The following Offering Memorandum is placed on the internet as a matter of convenience. The Offering Memorandum has been reformatted to PDF format for use on the internet; physical appearance may differ from that of the printed Offering Memorandum. In the event of discrepancies, individuals should refer to the printed Offering Memorandum. Copies of the printed Offering Memorandum can be obtained from the remarketing agents listed on the cover or:

Capital Finance Office
Department of Administration
Division of Executive Budget and Finance
101 East Wilson Street
Madison, Wisconsin 53702

e-mail: capfin@mail.state.wi.us
Phone:(608) 266-5355
Fax: (608) 266-7645

OFFERING MEMORANDUM

In the opinion of Foley & Lardner, Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, and other federal tax legislation, the interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes.

STATE OF WISCONSIN

$181,940,000

GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 1997, SERIES A AND B

The $99,270,000 General Obligation Commercial Paper Notes of 1997, Series A and the $82,670,000 General Obligation Commercial Paper Notes of 1997, Series B (collectively, the "Notes") offered hereby are all the series of notes authorized to be issued under the State of Wisconsin (the "State") General Obligation Commercial Paper Program (the "Program"). Under the Program, the State may issue general obligation commercial paper notes at one time or from time to time, in one or more series, up to an aggregate outstanding principal amount of $300 million to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, equipment or facilities and to pay interest due on maturing Notes. The Notes are issued as interest-bearing obligations, in book-entry form, in denominations of $100,000 and additional increments of $1,000 above $100,000.

The Notes are general obligations of the State to which the State's full faith, credit and taxing power are pledged. The State has entered into a credit agreement with The Bank of Nova Scotia, New York Agency and Commerzbank AG, New York Branch (collectively, the "Banks"), pursuant to which, subject to certain conditions, the Banks will severally provide liquidity in the form of a line of credit in the aggregate amount of $300 million for the payment of the principal of and interest on the Notes.

This Offering Memorandum contains certain information regarding the Notes. All references to documents and other materials are qualified in their entirety by reference to the complete provisions of the documents and other material referenced, which may be examined at the State of Wisconsin, as described herein. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after July 8, 1997, and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since July 8, 1997.

GOLDMAN, SACHS & CO. **MERRILL LYNCH & CO.**

July 8, 1997

STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF NOTES

BUILDING COMMISSION MEMBERS

Voting Members	**Term of Office Expires**
Governor Tommy G. Thompson, Chairperson	January 4, 1999
Senator Fred A. Risser, Vice-Chairperson	January 8, 2001
Senator Rodney C. Moen	January 4, 1999
Senator Tim Weeden	January 4, 1999
Representative Timothy Hoven	January 4, 1999
Representative Clifford Otte	January 4, 1999
Representative Robert Turner	January 4, 1999
Mr. Bryce Styza, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. Mark D. Bugher, Secretary Department of Administration	At the pleasure of the Governor
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	——
Mr. Wilbert King, State Chief Architect Department of Administration	——
Building Commission Secretary	
Mr. Robert Brandherm (also serves as Administrator, Division of Facilities Development of the Department of Administration)	At the pleasure of the Building Commission and Secretary of Administration

OTHER PARTICIPANTS

Mr. Jack C. Voight State Treasurer	January 4, 1999
Mr. James E. Doyle State Attorney General	January 4, 1999

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
capfin@mail.state.wi.us

Mr. Frank R. Hoadley
Capital Finance Director
(608) 266-2305
hoadlf@mail.state.wi.us

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
dallil@mail.state.wi.us

Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
erdmad@mail.state.wi.us

As of the date of this Offering Memorandum, additional information about the State of Wisconsin can be found on the World Wide Web at:
http://www.doa.state.wi.us/debf/scf.htm

OFFERING MEMORANDUM

STATE OF WISCONSIN

$181,940,000

GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 1997, SERIES A AND B

INFORMATION CONCERNING THE PROGRAM AND THE OFFERING

Goldman, Sachs & Co. and Merrill Lynch & Co. (collectively, the "Dealers") have been appointed to serve as the Dealers for the $99,270,000 General Obligation Commercial Paper Notes of 1997, Series A and the $82,670,000 State of Wisconsin General Obligation Commercial Paper Notes of 1997, Series B (collectively, the "Notes"), issued pursuant to a Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes, adopted by the State Building Commission (the "Building Commission") on March 20, 1997 (the "Program Resolution"), and supplemental resolutions adopted by the Building Commission on March 20 and June 25, 1997 (collectively, the "Supplemental Resolutions").

Under the State of Wisconsin General Obligation Commercial Paper Program (the "Program"), the State may issue general obligation commercial paper notes at one time, or from time to time, in one or more series, up to an aggregate outstanding principal amount of $300 million. The aggregate principal amount of general obligation commercial paper notes outstanding under the Program may be increased or decreased from time to time as provided in the Program Resolution and other supplemental resolutions to the Program Resolution.

This Offering Memorandum relates to the offering, from time to time, of up to $181,940,000 aggregate principal amount of Notes that are authorized to be issued under the Issuing and Paying Agency Agreement, dated as of April 3, 1997 (the "Issuing and Paying Agency Agreement") between the State and Bankers Trust Company (the "Issuing and Paying Agent").

THE NOTES

Purpose of the Notes

The Notes are being issued pursuant to Subchapter I of Chapter 18 of the Wisconsin Statutes, which authorizes the issuance and sale of public debt for up to the amount specified by the Wisconsin Legislature to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, equipment or facilities. See APPENDIX A for the status, as of July 1, 1997, of each borrowing purpose or program, including the limitations, the amounts borrowed to date, the amounts borrowed through issuance of the most recent series of Notes and the amounts remaining to be borrowed. The amount of Notes authorized to date under the Supplemental Resolutions includes $168,000,000 to be applied to borrowing purposes or programs and $13,940,000 to be applied to pay interest on the Notes as the Notes come due from time to time.

Description of the Notes

The Notes will be dated the date of their respective authentication, will be issued as interest-bearing obligations in denominations of $100,000 and additional increments of $1,000 above $100,000 and, except as described below, will be issued in book-entry form through the book-entry system of The Depository Trust Company ("DTC"). Each Note will bear interest from its date of issuance, at the rate determined at the date of issuance and payable at maturity. The Notes are not callable prior to maturity.

The Notes will mature no later than 270 days from the date of issuance; provided, so long as the Liquidity Facility (see "LIQUIDITY FACILITY" for a discussion of the initial Liquidity Facility) is in effect, no Notes may be issued with a maturity date after the stated expiration date of the Liquidity Facility or after the stated expiration date of a substitute Liquidity Facility. Interest is computed on the basis of a 365 or 366 day year, and the actual number of days elapsed. The principal of and interest on the Notes in book-entry form will be paid at maturity to DTC and distributed by it to its Participants as described below.

Book-Entry Form

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered master note certificate has been issued covering all series of notes, and has been deposited with the Issuing and Paying Agent as the agent for DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the Notes; DTC records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the State, or the Issuing and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the State or the Issuing and Paying Agent, and disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the State or the Issuing and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC; the State takes no responsibility for its accuracy.

No assurance can be given by the State, the Issuing and Paying Agent, or the Dealers that DTC, Direct Participants and Indirect Participants will promptly transfer payments or notices received with respect to the Notes. The State assumes no liability for the failure of DTC, Direct Participants or Indirect Participants to transfer to the Beneficial Owner payments or notices received with respect to the Notes.

Similarly, no assurance can be given by the State, the Issuing and Paying Agent, or the Dealers that DTC will abide by its procedures or that such procedures will not be changed from time to time. In the event that a successor securities depository is designated, it may establish different procedures.

Security for the Notes

The Notes are general obligations of the State to which its full faith, credit and taxing power are pledged to the payment of the principal and interest on the Notes. There has been irrevocably appropriated through Section 20.866 of the Wisconsin Statutes, as a first charge upon all revenues of the State, a sum sufficient for the payment of the principal of and interest on the Notes as the same mature and become due.

The State expects to pay the principal of and interest on the Notes that come due from time to time with the proceeds of additional Notes or from other proceeds deposited in the Note Fund for payment of principal of and interest on the Notes.

The State expects to make the following payments into the Note Fund: (i) on November 1 of each year, an amount equal to the aggregate amount of interest on the Notes calculated for the period of May 1 though October 31 and (ii) on May 1 of each year, an amount equal to the aggregate amount of interest on the Notes calculated for the period of November 1 through April 30 plus an amount required to amortize each series of Notes according to a schedule described in the related Supplemental Resolution. Such payments, as and when made, will be applied by the Issuing and Paying Agent in payment of outstanding Notes on the maturity dates of the Notes on or next succeeding May 1 and November 1, as appropriate. The State expects to issue long-term general obligation bonds for the borrowing purposes and programs which are being initially financed by the Notes.

Pursuant to a Credit Agreement dated April 3, 1997, between the State, The Bank of Nova Scotia, acting through its New York Agency and Commerzbank AG, acting through its New York Branch (collectively, the "Banks"), the Banks have agreed to make advances to the State, if necessary and subject to certain conditions, to provide moneys for the payment of principal of and interest on the Notes when due. See "DESCRIPTION of BANKS" and "LIQUIDITY FACILITY" herein.

Proceeds from the initial sales of the Notes are immediately paid over from the Note Fund to the State for deposit into the capital improvement fund, for application to the borrowing purposes and programs previously described. See "THE NOTES; Purpose of the Notes". The proceeds from the initial sales of Notes are not pledged as security for payment of the principal of and interest on the Notes.

Ratings

The Notes are rated F–1+ by Fitch Investors Service, L.P. ("Fitch"). Both the Notes and Program are rated P–1 by Moody's Investor's Service, Inc. ("Moody's") and A–1+ by Standard & Poor's Rating Group ("Standard & Poor's"). Any explanation of the significance of a rating may only be obtained from the rating service furnishing such rating. There is no assurance a rating given to the Notes or the Program will be maintained for any period of time; a rating may be lowered or withdrawn entirely by the rating service if in its judgment circumstances so warrant. Any such downgrade or withdrawal of such rating may have an adverse effect on the market price of the Notes.

The State's general obligation bonds are currently rated AA+ by Fitch, Aa2 by Moody's and AA by Standard & Poor's.

DESCRIPTION OF THE BANKS

The Bank of Nova Scotia

The Bank of Nova Scotia ("Scotiabank") was founded in 1832 in Halifax, and currently employs more than 34,000 people in 1,464 branches and offices throughout the world. Scotiabank is a Canadian chartered bank with its principal office located in Toronto, Ontario.

For the fiscal year ended October 31, 1996, Scotiabank recorded total assets of CDN$157.3 billion and total deposits of CDN$117.9 billion (all amounts shown are in Canadian dollars). Net income for the fiscal year ended October 31, 1996 equaled CDN$1.069 billion, compared to CDN$876 million for the prior fiscal year.

For the quarter ended April 30, 1997, Scotiabank had total assets of CDN$176.1 billion and total deposits of CDN$126.7 billion. Net income for the quarter totaled CDN$300 million compared to CDN$262 million for the same period last year. Cumulative net income for the six-month period ended April 30, 1997 totaled CDN$597 million compared to CDN$511 million for the six-month period ended April 30, 1996.

Scotiabank's activities include providing a full range of retail, commercial and corporate banking services through its extensive network of branches located in all Canadian provinces and territories.

Outside Canada, Scotiabank has branches and offices in over 40 countries, which provide a wide range of banking and related financial services, either directly or through subsidiary and associated banks, first companies and other financial firms.

Recent Developments

On June 24, 1997, Scotiabank announced that it would make an offer to acquire all of the outstanding common shares of National Trustco Inc. for the price per share of 0.125 of a common share of Scotiabank plus CDN$26.475. The transaction is valued at approximately CDN$1.25 billion and is expected to be finalized by August 31, 1997. National Trustco Inc. is the public holding company for a group of trust and loan corporations including its main operating subsidiary, National Trust Company. With corporate assets of CDN$14.6 billion and assets under administration of CDN$7.6 billion, National Trust provides banking and fiduciary services across Canada through its approximately 3,600 employees. The majority of its 175 branches are located in Ontario, with others located in British Columbia, Alberta, Manitoba and Quebec.

Scotiabank will provide to anyone, upon written request, a copy of its most recent annual report, as well as, a copy of its most recent quarterly financial report. Requests should be directed to: The Bank of Nova Scotia, One Liberty Plaza, New York, New York 10006. Attention: Public Finance Department.

Commerzbank AG

As of December 31, 1996, Commerzbank is the third largest publicly-held banking institution in terms of assets in Germany. Commerzbank and its consolidated subsidiaries are engaged in a broad range of commercial and investment banking services and related activities in Germany and around the world. Commerzbank functions as a full service commercial and investment bank. In certain specialized areas, such as mortgage lending, leasing, asset management, fund management, real estate activities and equity participations, Commerzbank provides services through its subsidiaries. As of December 31, 1996, Commerzbank had total assets of US$290.6 billion (US$1= DM 1.5415 closing price as of December 31, 1996. Bloomberg). Commerzbank's capital stock is publicly held by more than 190,000 shareholders and is quoted on all eight German stock exchanges as well as on the stock exchanges of Amsterdam, Antwerp, Barcelon, Basel, Berne, Brussels, Geneva, Lausanne, London, Luxembourg, Madrid, Milan, Paris, Tokyo, Vienna and Zurich. There is also a sponsored-ADR program in the USA.

In Germany, Commerzbank operates 940 branches that provide banking services to three million private customers. Abroad, Commerzbank maintains nearly 80 offices in 35 countries. Commerzbank is directly represented in all major financial and industrial centers with its own subsidiaries, branches or representative offices and employs approximately 1,600 staff abroad. It also has numerous holdings in leading local and regional financial institutions.

Commerzbank conducts extensive banking business in the United States, concentrating primarily in corporate lending, letter of credit and bankers acceptance facilities, participations in syndicated loan transactions and treasury operations including foreign exchange transactions. Commerzbank has branches in New York, Chicago and Los Angeles and has an agency office in Atlanta.

For further information on the Commerzbank Group, a copy of Commerzbank's annual report can be obtained by contacting Karin Rapaglia at 2 World Financial Center, New York, New York 10281.

Under the banking laws of the Federal Republic of Germany, all German banks are subject to supervision by the Federal Banking Supervisory Office (Bundesaufsichtsamt für das Kreditwesen), the Federal Securities Trading Supervisory Commission (Bundesaufsichtsamt für den Wertpapierhandel), and by the German Central Bank (Deutsche Bundesbank). The Federal Banking Supervisory Office has the power, inter alia, to issue and revoke licenses, to issue regulations on capital and liquidity requirements, to demand the removal of members of the management banks, to inspect books and records, to designate the contents required in reports on financial matters by banks and to take action where deposits are considered to be at risk. Bank lending activities in the Federal Republic of Germany are regulated closely under the German Banking Law (Kreditwesengesetz) (the "Banking Law"), as amended most recently on October 24, 1994. The Banking Law and directives of the European Union, of which Germany is a member, contain provisions on solvency, long-term lending and investments. The Banking Law also contains limits on large loans to individual borrowers. Compliance with and enforcement of these regulations are supervised through extensive reporting requirements. In addition, Commerzbank is subject to extensive regulation by the countries in which it operates.

The New York branch of Commerzbank is licensed by the Superintendent of Banks of the State of New York (the "Superintendent"), is subject to the banking laws of the State of New York and is examined by the New York State Banking Department. Commerzbank's branches in Chicago and Los Angeles are subject to similar regulation by the state in which they operate. In addition to being subject to state laws and regulations, Commerzbank is also subject to federal regulation under the International Banking Act and, through the International Banking Act, the Bank Holding Company Act.

LIQUIDITY FACILITY

Advances

In order to provide liquidity for the payment of the principal of and interest on maturing Notes, the State has entered into a Credit Agreement dated April 3, 1997 with the Banks (the "Credit Agreement", which constitutes the initial Liquidity Facility Agreement, as provided for in the Program Resolution) pursuant to which each of the Banks has agreed, subject to certain conditions precedent, to severally make advances ("Advances") from time to time on any business day during the term of the Credit Agreement, in amounts not to exceed at any time one-half of the outstanding commitment amount under the Credit Agreement, solely for the purpose of providing funds to pay the principal of and interest on Notes on the maturity date thereof to the extent that proceeds of other Notes or other moneys on deposit in the Note Fund are not available therefor. The aggregate principal amount of all Advances made on any date may not exceed the outstanding commitment amount under the Credit Agreement (which is initially $300 million), as such amount may be reduced from time to time pursuant to the Credit Agreement, but in no event less than the sum of the outstanding notes issued pursuant to the Program Resolution plus the aggregate principal amount of all outstanding Advances provided by the Banks).

The stated termination date of the Credit Agreement is currently April 2, 1998 and is subject to extension as provided for in the Credit Agreement.

The State's obligation to repay such Advances will be evidenced by its delivery to each Bank of one or more promissory notes (the "Promissory Notes") in an aggregate principal amount equal to the amount of all Advances authorized under the Credit Agreement. Each Promissory Note ranks equally with the Notes.

Conditions to Advances

The Banks obligation to make Advances is subject to immediate termination as described in the Credit Agreement upon the occurrence of an Event of Default which constitutes a defined "Event of Termination" under the Credit Agreement. Each of the following is a defined Event of Termination:

(i) The State shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for its or for a substantial part of its property or revenues and shall not be discharged within a period of sixty (60) days; or the Wisconsin Legislature imposes a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of or interest on any Debt (as defined in the Credit Agreement) by the State; or all, or any substantial part, of the property of the State shall be condemned, seized, or otherwise appropriated, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the State (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days;

(ii) The State shall fail to pay any amount of principal of or interest on any Advance when the same shall become due and payable pursuant to this Agreement or the Promissory Notes, or the State shall fail to pay any principal of or interest on any Note when the same shall become due and payable;

(iii) The Credit Agreement or the Program Resolution or any material provision thereof at any time after its execution and delivery, or the Promissory Notes or any Notes shall, for any reason, cease to be valid and binding on the State or in full force and effect or shall be declared to be null and void, in each case, pursuant to a final administrative determination or judicial decision from which there shall not exist any further right of appeal or against which a timely appeal shall not have been filed by the State; or the validity or enforceability of the Credit Agreement, the Promissory Notes, the Program Resolution or any Note shall be contested (i) by the State or (ii) by any governmental agency or authority having jurisdiction over the State, unless with respect to clause (ii) above, the same is being contested by the State in good faith and by appropriate proceedings or the State shall deny that it has any or further liability or obligation under the Credit Agreement, the Promissory Notes, the Program Resolution or any Note;

(iv) The State shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Bonded Debt (as defined in the Credit Agreement) of the State, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Bonded Debt, or pursuant to the provisions of any such indenture, contract or instrument, the maturity of any Bonded Debt of the State shall have been or, as a result of a payment default of any nature, may be accelerated or required to be prepaid prior to the stated maturity thereof; and

(v) Each Rating Agency (as defined in the Credit Agreement) then rating the Notes shall have downgraded any Bonded Debt of the State to below Investment Grade (as defined in the Credit Agreement) or withdrawn its rating on any Bonded Debt of the State due to credit considerations.

In addition, if any Event of Default as defined in the Credit Agreement occurs, the Banks may deliver to the State and Issuing and Paying Agent a notice upon receipt of which the State shall cease issuing Notes (a "No-Issuance Notice").

Upon receipt of a No-Issuance Notice, the State shall cease issuing Notes unless and until such No-Issuance Notice is rescinded. Prior to the occurrence of an Event of Termination and the Banks termination of the Credit Agreement, a No-Issuance Notice shall not affect the obligation of the Banks to make Advances with respect to the payment of Notes issued prior to the receipt by the State of such No-Issuance Notice.

Substitution of Credit Agreement

The Program Resolution permits the State to replace the Credit Agreement with another comparable agreement or agreements with any other bank or banks provided that such substitution meets all of the qualifications set forth in the Program Resolution, including, but not limited to, written evidence from each rating agency (two in number at a minimum) which, at the request of the State, is then rating the Notes to the effect that the substitution of the Liquidity Facility will not by itself result in a withdrawal, suspension or reduction of its ratings of the Notes from those which then prevail. In the event that a different agreement is substituted for the Credit Agreement, references in the Program Resolution to the Liquidity Facility Agreement refer to such substitute Liquidity Facility Agreement. Any such substituted Liquidity Facility Agreement may have covenants, events of default, conditions to borrowing and other provisions different from those referred to above. The State will notify the Dealers of any change in the Credit Agreement or provider of the Liquidity Facility. The State will also notify each nationally recognized municipal securities information repository ("NRMSIR") of any change in the Credit Agreement or provider of the Liquidity Facility. See "CONTINUING DISCLOSURE".

Interested purchasers should review the Program Resolution and Credit Agreement at length. The Program Resolution and Credit Agreement may be examined upon reasonable prior notice at the State of Wisconsin at the address set forth herein during regular business hours. Prospective purchasers may address questions with respect to the offering of the Notes to the State of Wisconsin at the address set forth herein.

INFORMATION ABOUT THE STATE

Information concerning the State, its operations and financial condition and general obligation debt is included as APPENDIX B, which includes by reference Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 1996 (the "Annual Report").

Requests for additional information concerning the State can be obtained from the Capital Finance Office, Attn.: Mr. Frank R. Hoadley, Capital Finance Director, (608) 266-2305, 101 East Wilson Street, P.O. Box 7864, Madison, Wisconsin 53707-7864.

FINANCIAL ADVISOR

First Albany Corporation is employed by the State to perform professional services in the capacity of financial advisor. In First Albany Corporation's role as financial advisor to the State, it has provided advice on the structuring of the Program.

LEGAL OPINION

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approval of Foley & Lardner, Bond Counsel, whose approving opinion, substantially in the form shown in

APPENDIX C, will be delivered on the date of issue of the Notes. In the event certificated Notes are issued, the opinion will be printed on the reverse side of each Note.

As required by law, the Attorney General will examine a certified copy of all proceedings preliminary to issuance of the Notes to determine the regularity and validity of such proceedings. In the event certificated Notes are issued, the certificate of the Attorney General will be printed on the reverse side of each Note.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes and the interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; it should be noted, however, that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations.

The opinions set forth in the preceding paragraph are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and other federal tax legislation, that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The State has covenanted to comply with each such requirement to the extent it may lawfully do so. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. The proceedings authorizing the Notes do not provide for an increase in interest rates or a redemption of the Notes in the event of taxability.

The Code contains numerous provisions which could affect the economic value of the Notes to particular Note owners. For example, (i) Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Notes or, in the case of financial institutions, that portion of an owner's interest expense allocable to interest on the Notes, (ii) property and casualty insurance companies will be required in each taxable year to reduce the amount of their deductible losses by 15% of the amount of tax-exempt interest received or accrued during such taxable year, including interest on the Notes, and life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest, (iii) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the S corporation is passive investment income, and (v) Section 86 of the Code requires certain recipients of social security and railroad retirement benefits to include a portion of such benefits in gross income by reason of receipt or accrual of interest on the Notes. The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership of the Notes. There may be other provisions of the Code which could adversely affect the value of an investment in the Notes for particular Note owners. Investors should consult their own tax advisors with respect to the tax consequences of owning a Note.

CONTINUING DISCLOSURE

The State has entered into a Master Agreement on Continuing Disclosure and an Addendum Regarding General Obligation Commercial Paper Notes and will enter into Supplemental Agreements pertaining to all series of Notes (collectively, the "Agreements"). The Agreements constitute an undertaking for the benefit of the beneficial owners of the Notes, and although an Annual Report is not required and will not be prepared for the Notes, the Agreements provide that notices of occurrence of certain events specified in the Rule will be provided to the NRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB"), and to the state information depository ("SID"), if any. As of the date of this Offering Memorandum, no SID has been established. Copies of the Agreements and notices may be obtained from: Capital Finance Office; Department of Administration; Division of Executive Budget and Finance; 101 East Wilson Street; P.O. Box 7864; Madison, WI 53707-7864 or located on the internet at:

http://www.doa.state.wi.us/debf/capfin/2ndmkt.htm

The Agreements also describe the consequences of any failure to provide the required information. The Agreements require that a failure to provide the required information must be reported to the NRMSIRs or the MSRB, and to any SID. In the previous five years, there has been no failure to comply in any material respect with a similar undertaking by the State.

Any statements in this Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Offering Memorandum is not to be construed as a contract or agreement between the State and the purchasers or owners of any of the Notes.

This Offering Memorandum is submitted only in connection with the offering of the Notes by the Dealers and may not be reproduced or used in whole or in part for any other purpose, except with express permission.

Dated: July 8, 1997

STATE OF WISCONSIN

/s/ Tommy G. Thompson

Governor Tommy G. Thompson, Chairperson
State of Wisconsin Building Commission

/s/ Mark D. Bugher

Mark D. Bugher, Secretary
State of Wisconsin Department of Administration

/s/ Robert Brandherm

Robert Brandherm, Secretary
State of Wisconsin Building Commission

APPENDIX A

STATE OF WISCONSIN
GENERAL OBLIGATION ISSUANCE STATUS REPORT
July 1, 1997

Program Purpose	Legislative Authorization	General Obligations Issued to Date [(a)]	Interest Earnings [(b)]	Total Authorized Unissued Debt	1997 Series B Bonds	Remaining Authority [(a)]
University of Wisconsin; academic facilities..........................	$ 740,111,300	$ 684,892,229	$ 11,077,318	$ 44,141,753		$ 44,141,753
University of Wisconsin; self-amortizing facilities................	373,781,600	232,677,621	864,294	140,239,685		140,239,685
Natural resources; municipal clean drinking water grants...................................	9,800,000	9,454,342	141,809	203,849		203,849
Clean water fund............................	553,194,000	285,935,573	15,282	267,243,145		267,243,145
Natural resources; nonpoint source grants..................	20,000,000	16,375,658	132,570	3,491,772		3,491,772
Natural resources; environmental repair......................	31,500,000	15,380,000	145,109	15,974,891		15,974,891
Natural resources; segregated revenue supported dam maintenance, repair, modification, abandonment and removal...................................	4,000,000	55,000		3,945,000		3,945,000
Natural resources; pollution abatement and sewage collection facilities, ORAP funding................	146,850,000	145,010,325		1,839,675		1,839,675
Natural resources; pollution abatement and sewage collection facilities.............	902,449,800	866,325,888	18,510,235	17,613,677		17,613,677
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow..............	200,600,000	193,689,242	6,287,401	623,357		623,357
Natural resources; recreation projects.........................	56,055,000	56,053,036	(267)	2,231		2,231
Natural resources:						

STATE OF WISCONSIN
GENERAL OBLIGATION ISSUANCE STATUS REPORT
July 1, 1997

Program Purpose	Legislative Authorization	General Obligations Issued to Date [(a)]	Interest Earnings [(b)]	Total Authorized Unissued Debt	1997 Series B Bonds	Remaining Authority [(a)]
Natural resources; segregated revenue supported land acquisition............	2,500,000	2,498,446		1,554		1,554
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.............	231,000,000	113,485,000	1,284,627	116,230,373		116,230,373
Transportation; administrative facilities..................	8,890,400	8,759,479		130,921		130,921
Transportation; accelerated bridge improvement.................................	46,849,800	46,849,800				
Transportation; rail passenger route development...	50,000,000			50,000,000		50,000,000
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; harbor improvements....................	12,000,000	8,480,000	232,606	3,287,394		3,287,394
Transportation; rail acquisitions and improvements.........................	14,500,000	9,165,000		5,335,000		5,335,000
Corrections; correctional facilities......................	480,087,500	394,011,762	8,069,659	78,006,079	$ 40,000,000	38,006,079

STATE OF WISCONSIN
GENERAL OBLIGATION ISSUANCE STATUS REPORT
July 1, 1997

Program Purpose	Legislative Authorization	General Obligations Issued to Date [a]	Interest Earnings [b]	Total Authorized Unissued Debt	1997 Series B Bonds	Remaining Authority [a]
Building commission; 1 West Wilson street parking ramp	15,100,000	13,500,000	293,634	1,306,366		1,306,366
Building commission; project contingencies	19,659,000	8,490,000	49,419	11,119,581		11,119,581
Building commission; capital equipment acquisition	67,129,800	54,199,191	728,337	12,202,272		12,202,272
Building commission; discount sale of debt	65,000,000	44,183,484		20,816,516	1,010,000	19,806,516
Building commission; discount sale of debt (higher education bonds)	100,000,000	99,988,833 [c]		11,167		11,167
Building commission; other public purposes	736,956,000	559,862,152	4,128,179	172,965,669	10,000,000	162,965,669
Medical College of Wisconsin, Inc.; basic science education facility	10,000,000	8,000,000		2,000,000		2,000,000
Educational communications board; educational communications facilities	7,429,600	6,794,539	36,946	598,115		598,115
Historical society; self-amortizing facilities	3,073,600	1,029,156	4,067	2,040,377		2,040,377
Historical society; historic records	400,000			400,000		400,000
Historical society; historic sites	1,839,000	1,825,756		13,244		13,244
Historical society; museum facility	4,384,400	4,281,000		103,400		103,400
Education;						

APPENDIX B

INFORMATION ABOUT THE STATE

This appendix includes information concerning the State of Wisconsin (the "State") and the State of Wisconsin Building Commission (the "Commission"). Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 1996 (the "Annual Report") is included by reference as part of this APPENDIX A.

Part II to the State Annual Report contains certain general information about the State, including information about the State's operations and financial procedures, the State's accounting and financial reporting, the organization and description of services provided by the State, certain financial information about the State, the results of the 1995-96 fiscal year, the State budget, State obligations, and the State Investment Board, together with statistical information about the State's population, income and employment. Included as APPENDIX A to Part II are the audited general purpose financial statements for the fiscal year ending June 30, 1996, prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Government Accounting Standards Board, and the State Auditor's report.

Part III to the State Annual Report contains certain information concerning general obligations issued by the State under Chapter 18 of the Wisconsin Statutes, including a discussion of the security provisions for general obligation debt (including the flow of funds to pay debt service on general obligations), data pertaining to the State's outstanding general obligation debt, and the portion of general obligation debt which is revenue-supported general obligation debt.

The Annual Report has been filed with each nationally recognized municipal securities information repository ("NRMSIR"). As of the date of this Official Statement, the Annual Report can be found on the internet at:

http://www.doa.state.wi.us/debf/capfin/96condis.htm

Subsequent to publication and filing of the Annual Report, certain changes or events have occurred that affect matters discussed in the Annual Report. Listed below, by reference to particular sections of the Annual Report, are changes or additions to the discussion contained in these particular sections. Many of the following changes have not been filed with the NRMSIRs.

The State has filed, and expects to continue to file with the NRMSIRs, certain informational notices. Such informational notices do not constitute a listed material event under the State's Master Agreement on Continuing Disclosure.

STATE BUDGET (Pages Part II-14 through Part II-16). Add the following:

Budget for 1996–97

In January 1997, revenues and disbursements were reviewed and revised taking into account actual experience through December 1996 and projections through June 1997. On an all-funds basis total available funds for the fiscal year ending June 30, 1997 were estimated to be approximately $40 million lower than projected in the Annual Report. Total disbursements and reserves for the fiscal year ending June 30, 1997 were estimated to be approximately $79 million lower than projected in the Annual Report. Therefore, the all-funds balance at June 30, 1997 is estimated to be approximately $139 million. The budget is summarized on page B-3 and does include these updated January 1997 revenues and disbursements.

The projected general-fund balance for June 30, 1997 is the same as the all-funds balance, $139 million. The budget is summarized on page B-4 and does include these updated January 1997 revenues and disbursements.

In May 1997, revenues were reviewed and revised taking into account actual tax collections. Based on this review, tax revenues for the fiscal year ending June 30, 1997 are estimated to be approximately $95 million greater than those projected in January 1997. Most of this increase is from individual income tax, which is expected to exceed the January 1997 projections by $80 million. In addition, estimates for corporate income and franchise tax collections have been increased by $10 million and estimates for the estate tax has increased by $5 million. The summary of the 1996–97 budgets on pages B-3 and B-4 do not reflect these updated May 1997 revenue estimates.

Proposed Budget for 1997–99

On February 12, 1997 the Governor introduced the executive budget for the 1997–98 and 1998–99 fiscal years. For the fiscal year ending June 30, 1998, the budget on an all-funds basis projects a balance of $130 million. Total available revenues are estimated to be $23.176 billion consisting of (i) a beginning balance of $139 million, (ii) tax revenues of $9.118 billion and (iii) nontax revenues of $13.919 billion. Total disbursements and reserves are estimated to be $23.142 billion, consisting of net disbursements of $23.012 billion and reserves of $130 million. This results in an estimated balance of $34 million which, when combined with the statutorily required balance of $96 million, results in a balance at June 30, 1998 of $130 million. The budget is summarized on page B-3.

The projected general-fund balance for June 30, 1998 is $130 million. Total available revenues are estimated to be $15.712 billion consisting of (i) a beginning balance of $139 million, (ii) tax revenues of $9.118 billion and (iii) nontax revenues of $6.455 billion. Total disbursements and reserves are estimated to be $15.678 billion, consisting of net disbursements of $15.548 billion and reserves of $130 million. The budget is summarized on page B-4.

In May 1997, revenues were reviewed and revised taking into account actual tax collections. Based on this review, tax revenues for the 1997–98 fiscal year are now estimated to be approximately $75 million greater than those used in the proposed 1997–98 executive budget. The budget tables on pages B-3 and B-4 do not reflect these updated May 1997 revenue estimates.

For the fiscal year ending June 30, 1999, the budget on an all-funds basis projects a balance of $0.4 million. Total available revenues are estimated to be $23.640 billion consisting of (i) a beginning balance of $130 million, (ii) tax revenues of $9.586 billion and (iii) nontax revenues of $13.925 billion. Total disbursements and reserves are estimated to be $23.639 billion, consisting of net disbursements of $23.476 billion and reserves of $163 million. This results in an estimated balance of $0.4 million which, when combined with the statutorily required balance of $98 million, results in a balance at June 30, 1999 of $98.4 million. The budget is summarized on page B-3.

The projected general-fund balance for June 30, 1999 is the same as the all-fund balance, $0.4 million. Total available revenues are estimated to be $16.008 billion consisting of (i) a beginning balance of $130 million, (ii) tax revenues of $9.586 billion and (iii) nontax revenues of $6.293 billion. Total disbursements and reserves are estimated to be $16.008 billion, consisting of net disbursements of $15.844 billion and reserves of $164 million. The balance is identical to the all-funds amount. The budget is summarized on page B-4.

In May 1997, revenues were reviewed and revised taking into account actual tax collections. Based on this review, tax revenues for the 1998–99 fiscal year are now estimated to be approximately $60 million greater than those used in the proposed 1998–99 executive budget. The budget tables on pages B-3 and B-4 do not reflect these updated May 1997 revenue estimates.

Table II-3; State Budget—All Funds (Page Part II-15). Replace the table with the following:

STATE BUDGET—ALL FUNDS[(a)]

	Actual [(b)] 1995-96	Budget 1995-96	Budget 1996-97	Governor's Proposed Budget 1997-98
RECEIPTS				
Fund Balance from Prior Year	$ 400,881,000	$ 408,880,400	$ 579,943,800	$ 138,980,800
Tax Revenue				
Individual Income	4,183,604,000	4,160,100,000	4,465,000,000	4,740,000,000
General Sales and Use	2,704,226,000	2,710,000,000	2,860,000,000	3,017,500,000
Corporate Franchise and Income	636,010,000	650,000,000	640,000,000	637,000,000
Public Utility	285,288,000	284,600,000	295,600,000	273,700,000
Excise				
Cigarette/Tobacco Products	205,350,000	206,300,000	206,400,000	225,400,000
Liquor and Wine	30,813,000	30,500,000	30,800,000	30,500,000
Malt Beverage	9,187,000	9,000,000	9,000,000	9,000,000
Inheritance, Estate & Gift	45,602,000	41,000,000	44,000,000	45,000,000
Insurance Company	92,285,000	96,000,000	92,500,000	93,000,000
Other	830,664,000	43,900,000 [(c)]	45,200,000 [(c)]	47,200,000
Subtotal	9,023,029,000	8,231,400,000	8,688,500,000	9,118,300,000
Nontax Revenue				
Departmental Revenue	128,256,000	174,683,100	150,409,000	141,949,100
Total Federal Aids	3,275,795,000	3,850,830,600	3,891,800,700	4,179,363,600
Total Program Revenue	2,179,107,000	2,185,416,200	1,975,161,400	2,304,377,500
Total Segregated Funds	2,705,320,000	1,908,291,300	1,910,832,300	2,073,543,800
Fund Transfers In	NA	NA	NA	261,605,900
Bond Authority	330,950,000	305,000,000	330,000,000	415,000,000
Employe Benefit Contributions [(d)]	6,200,903,000	3,737,890,089	3,976,959,649	4,542,998,211
Subtotal	14,820,331,000	12,162,111,289	12,235,163,049	13,918,838,111
Total Available	$ 24,244,241,000	$ 20,802,391,689	$ 21,503,606,849	$ 23,176,118,911
DISBURSEMENTS AND RESERVES				
Commerce	$ 575,240,000	$ 305,755,800	$ 361,145,100	$ 398,186,300
Education	5,978,715,000	6,008,560,200	6,645,449,700	7,071,045,800
Environmental Resources	2,057,321,000	1,966,661,500	1,955,734,400	2,018,992,800
Human Relations and Resources	5,623,499,000	5,507,561,200	5,446,078,300	5,808,085,700
General Executive	2,146,487,000	437,336,900	568,192,600	594,291,600
Judicial	82,503,000	82,558,300	87,716,700	87,927,900
Legislative	50,048,000	50,169,100	50,119,600	51,840,600
General Appropriations	2,191,850,000	1,827,543,400	1,816,969,400	2,062,722,100
General Obligation Bond Program	309,320,000	305,000,000	330,000,000	415,000,000
Employe Benefit Payments [(d)]	1,317,768,000	1,695,305,629	1,843,607,584	1,889,607,836

Table II-4; State Budget—General Fund (Page Part II-16). Replace the table with the following:

STATE BUDGET—GENERAL FUND[(a)]

	Actual [(b)] 1995-96	Budget 1995-96	Budget 1996-97	Governor's Proposed Budget 1997-98	Governor's Proposed Budget 1998-99
RECEIPTS					
Fund Balance from Prior Year	$ 400,881,000	$ 408,880,400	$ 579,943,800	$ 138,980,800	$ 129,646,900
Tax Revenue					
State Taxes Deposited to General Fund					
Individual Income	4,183,604,000	4,160,100,000	4,465,000,000	4,740,000,000	5,014,800,000
General Sales and Use	2,704,226,000	2,710,000,000	2,860,000,000	3,017,500,000	3,191,500,000
Corporate Franchise and Income	636,010,000	650,000,000	640,000,000	637,000,000	658,500,000
Public Utility	285,288,000	284,600,000	295,600,000	273,700,000	269,600,000
Excise					
Cigarette/Tobacco Products	205,350,000	206,300,000	206,400,000	225,400,000	225,000,000
Liquor and Wine	30,813,000	30,500,000	30,800,000	30,500,000	30,500,000
Malt Beverage	9,187,000	9,000,000	9,000,000	9,000,000	9,000,000
Inheritance, Estate & Gift	45,602,000	41,000,000	44,000,000	45,000,000	45,000,000
Insurance Company	92,285,000	96,000,000	92,500,000	93,000,000	93,500,000
Other	28,874,000	43,900,000	45,200,000	47,200,000	48,300,000
Subtotal	8,221,239,000	8,231,400,000	8,688,500,000	9,118,300,000	9,585,700,000
Nontax Revenue					
Departmental Revenue	128,256,000	174,683,100	150,409,000	141,949,100	141,805,900
Program Revenue Federal	3,275,795,000	3,457,543,500	3,523,184,100	3,746,964,400	3,776,651,500
Program Revenue Other	2,179,107,000	2,185,416,200	1,975,161,400	2,304,377,500	2,374,351,500
Fund Transfers In	NA	NA	NA	261,605,900	NA
Subtotal	5,583,158,000	5,817,642,800	5,648,754,500	6,454,896,900	6,292,808,900
Total Available	$ 14,205,278,000	$ 14,457,923,200	$ 14,917,198,300	$ 15,712,177,700	$ 16,008,155,800
DISBURSEMENTS AND RESERVES					
Commerce	$ 164,514,000	$ 165,757,000	$ 191,645,400	$ 198,309,900	$ 196,865,000
Education	5,837,139,000	5,964,122,000	6,600,333,700	7,006,784,000	7,145,889,300
Environmental Resources	242,361,000	236,724,600	239,038,900	235,328,800	237,703,900
Human Relations and Resources	5,255,874,000	5,329,183,900	5,355,935,200	5,712,226,900	5,849,847,200
General Executive	412,906,000	420,885,100	486,673,600	513,950,700	511,864,900
Judicial	82,154,000	81,921,900	87,080,300	87,284,000	87,534,400
Legislative	50,048,000	50,169,100	50,119,600	51,840,600	51,799,900
General Appropriations	1,603,605,000	1,635,804,400	1,641,130,200	1,781,424,900	1,809,077,700
Subtotal	13,648,601,000	13,884,568,000	14,651,956,900	15,587,149,800	15,890,582,300
Less: (Lapses)	NA	(41,322,800)	(193,300,300)	(39,144,100)	(46,698,800)

STATE BUDGET; Potential Effect of Litigation; Special Performance Dividend (Page Part II-17). Add the following:

On January 17, 1997, the State Supreme Court ruled that the Special Investment Performance Dividend (the "SIPD"), which has been paid from January 1988 to the present, is unconstitutional. The case was remanded to the Circuit Court, with directions that the Circuit Court order defendants to pay from the State treasury to the fixed annuity reserve account of the Wisconsin Retirement System an amount equal to all disbursed SIPD payments (including a $3.8 million reimbursement to the State for State funds advanced to finance the SIPD), plus interest at the "effective rate" for the fixed annuity division of the Wisconsin Retirement System on all SIPD payments from the date that the payments left the annuity reserve account. The Circuit Court must approve any settlement as well as the mode and timing of the settlement.

The Legislature's Joint Committee on Finance has provided for a $215 million lump-sum settlement in its version of the 1997–99 biennial budget. This settlement is part of a substitute budget bill to the proposed executive budget. The budget bill must be passed by both houses of the Legislature and submitted to the Governor for approval and signature. In addition, the Employee Trust Funds Board has taken official action to endorse a $215 million lump-sum settlement. The Circuit Court must approve any settlement.

The Governor's proposed executive budget for the 1997–99 biennium does not provide for payment of any settlement, and the settlement described above is not included in the budget tables on pages B-3 and B-4.

STATE BUDGET; Potential Effect of Litigation; Computer Software (Page Part II-17). Add the following:

Upholding prior decisions by the Wisconsin Tax Appeals Commission and Circuit Court, the Court of Appeals has held that computer software is not tangible property and is thus not subject to sales and use taxes. The State Supreme Court has declined to hear the appeal. The cost of this refund to the State is estimated at $20 million.

The Governor's proposed executive budget for the 1997–98 and 1998–99 fiscal years provides for payment of this refund.

Table II-7; General Fund Monthly Cash Position (Page Part II-26). Replace the table with the following:

GENERAL FUND MONTHLY CASH POSITION
July 1, 1995 through May 31, 1997 ¾ Actual
June 1, 1997 through June 30, 1998 ¾ Estimated[(a)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts (b)	Disbursements (b)
1995	July	$ 451,090	$ 1,306,431	$ 1,337,712
	August	419,809	1,055,527	849,866
	September	625,470	1,362,210	1,101,358
	October	886,322	1,151,661	810,058
	November	1,227,925	1,220,032	1,622,269
	December	825,688	1,156,810	1,493,484
1996	January	489,014	1,461,087	878,316
	February	1,071,785	1,132,269	1,044,288
	March	1,159,766	1,240,173	1,888,319
	April	511,620	1,402,600	936,278
	May	977,942	1,180,704	1,029,277
	June	1,129,369	1,362,420	1,922,703
	July	569,086	1,279,815	1,434,154
	August	414,747	1,030,924	844,258
	September	601,413	1,476,166	1,011,367
	October	1,066,212	1,137,121	855,357
	November	1,347,976	1,201,689	1,691,802
	December	857,863	1,191,440	1,728,258
1997	January	321,045	1,660,082	969,951
	February	1,011,176	1,143,553	1,018,864
	March	1,135,865	1,187,307	1,888,887
	April	434,285	1,507,412	964,595
	May	977,102	1,282,737	965,508
	June	1,294,331	1,390,893	2,030,776
	July	654,448	1,525,341	1,610,421
	August	569,368	1,161,239	829,667
	September	900,940	1,459,062	1,285,305
	October	1,074,697	1,226,061	966,635
	November	1,334,123	1,303,303	1,566,410
	December	1,071,016	1,306,775	1,859,774
1998	January	518,017	1,612,797	960,061
	February	1,170,753	1,177,841	1,112,335
	March	1,236,259	1,347,200	2,118,229
	April	465,230	1,487,565	1,081,636
	May	871,159	1,315,054	1,046,742
	June	1,139,471	1,488,964	2,251,356

(a) The monthly receipt and disbursement projections for May 1, 1997 through June 30, 1998 are based on estimates provided by the Division of Executive Budget and Finance.

(b) The receipt amounts shown in July 1995–1997 include the proceeds received at closing for the respective operating notes. See "OTHER OBLIGATIONS; Operating Notes" in the Annual Report. The disbursement amounts shown for February, March, April and May 1996–1998 include impoundment payments required in connection with the operating notes.

Source: Wisconsin Department of Administration.

Table II-8; Balances in Funds Available for Interfund Borrowing (Page Part II-27). Replace the table with the following:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING [(a)]
July 1, 1995 to May 1, 1997 — Actual
June 1, 1997 to June 1, 1998 — Estimated[(b)]
(Amounts in Millions)

	1995	1996	1997	1998
January		$2,991.90	$3,210.23	$2,147.05
February		3,428.21	3,553.70	2,110.15
March		3,852.78	3,793.12	2,141.52
April		3,808.74	3,832.30	2,165.09
May		3,402.69	3,423.07	2,117.84
June		3,145.00	2,055.69 (b)	2,055.69
July	$2,838.71	3,252.38	2,013.13	
August	3,143.94	3,511.90	2,051.05	
September	2,975.23	3,250.54	2,095.73	
October	2,902.89	3,010.27	2,087.33	
November	2,630.23	2,687.47	2,015.35	
December	2,732.65	2,072.66	2,060.66	

(a) Consists of the following funds:

Transportation	Common School
Conservation (Partial)	Normal School
Wisconsin Health Education Loan Repayment	University
Waste Management	Local Government Investment Pool
Wisconsin Election Campaign	Farms for the Future
Investment & Local Impact	Agrichemical Management
Elderly Property Tax Deferral	Historical Society Trust
Lottery	School Income Fund
Children's Trust	Benevolent
Racing	Groundwater
Work Injury Supplemental Benefit	Petroleum Storage Environmental Cleanup
Unemployment Compensation Interest Repayment	Clean Water
Uninsured Employers	Environmental
Health Insurance Risk Sharing Plan	Recycling
Local Government Property Insurance	University Trust Principal
Patients Compensation	Veterans Mortgage Loan Repayment
Mediation	State Building Trust
Agricultural College	

(b) Estimated balances for June 1, 1997 and succeeding months include $480 million (a portion of the estimated balance) for the local government pool of the available funds. The local government pool has varied from a low of $63 million on July 1, 1983 to a high of $4.426 billion on March 1, 1994. The pool is composed of funds deposited by local units of government which may be withdrawn without notice. The amounts shown are the estimated balances of funds available for interfund borrowing. Under Section 20.002(11) of the Statutes, interfund borrowing is limited to $400 million.

Source: Wisconsin Department of Administration.

OTHER OBLIGATIONS (Pages Part II-30 through Part II-33). Add the following:

General Obligations

As of May 31, 1997, the State had approximately $3.237 billion of outstanding general obligation bonds and notes.

Master Lease Program

As of May 31, 1997, the principal amount of the State's obligations under the master lease program was approximately $45 million.

State Revenue Obligations

As of May 31, 1997, the Commission has issued six series of bonds for the student loan program for students enrolled in medical and dental school in Wisconsin, with approximately $6 million outstanding.

As of May 31, 1997, the Commission has issued nine series of bonds and one series of commercial paper notes for the revenue program that finances State highways and related transportation facilities, with approximately $905 million outstanding.

As of May 31, 1997, the Commission has issued five series of bonds for the Clean Water Fund program, with approximately $451 million outstanding.

Table II-9; Revenues Deposited to the General Fund (Page Part II-28). Replace the table with the following:

REVENUES DEPOSITED TO THE GENERAL FUND[a]
July 1, 1996 to May 31, 1997 compared with previous year
(Unaudited)

	Actual Receipts 1995–96 FY[b]	Projected Receipts 1996–97 FY	Actual Receipts July 1, 1995 to May 31, 1996	Actual Receipts July 1, 1996 to May 31, 1997
Individual Income Tax	$ 4,183,604,344	$ 4,430,000,000	$ 3,477,679,870	$ 3,835,196,561
General Sales and Use Tax ..	2,704,226,017	2,845,000,000	2,210,991,726	2,344,412,532
Corporate Franchise and Income Tax	636,009,525	635,000,000	518,594,585	528,366,857
Public Utility Taxes	285,287,485	292,100,000	282,099,722	303,925,592
Excise Taxes	245,350,413	244,600,000	202,271,676	208,052,458
Inheritance Taxes	45,602,214	46,000,000	34,332,704	46,561,684
Miscellaneous Taxes	121,159,011	137,900,000	124,178,522	129,021,849
SUBTOTAL..............	8,221,239,009	8,630,600,000	6,850,148,805	7,395,537,533
Federal Receipts...................	3,275,795,203	3,523,184,100	2,991,599,939	3,139,643,611
Dedicated and Other Revenues[c]............	2,307,363,090	2,203,940,600	2,124,484,211 [d]	2,285,356,898 [d]
TOTAL......................	$13,804,397,302	$14,357,724,700	$11,966,232,955	$12,820,538,042

(a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "STATE GOVERNMENT ORGANIZATION AND FINANCIAL PROCEDURES; Accounting and Financial Reporting" in the Annual Report.

(b) The amounts shown are the sum of all revenues for fiscal year 1995-96 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1996.

(c) The statutory basis of accounting requires that certain transfers between General Fund appropriations be recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.

(d) The amounts shown do not reflect receipt of $250 million principal amount in fiscal year 1995–96 and $150 million principal amount in fiscal year 1996–97 from the sale of operating notes.

Source: Wisconsin Department of Administration.

Table II-10; General Fund Expenditures by Function (Page Part II-29). Replace the table with the following:

GENERAL FUND EXPENDITURES BY FUNCTION[a]
July 1, 1996 to May 31, 1997 compared with previous year
(Unaudited)

	Actual Expenditures 1995–96 FY[b]	Appropriations 1996–97 FY	Actual Expenditures July 1, 1995 to May 31, 1996	Actual Expenditures July 1, 1996 to May 31, 1997
Commerce..................................	$ 164,514,710	$ 191,645,400	$ 147,324,558	$ 166,502,577
Education...................................	5,837,139,605	6,600,333,700	4,525,721,313	5,049,493,401
Environmental Resources..........	242,360,896	239,038,900	231,328,025	221,553,545
Human Relations & Resources..	5,255,874,239	5,355,935,200	4,742,040,220	4,848,486,448
General Executive......................	412,906,488	486,673,600	380,108,088	454,210,181
Judicial.......................................	82,154,128	87,080,300	74,436,296	79,099,088
Legislative..................................	50,047,274	50,119,600	42,647,948	45,194,684
General Appropriations..............	1,603,605,241	1,641,130,200	1,570,737,476	1,556,334,969
TOTAL..........	$ 13,648,602,581	$ 14,651,956,900	$ 11,714,343,924	$ 12,420,874,893

(a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "STATE GOVERNMENT ORGANIZATION AND FINANCIAL PROCEDURES; Accounting and Financial Reporting" in the Annual Report.

(b) The amounts shown are the sum of all expenditures for fiscal year 1995-96 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1996.

Source: Wisconsin Department of Administration.

Table II-21; State Investment Fund (Page Part II-44). Replace the table with the following:

STATE INVESTMENT FUND
AS OF FEBRUARY 28, 1997 (UNAUDITED)
Market Versus Amortized Cost Valuation Report

	Estimated Book Value	Estimated Market Value	Percentage of Portfolio at Market
Commercial Paper	$1,431,907,951	$1,431,791,525	20.80%
Certificates of Deposit	27,700,000	27,700,000	0.40
Yankees	50,000,000	50,000,000	0.73
Time Deposits	2,056,222	2,056,222	0.03
Repurchase Agreements	2,899,212,200	2,899,221,500	42.13
Government Agencies	1,574,970,490	1,574,531,504	22.88
Government Agencies	198,689,475	198,841,019	2.89
Government Bonds	193,370,293	198,159,500	2.88
Federal National Mortgage Assoc.	2,100,904	2,073,655	0.03
Collateralized Mortgage Obligations	54,325,767	53,593,687	0.78
Mortgage Pass-Through Certificates	183,512,717	184,034,956	2.67
Credit Card Receivables	175,631,546	177,485,138	2.58
Miscellaneous Asset Backed	105,870,931	99,549,393	1.45
Other Financial Corporate Bonds	18,706,230	18,706,013	0.27
Private Placements	2,303,839	2,307,478	0.03
Swaps	0	(71,292,313)	(1.04)
Adjustment Due To Discount Notes	22,437,157	22,437,157	0.33
Accrued Income	6,065,434	6,065,434	0.09
	$6,952,976,217	$6,882,267,460	100.00%

Average Maturity for the Last Six Months

Reporting Date	Average Maturity (Days)	Reporting Date	Average Maturity (Days)
2/28/1997	16	11/30/1996	45
1/31/1997	30	10/31/1996	44
12/31/1996	47	9/30/1996	45

Summary of Investment Fund Participants

	Par Amount (Amounts in Thousands)	Percent of Portfolio
Mandatory Participants		
State of Wisconsin:		
General Fund	$ 1,135,865	17.1%
Transportation Fund	161,505	2.4
Natural Resources Fund	29,251	0.4
Bond Security and Redemption Fund	2,982	0.1
Lottery Fund	112,925	1.7
Patients Compensation	9,982	0.2
Veterans Mortgage Loan Repayment	108,407	1.6
Capital Improvement Fund	37,327	0.6
Others	378,206	5.7
State of Wisconsin Retirement System:		
Fixed Retirement Investment Trust	425,763	6.4
Variable Retirement Investment Trust	22,530	0.3
Combined Stock Fund	1,168,655	17.6
Elective Participants		
Local Government Investment Pool	3,036,322	45.8
	$ 6,629,720	100.0%

Source: State of Wisconsin Investment Board

Table III-5; Annual Debt Limit Compared To Actual Borrowing (Page Part III-14). Replace the table with the following:

ANNUAL DEBT LIMIT COMPARED
TO ACTUAL BORROWING
1987 TO 1996

Calendar Year	Annual Debt Limitation	Actual Borrowing	Borrowing as Percentage of Limitation
1987	$ 914,127,417	$ 46,480,000	5.1%
1988	949,406,681	247,155,000	26.0
1989	999,046,384	218,535,000	21.9
1990	1,060,277,304	484,099,000	45.7
1991	1,131,958,171	359,716,000	31.8
1992	1,196,902,524	427,655,000	35.7
1993	1,287,578,726	129,325,000	10.0
1994	1,387,461,496	289,810,000	20.9
1995	1,511,535,818	368,322,196	24.4
1996	1,627,078,182	353,295,000	21.7

Source: Wisconsin Department of Administration.

[CHANGES MADE AFTER PUBLICATION 7/14]APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

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

(Letterhead of Foley & Lardner)

STATE OF WISCONSIN
GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 1997, SERIES A AND SERIES B

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of its General Obligation Commercial Paper Notes of 1997, Series A to an amount not to exceed $99,270,000 and its General Obligation Commercial Paper Notes of 1997, Series B to an amount not to exceed $82,670,000 (collectively, the "Notes"). The Notes are authorized to be issued and sold from time to time pursuant to the provisions of Chapter 18, Wisconsin Statutes (the "Act") and a resolution adopted by the State of Wisconsin Building Commission (the "Commission") on March 20, 1997 (the "Program Resolution"), as supplemented by resolutions adopted by the Commission on March 20 and June 25, 1997 (each a "Supplemental Resolution").

We investigated the law and examined such certified proceedings and other papers as we deemed necessary to render this opinion. We also reviewed the Credit Agreement. dated April 3, 1997 among the State, The Bank of Nova Scotia, acting through its New York Agency, and Commerzbank AG, acting through its New York Branch (the "Liquidity Facility Agreement") and the promissory notes dated even herewith issued pursuant to the Liquidity Facility Agreement (the "Promissory Notes"), the Issuing and Paying Agency Agreement, dated April 3, 1997, between the State and Bankers Trust Company (the "Issuing and Paying Agency Agreement"), and the Dealer Agreements, dated April 3, 1997, between the State and Goldman, Sachs & Co., Merrill Lynch & Co., Lehman Brothers and Bear, Stearns & Co. Inc. respectively (collectively, the "Dealer Agreement"). As to questions of fact material to our opinion, we relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Offering Memorandum, dated July 8, 1997, or other offering material relating to the Notes (except to the extent, if any, stated in the Offering Memorandum), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Offering Memorandum). However, in connection with the rendering of our opinion as to the validity of the Notes, nothing has come to our attention that would lead us to believe that the Offering Memorandum (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Notes, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Program Resolution has been duly adopted by the Commission.
2. Each Supplemental Resolution is authorized or permitted by the Program Resolution and the Act, complies with their respective terms, has been duly adopted by the Commission and is valid and binding upon the State in accordance with its terms.
3. The Notes have been duly and validly authorized and, when duly executed in the form and manner provided in the Program Resolution and each Supplemental Resolution, duly authenticated by the Issuing and Paying Agent and delivered and paid for, will constitute valid and binding general obligations of the State.
4. The Promissory Notes have been duly and validly authorized, executed and delivered, and to the extent an advance is made pursuant to the Liquidity Facility Agreement, will constitute valid and binding obligations of the State. 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 Promissory Notes as the same 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
5. 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 Notes as the same 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.
6. The interest on the Notes is excluded from gross income for federal income tax purposes, and the interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; it should be noted, however, that with respect to certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the state comply with all requirements of the Internal Revenue Code of 1986, as amended, and other federal tax legislation that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The State has covenanted to comply with each such requirement to the extent it may lawfully do so. Failure to comply with certain such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. We express no opinion regarding other federal tax consequences arising with respect to the Notes.
7. The offering and sale of the Notes are not subject to registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and the Program Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended. We have not passed upon matters pertaining to compliance with the Blue Sky laws of any state in connection with the offering and sale of the Notes.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Unless otherwise notified by us, you may continue to rely on this opinion to the extent that (i) there is no change in pertinent existing state or federal law, (ii) the Program Resolution and each Supplemental Resolution, in the form in effect on the date hereof, remain in full force and effect, (iii) the representations, warranties and covenants of the parties contained in the Liquidity Facility Agreement, the Issuing and Paying Agent Agreement and the Dealer Agreement and certain certificates dated the date hereof and delivered by authorized officers of the State remain true and accurate and are complied with in all material respects, and (iv) no litigation affecting the issuance or validity of the Notes is pending or threatened at the time of delivery of any such instruments.

Very truly yours,

FOLEY & LARDNER