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

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

OFFICIAL STATEMENT

New Issue

This Official Statement has been prepared by the State of Wisconsin to provide information on the Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms have the meanings given in the Official Statement.

$64,570,000
STATE OF WISCONSIN

$30,565,000 GENERAL OBLIGATION BONDS OF 1998, SERIES B Subject to Alternative Minimum Tax (AMT)

$34,005,000 GENERAL OBLIGATION BONDS OF 1998, SERIES C (TAXABLE)

Dated: May 15, 1998 **Due: May 1, as shown on the inside front cover**

Bond Ratings	AA+ Fitch IBCA, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Group
Tax Exemption	Interest on the Series B Bonds is excluded from federal income tax but is an item of tax preference and is subject to State of Wisconsin income and franchise tax. Interest on the Series C Bonds (Taxable) is subject to federal and State of Wisconsin income and franchise tax–*See pages 16-21*.
Redemption	Bonds of both series maturing on or after May 1, 2009 are callable at par on or after May 1, 2008–*See page 6*. Series B Bonds maturing May 1, 2010, 2018, 2023 and 2028 and Series C Bonds (Taxable) maturing May 1, 2028 are subject to mandatory sinking fund redemption at par–*See pages 4-6*. Bonds of both series are subject to special redemption at par–*See pages 6-10*.
Security	General obligations of the State of Wisconsin.
Purpose	Proceeds from both series of Bonds are being used for veterans housing loans, and a portion of proceeds from the Series C Bonds (Taxable) will be used for veterans home improvement loans–*See page 10*.
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 1998
Denominations	$5,000
Closing/Settlement	June 10, 1998, New York, New York
Bond Counsel	Foley & Lardner
Registrar/Paying Agent	State Treasurer
Issuer Contact	Capital Finance Director Wisconsin Department of Administration (608) 266-2305; capfin@mail.state.wi.us
Book-Entry-Only Form	The Depository Trust Company

The Bonds were sold at competitive sale on May 19, 1998. The interest rates payable by the State, which are shown on the inside front cover, resulted from bids received at this competitive sale.

May 19, 1998

CUSIP NUMBERS, MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND CALL INFORMATION

$64,570,000
STATE OF WISCONSIN

$30,565,000 GENERAL OBLIGATION BONDS OF 1998, SERIES B
Subject to Alternative Minimum Tax (AMT)

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price
977056 NW6	2007	$ 955,000	4.75%	Not Callable	-
977056 NX4	2008	1,910,000	4.80	Not Callable	-
977056 NZ9	2010 [a]	4,775,000	5.00	5/1/2008	100%
977056 PA2	2018 [a]	2,865,000	5.30	5/1/2008	100
977056 PF1	2023 [a]	8,670,000	5.30	5/1/2008	100
977056 PL8	2028 [a]	11,390,000	5.35	5/1/2008	100

Purchase Price: $29,999,205.45

$34,005,000 GENERAL OBLIGATION BONDS OF 1998, SERIES C
(TAXABLE)

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price
977056 PM6	1999	$ 495,000	5.80%	Not Callable	-
977056 PN4	2000	495,000	5.85	Not Callable	-
977056 PP9	2001	525,000	5.90	Not Callable	
977056 PQ7	2002	550,000	6.05	Not Callable	-
977056 PR5	2003	595,000	6.05	Not Callable	-
977056 PS3	2004	625,000	6.10	Not Callable	-
977056 PT1	2005	675,000	6.15	Not Callable	-
977056 PU8	2006	710,000	6.20	Not Callable	-
977056 PV6	2007	760,000	6.25	Not Callable	-
977056 PW4	2008	815,000	6.30	Not Callable	-
977056 QS2	2028 [a]	27,760,000	6.95	5/1/2008	100%

Purchase Price: $33,842,360.50

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

No dealer, broker, sales representative or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State of Wisconsin or other matters contained herein since the date hereof.

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STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE BONDS

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 Carol Roessler	January 8, 2001
Senator Brian D. Rude	January 8, 2001
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
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(608) 266-2305
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(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 Official Statement, additional information about the State of Wisconsin can be found on the world wide web at:

badger.state.wi.us

SUMMARY DESCRIPTION OF THE BONDS

Information set forth on this page is qualified by the entire Official Statement. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Description:	State of Wisconsin General Obligation Bonds of 1998, Series B and General Obligation Bonds of 1998, Series C (Taxable)
Principal Amount:	$30,565,000 Series B Bonds and $34,005,000 Series C Bonds (Taxable)
Denominations:	$5,000 and integral multiples
Date of Issue:	May 15, 1998
Record Date:	April 15 or October 15
Interest Payment:	May 1 and November 1, commencing November 1, 1998
Maturities:	Series B Bonds mature May 1, 2007, 2008, 2010, 2018, 2023 and 2028 and Series C Bonds (Taxable) mature May 1, 1999-2008 and 2028 —*See inside front cover*
Redemption:	*Mandatory Sinking Fund*—Series B Bonds maturing May 1, 2010, 2018, 2023 and 2028 and Series C Bonds (Taxable) maturing May 1, 2028 are subject to mandatory sinking fund redemption at par—*See pages 4-6*
	Optional—Bonds of each series maturing on or after May 1, 2009 are subject to optional redemption at par beginning May 1, 2008—*See page 6*
	Special—Bonds of each series are subject to special redemption at par—*See pages 6-10*
Form:	Book-entry-only—*See pages 2-4*
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the State Treasurer. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Bonds are general obligations.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18, 20 and 45 of the Wisconsin Statutes.
Purpose:	Proceeds of each series of Bonds will be used for veterans housing loans, and a portion of proceeds from the Series C Bonds (Taxable) will be used for veterans home improvement loans.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Legality of Investment:	The Bonds are legal investments for all banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies and other persons or entities carrying on a banking business in Wisconsin; for all executors, administrators, guardians, trustees and other fiduciaries in Wisconsin; for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.
Tax Exemption:	*Federal income tax*—Interest on the Series B Bonds is not included in gross income and is an item of tax preference. Interest on the Series C Bonds (Taxable) is included in gross income for federal income tax and franchise purposes.
	Wisconsin state income and franchise taxes—Not exempt—*See pages 16-21*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner—*See page B-1*

OFFICIAL STATEMENT

$64,570,000

STATE OF WISCONSIN

$30,565,000 GENERAL OBLIGATION BONDS OF 1998, SERIES B

Subject to Alternative Minimum Tax (AMT)

$34,005,000 GENERAL OBLIGATION BONDS OF 1998, SERIES C (TAXABLE)

The issuer of the Bonds described herein is the State of Wisconsin (the "State"). The State is located in the Midwest among the northernmost tier of states. The State ranks 18th among the states in population and 26th in land area. Wisconsin attained statehood in 1848, its capital is Madison and its largest city is Milwaukee.

The State of Wisconsin Building Commission (the "Commission"), an agency of the State, is empowered by law to consider, act upon, authorize, issue and sell all debt obligations of the State. This agency is assisted and staffed by the State of Wisconsin Department of Administration.

Information concerning the State, the Commission and general obligation debt of the State is included as APPENDIX A, which includes by reference Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 26, 1997 (the "Annual Report").

This Official Statement, including the cover page and appendices hereto, is provided for the purpose of setting forth information concerning the sale by the Commission of the $30,565,000 General Obligation Bonds of 1998, Series B (the "Series B Bonds") and the $34,005,000 General Obligation Bonds of 1998, Series C (the "Series C Bonds (Taxable)") (collectively, the Series B Bonds and the Series C Bonds (Taxable) are referred to as the "Bonds"). The Bonds are authorized pursuant to the provisions of Article VIII, Section 7 of the Wisconsin Constitution and Chapters 18, 20 and 45 of the Wisconsin Statutes (collectively, the "Act") and pursuant to authorizing resolutions adopted by the Commission on April 16, 1998 (collectively, the "Resolution").

The Bonds are direct and general obligations of the State. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of and interest on the Bonds. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for the payment of the principal of and interest on the Bonds as the same mature and become due. The Bonds are on a parity with all other outstanding general obligation debt issued by the State with regard to priority of payment.

In connection with the issuance and sale of the Bonds, the Commission has authorized the State of Wisconsin Department of Administration to prepare this Official Statement, including the cover page and appendices, describing the Bonds and presenting other relevant information for consideration by prospective purchasers. This Official Statement contains information, which has been furnished by the State or obtained by the State from the sources indicated. The quotations, summaries and explanations of laws, resolutions, judicial decisions and administrative regulations in this Official Statement do not purport to be complete and are qualified by reference to the complete text of such documents.

Plan of Finance

The Bonds of each series are being issued in accordance with the Act for the purpose of funding veterans housing loans, and a portion of the Series C Bonds (Taxable) are being used for the purpose of funding veterans home improvement loans. The State has previously issued its general obligations for funding loans to veterans who are "qualified veterans" under federal tax law for the purpose of acquiring residences (the "Tax-Exempt Veterans Mortgage Bonds"). The Series B Bonds are also Tax-Exempt Veterans Mortgage Bonds.

The State previously issued one series of bonds for funding loans to veterans who are not "qualified veterans" under federal tax law and for funding loans to veterans for the purpose of home improvements (the "Taxable Veterans Mortgage Bonds"). The Series C Bonds (Taxable) are also Taxable Veterans Mortgage Bonds. The State anticipates that approximately $31 million of the Series C Bonds (Taxable) will be used to fund housing loans to both "qualified veterans" and veterans who are not "qualified veterans". These housing loans will have a term not exceeding 30 years. The State further anticipates that approximately $3 million of the Series C Bonds (Taxable) will be used to fund loans to veterans under the Home Improvement Loan Program ("HILP"). These HILP loans will have a term not exceeding 15 years. See "OTHER INFORMATION; Veterans Housing Loan Program; *Program Description and Operations*". APPENDIX C shows the principal structure of the Series C Bonds (Taxable) and the intended amortization of the 15-year HILP loans and 30-year housing loans.

The State intends to have the same mortgage rate for housing loans funded with proceeds of either the Series B Bonds or the Series C Bonds (Taxable). To accomplish this, the State will (i) provide a subsidy, from excess proceeds of eligible mortgage pools, to housing loans funded with proceeds of the Series C Bonds (Taxable) and (ii) allocate portions of housing loans to "qualified veterans" to both the Series B Bonds and the Series C Bonds (Taxable); the aggregate housing loan to the "qualified veteran" will bear interest at a blended rate resulting from this allocation. The mortgage rate for HILP loans will be sufficient to pay debt service on the Series C Bonds (Taxable) allocable to the HILP loans.

THE BONDS

General

The Bonds will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The Bonds will be dated May 15, 1998 and will bear interest from such date payable on November 1, 1998 and semiannually thereafter on May 1 and November 1 of each year.

Interest on the Bonds will be computed on the basis of a 30-day month and a 360-day year. Principal of and interest on each Bonds will be payable to the registered owner thereof, which initially will be a nominee of The Depository Trust Company, New York, New York ("DTC").

The Bonds are issuable as fully registered bonds without coupons in denominations of $5,000 principal amount or any integral multiple thereof.

The Bonds may be redeemed at par prior to their stated date of maturity. See "THE BONDS; Redemption Provisions".

Book-Entry-Only Form

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond will be issued for each maturity of each series of Bonds as set forth on the inside front cover, each in the principal amount of such maturity, and deposited with 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, as amended. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct 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 the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 interests in the Bonds 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC by the State Treasurer. DTC's practice is to credit Direct Participants' accounts on the 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 the 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 the State or DTC, 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, 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 Bonds at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, bond 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, bond 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 that DTC, Direct Participants and Indirect Participants will promptly transfer payments or notices received with respect to the Bonds. 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 Bonds.

Similarly, no assurance can be given by the State 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.

Redemption Provisions

Mandatory Sinking Fund Redemption

The Series B Bonds due on May 1, 2010 (the "Series B 2010 Term Bonds") are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the Series B 2010 Term Bonds specified below:

Redemption Date (May 1)	Principal Amount
2009	$ 2,385,000
2010 [(a)]	2,390,000

[(a)] Stated maturity

The Series B Bonds due on May 1, 2018 (the "Series B 2018 Term Bonds") are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the Series B 2018 Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**
2017	$ 1,380,000
2018 [a]	1,485,000

[a] Stated maturity

The Series B Bonds due on May 1, 2023 (the "Series B 2023 Term Bonds") are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the Series B 2023 Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**
2019	$ 1,545,000
2020	1,635,000
2021	1,740,000
2022	1,830,000
2023 [a]	1,920,000

[a] Stated maturity

The Series B Bonds due on May 1, 2028 (the "Series B 2028 Term Bonds") are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the Series B 2028 Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**
2024	$ 2,040,000
2025	2,145,000
2026	2,265,000
2027	2,400,000
2028 [a]	2,540,000

[a] Stated maturity

The Series C Bonds (Taxable) due on May 1, 2028 (the "Series C 2028 Term Bonds") are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the Series C 2028 Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**
2009	$ 870,000
2010	930,000
2011	985,000
2012	1,065,000
2013	1,125,000
2014	890,000
2015	955,000
2016	1,025,000
2017	1,105,000
2018	1,175,000
2019	1,265,000
2020	1,355,000
2021	1,450,000
2022	1,560,000
2023	1,665,000
2024	1,790,000
2025	1,920,000
2026	2,055,000
2027	2,205,000
2028 [a]	2,370,000

[a] Stated maturity

Upon any redemption of the Series B 2010 Term Bonds, Series B 2018 Term Bonds, Series B 2023 Term Bonds, Series B 2028 Term Bonds or the Series C 2028 Term Bonds (other than redemption due to mandatory sinking fund redemption), or purchase in lieu thereof, the principal amount of such Term Bonds so redeemed or purchased shall be credited against the sinking fund installments established for such Term Bonds so redeemed or purchased in such manner as the Commission shall direct.

Optional Redemption

The Bonds of each series maturing on or after May 1, 2009 are subject to optional redemption prior to their stated date of maturity, at the option of the Commission, on May 1, 2008 or on any date thereafter, in whole or in part in integral multiples of $5,000, at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. In the event of partial redemption, the Commission shall direct the maturity or maturities of the Bonds and the amounts thereof so to be redeemed.

Special Redemption–Series B Bonds

The Series B Bonds are subject to special redemption prior to maturity, at the option of the Commission, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from (i) unexpended proceeds of the Series B Bonds, (ii) payments on veterans housing loans, or interest or income on investments in certain accounts, including money available from the Insurance Reserve Account, in excess of amounts required to meet scheduled debt service on Tax-Exempt Veterans Mortgage Bonds, and costs associated with the veterans housing loan program, and (iii) prepayments of veterans housing loans funded from or attributed to any series of Tax-Exempt Veterans Mortgage Bonds. In the event of a partial redemption, the Commission shall direct the maturities of the Tax-Exempt Veterans Mortgage Bonds and the amounts thereof so to be redeemed.

Prepayments of mortgages originated with or attributed to any series of Taxable Veterans Mortgage Bonds shall not be used for special redemption of Tax-Exempt Veterans Mortgage Bonds, and prepayments of mortgages originated with or attributed to any series of Tax-Exempt Veterans Mortgage Bonds shall not be used for special redemption of Taxable Veterans Mortgage Bonds.

The State had outstanding, as of December 15, 1997, approximately $610 million of Tax-Exempt Veterans Mortgage Bonds. Of this amount, approximately $583 million were subject to special redemption from certain loan prepayments or excess revenues, as provided for in the resolution authorizing the particular series of Tax-Exempt Veterans Mortgage Bonds. Table 1 presents information about the outstanding Tax-Exempt Veterans Mortgage Bonds that are subject to special redemption. The State has historically received, and expects to continue to receive, prepayments of veterans housing loans funded with Tax-Exempt Veterans Mortgage Bonds. The State may use, and has from time to time used, veterans housing loan prepayments to make new veterans housing loans. If the State determines that it is not feasible to make new veterans housing loans, the State intends to use these prepayments to purchase or redeem Tax-Exempt Veterans Mortgage Bonds as determined by the Commission.

Table 1
Summary of Outstanding Tax-Exempt Veterans Mortgage Bonds
Subject to Special Redemption
December 15, 1997

Series	Dated Date	Original Principal Amount Subject to Special Redemption	Outstanding Principal Amount Subject to Special Redemption	Range of Interest Rates on Outstanding Bonds
1986 Series A	05/15/86	$ 38,185,000	$ 12,690,000	7.25–7.50%
1988 Series A	07/01/88	14,425,000	1,565,000	7.10–7.60
1989 Series A	01/01/89	19,375,000	2,650,000	7.35–7.70
1989 Series D	08/01/89	19,475,000	14,850,000	6.80–7.20
1990 Series B	03/01/90	19,600,000	2,500,000	6.80–7.30
1990 Series F	10/01/90	19,675,000	2,675,000	6.85–7.35
1991 Series A	04/01/91	29,575,000	22,525,000*	6.30–7.50
1992 Series B	06/01/92	29,850,000	8,845,000	5.60–6.60
1993 Series 6	10/15/93	20,000,000	18,570,000	4.00–5.30
1993 Series 5	12/01/93	135,255,000	134,610,000	4.00–5.40
1994 Series 2	03/01/94	58,525,000	58,525,000	4.85–6.20
1994 Series 3	09/15/94	10,400,000	8,000,000	4.75–5.80
1994 Series C	09/15/94	45,000,000	43,155,000	5.50–6.65
1995 Series 1	02/15/95	15,735,000	15,735,000	5.25–6.10
1995 Series B	02/15/95	29,265,000	29,265,000	6.40–6.50
1995 Series 2	10/15/95	42,850,000	41,750,000	4.15–5.75
1996 Series B	05/15/96	45,000,000	45,000,000	4.40–6.20
1996 Series D	10/15/96	30,000,000	30,000,000	5.25–6.00
1997 Series A	03/15/97	21,360,000	21,360,000	6.00–6.00
1997 Series 1	03/15/97	23,640,000	23,640,000	5.20–5.75
1997 Series C	09/15/97	45,000,000	45,000,000	4.25-5.50
		$ 712,190,000	$ 582,910,000	

* The Commission intends to make a special redemption on this series of Tax-Exempt Veterans Mortgage Bonds on July 1, 1998 in the amount of $12,000,000.

Prior to 1996, it was generally the State's policy, subject to federal tax requirements and the redemption provisions of each particular series of Tax-Exempt Veterans Mortgage Bonds, to redeem Tax-Exempt Veterans Mortgage Bonds in order of the highest interest rate maturities. The State has modified this policy and intends generally to call maturities of Tax-Exempt Veterans Mortgage Bonds based on the highest proxy price at the time the call decision is evaluated. In establishing this proxy price, the State intends (i) to determine a hypothetical yield to maturity for each maturity of Tax-Exempt Veterans Mortgage Bonds being evaluated, using published market indices, (ii) to adjust these indices to reflect the historical price relationship of the indices to comparable Tax-Exempt Veterans Mortgage Bonds and any maturity difference between the indices and the maturity of Tax-Exempt Veterans Mortgage Bonds being evaluated, and (iii) to convert each hypothetical yield to the proxy price. Each such special redemption shall be made at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the redemption date.

The Commission most recently exercised its option of special redemption on Tax-Exempt Veterans Mortgage Bonds, from prepayments of veterans housing loans funded by Tax-Exempt Veterans Mortgage Bonds, on May 1, 1997. At that time, the Commission made the special redemption summarized in Table 2.

Table 2
May 1, 1997 Special Redemption
Tax-Exempt Veterans Mortgage Bonds

Bond Issue	Maturity Date	Coupon	Redemption Amount
1986 Series A	January 1, 2015	7.50%	$9,865,000
1990 Series B	January 1, 2020	7.60	4,265,000
1992 Series B	January 1, 2012	6.00	125,000

The Commission intends, on July 1, 1998, to exercise its option of special redemption on Tax-Exempt Veterans Mortgage Bonds and redeem $12,000,000 principal amount of the 7.50% General Obligation Bonds of 1991, Series A, due January 1, 2021, by using prepayments of veterans housing loans funded by Tax-Exempt Veterans Mortgage Bonds.

Special Redemption–Series C Bonds (Taxable)

The Series C Bonds (Taxable) are subject to special redemption prior to maturity, at the option of the Commission, on May 1, 2000 and any date thereafter, in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the Series C Bonds (Taxable) . In the event of a partial redemption, the Commission shall direct the maturities of the Series C Bonds (Taxable) and the amounts thereof so to be redeemed; however, the Commission intends to apply amounts from this source to make a strip call of the Series C Bonds (Taxable) (that is, pro rata redemption on all applicable outstanding maturities, subject to rounding) to reflect approximately the intended use of the unexpended proceeds for either 15-year loans for HILP or 30-year loans for housing loans.

In addition, the Series C Bonds (Taxable) are subject to special redemption prior to maturity, at the option of the Commission, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from (i) prepayments of veterans housing loans, or interest or income on investments in certain accounts, funded from or attributed to the Series C Bonds (Taxable) and (ii) payments from the Insurance Reserve Account. In the event of a partial redemption, the Commission shall direct the maturities of the Series C Bonds (Taxable) and the amounts thereof so to be redeemed; however, in the event the State receives amounts from the foregoing sources, the Commission intends to apply these amounts to make a strip call of the Series C Bonds (Taxable) (that is, pro rata redemption on all applicable outstanding maturities, subject to rounding) to reflect approximately the prepayment or payment for either the 15-year loans for HILP or 30-year loans for housing loans.

Prepayments of mortgages originated with or attributed to any other series of Taxable Veterans Mortgage Bonds shall not be used for special redemption of the Series C Bonds (Taxable) and prepayments of mortgages originated with or attributed to the Series C Bonds (Taxable) shall not be used for special redemption of any other series of Taxable Veterans Mortgage Bonds. Prepayments of mortgages originated with or attributed to any series of Tax-Exempt Veterans Mortgage Bonds shall not be used for special redemption of Taxable Veterans Mortgage Bonds, and prepayments of mortgages originated with or attributed to any series of Taxable Veterans Mortgage Bonds shall not be used for special redemption of Tax-Exempt Veterans Mortgage Bonds.

The expected average life of the Series C Bonds (Taxable), based on various assumptions, is summarized in Table 3. Table 3 has been prepared by cfX Incorporated. In creating Table 3, cfX Incorporated used the following assumptions: (i) average origination date of October 1, 1998, (ii) level amortization of the 30-year housing loans based on a 6.65% mortgage loan rate and level amortization of the 15-year HILP loans based on a 7.50% mortgage loan rate, (iii) principal amount due on the Series C Bonds (Taxable) on a particular date is payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond as determined by the successful bidder, (iv) principal repayments from 15-year HILP loans used to redeem the Series C Bonds (Taxable) attributed to 15-year HILP loans and principal repayments from 30-year housing loans used to redeem the Series C Bonds (Taxable) attributed to 30-year housing loans, (v) special redemption available solely from prepayments of veterans housing and HILP loans funded by or attributed to the Series C Bonds (Taxable), (vi) early special redemptions done on a semi-annual periodicity, and (vii) 0% Federal Housing Authority ("FHA") and 0% Public Securities Association ("PSA" and currently called The Bond Market Association) prepayment speed assumes that no prepayments will occur.

Information contained in Table 3 is based on data and assumptions obtained by cfX Incorporated from various sources, including the State. cfX Incorporated has made no verification, independent investigation, or review of the truth or accuracy of such data and assumptions. Table 3 is also based on assumptions as to quantitative and other factors, including assumptions with respect to incomplete information, which are inherently subject to significant economic and other uncertainties and contingencies. Different assumptions could have a material effect upon the results contained in Table 3. cfX Incorporated makes no representation, express or implied, as to the accuracy, timeliness or completeness of the aforementioned data or the accuracy or reasonableness of any of the aforementioned assumptions.

No assurance can be given that prepayments of principal on the mortgages underlying the Series C Bonds (Taxable) will conform to any prepayment projections or schedule, including Table 3, or that prepayments will be available to be applied to redemptions of the Series C Bonds (Taxable). Please also be advised that the State has not undertaken to provide ongoing information to bondholders with respect to the aforementioned assumptions or the extent that actual results have been consistent with such assumptions.

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. Information in Table 3 for the FHA prepayment speed was prepared using the June 30, 1991 table entitled "Survivor and Decrement Tables for HUD/FHA Home Mortgage Insurance Program". The PSA prepayment model represents an assumed monthly rate of repayment of the then outstanding balance of a pool of new mortgage loans. PSA does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction on the anticipated rate of prepayment of any pool of mortgage loans. One hundred percent PSA assumes prepayment rates of 0.2 percent per year of the then unpaid principal balance of mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100 percent PSA assumes a constant prepayment rate of six percent per year. Multiples are calculated from this prepayment rate series; for example, 200 percent PSA assumes prepayment rates will be 0.4 percent per year in the first month, 0.8 percent in the second month, reaching 12 percent per year in the 30th month and remaining constant at 12 percent per year thereafter.

Table 3
Average Life Summary (Years)
Series C Bonds (Taxable)

Prepayment Speed (FHA)

	0%	25%	50%	75%	100%	150%	200%	300%	400%
15-Year Term for HILP Loans	8.99	8.40	7.87	7.33	6.97	6.21	5.58	4.64	4.03
30-Year Term for Housing Loans	20.24	17.31	14.98	13.12	11.60	9.36	7.84	5.96	4.90
Aggregate Series C Bonds (Taxable)	19.25	16.52	14.35	12.61	11.19	9.08	7.64	5.84	4.82

Prepayment Speed (PSA)

	0%	25%	50%	75%	100%	150%	200%	300%	400%
15-Year Term for HILP Loans	8.99	8.51	8.03	7.57	7.17	6.48	5.90	4.99	4.34
30-Year Term for Housing Loans	20.24	17.57	15.42	13.65	12.20	10.01	8.49	6.53	5.39
Aggregate Series C Bonds (Taxable)	19.25	16.77	14.77	13.12	11.76	9.70	8.26	6.39	5.30

Selection of Bonds

If the Bonds are in book-entry-only form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of Beneficial Owners of the Bonds affected thereby shall be made solely by the Direct Participants and the Indirect Participants in accordance with their then prevailing rules. If the Bonds are in certificated form and less than all of a particular maturity are to be redeemed, selection shall be by lot.

Notice of Redemption

So long as the Bonds are in book-entry-only form, a notice of the redemption of any of said Bonds shall be sent to the securities depository not less than 30 days or more than 45 days prior to the date of redemption. A notice of redemption may be revoked by sending notice to the securities depository not less than 15 days prior to the proposed date of redemption.

In the event that the Bonds are outstanding in certificated form, a notice of the redemption of any of said Bonds shall be published at least once not less than 30 and not more than 45 days prior to the date of redemption in a financial newspaper published or circulated in New York, New York and shall be mailed, postage prepaid, not less than 30 and not more than 45 days prior to the date of redemption to the registered owners of any Bonds to be redeemed, but such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds. Interest on any Bond so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for. A notice of redemption may be revoked by publication of a notice not less than 15 days prior to the proposed date of redemption in a financial newspaper published or circulated in New York, New York and mailing such notice, postage prepaid, not less than 15 days prior to the proposed redemption date to the registered owners of any Bonds to have been redeemed, but such mailing shall not be a condition precedent to such revocation and failure to mail such notice shall not affect the validity of such revocation.

Registration and Payment of Bonds

So long as the Bonds are in book-entry-only form, the Bonds are payable as to principal by wire transfer to the securities depository or its nominee upon their presentation and surrender at the principal office of the State Treasurer, which shall be the Registrar and Paying Agent on the Bonds. Payment of each installment of interest shall be made by wire transfer to the securities depository or its nominee shown in the registration books at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date (the "Record Date") on the payment date.

When in certificated form the Bonds shall be payable as to principal by check or draft issued upon their presentation and surrender at the principal office of the Paying Agent. In such case, payment of each installment of interest shall be payable by check or draft mailed to the registered owner shown in the registration books on the Record Date.

Sources and Uses of Funds

The Bonds of each series are authorized for the purpose of funding veterans housing loans, and a portion of the Series C Bonds (Taxable) proceeds will be used for veterans home improvement loans. Bond proceeds are to be deposited into the Capital Improvement Fund of the State Treasury for expenditure pursuant to rules and procedures adopted by the Wisconsin Department of Veterans Affairs ("DVA") and approved by the Commission. Until such time as these expenditures are made, the Bond proceeds will be invested by the State of Wisconsin Investment Board.

Ratings

The Bonds have been rated AA+ by Fitch IBCA, Inc., Aa2 by Moody's Investors Service, Inc. and AA by Standard and Poor's Ratings Group. 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 Bonds 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 Bonds.

OTHER INFORMATION

Veterans Housing Loan Program

The veterans housing loan program, operated by DVA, is the largest revenue-supported program of the State. Lending activities under the program began in 1974. Except for four revenue bond issues (which are not backed by the full faith and credit or taxing power of the State), the program has been funded by Tax-Exempt Veterans Mortgage Bonds and Taxable Veterans Mortgage Bonds, which are collectively referred to as "Veterans Mortgage Bonds".

Program Description and Operations

Veterans who wish to purchase, build, or purchase and rehabilitate homes that satisfy certain cost or value limitations in relation to the veteran's income may apply for a veterans housing loan. The housing loan may be for the purchase of an existing home, for a construction loan, for refinancing the balance due on a construction period loan, bridge loan or other financing with a term of 24 months or less, or for a combined purchase and rehabilitation loan of up to 95% of the home's value for a term not exceeding 30 years. A loan application is reviewed first by a local lending institution and then by DVA. If the application is approved, the local lending institution originates the loan as agent for DVA and acts as loan servicer thereafter. There are numerous other standards required to be satisfied as part of underwriting, including a shelter-cost ratio of generally less than 25% of income. This ratio may go up to as much as 33% under certain favorable credit circumstances or must be reduced if certain credit risks are present. The originator of the housing loan may charge the borrower an origination fee of one point (approximately two points in the case of construction loans and three points on the rehabilitation portion of purchase-rehabilitation loans).

In addition to housing loans, which are secured by a first, or primary mortgage, DVA also makes loans under the HILP, which will be funded with proceeds of Taxable Veterans Mortgage Bonds. This program has a maximum loan amount of $15,000 and is processed through County Veterans Service Officers rather than lending institutions. HILP loans have a maximum term of 15 years. HILP loans in excess of $3,000 are secured by either a first or second mortgage on the improved property and a minimum equity position after considering the HILP loan of 10%. HILP loans under $3,000 may be secured by a guarantor or first or second mortgage. HILP loans require the same basic underwriting standards as the housing loan program, but do not include loan-servicing charges.

Mortgage Interest Rates-Housing Loan Program

It has been the policy of DVA to set the interest rate charged to the borrower at a rate calculated to be sufficient to pay the debt service on the Tax-Exempt Veterans Mortgage Bonds, the cost of program administration and, if deemed necessary, a loan loss reserve (which since 1985 has been charged to fund the Insurance Reserve Account described below). The State previously provided a subsidy from excess proceeds of eligible mortgage pools so that mortgage rates for housing loans funded by the first series of Taxable Veterans Mortgage Bonds, issued in October 1997, were the same as mortgage rates for housing loans funded by a series of Tax-Exempt Veterans Mortgage Bonds issued at that same time. With regard to housing loans funded with proceeds of the Bonds, the State intends to have the same mortgage rate for housing loans funded with proceeds of either the Series B Bonds or the Series C Bonds (Taxable). To accomplish this, the State will (i) provide a subsidy, from excess proceeds of eligible mortgage pools, to housing loans funded with proceeds of the Series C Bonds (Taxable), and (ii) allocate portions of housing loans to “qualified veterans” to both the Series B Bonds and the Series C Bonds (Taxable); the aggregate housing loan to the “qualified veteran” will bear interest at a blended rate resulting from this allocation. The State has not determined if any subsidy or similar arrangement will be available for housing loans funded with future issues of Taxable Veterans Mortgage Bonds.

Mortgage Interest Rates-HILP

The State provided a subsidy from excess proceeds of eligible mortgage pools so that mortgage rates for HILP loans funded by the first series of Taxable Veterans Mortgage Bonds, issued in October 1997, are the same as mortgage rates for housing loans funded by a series of Tax-Exempt Veterans Mortgage Bonds issued at that same time. The State will not provide such a subsidy for the HILP loans funded with the Series C Bonds (Taxable). The interest rate on the HILP loans funded with the Series C Bonds (Taxable) will be sufficient to pay debt service on the Series C Bonds (Taxable) allocable to the HILP loans, the cost of program administration and, if deemed necessary, a loan loss reserve (which since 1985 has been charged to fund the Insurance Reserve Account described below).

Other

Tax-Exempt Veterans Mortgage Bonds issued prior to 1985 assumed a certain level of prepayments in estimating program cash flow. No prepayments have been assumed in scheduling principal payments for Veterans Mortgage Bonds issued since 1985. Based on September 30, 1997 balances and existing DVA assumptions, the cash flow of the mortgages is sufficient to meet future debt service payments even if no mortgages are prepaid. Program loans are assumable only by other qualifying veteran borrowers.

After deducting a servicing charge (.375% per annum), the participating lender deposits the veteran’s monthly loan repayments and any prepayments into the Veterans Mortgage Loan Repayment Fund (the “Fund”), a segregated statutory fund. An irrevocable appropriation is provided by law as a first charge on assets of the Fund in a sum sufficient to provide for the repayment of principal of, premium, if any, and interest on State general obligation debt issued to fund the program.

Program loans financed with Veterans Mortgage Bonds are not required to be insured or guaranteed (casualty insurance coverage is, however, required). Instead, the default risk with respect to such loans is borne by the program. The ability of DVA to dispose of defaulted properties and realize the amount of the outstanding principal balances of the related loans has varied in recent years depending upon the location of such properties within the State and their physical condition upon foreclosure. Although DVA expects that it will continue to experience liquidation losses, it expects that such losses will not require recourse to the State’s General Fund, but rather will be covered by the Insurance Reserve Account within the Fund. As of February 28, 1998, of the 15,814 outstanding veterans housing loans financed by the program there were 143 loans of an aggregate principal amount of approximately $3.8 million for which payments were 60 days or longer past due. The Insurance Reserve requirement (4% of outstanding loans) is currently satisfied in full.

Borrowing Plans for 1998

The State in this calendar year has publicly sold one general obligation bond issue in the amount of $156 million. The State has sold $5 million of general obligation subsidy bonds to the Clean Water Fund Loan program. The State has authorized the issuance of general obligation refunding bonds in amount not to exceed $304 million. The amount and timing of the negotiated sale of the general obligation refunding bond issue will depend on market conditions. The State also expects the following to occur in this calendar year: the competitive sale of general obligation bonds or private placement of general obligation commercial paper notes in the third quarter for governmental purposes, the competitive sale of general obligation bonds in the fourth quarter for the veterans housing loan and home improvement loan programs, and one or more private sales of general obligation subsidy bonds for the Clean Water Fund Loan program. The amount and timing of the sale of these issues will be based on cash needs of the State and market conditions.

The State has sold a clean water revenue bond issue in the amount of $90 million. The State has authorized the issuance of clean water revenue refunding bonds in an amount not to exceed $140 million. The amount and timing of the negotiated sale of the clean water revenue refunding bond issue will depend on market conditions. The State also expects a competitive sale of clean water revenue bonds in the fourth quarter of this calendar year.

The State has authorized the issuance of transportation revenue refunding bonds in an amount not to exceed $300 million. The amount and timing of the negotiated sale of the transportation revenue refunding issue will depend on market conditions. The State expects the competitive sale of transportation revenue bonds or private placement of transportation revenue commercial paper notes to occur in the third quarter of this calendar year. The State has also authorized the issuance of transportation revenue bonds in an amount not to exceed $188 million. This authorization is for transportation revenue bonds to be issued for the refunding of outstanding transportation revenue commercial paper notes, and the authorization is required pursuant to a credit agreement with banks providing a letter of credit for security on the transportation revenue commercial paper notes. The State does not intend to refund the outstanding transportation revenue commercial paper notes during this calendar year.

The State anticipates a competitive sale of master lease certificates of participation in the amount of approximately $20 million will occur in the third quarter of this calendar year

The State anticipates a competitive sale in the second quarter of this calendar year of operating notes in an amount not to exceed $500 million.

Underwriting

The Series B Bonds were purchased at competitive bidding on May 19, 1998 by the following account (the "Series B Underwriters"):

> Goldman, Sachs & Co., book-running manager; A.G. Edwards & Sons, Inc., Key Capital Markets, Inc., Lebenthal & Co., Inc., Sterne, Agee & Leach, Inc. and Zions First National Bank Capital Markets

The Series B Underwriters paid $29,999,205.45, resulting in a true interest cost rate to the State of 5.4120%.

The Series C Bonds (Taxable) were purchased at competitive bidding on May 19, 1998 by the following account (the "Series C (Taxable) Underwriters"):

> PaineWebber Incorporated, book-running manager; Salomon Smith Barney, Morgan Keegan & Co., Inc. and J.C. Bradford & Co.

The Series C (Taxable) Underwriters paid $33,842,360.50, resulting in a true interest cost rate to the State of 6.9307%. The Series B Underwriters and Series C (Taxable) Underwriters shall collectively be referred to as "Underwriters".

Reference Information About the Bonds

Table 4 includes information about the Bonds and is provided for reference. The CUSIP number for each maturity has been obtained from sources believed to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The reoffering yields and prices have been provided by the respective Underwriter in order to allow the computation of yield for federal tax law compliance. The reoffering prices have been calculated to the lower of maturity or call.

Table 4
State of Wisconsin
$30,565,000 General Obligation Bonds of 1998, Series B
Subject to Alternative Minimum Tax (AMT)

Dated Date: **May 15, 1998**
First Interest Date: **November 1, 1998**
Issuance Date: **June 10, 1998**
Special Redemption: **All Series B Bonds are subject to special redemption at par. See "THE BONDS; Redemption Provisions".**

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price	Yield at Issuance	Price at Issuance
977056 NW6	2007	$ 955,000	4.75%	Not Callable	-	4.75%	100.000%
977056 NX4	2008	1,910,000	4.80	Not Callable	-	4.80	100.000
977056 NZ9	2010 [(a)]	4,775,000	5.00	5/1/2008	100%	5.00	100.000
977056 PA2	2018 [(a)]	2,865,000	5.30	5/1/2008	100	5.40	98.783
977056 PF1	2023 [(a)]	8,670,000	5.30	5/1/2008	100	5.40	98.633
977056 PL8	2028 [(a)]	11,390,000	5.35	5/1/2008	100	5.45	98.526

$34,005,000 General Obligation Bonds of 1998, Series C
(TAXABLE)

Dated Date: **May 15, 1998**
First Interest Date: **November 1, 1998**
Issuance Date: **June 10, 1998**
Special Redemption: **All Series C Bonds (Taxable) are subject to special redemption at par. See "THE BONDS; Redemption Provisions".**

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price	Yield at Issuance	Price at Issuance
977056 PM6	1999	$ 495,000	5.80%	Not Callable	-	5.83%	99.967%
977056 PN4	2000	495,000	5.85	Not Callable	-	5.87	99.957
977056 PP9	2001	525,000	5.90	Not Callable	-	5.93	99.914
977056 PQ7	2002	550,000	6.05	Not Callable	-	6.07	99.923
977056 PR5	2003	595,000	6.05	Not Callable	-	6.09	99.825
977056 PS3	2004	625,000	6.10	Not Callable	-	6.14	99.796
977056 PT1	2005	675,000	6.15	Not Callable	-	6.19	99.770
977056 PU8	2006	710,000	6.20	Not Callable	-	6.24	99.745
977056 PV6	2007	760,000	6.25	Not Callable	-	6.30	99.655
977056 PW4	2008	815,000	6.30	Not Callable	-	6.34	99.701
977056 QS2	2028 [(a)]	27,760,000	6.95	5/1/2008	100%	6.96	99.864

[(a)] This maturity is a term bond. For a schedule of the installment payments, see "THE BONDS; Redemption Provisions; *Mandatory Sinking Fund Redemption*" herein.

Quantitative Analyst

The State has employed cfX Incorporated to review, and provide quantitative analysis regarding, the cash flow of the veterans housing loan program to assure fulfillment of the legislative mandate that the program be self-amortizing.

Legal Investment

The Bonds are legal investments for all banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies and associations and other persons or entities carrying on a banking or insurance business in Wisconsin; for all executors, administrators, guardians, trustees and other fiduciaries in Wisconsin; and for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.

Legal Opinion

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Foley & Lardner, Bond Counsel, whose approving opinion, substantially in the form shown in APPENDIX B, will be delivered on the date of issue of the Bonds. In the event certificated Bonds are issued, the opinion will be printed on the reverse side of each Bond.

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

Tax Matters

Series B Bonds

In the opinion of Bond Counsel, under existing law, the interest on the Series B Bonds is excluded from gross income for federal income tax purposes and is an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers.

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 Series B Bonds 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 Series B Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series B Bonds. The proceedings authorizing the Series B Bonds do not provide for an increase in interest rates or a redemption of the Bonds in the event of taxability.

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each Series B Bond maturing May 1, 2018, 2023 and 2028 (collectively, the "Discount Bonds"), to the extent properly allocable to each owner of a Discount Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Bond is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of a Discount Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Bonds were sold (the "Issue Price").

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the Issue Price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount Bond during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in such Discount Bond. The adjusted tax basis in a Discount 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 such Discount Bond.

Owners of Discount Bonds who did not purchase such Discount Bonds in the initial offering at the Issue Price should consult their own tax advisors with respect to the tax consequences of owning such Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of holding such Discount Bonds. It is possible that under the applicable provisions governing the determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual, even though there will not be a corresponding cash payment until a later year.

The Code contains numerous provisions which could affect the economic value of the Series B Bonds to particular Bondowners. For example, (i) Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Series B Bonds or, in the case of financial institutions, a portion of an owner's interest expense allocable to interest on the Series B Bonds, (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 Series B Bonds, 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 Series B Bonds 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 Series B Bonds, 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 Series B Bonds. A portion of the original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences similar to the consequences of receipt of interest on the Series B Bonds and may result in tax liability in the year of accrual, even though the owner of the Discount Bond will not receive a corresponding cash payment until a year later. The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership of the Series B Bonds. There may be other provisions of the Code which could adversely affect the value of an investment in the Series B Bonds for particular Bondowners. Investors should consult their own tax advisors with respect to the tax consequences of owning a Series B Bond.

Series C Bonds (Taxable)

The following discussion is a summary of certain United States federal income tax considerations relevant to the purchase, ownership and disposition of the Series C Bonds (Taxable) by owners thereof, based upon current provisions of the Code, judicial decisions, and administrative interpretations. This summary does not purport to be a complete analysis of all the potential federal income tax effects relating to the purchase, ownership and disposition of the Series C Bonds (Taxable), and without limiting the generality of the foregoing, it does not address the effect of any foreign, state or local tax laws, or the special rules applicable to certain types of purchasers (including dealers in securities, insurance companies, financial institutions, and tax-exempt entities and persons who hold Series C Bonds (Taxable) as part of a straddle, hedge or conversion transaction). In addition, this discussion is limited to owners who hold Series C Bonds (Taxable) as capital assets within the meaning of Section 1221 of the Code. Each prospective purchaser of the Series C Bonds (Taxable) is strongly urged to consult its own tax advisor with respect to its particular tax situation and possible changes in the tax laws.

Except in the case of an owner who is a foreign person and who is not subject to federal income tax on income derived from a Series C Bond (Taxable) (see discussion below regarding foreign persons), the interest paid on a Series C Bond (Taxable) will be included in the owner's gross income for federal income tax purposes at the time that the interest is paid or accrued, in accordance with the owner's method of accounting for federal income tax purposes.

For federal income tax purposes each Series C Bond (Taxable) maturing May 1, 1999 (collectively, the "Discount Series C Bonds (Taxable)") is treated as having original issue discount. Although certain other Series C Bonds (Taxable) are being issued at prices that are less than their respective principal amounts, these other Series C Bonds (Taxable) are not treated as having original issue discount for federal income tax purposes, because the amount of discount is less than the applicable *de minimis* amount. The amount of original issue discount for a Discount Series C Bond (Taxable) equals the excess of the stated redemption price at maturity of such Discount Series C Bond (Taxable) over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Series C Bonds (Taxable) were sold (the "issue price"). The State will report annually (or more often, if required) to the Internal Revenue Service information with respect to the original issue discount accruing on the Discount Series C Bonds (Taxable).

With respect to an owner who purchases a Discount Series C Bond (Taxable) upon original issue at the issue price, the amount of original issue discount that accrues during any accrual period equals (i) the "adjusted issue price" of the Discount Series C Bond (Taxable) at the beginning of the accrual period (which price equals the issue price of such Discount Series C Bond (Taxable) plus the amount of original issue discount that has accrued on a constant-yield basis in all prior accrual periods) multiplied by (ii) the yield to maturity of such Discount Series C Bond (Taxable) (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount Series C Bond (Taxable) during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period.

Except in the case of an owner who is a foreign person and who is not subject to federal income tax on income derived from a Discount Series C Bond (Taxable) (see the discussion below regarding foreign persons), an owner of a Discount Series C Bond (Taxable) must include in gross income for federal income tax purposes the amount of original issue discount accrued with respect to each day during the taxable year that the owner owns such Discount Series C Bond (Taxable). Such an inclusion in advance of receipt of the cash attributable to the income is required even if the owner is on the cash method of accounting for federal income tax purposes. The amount of original issue discount that is includable in an owner's gross income will increase the owner's tax basis in the Discount Series C Bond (Taxable). The adjusted tax basis in a Discount Series C Bond (Taxable) will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption or payment at maturity) of such Discount Series C Bond (Taxable).

If a Discount Series C Bond (Taxable) is purchased for a cost that exceeds the adjusted issue price, the amount of original issue discount that is deemed to accrue thereafter to the purchaser will be reduced to reflect the amortization of such excess over the remaining life of the Discount Series C Bond (Taxable).

If an owner purchases a Series C Bond (Taxable) at a cost that is greater than the stated redemption price at maturity of the Series C Bond (Taxable), the excess will be treated as "bond premium" under Section 171 of the Code, and the owner may elect to treat the portion of the excess that is allocable to each taxable year as being an offset to the interest income derived from the Series C Bond (Taxable) in that taxable year. If such an election is made, the amount of each such offset to interest income will result in a corresponding reduction in the owner's adjusted tax basis of the Series C Bond (Taxable).

A Series C Bond (Taxable) will be deemed to have "market discount" in the hand of an owner if (i) the owner's tax basis in such Series C Bond (Taxable) immediately after acquisition is less than the Series C Bond's (Taxable) adjusted issue price, and (ii) the amount of this difference (the "market discount") exceeds a specified *de minimis* amount. If a Series C Bond (Taxable) has market discount in the hand of an owner, then unless an election is made to include such discount in gross income for federal income tax purposes on an accrual basis over the remaining life of the Series C Bond (Taxable), any gain recognized by an owner upon the sale or other disposition (including payment at maturity) of this Series C Bond (Taxable) will be treated as ordinary income to the extent that this gain does not exceed the amount of "market discount" that has accrued on the Series C Bond (Taxable) while held by the owner. If interest is paid or accrued by the owner on indebtedness incurred or maintained to purchase or carry a Series C Bond (Taxable) with market discount, the deduction for the portion of the owner's interest expense that is allocable to the accrued market discount may be deferred.

In the case of a sale or exchange (including a redemption) of a Series C Bond (Taxable), the owner will recognize gain or loss equal to the difference, if any, between the amount received and the owner's adjusted tax basis in the Series C Bond (Taxable). Any such gain or loss will be treated as a capital gain or loss, except to the extent that any gain is treated as ordinary income under the "market discount" rules as described above.

The following is a general discussion of certain United States federal income and estate tax consequences of the ownership of Series C Bonds (Taxable) by a nonresident alien (other than a former United States citizen described in Section 877(a) of the Code or a former resident of the United States described in Section 877(e) or 7701(b)(10) of the Code), a foreign corporation, a foreign partnership, a foreign trust, or a foreign estate (a "foreign person"). Owners of Series C Bonds (Taxable) who are foreign persons are urged to consult their own tax advisers regarding the specific tax consequences to them of owning Series C Bonds (Taxable).

Interest and any original issue discount earned on a Series C Bond (Taxable) by an owner who is a foreign person will be considered "portfolio interest" and will not be subject to United States federal income tax or withholding if:

(1) such foreign person is neither (i) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, nor (ii) a bank that is purchasing Series C Bonds (Taxable) pursuant to an extension of credit made in the ordinary course of its trade or business;

(2) such foreign person provides the person who would otherwise be required to withhold tax from payments of such interest (the "withholding agent") with an appropriate statement, signed under the penalties of perjury, identifying the beneficial owner and stating, among other things, that the beneficial owner of the Series C Bond (Taxable) is a foreign person; and

(3) the interest is not effectively connected with the conduct of a trade or business within the United States by the foreign person.

Any interest or original issue discount (other than "portfolio interest") earned on a Series C Bond (Taxable) by a foreign person will be subject to United States federal income tax and withholding at a rate of 30% (or at a lower rate under an applicable tax treaty) if this interest or original issue discount is not effectively connected with the conduct of a trade or business within the United States by this foreign person.

All interest and original issue discount earned on a Series C Bond (Taxable), and any gain realized on a sale or exchange (including redemption) of a Series C Bond (Taxable), that is effectively connected with the conduct of a trade or business with the United States by a foreign person will be subject to United States federal income tax at regular graduated rates (and, if the foreign person is a corporation, may also be subject to a United States branch profits tax). Such income will not be subject to United States income tax withholding, however, if the foreign person furnishes the proper certificate to the withholding agent.

Any gain realized by a foreign person on a sale or exchange (including a redemption) of a Series C Bond (Taxable) will not be subject to United States federal income tax or withholding if (i) the gain is not effectively connected with the conduct of a trade or business within the United States, and (ii) in the case of a foreign individual, such individual is not present in the United States for 183 days or more in the taxable year of the sale or exchange.

For United States estate tax purposes, the gross estate of a nonresident alien individual who holds a debt obligation of a United States person is not deemed to include such debt obligation if all of the interest on the obligation constitutes "portfolio interest".

A 31% backup withholding tax apples to certain payments of interest and principal on, and any proceeds of a sale or exchange (including a redemption) of the Series C Bonds (Taxable). In the case of an owner that is not a foreign person, backup withholding generally will apply only if such owner fails to furnish its correct taxpayer identification number, is notified by the Internal Revenue Service that such owner has failed to report properly payments of interest or dividends, or fails to provide a required certification under penalties of perjury.

In the case of an owner that is a foreign person, backup withholding generally will not apply to payments made on the Series C Bonds (Taxable) if such owner has provided the required certification under penalties of perjury that it is a foreign person, as defined above, or has otherwise established an exemption, provided in each case that the State does not have actual knowledge that the payee is not a foreign person.

Any amounts withheld from payment under the backup withholding rules will be allowed as a credit against an owners United States federal income tax liability and may entitle such owner to a refund, provided that the required information is furnished to the Internal Revenue Service.

REGARDING DISCLOSURE

Continuing Disclosure

In order to assist the Underwriters in complying with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), the State has entered into both a Master Agreement on Continuing Disclosure and an Addendum Describing Annual Report for General Obligations and, before the delivery of the Bonds, will enter into a Supplemental Agreement pertaining to the Bonds (collectively, the "Agreements"). The Agreements constitute an undertaking for the benefit of the beneficial owners of the Bonds and require the State to prepare and provide an annual report (providing certain financial information and operating data relating to the State), not later than 180 days following the close of the State's fiscal year, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository ("SID"), if any, and to provide notices of occurrence of certain events specified in the Rule to each NRMSIR or the Municipal Securities Rulemaking Board (the "MSRB") and the SID, if any. As of the date of this Official Statement, no SID has been established. Copies of the Agreements, Annual Reports, 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.

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, and the Rule requires consideration of any such failure by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. In the previous five years, there has been no failure to comply in any material respect with a similar undertaking by the State.

Disclosure Certificate

The Underwriters will receive a certificate, signed by the Governor, the Secretary of Administration and the Secretary of the Commission, certifying that this Official Statement, as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. In providing such certificate, the signers will state that they have not undertaken to independently verify information obtained or derived from various United States Government publications referenced in this Official Statement.

Additional Information

Periodic public reports relating to the financial condition of the State, its operations and the balances, receipts and disbursements of the various funds of the State are prepared by the Departments of Administration and Revenue, the State Treasurer and State Auditor.

Additional information may be obtained upon request from the Capital Finance Office, Attn.: Mr. Frank R. Hoadley, Capital Finance Director, (608) 266-2305.

Any statements in this Official Statement 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 Official Statement is not to be construed as a contract or agreement between the State and the purchasers or owners of any of the Bonds.

This Official Statement is submitted only in connection with the sale of the Bonds by the State and may not be reproduced or used in whole or in part for any other purpose, except with express permission.

Dated: May 19, 1998

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

INFORMATION ABOUT THE STATE

This appendix includes information concerning the State of Wisconsin (the "State") and the State of Wisconsin Building Commission (the "Commission") and general obligation debt issued by the State. Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 26, 1997 (the "Annual Report") are included by reference as part of this APPENDIX A.

Part II to the 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 1996-97 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, 1997, 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 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 world wide web at:

www.doa.state.wi.us/debf/capfin/97condis.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, certain informational notices with the NRMSIRs. Such informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

Year 2000 Compliance

To address potential Year 2000 problems, the State is currently undertaking a compliance survey and assessment of all agencies and has also created an interagency taskforce to monitor agency progress on critical applications. The State Department of Administration, which has overall responsibility for the development of technology in State government, is leading these Year 200 compliance efforts. Based on initial results of this assessment, the State does not anticipate any significant Year 2000 consequences or costs to correct a Year 2000 problem. The State's central accounting system has recently completed a successful installation of new software that includes full Year 2000 compliance. The State has further contacted each of its paying agents, registrars, escrow agents, trustees and depositories and has been informed by each of these business partners that they intend to meet the federal regulation that all securities processing institutions are Year 2000 compliant by December 31, 1998.

State Budget; Budgets for 1997-99 (Pages Part II-16 through Part II-18). Add the following:

Tables II-3 and II-4 in the Annual Report summarize the all-funds and general-fund budgets as currently provided in law. The tables do not reflect the revenue and disbursement re-estimate made in January 1998 or the Governor's budget adjustment bill for the 1997-99 biennium.

January 1998 Revenue and Disbursement Re-Estimate

In January 1998, general fund revenues and disbursements were reviewed and revised taking into account economic forecasts and tax collection and expenditure data through December 1997. As a result of this re-estimate, the projected net general-fund balance (excluding the required statutory reserve) for June 30, 1998 is approximately $264.8 million and for June 30, 1999 is approximately $320.6 million.

The projected net general-fund balance for June 30, 1998 is approximately $147.3 million greater than budgeted. This increase is the result of increased estimated tax revenues of $132.2 million, increased estimated non-tax revenues of $7.4 million and decreased estimated disbursements and reserves of $7.7 million.

The projected net general-fund balance for June 30, 1999 is approximately $294.4 million greater than budgeted. This increase is the result of the opening balance being $147.4 million greater than budgeted, increased estimated tax revenues of $132.9 million, decreased estimated non-tax revenues of $1.7 million and decreased estimated disbursements and revenues of $15.8 million.

The projected net all-funds balance for fiscal years ending June 30, 1998 and June 30, 1999 would be the same. In addition to the general-fund budget, the all-funds budget includes (i) federal revenues estimated to be received, (ii) revenues estimated to be received and placed in funds other than the general fund (for example, motor fuel taxes), and (iii) proceeds of general obligation debt. There is no effect on the all-funds balance, as non-general-fund disbursements always equal the amount of these additional revenues.

Governor's Budget Adjustment Bill

On February 2, 1998, the Governor introduced the budget adjustment bill for the 1997-99 biennium. The Governor's proposed budget adjustment bill is summarized below. As of the date of this Official Statement, a similar version of this budget adjustment bill has been approved by the Wisconsin legislature and awaits approval by the Governor.

For the fiscal year ending June 30, 1998, the budget adjustment bill on a general-fund basis projects a balance of $270.7 million. Total available revenues are estimated to be $16.239 billion consisting of (i) a beginning balance of $331.1 million, (ii) tax revenues of $9.350 billion, and (iii) nontax revenues of $6.558 billion. Total disbursements and reserves are estimated to be $16.067 billion, consisting of net disbursements of $15.919 billion and reserves of $148.0 million. This results in an estimated balance of $172.6 million which, when combined with the statutorily required balance of $98.1 million, results in a projected balance at June 30, 1998 of $270.7 million.

For the fiscal year ending June 30, 1999, the budget adjustment bill on a general-fund basis projects a balance of $104.8 million. Total available revenues are estimated to be $16.391 billion consisting of (i) a beginning balance of $270.7 million, (ii) tax revenues of $9.728 billion, and (iii) nontax revenues of $6.393 billion. Total disbursements and reserves are estimated to be $16.386 billion, consisting of net disbursements of $16.175 billion and reserves of $211 million. This results in an estimated balance of $4.8 million which, when combined with the statutorily required balance of $100 million, results in a projected balance at June 30, 1999 of $104.8 million.

Table II-7; General Fund Monthly Cash Position (Page Part II-29). Replace the table with the following:

GENERAL FUND MONTHLY CASH POSITION
July 1, 1996 through March 31, 1998 ¾ Actual
April 1, 1998 through June 30, 1999 ¾ Estimated[a]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts[b]	Disbursements[b]
1996	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	1,390,068	2,190,931
	July	493,468	1,583,435	1,558,759
	August	518,144	1,092,096	868,164
	September	742,076	1,518,617	1,140,770
	October	1,119,923	1,281,159	1,220,979
	November	1,180,103	1,363,754	1,575,478
	December	968,379	1,221,439	1,810,967
1998	January	378,851	1,701,236	1,004,066
	February	1,076,021	1,222,276	1,122,065
	March	1,176,232	1,357,272	2,111,569
	April	421,935	1,575,322	1,107,770
	May	889,487	1,343,640	1,103,837
	June	1,129,290	1,531,549	2,377,137
	July	283,702	1,752,567	1,635,278
	August	400,991	1,201,349	868,552
	September	733,788	1,580,504	1,485,197
	October	829,095	1,279,290	952,778
	November	1,155,607	1,349,517	1,620,864
	December	884,260	1,370,610	1,828,474
1999	January	426,396	1,731,853	1,012,332
	February	1,145,917	1,274,656	1,243,070
	March	1,177,503	1,351,348	2,262,543
	April	266,308	1,635,130	1,252,126
	May	649,312	1,384,682	1,102,946
	June	931,048	1,584,384	2,435,159

[a] The monthly receipt and disbursement projections for April 1, 1998 through June 30, 1999 are based on estimates provided by the Division of Executive Budget and Finance.

[b] The receipt amounts shown in July 1996–1998 include the proceeds received, or expected to be received, at closing for respective issues of operating notes. See "OTHER OBLIGATIONS; Operating Notes" in the Annual Report. The disbursement amounts shown for February, March, April and May 1997–1999 include impoundment payments required in connection with the operating notes.

Source: Wisconsin Department of Administration.

Table II-8; Balances Available for Interfund Borrowing (Page Part II-30). Replace the table with the following:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING[(a)]
July 1, 1996 to April 1, 1998 — Actual
May 1, 1998 to June 1, 1999 — Estimated[(b)]
(Amounts in Millions)

	1996	1997	1998	1999
January		$3,210.23	$3,362.80	2,147.05
February		3,553.70	3,905.76	2,110.15
March		3,793.12	4,222.27	2,141.52
April		3,832.30	4,298.47	2,165.09
May		3,423.07	2,117.84[(b)]	2,117.84
June		3,317.76	2,055.69	2,055.69
July	$3,252.38	3,522.40	2,013.13	
August	3,511.90	3,824.91	2,051.05	
September	3,250.54	3,546.19	2,095.73	
October	3,010.27	3,456.19	2,087.33	
November	2,687.47	3,126.49	2,015.35	
December	2,072.66	3,177.39	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	Environmental Improvement Fund
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 May 1, 1998 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.

Table II-9; Revenues Deposited to the General Fund (Page Part II-31). Replace the table with the following:

REVENUES DEPOSITED TO THE GENERAL FUND[(a)]
July 1, 1997 to March 31, 1998 compared with previous year
(Unaudited)

	Actual Receipts 1996–97 FY[(b)]	Projected Receipts 1997–98 FY	Actual Receipts July 1, 1996 to March 31, 1997	Actual Receipts July 1, 1997 to March 31, 1998
Individual Income Tax	$ 4,544,739,246	$ 4,809,892,600	$ 2,938,176,969	$ 3,228,652,140
General Sales and Use Tax ..	2,864,373,180	3,015,000,000	1,872,105,848	1,985,687,270
Corporate Franchise and Income Tax	643,821,885	646,300,000	490,933,169	486,201,180
Public Utility Taxes	306,230,883	274,005,700	156,697,576	164,982,692
Excise Taxes	253,904,414	292,575,000	168,182,675	192,424,527
Inheritance Taxes	50,825,151	45,000,000	30,536,234	62,688,179
Miscellaneous Taxes	150,545,817	140,200,000	85,688,852	86,922,224
SUBTOTAL..............	8,814,440,576	9,222,973,300	5,742,321,323	6,207,558,212
Federal Receipts....................	3,478,405,811	3,863,347,100	2,526,435,814	2,596,620,418
Dedicated and Other Revenues[(c)]............	2,376,474,850	2,680,026,100	1,871,752,462 [(d)]	2,173,806,918 [(d)]
TOTAL......................	$14,669,321,237	$15,766,346,500	$10,140,509,599	$10,977,985,548

(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 1996-97 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1997.

(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 $150 million principal amount in fiscal year 1996–97 and $450 million principal amount in fiscal year 1997–98 from the sale of operating notes.

Table II-9; General Fund Expenditures By Function (Page Part II-32). Replace the table with the following:

GENERAL FUND EXPENDITURES BY FUNCTION[(a)]
July 1, 1997 to March 31, 1998 compared with previous year
(Unaudited)

	Actual Expenditures 1996–97 FY[(b)]	Appropriations 1997–98 FY	Actual Expenditures July 1, 1996 to March 31, 1997	Actual Expenditures July 1, 1997 to March 31, 1998
Commerce	$ 204,697,785	$ 195,180,400	$ 138,790,107	$ 137,062,763
Education	6,566,191,813	7,202,088,700	4,551,922,901	4,854,122,860
Environmental Resources	237,381,444	239,232,900	205,076,703	202,473,283
Human Relations & Resources	5,447,424,395	5,954,107,100	3,918,470,417	4,054,599,452
General Executive	497,084,469	520,567,800	376,389,042	590,288,441
Judicial	86,651,785	89,158,400	69,072,547	71,818,045
Legislative	53,218,947	55,307,000	36,190,394	35,814,005
General Appropriations	1,839,755,076	1,865,582,600	1,525,193,515	1,644,060,059
TOTAL	$ 14,932,405,714	$ 16,121,224,900	$ 10,821,105,626	$ 11,590,238,908

(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 1996-97 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1997.

Source: Wisconsin Department of Administration.

Table III-18; Veterans Housing Loan Program 60+ Day Delinquencies (Page Part III-30). Replace the table with the following:

VETERANS HOUSING LOAN PROGRAM
60+ DAY LOAN DELINQUENCIES

	Month Ending	Principal Amount Outstanding	Number of Loans Outstanding	60+ Day Delinquent Loans	Percent of Loans Outstanding
1994	January	$462,952,414	18,040	227	1.26%
	February	458,099,345	17,906	236	1.32
	March	452,363,035	17,732	212	1.20
	April	449,584,366	17,614	234	1.33
	May	449,734,214	17,541	205	1.17
	June	452,040,592	17,489	227	1.30
	July	458,245,991	17,493	210	1.20
	August	466,310,378	17,515	232	1.32
	September	472,261,007	17,514	225	1.28
	October	474,971,606	17,471	220	1.26
	November	482,123,736	17,516	196	1.12
	December	484,137,457	17,481	204	1.17
1995	January	489,595,902	17,509	197	1.13
	February	490,726,186	17,492	198	1.13
	March	493,801,439	17,471	165	0.94
	April	496,568,057	17,450	193	1.11
	May	499,520,436	17,427	188	1.07
	June	504,175,347	17,390	177	1.02
	July	508,081,670	17,347	192	1.11
	August	508,968,509	17,275	187	1.08
	September	510,381,666	17,228	201	1.17
	October	511,241,469	17,166	183	1.07
	November	513,949,975	17,129	210	1.23
	December	514,205,581	17,075	201	1.18
1996	January	516,759,032	17,039	210	1.23
	February	515,973,158	16,967	210	1.24
	March	514,179,132	16,874	189	1.12
	April	512,091,370	16,753	174	1.04
	May	515,135,128	16,691	160	0.96
	June	518,464,350	16,636	178	1.07
	July	521,776,451	16,570	157	0.95
	August	526,834,282	16,551	160	0.97
	September	536,335,861	16,594	180	1.08
	October	540,434,442	16,556	169	1.02
	November	545,574,566	16,534	166	1.00
	December	545,778,074	16,483	181	1.10
1997	January	548,471,386	16,454	169	1.03
	February	549,783,460	16,412	163	0.99
	March	548,669,843	16,327	146	0.89
	April	548,571,557	16,244	153	0.94
	May	551,560,397	16,195	149	0.92
	June	555,130,634	16,151	139	0.86
	July	560,303,147	16,135	153	0.95
	August	562,979,629	16,096	168	1.04
	September	564,772,521	16,024	153	0.95
	October	564,982,487	15,954	140	0.88
	November	567,450,363	15,906	146	0.92
	December	568,177,780	15,842	123	0.70
1998	January	575,718,021	15,857	143	0.90
	February	578,994,241	15,814	143	0.90

Source: Wisconsin Department of Veterans Affairs.

Table III-20; Total Loans By County General Obligation Bond Funds–Veterans Housing Loan Program (Page Part III-32). Replace the table with the following:

TOTAL LOANS BY COUNTY
GENERAL OBLIGATION BOND FUNDS
THROUGH FEBRUARY 1998

County	Number of Loans	% of Total Loans	County	Number of Loans	% of Total Loans
Adams	133	0.27%	Marinette	297	0.60%
Ashland	90	0.18	Marquette	66	0.13
Barron	412	0.84	Menominee	15	0.03
Bayfield	91	0.18	Milwaukee	8,964	18.17
Brown	2,699	5.47	Monroe	401	0.81
Buffalo	95	0.19	Oconto	288	0.58
Burnett	73	0.15	Oneida	331	0.67
Calumet	300	0.61	Outagamie	1,942	3.94
Chippewa	450	0.91	Ozaukee	496	1.01
Clark	186	0.38	Pepin	47	0.10
Columbia	433	0.88	Pierce	328	0.66
Crawford	109	0.22	Polk	191	0.39
Dane	3,767	7.64	Portage	673	1.36
Dodge	733	1.49	Price	131	0.27
Door	232	0.47	Racine	2,016	4.09
Douglas	509	1.03	Richland	102	0.21
Dunn	277	0.56	Rock	2,009	4.07
Eau Claire	1,122	2.27	Rusk	160	0.32
Florence	8	0.02	St. Croix	531	1.08
Fond du Lac	1,098	2.23	Sauk	472	0.96
Forest	28	0.06	Sawyer	58	0.12
Grant	345	0.70	Shawano	268	0.54
Green	298	0.60	Sheboygan	1,210	2.45
Green Lake	135	0.27	Taylor	100	0.20
Iowa	188	0.38	Trempeleau	199	0.40
Iron	34	0.07	Vernon	140	0.28
Jackson	193	0.39	Vilas	114	0.23
Jefferson	678	1.37	Walworth	589	1.19
Juneau	164	0.33	Washburn	115	0.23
Kenosha	1,301	2.64	Washington	939	1.90
Kewaunee	128	0.26	Waukesha	2,441	4.95
LaCrosse	1,161	2.35	Waupaca	417	0.85
Lafayette	119	0.24	Waushara	142	0.29
Langlade	117	0.24	Winnebago	1,919	3.89
Lincoln	195	0.40	Wood	1,020	2.07
Manitowoc	1,082	2.19	Total	49,325	100.00
Marathon	1,211	2.46			

Source: Wisconsin Department of Veterans Affairs.

Appendix B

EXPECTED FORM OF LEGAL OPINION

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

(Letterhead of Foley & Lardner)
STATE OF WISCONSIN
$30,565,000 GENERAL OBLIGATION BONDS OF 1998, SERIES B
$34,005,000 GENERAL OBLIGATION BONDS OF 1998, SERIES C (TAXABLE)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of its General Obligation Bonds of 1998, Series B to the amount of $30,565,000, dated May 15, 1998 (the "Series B Bonds") and its General Obligation Bonds of 1998, Series C (Taxable) to the amount of $34,005,000, dated May 15, 1998 (the "Series C Bonds (Taxable)") (the Series B Bonds and the Series C Bonds (Taxable) are collectively referred to as the "Bonds"). We investigated the law and examined such certified proceedings and other papers as we deemed necessary to render this opinion.

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 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 (excepting only the matters set forth as our opinion in the Official Statement). However, in connection with the rendering of our opinion as to the validity of the Bonds, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Bonds, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

The Bonds are being issued pursuant to Chapter 18, Wisconsin Statutes (the "Act") and resolutions adopted by the State of Wisconsin Building Commission (the "Commission") on April 16, 1998 (the "Resolutions").

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

1. The Bonds, to the amount named, are valid and binding general obligations of the State.
2. The Resolutions have been duly adopted by the Commission and constitute 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 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.
4. The interest on the Series B Bonds is excluded from gross income for federal income tax purposes. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. The opinions

set forth in the preceding sentences of this paragraph 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 Series B Bonds 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 the inclusion of interest on the Series B Bonds in gross income for federal income tax purposes retroactively to the date of issuance of the Series B Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series B Bonds or the Series C Bonds (Taxable).

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium 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.

Very truly yours,

FOLEY & LARDNER

Appendix C

AMORTIZATION STRUCTURE OF SERIES C BONDS (TAXABLE)

Year (May 1)	Principal Amount Allocable to 15-Year HILP Loans	Principal Amount Allocable to 30-Year Housing Loans	Total Principal Amount of Series C Bonds (Taxable)
1999	$ 175,000	$ 320,000	$ 495,000
2000	130,000	365,000	495,000
2001	140,000	385,000	525,000
2002	145,000	405,000	550,000
2003	155,000	440,000	595,000
2004	165,000	460,000	625,000
2005	180,000	495,000	675,000
2006	185,000	525,000	710,000
2007	200,000	560,000	760,000
2008	215,000	600,000	815,000
2009	230,000	640,000	870,000
2010	245,000	685,000	930,000
2011	260,000	725,000	985,000
2012	280,000	785,000	1,065,000
2013	295,000	830,000	1,125,000
2014		890,000	890,000
2015		955,000	955,000
2016		1,025,000	1,025,000
2017		1,105,000	1,105,000
2018		1,175,000	1,175,000
2019		1,265,000	1,265,000
2020		1,355,000	1,355,000
2021		1,450,000	1,450,000
2022		1,560,000	1,560,000
2023		1,665,000	1,665,000
2024		1,790,000	1,790,000
2025		1,920,000	1,920,000
2026		2,055,000	2,055,000
2027		2,205,000	2,205,000
2028		2,370,000	2,370,000
TOTALS	$ 3,000,000	$ 31,005,000	$ 34,005,000