467	$ 154,396	$ 154,396	$ 468,839
Sales	4,206,167	4,334,049	4,383,628	(49,579)	(49,579)	127,882
Corporate Income	1,024,705	1,036,477	989,468	47,009	47,009	11,772
Public Utility	324,064	346,443	344,300	2,143	2,143	22,379
Excise	755,546	730,363	764,883	(34,520)	(34,520)	(25,183)
Insurance	150,460	158,476	164,600	(6,124)	(6,124)	8,016
Inheritance	7,225	-	-	-	-	(7,225)
Total Tax Receipts	$ 14,150,191	$ 14,756,671	$ 14,643,346	$ 113,325	$ 113,325	$ 606,480
Non-Tax Receipts						
Federal	$ 9,140,857	$ 9,508,127	$ 8,820,622	$ 687,505	$ 687,505	$ 367,270
Other and Transfers	5,601,078	5,303,259	5,199,047	104,212	104,212	(297,819)
Note Proceeds	807,585	803,408	803,408	-	-	(4,177)
Total Non-Tax Receipts	$ 15,549,520	$ 15,614,794	$ 14,823,077	$ 791,717	$ 791,717	$ 65,274
TOTAL RECEIPTS	$ 29,699,711	$ 30,371,465	$ 29,466,423	$ 905,042	$ 905,042	$ 671,754
DISBURSEMENTS						
Local Aids	$ 8,898,232	$ 8,984,772	$ 8,951,573	$ (33,199)	$ (33,199)	$ 86,540
Income Maintenance	7,116,933	7,680,323	7,491,211	(189,112)	(189,112)	563,390
Payroll & Related	4,841,818	5,108,098	4,991,658	(116,440)	(116,440)	266,280
Tax Refunds	2,571,901	2,402,649	2,541,400	138,751	138,751	(169,252)
Debt Service	452,285	546,455	574,234	27,779	27,779	94,170
Miscellaneous	4,469,020	4,916,788	4,883,369	(33,419)	(33,419)	447,768
Note Repayment	818,864	811,909	815,288	3,379	3,379	(6,955)
TOTAL DISBURSEMENTS	$ 29,169,053	$ 30,450,994	$ 30,248,733	$ (202,261)	$ (202,261)	$ 1,281,941
2010-11 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 702,781	$ 702,781	

(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 results, projections, or estimates in this table for the 2010-11 fiscal year reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of $762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund ($511 million for medical assistance programs, $194 million for education aids, and $57 million for other various purposes), $800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, $165 million of structural refunding authority included in 2011 Wisconsin Act 13, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.

(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-11; General Fund Cash Receipts and Disbursements Year-to-Date; Compared to Estimates and Previous Fiscal Year. (Part II; Page 46). Add the following table for the 2011-12 fiscal year.

2011-12 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[a]
(Cash Basis)
As of August 31, 2011
(Amounts in Thousands)

	FY11 through August 2010	FY12 through August 2011				
	Actual	Actual [b]	Estimate[b]	Variance	Adjusted Variance[c]	Difference FY11 Actual to FY12 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 1,110,670	$ 1,174,699	$ 1,168,565	$ 6,134	$ 6,134	$ 64,029
Sales	773,124	813,609	768,775	44,834	44,834	40,485
Corporate Income	68,480	76,622	54,069	22,553	22,553	8,142
Public Utility	63	71	69	2	2	8
Excise	138,720	134,019	128,492	5,527	5,527	(4,701)
Insurance	2,713	602	2,217	(1,615)	(1,615)	(2,111)
Inheritance	-	-	-	-	-	-
Total Tax Receipts	$ 2,093,770	$ 2,199,622	$ 2,122,187	$ 77,435	$ 77,435	$ 105,852
Non-Tax Receipts						
Federal	$ 1,631,496	$ 1,190,839	$ 1,262,941	$ (72,102)	$ (72,102)	$ (440,657)
Other and Transfers	725,595	853,829	861,160	(7,331)	(7,331)	128,234
Note Proceeds	803,408	804,894	804,894	-	-	1,486
Total Non-Tax Receipts	$ 3,160,499	$ 2,849,562	$ 2,928,995	$ (79,433)	$ (79,433)	$ (310,937)
TOTAL RECEIPTS	$ 5,254,269	$ 5,049,184	$ 5,051,182	$ (1,998)	$ (1,998)	$ (205,085)
DISBURSEMENTS						
Local Aids	$ 1,632,015	$ 1,670,850	$ 1,602,805	$ (68,045)	$ (68,045)	$ 38,835
Income Maintenance	1,397,642	1,135,508	1,030,935	(104,573)	(104,573)	(262,134)
Payroll & Related	844,247	697,703	669,808	(27,895)	(27,895)	(146,544)
Tax Refunds	115,049	191,835	178,541	(13,294)	(13,294)	76,786
Debt Service	214,486	230,057	221,577	(8,480)	(8,480)	15,571
Miscellaneous	925,109	1,082,147	1,120,016	37,869	37,869	157,038
Note Repayment	11,408	12,894	12,894	-	-	1,486
TOTAL DISBURSEMENTS	$ 5,139,956	$ 5,020,994	$ 4,836,576	$ (184,418)	$ (184,418)	$ (118,962)
2011-12 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ (186,416)	$ (186,416)	

(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 results, projections, and estimates in this table for the 2011-12 fiscal year reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32), $800 million of operating note receipts received on July 19, 2011 and the resulting impoundment payments due in February, March, April, and May 2012, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.

(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-12; General Fund Monthly Cash Position. (Part II; Page 47). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION[a]
July 1, 2009 through August 31, 2011 – Actual
September 1, 2011 through June 30, 2012 – Estimated[b]
(Amounts in Thousands)

	Starting Date	Starting Balance		Receipts[c]	Disbursements[c]
2009	July	(147,352)	[d]	3,267,937	3,330,367
	August	(209,782)	[d]	1,941,326	1,471,235
	September	260,309		2,627,956	2,390,978
	October	497,287		2,386,405	1,666,418
	November	1,217,274		2,354,892	2,341,164
	December	1,231,002		2,325,925	2,865,881
2010	January	691,046		2,564,759	1,778,662
	February	1,477,143		2,304,526	2,344,553
	March	1,437,116	[d]	2,402,735	3,512,073
	April	327,778	[d]	2,642,788	2,356,146
	May	614,420		1,964,818	1,762,622
	June	816,616	[d]	2,915,644	3,348,954
	July	383,306	[d]	3,033,669	3,501,423
	August	(84,448)	[d]	2,220,600	1,638,533
	September	497,619		2,862,024	2,439,651
	October	919,992		2,127,540	1,607,624
	November	1,439,908		2,475,495	2,489,150
	December	1,426,253	[d]	2,113,524	3,648,753
2011	January	(108,976)	[d]	3,455,330	1,595,375
	February	1,750,979		2,259,769	2,283,655
	March	1,727,093		2,339,013	3,451,895
	April	614,211		2,518,414	2,161,460
	May	971,165		2,216,355	1,734,386
	June	1,453,134		2,749,732	3,899,089
	July	303,777	[d]	2,895,946	3,131,187
	August	68,536	[d]	2,153,238	1,889,807
	September	331,967		2,672,611	2,444,788
	October	559,790		2,311,728	1,783,984
	November	1,087,534		2,241,207	2,412,116
	December	916,625	[d]	2,053,078	2,880,886
2012	January	88,817		3,047,147	1,932,494
	February	1,203,470		2,371,491	2,534,809
	March	1,040,152	[d]	2,124,378	3,517,744
	April	(353,214)	[d]	2,910,094	2,334,655
	May	222,225	[d]	2,365,500	1,885,566
	June	702,159	[d]	2,419,728	3,209,883

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

[b] The results, projections, or estimates in this table for the 2010-11 fiscal year reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of $762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund ($511 million for medical assistance programs, $194 million for education aids, and $57 million for other various purposes), $800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, structural refunding authority in the amount of $165 million included in 2011 Wisconsin Act 13, and the General Fund tax revenue collection estimates in the May 11, 2011 LFB Memorandum. The results, projections, or estimates in this table for the 2011-12 fiscal year reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32), $800 million of operating note receipts received on July 19, 2011 and the resulting impoundment payments due in February, March, April, and May 2012, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.

[c] Operating notes were issued for the 2009-10, 2010-11, and 2011-12 fiscal years.

[d] At some period during this month, the General Fund was in a negative cash position. The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. For the 2010-11 fiscal year, the Secretary of Administration could temporarily reallocate cash in other funds to the General Fund up to 7% of the general purpose revenue appropriations then in effect (approximately $986 million for the 2010-11 fiscal year). In addition, the Secretary of Administration could also temporarily reallocate an additional amount of up to 3% of the general-purpose revenue appropriations then in effect (approximately $422 million for the 2010-11 fiscal year) for a period of up to 30 days. For the 2011-12 fiscal year, the 7% increases to 9%. This results in amounts for the 2011-12 fiscal year of $1.275 billion and $425 million, respectively. If the amount available for temporary reallocation to the General Fund is insufficient, 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-13; Cash Balances in Funds Available for Temporary Reallocation. (Part II; Page 48). Replace with the following updated table.

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION[a]
July 31, 2009 to August 31, 2011 – Actual
September 30, 2011 to June 30, 2012 – 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 $2.345 billion during November 2010 to a high of $4.347 billion in February 2009. The Secretary of Administration may not exercise the authority to make temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which the temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2009	2010	2011	2012
January		$ 1,042	$ 1,197	$ 1,042
February		955	1,416	955
March		935	1,548	935
April		1,209	1,654	1,209
May		1,289	1,657	1,289
June		1,427	1,625	1,427
July	$ 981	1,188	1,402	
August	1,064	1,246	1,586	
September	1,233	1,335	1,336	
October	1,035	1,283	1,283	
November	1,118	1,242	1,242	
December	1,073	1,185	1,073	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2009	2010	2011	2012
January		$ 4,100	$ 4,389	$ 4,100
February		4,133	4,482	4,133
March		4,130	4,745	4,130
April		4,089	4,511	4,089
May		3,842	4,243	3,842
June		4,035	4,091	4,035
July	$ 5,102	4,469	4,648	
August	4,189	3,883	4,229	
September	4,076	3,833	3,833	
October	3,438	3,495	3,495	
November	3,500	3,585	3,585	
December	3,666	3,974	3,666	

[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-14; General Fund Recorded Revenues. (Part II; Page 49). Replace with the following updated table. The following table addresses General Fund recorded revenues for the 2010-11 fiscal year only through June 30, 2011. During the months of July through September, State agencies process entries to accrue revenues that may be for either the 2010-11 fiscal year or the 2011-12 fiscal year. Since the timing of these entries varies from year to year, the recorded revenues for the period of July 1 to approximately September 1 vary greatly between fiscal years and are not suitable for comparison. For this reason, the following table for the 2010-11 fiscal year is only through June 30, 2011, and a similar table for the 2011-12 fiscal year is not provided.

GENERAL FUND RECORDED REVENUES[a]
(Agency-Recorded Basis)
July 1, 2010 to June 30, 2011 Compared With Previous Year

	Annual Fiscal Report Revenues 2009-10 FY[b]	Projected Revenues 2010-11 FY[c]	Recorded Revenues July 1, 2009 to June 30, 2010[d]	Recorded Revenues July 1, 2010 to June 30, 2011[e]
Individual Income Tax	$ 6,089,170,000	$ 6,505,000,000	$ 5,746,909,403	$ 6,339,518,427
General Sales and Use Tax	3,944,187,000	4,235,000,000	3,563,216,169	3,701,843,619
Corporate Franchise and Income Tax	834,479,000	800,000,000	794,642,938	804,846,422
Public Utility Taxes	319,377,000	327,200,000	319,407,281	341,344,029
Excise Taxes	757,947,000	747,000,000	688,652,756	654,903,727
Inheritance Taxes	871,000	-	669,533	178,522
Insurance Company Taxes	130,718,000	135,000,000	98,220,992	98,183,296
Miscellaneous Taxes	54,910,000	52,000,000	89,740,684	68,353,664
SUBTOTAL	12,131,659,000	12,801,200,000	11,301,459,756	12,009,171,707
Federal and Other Inter-Governmental Revenues[f]	10,144,453,000	7,943,651,700	9,966,586,345	10,976,985,186
Dedicated and Other Revenues[g]	4,641,967,000	5,370,540,300	5,024,902,500	4,892,839,759
TOTAL	$ 26,918,079,000	$ 26,115,392,000	$ 26,292,948,601	$ 27,878,996,652

(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 2009-10 fiscal year, dated October 15, 2010.

(c) Projections included in this table on an agency-recorded basis reflect the 2009-11 biennial budget (2009 Wisconsin Act 28), $762 million of certain federal economic stimulus money the State has received, or expected to receive, in the 2010-11 fiscal year, and the General Fund tax revenue estimates released by LFB on January 27, 2010. The projections or estimates do not reflect updated General Fund tax revenue collection estimates provided by the Department of Revenue on November 19, 2010 and LFB on January 31, 2011 and May 11, 2011.

(d) The amounts shown are 2009-10 fiscal year revenues as recorded by all State agencies. *The amounts shown are as of June 30, 2010 and do not include revenues for the 2009-10 fiscal year that were recorded by State agencies during the months of July and August, 2010.*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 2010-11 fiscal year general purpose revenues and program revenue taxes collected across all State agencies. *Additional revenues will be recorded by State agencies for the 2010-11 fiscal year during the months of July and August, 2011.* 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. 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-15; General Fund Recorded Expenditures by Function. (Part II; Page 50). Replace with the following updated table. The following table addresses General Fund recorded expenditures for the 2010-11 fiscal year only through June 30, 2011. During the months of July through September, State agencies process entries to accrue expenditures that may be for either the 2010-11 fiscal year or the 2011-12 fiscal year. Since the timing of these entries varies from year to year, the recorded expenditures for the period of July 1 to approximately September 1 vary greatly between fiscal years and are not suitable for comparison. For this reason, the following table for the 2010-11 fiscal year is only through June 30, 2011, and a similar table for the 2011-12 fiscal year is not provided.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[a]
(Agency-Recorded Basis)
July 1, 2010 to June 30, 2011 Compared With Previous Year

	Annual Fiscal Report Expenditures 2009–10 FY[b]	Appropriations 2010–11 FY[c]	Recorded Expenditures July 1, 2009 to June 30, 2010[d]	Recorded Expenditures July 1, 2010 to June 30, 2011[e]
Commerce	$ 377,721,000	$ 297,108,800	$ 287,232,029	$ 383,242,882
Education	11,250,162,000	11,546,524,800	11,240,622,576	12,265,991,277
Environmental Resources	169,701,000	322,957,900	159,509,020	198,436,098
Human Relations & Resources	11,561,658,000	10,471,976,600	11,278,306,763	12,203,302,721
General Executive	1,090,559,000	1,126,878,500	1,055,449,600	1,177,363,267
Judicial	130,653,000	136,817,700	125,949,469	132,792,236
Legislative	65,930,000	73,917,600	61,114,781	61,847,308
General Appropriations	2,286,961,000	2,389,332,200	2,259,849,032	2,255,995,031
TOTAL	$ 26,933,345,000	$ 26,365,514,100	$ 26,468,033,269	$ 28,678,970,821

(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 2009-10 fiscal year, dated October 15, 2010.

(c) The estimates in this table reflect the 2009-11 biennial budget (2009 Wisconsin Act 28). The estimates in this table do not reflect projections included in the January 31, 2011 LFB Memorandum or any budget adjustment legislation for the 2010-11 fiscal year.

(d) The amounts shown are 2009-10 fiscal year expenditures as recorded by all State agencies. *The amounts shown are as of June 30, 2010 and do not include expenditures for the 2009-10 fiscal year that were recorded by State agencies during the months of July and August, 2010.*

(e) The amounts shown are 2010-11 fiscal year expenditures as recorded by all State agencies. *Additional expenditures will be recorded by State agencies for the 2010-11 fiscal year during the months of July and August, 2011.*

Source: Wisconsin Department of Administration

APPENDIX B

GENERAL OBLIGATION ISSUANCE STATUS REPORT
SEPTEMBER 1, 2011

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Refunding Bonds of 2011, Series 2	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	$ 2,016,636,300	$ 1,523,516,744	$ 13,072,507	$ 2,654,869		$ 477,392,180
University of Wisconsin; self-amortizing facilities	2,342,774,900	1,612,086,661	2,911,822	3,795,001		723,981,416
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,198,000,000	614,097,262	405,319	1,274,802		582,222,617
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	783,743,200	580,349,053		108,689		203,285,458
Safe drinking water loan program	54,800,000	45,399,520				9,400,480
Natural resources; nonpoint source grants	94,310,400	93,044,918	190,043	72,587		1,002,852
Natural resources; nonpoint source	25,000,000	13,655,000	1,454	156,670		11,186,876
Natural resources; environmental repair	57,000,000	47,712,102	203,594			9,084,304
Natural resources; urban nonpoint source cost-sharing	41,900,000	31,878,640	30,671	185,248		9,805,441
Natural resources; contaminated sediment removal	27,000,000	7,334,592		4,997		19,660,411
Natural resources; environmental segregated fund supported administrative facilities	11,535,200	8,197,686	143	15,103		3,322,268
Natural resources; segregated revenue supported dam safety projects	6,600,000	6,214,779	617	1,087		383,517
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	22,918,510	141,325			1,665
Natural resources; land acquisition	45,608,600	45,116,929	491,671			

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 1, 2011

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Refunding Bonds of 2011, Series 2	Total Authorized Unissued Debt
Natural resources; Wisconsin natural areas heritage program	$ 2,500,000	$ 2,445,793	$ 17,174			$ 37,033
Natural resources; segregated revenue supported facilities	90,100,500	62,612,692	93,544	$ 55,311		27,338,953
Natural resources; general fund supported administrative facilities	11,410,200	11,261,102	21,753			127,345
Natural resources; ice age trail	750,000	750,000				
Natural resources; dam safety projects	13,500,000	6,290,148	49,701	19,990		7,140,161
Natural resources; segregated revenue supported land acquisition	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program	231,000,000	228,020,644	1,306,849	4,997		1,667,510
Transportation; administrative facilities	8,890,400	8,759,479	33,943			96,978
Transportation; accelerated bridge improvements	46,849,800	46,849,800				
Transportation; major interstate bridge construction	225,000,000					225,000,000
Transportation; rail passenger route development	122,000,000	49,029,513	3,016	584,531		72,382,940
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, zoo interchange, southeast megaprojects, and I 94 north-south corridor reconstruction projects	704,750,000	493,746,000	3,018,078	1,655,216		206,330,706
Transportation; state highway rehabilitation projects	620,063,700	501,257,103	1,182,897	2,267,241		115,356,459
Transportation; major highway projects	100,000,000	49,780,000		217,378		50,002,622
Transportation; state highway rehabilitation, certain projects	141,000,000	59,770,000		226,777		81,003,223
Transportation; harbor improvements	76,800,000	49,726,500	234,581	136,154		26,702,765

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 1, 2011

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Refunding Bonds of 2011, Series 2	Total Authorized Unissued Debt
Transportation; rail acquisitions and improvements	$ 156,500,000	$ 64,825,092	$ 5,187	$ 54,975		$ 91,614,746
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000				
Corrections; correctional facilities	840,602,600	800,765,337	11,467,562	221,637		28,148,064
Corrections; self-amortizing facilities and equipment	7,337,000	2,115,438	99			5,221,463
Corrections; juvenile correctional facilities	28,984,500	28,533,551	108,861	326		341,762
Health services; mental health and secure treatment facilities	174,395,800	158,820,268	895,124	315,547		14,364,861
Agriculture; soil and water	47,075,000	38,022,960	3,025	181,030		8,867,985
Agriculture; conservation reserve enhancement	28,000,000	12,094,500		4,997		15,900,503
Administration; Black Point Estate	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund	180,000,000	40,235,000		367,302		139,397,698
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 incurred before July 1, 2011	474,000,000	473,651,084				348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013	264,200,000				$ 45,395,000	218,805,000
Building commission; refunding tax-supported and self-amortizing general obligation debt	1,775,000,000	1,351,993,916			270,675,000	152,331,084
Building commission; housing state departments and agencies	623,267,800	480,183,306	2,356,097	873,280		139,855,117
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 1, 2011

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Refunding Bonds of 2011, Series 2	Total Authorized Unissued Debt
Building commission; project contingencies	$ 47,961,200	$ 45,359,610	$ 64,761	$ 5,106		$ 2,531,723
Building commission; capital equipment acquisition	126,335,000	120,953,761	740,327	44,428		4,596,484
Building commission; discount sale of debt	90,000,000	72,869,266				17,130,734
Building commission; discount sale of debt (higher education bonds)	100,000,000	99,988,833 [b]				11,167
Building commission; other public purposes	2,298,171,700	1,848,709,418	8,728,268	3,835,791		436,898,223
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
AIDS Resource Center of Wisconsin, Inc.	800,000	800,000				
Bradley Center Sports and Entertainment Corporation	5,000,000	4,315,000		99,322		585,678
Lac du Flambeau Indian Tribal Center	250,000					250,000
Marquette University; dental clinic and education facility	23,000,000	14,999,182	818			
Civil War exhibit at the Kenosha Public Museums	500,000	500,000				
AIDS Network, Inc.	300,000	300,000				
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
Myrick Hixon EcoPark, Inc.	500,000	500,000				
Madison Children's Museum	250,000	250,000				
Marshfield Clinic	10,000,000					10,000,000
Administration; public library educational technology infrastructure financial assistance	269,000	268,918	42			40
Educational communications board; educational communications facilities	24,503,200	23,752,389	38,515	2,174		710,122
Grand Opera House in Oshkosh	500,000					500,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 1, 2011

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Refunding Bonds of 2011, Series 2	Total Authorized Unissued Debt
Aldo Leopold climate change classroom and interactive laboratory	$ 500,000	485,000		14,992		$ 8
Historical society; self-amortizing facilities	1,157,000	$ 1,029,156	$ 3,896			123,948
Historical society; historic records	26,650,000	1,335,000		34,982		25,280,018
Historical society; historic sites	10,067,800	3,088,756	847			6,978,197
Historical society; museum facility	14,384,400	4,362,469				10,021,931
Historical society; Wisconsin history center	20,000,000					20,000,000
Public instruction; state school, state center and library facilities	12,350,600	7,330,612	32,509			4,987,479
Military affairs; armories and military facilities	42,667,900	28,412,447	195,308	$ 6,301		14,053,844
Veterans affairs; veterans facilities	10,090,100	9,405,485	50,593			634,022
Veterans affairs; self-amortizing mortgage loans	2,400,840,000	2,122,542,395				278,297,605
Veterans affairs; refunding bonds	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities	43,840,800	15,192,450	1,613	6,847		28,639,890
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	53,437,000	52,385,915	22,401	6,521		1,022,163
Total	$25,173,921,688	$19,946,464,927	$73,888,122	$19,512,206	$316,070,000	$4,809,986,533

[a] Interest earnings and sale proceeds representing purchase premium credited to the Capital Improvement Fund reduce issuance authority by the same amounts.

[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: 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)

State of Wisconsin Building Commission
101 East Wilson Street, 7th Floor
Madison, Wisconsin 53707

$316,070,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2011, SERIES 2

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $316,070,000 General Obligation Refunding Bonds of 2011, Series 2, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20, Wisconsin Statutes, and are being issued pursuant to resolutions adopted by the State of Wisconsin Building Commission (**Commission**) on February 16, 2011, April 6, 2011, and August 11, 2011 (collectively, **Resolutions**).

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 Resolutions have been duly adopted by the Commission and are valid and binding obligations of the State enforceable upon the State as provided in the Resolutions.
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 Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the 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 Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. This letter expresses no opinion about other federal tax law consequences regarding the 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).

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 acting as bond counsel, we have established an attorney-client relationship solely with the State.

Very truly yours,

FOLEY & LARDNER LLP

Appendix D

REFUNDED BONDS

Series	Dated Date	Principal Amount	Interest Rate	Maturity	CUSIP[a]	Redemption Date	Redemption Price
2001 Series F	10/1/2001	$ 3,570,000	5.25%	5/1/2012	977056 N97	n/a	n/a
2002 Series G	10/15/2002	12,785,000	5.00	5/1/2021	977056 3Y4	5/1/2013	100%
		13,420,000	4.50	5/1/2022	977056 3Z1	5/1/2013	100
		14,095,000	4.60	5/1/2023	977056 4A5	5/1/2013	100
2002 Series 1	3/1/2002	5,825,000 [b]	5.00	5/1/2012	97705L M79 [c]	n/a	n/a
2003 Series A	5/1/2003	8,505,000	4.00	5/1/2016	977056 5S5	5/1/2013	100
		8,930,000	4.00	5/1/2017	977056 5T3	5/1/2013	100
		10,855,000	5.00	5/1/2021	977056 5X4	5/1/2013	100
		11,400,000	4.60	5/1/2022	977056 5Y2	5/1/2013	100
		11,965,000	4.60	5/1/2023	977056 5Z9	5/1/2013	100
2003 Series C	10/15/2003	11,790,000	5.00	5/1/2021	977056 7B0	5/1/2014	100
		12,385,000	5.00	5/1/2022	977056 7C8	5/1/2014	100
		13,000,000	5.00	5/1/2023	977056 7D6	5/1/2014	100
2004 Series A	4/14/2004	11,880,000 [b]	5.00	5/1/2012	97705L M95 [d]	n/a	n/a
		9,150,000	4.50	5/1/2018	97705L BQ9	5/1/2014	100
		9,605,000	4.50	5/1/2019	97705L BR7	5/1/2014	100
		10,085,000	4.50	5/1/2020	97705L BS5	5/1/2014	100
		10,590,000	4.50	5/1/2021	97705L BT3	5/1/2014	100
		11,115,000	4.50	5/1/2022	97705L BU0	5/1/2014	100
2004 Series E	10/21/2004	8,965,000	5.00	5/1/2020	97705L ER4	5/1/2015	100
		9,415,000	5.00	5/1/2021	97705L ES2	5/1/2015	100
		9,885,000	5.00	5/1/2022	97705L ET0	5/1/2015	100
2004 Series 3	6/15/2004	1,585,000 [b]	5.25	5/1/2021	97705L N37 [e]	5/1/2014	100
		1,670,000 [b]	5.25	5/1/2022	97705L N45 [e]	5/1/2014	100
2005 Series A	2/10/2005	2,505,000 [b]	5.00	5/1/2018	97705L N78 [f]	5/1/2015	100
		2,630,000 [b]	5.00	5/1/2019	97705L N86 [f]	5/1/2015	100
		2,765,000 [b]	5.00	5/1/2020	97705L N94 [f]	5/1/2015	100
		2,900,000 [b]	5.00	5/1/2021	97705L P27 [f]	5/1/2015	100
		3,045,000 [b]	5.00	5/1/2022	97705L P35 [f]	5/1/2015	100
2007 Series A	2/1/2007	3,150,000 [b]	5.00	5/1/2019	97705L P92 [g]	5/1/2015	100
2007 Series B	6/27/2007	7,150,000	5.00	5/1/2017	97705L PH4	5/1/2015	100
		7,315,000	5.00	5/1/2018	97705L PJ0	5/1/2015	100
		7,680,000	5.00	5/1/2019	97705L PK7	5/1/2015	100
		8,065,000	5.00	5/1/2020	97705L PL5	5/1/2015	100
		8,465,000	5.00	5/1/2021	97705L PM3	5/1/2015	100
2009 Series A	6/18/2009	3,340,000	2.00	5/1/2012	97705L VS3	n/a	n/a
		$ 291,480,000					

[a] The CUSIP number for each refunded bond has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers.

[b] Reflects only a portion of the original issue amount.

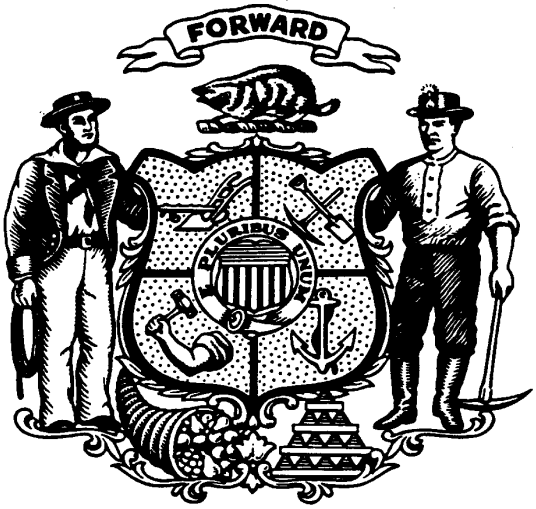
[c] Reflects the new CUSIP number being assigned to the portion being refunded; the original CUSIP number for the entire original issue amount was 977056 X39.

[d] Reflects the new CUSIP number being assigned to the portion being refunded; the original CUSIP number for the entire original issue amount was 97705L BJ5.

[e] Reflects the new CUSIP numbers being assigned to the portions being refunded; the original CUSIP numbers for the entire original issue amounts were 97705L CY1 and 97705L CZ8, respectively.

[f] Reflects the new CUSIP numbers being assigned to the portions being refunded; the original CUSIP numbers for the entire original issue amounts were 97705L FD4, 97705L FE2, 97705L FF9, 97705L FG7, and 97705L FH5, respectively.

[g] Reflects the new CUSIP number being assigned to the portion being refunded; the original CUSIP number for the entire original issue amount was 97705L ML8.



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