

THE FOLLOWING OFFICIAL STATEMENT IS PLACED ON THE INTERNET AS A MATTER OF CONVENIENCE. THIS 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
101 EAST WILSON STREET, FLR 10
MADISON, WI 53703***

***E-MAIL: CAPFIN@DOA.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.

\$74,840,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 1998, SERIES D

Dated: September 1, 1998

Due: May 1, as shown below

Bond Ratings	AA+ Fitch IBCA, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Group
Tax Exemption	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference but is subject to State of Wisconsin income and franchise taxes—See pages 9-11.
Redemption	Bonds maturing on or after May 1, 2010 are callable at par on or after May 1, 2009—See page 2.
Security	General obligations of the State of Wisconsin—See page 2.
Purpose	Proceeds from the Bonds are being used for various governmental purposes—See pages 5-6.
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 1999
Denominations	\$5,000
Closing/Settlement	October 7, 1998 in New York, New York
Bond Counsel	Foley & Lardner
Registrar/Paying Agent	State Treasurer
Issuer Contact	Wisconsin Capital Finance Office; (608) 266-2305; capfin@doa.state.wi.us
Book-Entry-Only Form	The Depository Trust Company—See pages 3-4.

The Bonds were sold at competitive sale on September 15, 1998. The interest rates payable by the State, which are shown below, resulted from bids received at this competitive sale.

<u>CUSIP</u>	<u>Year (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>First Optional Redemption Date</u>	<u>Call Price</u>
977056 RS1	2000	\$3,135,000	4.00%	Not Callable	-
977056 RT9	2001	3,255,000	4.00	Not Callable	-
977056 RU6	2002	3,380,000	4.00	Not Callable	-
977056 RV4	2003	3,520,000	4.00	Not Callable	-
977056 RW2	2004	3,665,000	4.25	Not Callable	-
977056 RX0	2005	3,135,000	4.25	Not Callable	-
977056 RY8	2006	3,275,000	4.25	Not Callable	-
977056 RZ5	2007	3,415,000	5.00	Not Callable	-
977056 SA9	2008	3,565,000	5.00	Not Callable	-
977056 SB7	2009	3,725,000	5.00	Not Callable	-
977056 SC5	2010	3,260,000	5.00	5/1/2009	100%
977056 SD3	2011	3,415,000	5.10	5/1/2009	100
977056 SE1	2012	3,575,000	5.10	5/1/2009	100
977056 SF8	2013	3,750,000	5.10	5/1/2009	100
977056 SG6	2014	3,935,000	4.70	5/1/2009	100
977056 SH4	2015	4,130,000	4.75	5/1/2009	100
977056 SJ0	2016	4,335,000	4.80	5/1/2009	100
977056 SK7	2017	4,555,000	4.80	5/1/2009	100
977056 SL5	2018	4,785,000	4.85	5/1/2009	100
977056 SM3	2019	5,030,000	4.85	5/1/2009	100

Purchase Price: \$75,558,034.40

September 15, 1998

THIS DOCUMENT IS LOCATED ON THE WORLD WIDE WEB AT:
WWW.DOA.STATE.WI.US/DEBF/CAPFIN/OS98DGO.PDF

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@doa.state.wi.us

Mr. Frank R. Hoadley
Capital Finance Director
(608) 266-2305
frank.hoadley@doa.state.wi.us

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
larry.dallia@doa.state.wi.us

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

(Such information, however, is not part of this Official Statement.)

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 1998, Series D
Principal Amount:	\$74,840,000
Denominations:	\$5,000 and integral multiples
Date of Issue:	September 1, 1998
Record Date:	April 15 and October 15
Interest Payment:	May 1 and November 1, commencing May 1, 1999
Maturities:	May 1, 2000 – 2019— <i>See cover</i>
Redemption:	<i>Optional</i> — Bonds maturing on or after May 1, 2010 are subject to optional redemption at par beginning May 1, 2009— <i>See page 2</i>
Form:	Book-entry-only— <i>See pages 3-5</i>
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. As of July 1, 1998, the outstanding principal amount of general obligations of the State was \$3,449,576,395.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement or improvement of land, water, property, highways, buildings, equipment or facilities for public purposes.
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; and for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.
Tax Exemption:	Not included in gross income and not an item of tax preference for federal income tax purposes. Subject to State of Wisconsin income and franchise taxes— <i>See pages 9-11</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner— <i>See page C-1</i>

OFFICIAL STATEMENT
\$74,840,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1998, SERIES D

INTRODUCTION

This Official Statement sets forth information concerning the \$74,840,000 General Obligation Bonds of 1998, Series D (**Bonds**) issued by the State of Wisconsin (**State**). The Bonds are authorized pursuant to Article VIII, Section 7 of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes and an authorizing resolution adopted by the State of Wisconsin Building Commission (**Commission**) on August 6, 1998.

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

In connection with the issuance and sale of the Bonds, the Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 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.

Information concerning the State, its financial conditions, and its general obligation debt 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 (**1997 Annual Report**).

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

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: capfin@doa.state.wi.us

THE BONDS

General

The cover of this Official Statement sets forth the maturity dates, amounts and interest rates for the Bonds.

The Bonds will be dated September 1, 1998 and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 1999.

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 Bond will be paid to the registered owner of the Bonds, which initially will be a nominee of The Depository Trust Company, New York, New York (DTC).

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

Security

The Bonds are direct and general obligations of the State. The full faith, credit and taxing power of the State are irrevocably pledged to 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 Bonds mature and become due. The Bonds are on parity with all other outstanding general obligation debt issued by the State.

Redemption Provisions

Optional Redemption

The Bonds maturing on or after May 1, 2010 are subject to optional redemption prior to their maturity date on May 1, 2009 or any date thereafter, in whole or in part in integral multiples of \$5,000, at a redemption price equal to par (100%) plus accrued interest to the date of redemption. This redemption is at the option of the Commission and the Commission shall direct the amounts and maturity or maturities of the Bonds to be redeemed.

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, the State will send a notice of the redemption of any Bonds to the securities depository not less than 30 days and not more than 45 days before the redemption date. The State may revoke a notice of redemption by sending notice to the securities depository not less than 15 days before the proposed redemption date.

In the event that the Bonds are outstanding in certificated form, the State will publish a notice of the redemption of any Bonds at least once at least 30 and not more than 45 days before the redemption date in a financial newspaper published or circulated in New York, New York and mail, postage prepaid, at least 30 and not more than 45 days before the redemption date to the registered owners of any Bonds to be redeemed. This mailing shall not be a condition precedent to this redemption, and failure to mail this notice shall not affect the validity of any proceedings for the redemption of the Bonds. Interest on any Bonds called for prior redemption ceases to accrue on the redemption date so long as payment has been made or provided for. The State may revoke a notice of redemption by publication of a notice not less than 15 days before the proposed redemption date in a financial newspaper published or circulated in New York, New York and mailing this notice, postage prepaid, not less than 15 days before the proposed

redemption date to the registered owners of any Bonds to have been redeemed. This mailing shall not be a condition precedent to the revocation, and failure to mail this notice shall not affect the validity of the revocation.

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 set forth on **the 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.

Registration and Payment of Bonds

So long as the Bonds are in book-entry-only form, payment of principal due on the Bonds shall be made by wire transfer to the securities depository or its nominee upon the presentation and surrender of the Bonds at the principal office of the State Treasurer, which shall be the Registrar and Paying Agent on the Bonds. Payment of interest due on the Bonds 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 that interest payment date (**Record Date**).

When in certificated form, payment of principal due on the Bonds shall be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying

Agent. Payment of interest due on the Bonds shall be made by check or draft mailed to the registered owner shown in the registration books on the Record Date.

Application of Bond Proceeds

The Wisconsin Statutes authorize the issuance and sale of public debt to acquire, construct, develop, extend, enlarge or improve land, waters, property, highways, buildings, equipment or facilities. The Wisconsin Legislature has the authority to establish the borrowing purposes and amounts for which public debt may be issued. **APPENDIX B** includes a summary of these purposes and amounts authorized and issued for each borrowing purpose as of July 15, 1998. The Bonds are being issued for the purposes listed in Table 1. Bond proceeds will be deposited in the State’s Capital Improvement Fund and will be expended as costs for the various borrowing purposes are incurred. Until these expenditures are made, the Bond proceeds are invested by the State of Wisconsin Investment Board.

**Table 1
Application of Bond Proceeds**

<u>Purpose</u>	<u>Principal Amount</u>
University of Wisconsin; academic facilities	\$ 4,000,000
University of Wisconsin; self-amortizing facilities	22,455,000
Clean water fund program	800,000
Safe drinking water loan program	8,200,000
Natural resources; nonpoint source grants	3,950,000
Natural resources; environmental repair.....	374,900
Natural resources; environmental segregated fund supported administrative facilities.....	136,100
Natural resources; segregated revenue supported dam maintenance, repair, modification, abandonment and removal	750,000
Natural resources; recreation development	65,000
Natural resources; segregated revenue supported facilities.....	1,225,000
Natural resources; general fund supported administrative facilities ...	505,000
Natural resources; dam maintenance, repair, modification, abandonment and removal	25,000
Natural resources; Warren Knowles–Gaylord Nelson stewardship program.....	9,400,000
Transportation; harbor improvements	215,000
Transportation; rail acquisitions and improvements	165,000
Corrections; correctional facilities	5,000,000
Corrections; juvenile correctional facilities	200,000
Health and family services; mental health and secure treatment facilities	2,500,000
Building commission; project contingencies.....	2,000,000
Building commission; capital equipment acquisition.....	4,000,000
Building commission; other public purposes	5,749,000
Medical college of Wisconsin, Inc; basic science education and health information technology facilities	2,000,000
Educational communications board; educational communications facilities	110,000
Historical society; museum facility	5,000
Public instruction; state schools and library facilities	5,000

<u>Purpose</u>	<u>Principal Amount</u>
Military affairs; armories and military facilities	50,000
Veterans affairs; veterans facilities	120,000
State fair park board; housing facilities	110,000
State fair park board; self-amortizing facilities	<u>725,000</u>
TOTAL REQUIRED PROCEEDS	<u>\$74,840,000</u>

Ratings

At the State’s request, several rating agencies have rated the Bonds:

<i>Rating</i>	<i>Rating Agency</i>
AA+	Fitch IBCA, Inc.
Aa2	Moody’s Investors Service, Inc.
AA	Standard and Poor’s Ratings Group.

Any explanation of the significance of a rating may only be obtained from the rating service furnishing that 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 downgrade or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

OTHER INFORMATION

Limit on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and Statutes. Each year, the State’s issuance of general obligations is limited to the lesser of two amounts, each based on the aggregate value of all taxable property in the State: (1) three-quarters of one percent, and (2) five percent less outstanding debt. The lesser is the first amount, currently \$1,867,461,864. A refunding bond issue does not count for purposes of the annual debt limit, and a refunded bond issue does not count for purposes of the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year that accrues is treated as debt and taken into account for purposes of the debt limitations.

Borrowing Plans for 1998

General Obligations

The State in this calendar year has publicly sold three general obligation bond issues in the aggregate amount of \$221 million. The State has sold \$5 million of general obligation subsidy bonds to the Clean Water Fund Loan program. In addition, the State has authorized the following:

- General obligation refunding bonds in an amount not to exceed \$304 million. On August 27, 1998, the State entered into an agreement for the sale of \$158 million of general obligation refunding bonds; delivery of these general obligation refunding bonds is expected on September 17, 1998. The amount and timing of subsequent negotiated sales of general obligation refunding bonds depend on market conditions, and the State may sell an additional series of general obligation refunding bonds shortly after the expected sale date of the Bonds.
- General obligation commercial paper notes in an amount not to exceed \$120 million. The amount and timing of the placement of these general obligation commercial paper notes depends on the cash needs of the State.

- General obligation bonds in an amount not to exceed \$90 million to be sold via competitive sale in the fourth quarter for the veterans housing and home improvement loan programs.

The State also expects one or more private sales of general obligation subsidy bonds for the Clean Water Fund Loan program to occur in this calendar year. The amount and timing of these issues will be based on cash needs of the State and market conditions.

Other Obligations

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. On September 2, 1998, the State entered into an agreement for the sale of \$104 million of clean water revenue refunding bonds; delivery of the clean water revenue refunding bonds is expected on September 23, 1998. The amount and timing of subsequent negotiated sales of the clean water revenue refunding bonds depend on market conditions.

The State has authorized the issuance of transportation revenue refunding bonds in an amount not to exceed \$300 million. On August 28, 1998, the State entered into an agreement for the sale of \$131 million of transportation revenue refunding bonds; delivery of these transportation revenue refunding bonds is expected on September 17, 1998. The amount and timing of subsequent negotiated sales of transportation revenue refunding bonds depend on market conditions. 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 the banks providing a letter of credit for security on the transportation revenue commercial paper notes. While the State does not intend to refund the currently outstanding transportation revenue commercial paper notes during this calendar year, the State does expect to authorize a competitive sale of transportation revenue bonds for new money purposes to occur in the third or fourth quarter of 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 fourth quarter of this calendar year

The State has publicly sold one operating note issue in the amount of \$350 million.

Underwriting

The Bonds were purchased at competitive bidding on September 15, 1998 by the following account (**Underwriters**):

Morgan Stanley & Co. Incorporated, book-running manager; J.P. Morgan Securities Inc.; Bear, Stearns & Co. Inc., First Chicago Capital Markets, Inc.; George K. Baum & Company; ABN Amro Incorporated; EVEREN Securities Incorporated; Artemis Capital Group, Inc.; Robert W. Baird & Co., Inc., M.R. Beal & Company, Craigie Incorporated; Fidelity Capital Markets; First Union Capital Markets, a Division of Wheat First Securities, Inc.; Josephthal & Co. Inc.; Mesriow Financial Inc.; and Seattle-Northwest Securities Corporation.

The Underwriters paid \$75,558,034, resulting in a true interest cost rate to the State of 4.6741%.

Reference Information About the Bonds

The tables on the cover and below include information about the Bonds and are 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 Underwriters have provided the reoffering yields and prices 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 2
\$74,840,000
State of Wisconsin
General Obligation Bonds of 1998, Series D

Dated Date: September 1, 1998
First Interest Date: May 1, 1999
Issuance Date: October 7, 1998

<u>CUSIP</u>	<u>Year (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield at Issuance</u>	<u>Price at Issuance</u>	<u>First Optional Redemption Date</u>	<u>Call Price</u>
977056 RS1	2000	\$3,135,000	4.00%	3.70%	100.450%	Not Callable	-
977056 RT9	2001	3,255,000	4.00	3.75	100.604	Not Callable	-
977056 RU6	2002	3,380,000	4.00	3.80	100.659	Not Callable	-
977056 RV4	2003	3,520,000	4.00	3.90	100.412	Not Callable	-
977056 RW2	2004	3,665,000	4.25	4.00	101.234	Not Callable	-
977056 RX0	2005	3,135,000	4.25	4.07	101.025	Not Callable	-
977056 RY8	2006	3,275,000	4.25	4.13	100.770	Not Callable	-
977056 RZ5	2007	3,415,000	5.00	4.17	105.924	Not Callable	-
977056 SA9	2008	3,565,000	5.00	4.26	105.761	Not Callable	-
977056 SB7	2009	3,725,000	5.00	4.33	105.630	Not Callable	-
977056 SC5	2010	3,260,000	5.00	4.45	104.593 *	5/1/2009	100%
977056 SD3	2011	3,415,000	5.10	4.56	104.484 *	5/1/2009	100
977056 SE1	2012	3,575,000	5.10	4.66	103.635 *	5/1/2009	100
977056 SF8	2013	3,750,000	5.10	4.73	103.045 *	5/1/2009	100
977056 SG6	2014	3,935,000	4.70	4.83	98.585	5/1/2009	100
977056 SH4	2015	4,130,000	4.75	4.88	98.531	5/1/2009	100
977056 SJ0	2016	4,335,000	4.80	4.93	98.480	5/1/2009	100
977056 SK7	2017	4,555,000	4.80	4.95	98.188	5/1/2009	100
977056 SL5	2018	4,785,000	4.85	4.97	98.506	5/1/2009	100
977056 SM3	2019	5,030,000	4.85	4.97	98.461	5/1/2009	100

* These bonds are priced to the May 1, 2009 call date.

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.
- Executors, administrators, guardians, trustees and other fiduciaries in Wisconsin.
- 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**). Bond Counsel will deliver an approving opinion with delivery of the Bonds, in substantially the form shown in **APPENDIX C**. 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 leading to issuance of the Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. In the event certificated Bonds are issued, a certificate of the Attorney General will be printed on the reverse side of each Bond.

Tax Exemption

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

The opinions set forth in the preceding paragraph are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended (**Code**), and other federal tax legislation that must be satisfied subsequent to the issuance of the 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 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 Bonds. The proceedings authorizing the 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 Bond maturing May 1, 2014 to May 1, 2019 (**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 (**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 Bond.

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.

Each Bond maturing May 1, 2000 to May 1, 2013 (**Premium Bonds**) has an issue price that is greater than the amount payable at maturity of such Bond.

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

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

Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of the Premium Bonds.

The Code contains numerous provisions that could affect the economic value of the Bonds to particular Bond owners. The following are some examples:

- Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Bonds or, in the case of financial institutions, a portion of an owner’s interest expense allocable to interest on the Bonds.
- 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 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.
- Interest on the 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.
- Passive investment income, including interest on the 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.
- 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 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 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 later year.

This section does not present an exhaustive discussion of collateral tax consequences arising from ownership of the Bonds. There may be other provisions of the Code that could adversely affect the value of an investment in the Bonds for particular Bond owners. Investors should consult their own tax advisors with respect to the tax consequences of owning a Bond.

Interest on the Bonds is subject to State of Wisconsin income and franchise taxes.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to 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 (**Annual Reports**), 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 (**MSRB**) and the SID, if any. As of the date of this Official Statement, no SID has been established.

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

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street
P.O. Box 7864
Madison, WI 53707-7864
capfin@doa.state.wi.us

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

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

Certain statements in this Official Statement involve matters of opinion or estimates and are not intended as representations of fact. 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. This Official Statement is not 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: September 15, 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 (**State**) 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 (**1997 Annual Report**) are included by reference as part of this APPENDIX A.

Part II to the [1997 Annual Report](#) contains general information about the State. This part presents information on the (1) State's operations and financial procedures, (2) State's accounting and financial reporting, (3) organization and description of services provided by the State, (4) results of fiscal year 1996-97, (5) State budget, (6) obligations of the State, and (7) State Investment Board. This part also presents 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 1997 Annual Report](#) contains information concerning general obligations issued by the State. This part presents 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 1997 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). As of the date of this Official Statement, the 1997 Annual Report can be found on the world wide web at:

www.doa.state.wi.us/debf/capfin/97condis.htm

After publication and filing of the 1997 Annual Report, certain changes or events have occurred that affect items discussed in the 1997 Annual Report. Listed below, by reference to particular sections of the 1997 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes have not been filed with the NRMSIRs. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRs. These informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

Year 2000 Compliance

Overview

The State of Wisconsin Department of Administration (**Department of Administration**), which has overall responsibility for the coordination of information technology in State government, is coordinating the State's Year 2000 compliance efforts. In 1996, the Department of Administration identified 100 critical business applications (that is, applications that support core state government operations and services). The Department of Administration has deemed 21 of these as the "highest priority" critical applications. Among the financial-related systems within the group of 21 highest priority critical applications are:

- WiSMART (State's accounting system)
- Income Tax Processing

- Shared Revenues
- Motor Vehicle Registration
- Wisconsin Employee Benefit Systems
- Investment Accounting System
- Local Government Investment Pool

The Department of Administration created an interagency executive taskforce to advise on ways to coordinate Year 2000 compliance oversight activities. This approach allows the State to focus on the highest priority Year 2000 compliance needs. The Department of Administration is conducting compliance surveys and assessments of all agencies, including on-site visits to agencies with critical applications. The assessment is the second stage of five stages that agencies will complete under the Department of Administration's Year 2000 compliance efforts. The five stages include (1) inventory, (2) assessment, (3) remediation, (4) testing, and (5) implementation.

The following are general conclusions of assessments completed as of May 21, 1998. The Department of Administration expects the assessments to be completed by November 1998.

- The State has not identified any significant Year 2000 consequences or unbudgeted costs to make the critical business applications Year 2000 compliant.
- Twelve of 43 agencies face "substantial challenges" and 24 of the 181 divisions (that is, the major subunits within state agencies) in State government each have more than 1,000 hours of work to complete in order to make their critical business applications Year 2000 compliant.

The costs to the State to become Year 2000 compliant have been and will continue to be absorbed within existing base operating budgets since most Year 2000 compliance work is being completed by State agencies as part of ongoing maintenance and upgrades previously identified and budgeted for by the State.

In addition to the assessments, the following is a summary of other efforts currently being undertaken by the State:

- The Governor issued Executive Order 341 on July 27, 1998 which directs all state agencies to make Year 2000 compliance activities their top technology priority.
- Agencies are required to provide the Department of Administration periodic Year 2000 compliance status reports for each of the identified critical business applications
- Creation of a central Year 2000 test environment for use by State agencies to verify the effectiveness of Year 2000 compliance activities. The State maintains a web site that provides specific technical information to assist agency Year 2000 compliance efforts. The internet address for this is: www.state.wi.us/y2k.
- Agencies are preparing contingency plans designed to address possible problems arising from failures of information technology systems or other disruptions of business processes.

Internal Year 2000 Issues

The 21 highest priority critical applications have a direct impact on critical and core State operations. The Department of Administration anticipates that the assessment of these 21 highest priority critical applications will be completed in November 1998. Specifically, WiSMART, the State's accounting system, has recently been updated for Year 2000 and is undergoing testing for Year 2000 compliance. The Department of Revenue, which is the agency responsible for collection of State taxes, is completing assessment of its critical applications.

External Year 2000 Issues

The State has contacted each of its paying agents, registrars, escrow agents, trustees and depositories and has been informed by each of these firms that they intend to meet the federal regulation that all securities processing institutions be Year 2000 compliant by December 31, 1998. The State will continue to monitor these compliance activities and take appropriate steps to ensure timely compliance, as needed. The Department of Health and Family Services is the State agency that interfaces with the Federal Government for Medicare and Medicaid reimbursement payments. This department is addressing Year 2000 compliance efforts with the Federal Government and is working on contingency plans in the event of a problem.

Mechanical Year 2000 Issues

With respect to debt service payments, the State maintains hard paper copy records of all its debt service schedules. In the event computer payment systems fail, the State is prepared to provide manual payment checks to paying agents and The Depository Trust Company (DTC). Debt service payments due on State obligations for the first six months of calendar year 2000 are:

<u>Date</u>	<u>Obligation</u>	<u>Parties Involved</u>
January 3, 2000	General Obligation Bonds	State Treasurer's Office/DTC
January 3, 2000	Transportation Revenue Bonds	Bank One Trust Company, N.A. (Trustee)/DTC
February 14, 2000	Master Lease Certificates of Participation	State Treasurer's Office/Firststar Trust Company (Trustee)
March 1, 2000	Master Lease Certificates of Participation	Firststar Trust Company (Trustee)/DTC
May 1, 2000	General Obligation Bonds	State Treasurer's Office/ DTC
June 1, 2000	Clean Water Revenue Bonds	Firststar Trust Company (Trustee)/DTC

As a contingency, the State is further considering sending the payments due on January 3, 2000 to DTC on or before December 31, 1999.

The State cannot provide any assurances that all Year 2000 problems will be corrected by January 1, 2000 nor that all information technology systems will continue to work efficiently on January 1, 2000. There remains a possibility that some Year 2000 problems will not be identified or corrected by January 1, 2000. However, the actions that the State is currently completing should minimize such potential problems, especially for critical business applications. As part of the State's Year 2000 process, agencies are preparing contingency plans designed to address possible problems arising from failures of information technology systems or other disruptions of business processes.

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

Budgets for 1997-99

The Annual Fiscal Report for the fiscal year ending June 30, 1998 will be published on or before October 15, 1998. This Annual Fiscal Report will include statutory and unaudited balances for the fiscal year ending June 30, 1998. On June 2, 1998, the Governor signed into law a budget adjustment bill for the 1997-99 biennial budget. The following summary is based on this budget adjustment bill.

The budget on an all-funds basis projects a balance of \$352 million for the fiscal year ending June 30, 1998 and \$117 million for the fiscal year ending June 30, 1999. A detailed summary of the all-funds budget is on [page A-5](#).

State Budget--All Funds		
(Amounts in Millions)		
	Fiscal Year Ending	Fiscal Year Ending
	<u>June 30, 1998</u>	<u>June 30, 1999</u>
Beginning Balance	\$ 331	\$ 352
Tax Revenues	9,351	9,663
Nontax Revenues	<u>14,162</u>	<u>14,344</u>
Total Available Revenues	\$23,844	\$24,359
Net Disbursements	\$23,455	\$24,009
Reserves	<u>135</u>	<u>331</u>
Total Disbursements/Reserves	\$23,590	\$24,340
Estimated Balance	\$ 254	\$ 18
Statutorily Required Balance	<u>98</u>	<u>99</u>
Total Balance	\$ 352	\$ 117

The balances for the budget on a general-fund basis are the same as the all-funds basis: \$352 million for the fiscal year ending June 30, 1998 and \$117 million for the fiscal year ending June 30, 1999. A detailed summary of the general-fund budget is on [page A-6](#).

State Budget--General Fund		
(Amounts in Millions)		
	Fiscal Year Ending	Fiscal Year Ending
	<u>June 30, 1998</u>	<u>June 30, 1999</u>
Beginning Balance	\$ 331	\$ 352
Tax Revenues	9,351	9,663
Nontax Revenues	<u>6,573</u>	<u>6,434</u>
Total Available Revenues	\$16,255	\$16,449
Net Disbursements	\$15,866	\$16,099
Reserves	<u>135</u>	<u>332</u>
Total Disbursements/Reserves	\$16,001	\$16,431
Estimated Balance	\$ 254	\$ 18
Statutorily Required Balance	<u>98</u>	<u>99</u>
Total Balance	\$ 352	\$ 117

The budget adjustment bill also provides that up to \$125 million of any increased budget surplus above the budget adjustment bill estimates for the period ending June 30, 1998 be used to increase the school property tax credit for tax year 1998. The Legislative Fiscal Bureau has prepared an estimate of the net general-fund balance for the period ending June 30, 1998, which estimates \$180 million in revenues above the budget adjustment bill estimates. This estimate will result in the additional \$125 million school property tax credit for tax year 1998. However, for budgetary purposes, no increased budget surplus is recognized at this time as the report completed by the Legislative Fiscal Bureau is conditioned on many items not available until the Annual Fiscal Report is issued.

Table II-3; State Budget–All Funds (Page Part II-17). Replace the table with the following:

State Budget–All Funds^(a)

	Actual ^(b) 1996-97	Budget Adjustment 1997-98	Budget Adjustment 1998-99
RECEIPTS			
Fund Balance from Prior Year.....	\$ 581,690,000	\$ 331,145,100 ^(c)	\$ 352,243,400
Tax Revenue			
Individual Income.....	4,544,739,000	4,916,000,000	5,052,400,000
General Sales and Use.....	2,864,373,000	2,999,850,000	3,134,030,000
Corporate Franchise and Income.....	643,822,000	644,800,000	654,700,000
Public Utility.....	306,231,000	277,300,000	272,600,000
Excise			
Cigarette/Tobacco Products.....	213,348,000	257,000,000	268,900,000
Liquor and Wine.....	31,350,000	32,000,000	32,300,000
Malt Beverage.....	9,207,000	9,500,000	9,500,000
Inheritance, Estate & Gift.....	50,825,000	73,000,000	55,000,000
Insurance Company.....	94,641,000	95,000,000	95,000,000
Other.....	869,250,000	46,025,000 ^(d)	88,237,500 ^(d)
Subtotal.....	<u>9,627,786,000</u>	<u>9,350,475,000</u>	<u>9,662,667,500</u>
Nontax Revenue			
Departmental Revenue.....	143,630,000	159,375,900	151,226,600
Total Federal Aids.....	3,478,405,000	4,323,934,400	4,339,196,600
Total Program Revenue.....	2,232,844,000	2,284,115,900	2,353,325,400
Total Segregated Funds.....	2,907,590,000	2,175,818,200	2,229,010,500
Fund Transfers In.....	NA	261,605,900	NA
Bond Authority.....	290,612,000	415,000,000	430,000,000
Employe Benefit Contributions ^(e)	8,729,891,000	4,542,998,211	4,840,878,164
Subtotal.....	<u>17,782,972,000</u>	<u>14,162,848,511</u>	<u>14,343,637,264</u>
Total Available.....	<u>\$ 27,992,448,000</u>	<u>\$ 23,844,468,611</u>	<u>\$ 24,358,548,164</u>
DISBURSEMENTS AND RESERVES			
Commerce.....	\$ 373,921,000	\$ 399,608,700	390,029,300
Education.....	6,759,147,000	7,046,047,900	7,332,883,400
Environmental Resources.....	2,137,281,000	2,153,578,600	2,183,076,800
Human Relations and Resources.....	5,689,028,000	5,889,776,700	6,120,171,500
General Executive.....	2,710,053,000	818,817,000	613,160,900
Judicial.....	86,958,000	89,630,900	90,209,800
Legislative.....	53,219,000	55,274,500	55,994,700
General Appropriations.....	2,266,799,000	2,107,286,500	2,012,329,700
General Obligation Bond Program.....	437,402,000	415,000,000	430,000,000
Employe Benefit Payments ^(e)	1,456,722,000	1,889,607,836	2,019,386,350
Reserve for Employe Benefit Payments ^(e)	7,273,169,000	2,653,390,375	2,821,491,814
Subtotal.....	<u>29,243,699,000</u>	<u>23,518,019,011</u>	<u>24,068,734,264</u>
Less: (Lapses).....	NA	(62,926,600)	(60,255,000)
Compensation Reserves.....	NA	34,915,600	66,338,400
Required Statutory Balance.....	NA	98,110,700	99,426,600
Fund Transfers Out.....	NA	2,217,200	166,108,600
Federal Retiree Reserve.....	NA	NA	NA
Change in Continuing Balance.....	<u>(1,589,089,000)</u>	<u>NA</u>	<u>NA</u>
Total Disbursements & Reserves.....	<u>\$ 27,654,609,000</u>	<u>\$ 23,590,335,911</u>	<u>\$ 24,340,352,864</u>
Fund Balance.....	\$ 337,839,000	\$ 254,132,700	\$ 18,195,300
Undesignated Balance.....	\$ 327,145,000	\$ 352,243,400	\$ 117,621,900

(a) The amounts shown are based on statutorily required accounting and not on GAAP.

(b) The amounts shown are unaudited and rounded to the nearest thousand.

(c) There is a difference in the budgeting and accounting treatment of a \$4,000,100 loan from the Local Government Property Insurance Fund which was outstanding as of June 30, 1997. For budgeting purposes, the loan increases the balance of the General Fund which is then reduced when the repayment is made. For accounting purposes, the loan has no effect on the General Fund balance.

(d) The budgets do not include taxes collected for segregated funds. The largest such tax is the motor vehicle fuel tax, which collected \$693 million in the 1996-97 fiscal year. For the 1998-99 fiscal year, the amount shown includes \$40 million of revenue expected to be raised through a program that offers a tax amnesty program. As of the date of this Official Statement, this program has been completed and the results are currently being evaluated by the State.

(e) State law separates the accounting of employe benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables II-1 and II-2 of the State of Wisconsin Continuing Disclosure Annual Report, dated December 26, 1997. Benefits are provided for on a fully funded basis. Therefore, when contributions actually received exceed the benefits actually paid out, the difference is added to the trust funds. In the event that the actual benefit payments exceed the contributions, investment earnings will be used to cover the difference before they are deposited in the Employe Benefit Fund.

Table II-4; State Budget–General Fund (Page Part II-18). Replace the table with the following:

State Budget–General Fund^(a)

	<u>Actual ^(b) 1996-97</u>	<u>Budget Adjustment 1997-98</u>	<u>Budget Adjustment 1998-99</u>
RECEIPTS			
Fund Balance from Prior Year.....	\$ 581,690,000	\$ 331,145,100	\$ 352,243,400
Tax Revenue			
State Taxes Deposited to General Fund			
Individual Income.....	4,544,739,000	4,916,000,000	5,052,400,000
General Sales and Use.....	2,864,373,000	2,999,850,000	3,134,030,000
Corporate Franchise and Income.....	643,822,000	644,800,000	654,700,000
Public Utility.....	306,231,000	277,300,000	272,600,000
Excise			
Cigarette/Tobacco Products.....	213,348,000	257,000,000	268,900,000
Liquor and Wine.....	31,350,000	32,000,000	32,300,000
Malt Beverage.....	9,207,000	9,500,000	9,500,000
Inheritance, Estate & Gift.....	50,825,000	73,000,000	55,000,000
Insurance Company.....	94,641,000	95,000,000	95,000,000
Other.....	<u>55,905,000</u>	<u>46,025,000</u>	<u>88,237,500</u> ^(d)
Subtotal.....	8,814,441,000	9,350,475,000	9,662,667,500
Nontax Revenue			
Departmental Revenue.....	143,630,000	159,375,900	151,226,600
Program Revenue-Federal.....	3,478,405,000	3,868,165,100	3,929,984,000
Program Revenue-Other.....	2,232,844,000	2,284,115,200	2,353,325,400
Fund Transfers In.....	NA	261,605,900	NA
Subtotal.....	<u>5,854,879,000</u>	<u>6,573,262,100</u>	<u>6,434,536,000</u>
Total Available.....	<u>\$ 15,251,010,000</u>	<u>\$ 16,254,882,200</u>	<u>\$ 16,449,446,900</u>
DISBURSEMENTS AND RESERVES			
Commerce.....	\$ 204,697,000	\$ 207,291,600	\$ 195,817,600
Education.....	6,566,192,000	6,981,265,900	7,185,455,400
Environmental Resources.....	237,381,000	239,538,800	239,024,700
Human Relations and Resources.....	5,447,424,000	5,792,936,500	6,013,539,700
General Executive.....	497,084,000	742,911,000	533,306,400
Judicial.....	86,652,000	88,987,000	89,565,900
Legislative.....	53,219,000	55,274,500	55,994,700
General Appropriations.....	<u>1,839,755,000</u>	<u>1,820,227,300</u>	<u>1,846,928,600</u>
Subtotal.....	14,932,404,000	15,928,432,600	16,159,633,000
Less: (Lapses).....	NA	(62,926,600)	(60,255,000)
Compensation Reserves.....	NA	34,915,600	66,338,400
Required Statutory Balance.....	NA	98,110,700	99,426,600
Fund Transfers Out.....	NA	2,217,200	166,108,600
Federal Retiree Reserve.....	NA	NA	NA
Changes in Continuing Balance.....	<u>(19,233,000)</u>	<u>NA</u>	<u>NA</u>
Total Disbursements & Reserves.....	<u>\$ 14,913,171,000</u>	<u>\$ 16,000,749,500</u>	<u>\$ 16,431,251,600</u>
Fund Balance.....	\$ 337,839,000	\$ 254,132,700	\$ 18,195,300
Undesignated Balance.....	\$ 327,145,000	\$ 352,243,400	\$ 117,621,900

^(a) The amounts shown are based on statutorily required accounting and not on GAAP.

^(b) The amounts shown are unaudited and rounded to the nearest thousand.

^(c) There is a difference in the budgeting and accounting treatment of a \$4,000,100 loan from the Local Government Property Insurance Fund which was outstanding as of June 30, 1997. For budgeting purposes, the loan increases the balance of the General Fund which is then reduced when the repayment is made. For accounting purposes, the loan has no effect on the General Fund balance.

^(d) Includes \$40 million of revenue expected to be raised through a program that offers a tax amnesty. As of the date of this Official Statement, this program has been completed and the results are being evaluated by the State.

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 May 31, 1998 $\frac{3}{4}$ Actual
June 1, 1998 through June 30, 1999 $\frac{3}{4}$ 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	1,536,033	1,078,050	
	May.....	879,918	1,258,276	990,358	
	June.....	1,147,836	1,531,549	2,302,136	
	July.....	377,249	1,604,067	1,705,179	
	August.....	276,137	1,201,349	847,918	
	September.....	629,568	1,580,504	1,471,353	
	October.....	738,719	1,279,290	949,794	
	November.....	1,068,215	1,349,517	1,636,927	
	December.....	780,805	1,370,610	1,793,369	
1999	January.....	358,046	1,731,853	1,005,086	
	February.....	1,084,813	1,274,656	1,246,139	
	March.....	1,113,330	1,351,348	2,214,785	
	April.....	249,893	1,635,130	1,221,972	
	May.....	663,051	1,384,682	1,051,866	
	June.....	995,867	1,584,384	2,489,328	

^(a) The monthly receipt and disbursement projections for June 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 [1997 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 June 1, 1998 — Actual
July 1, 1998 to June 1, 1999 — Estimated^(b)
(Amounts in Millions)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
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	4,011.24	2,117.84
June.....		3,317.76	3,811.49	2,055.69
July	\$3,252.38	3,522.40	2,013.13 ^(b)	
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 July 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. Under Section 20.002(11) of the Statutes, interfund borrowing is limited to 5% of the total general-purpose revenue appropriations then in effect, which for the 1998-99 budget is nearly \$500 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 May 31, 1998 compared with previous year
(Unaudited)

	Actual Receipts 1996-97 FY^(b)	Projected Receipts 1997-98 FY	Actual Receipts July 1, 1996 to May 31, 1997	Actual Receipts July 1, 1997 to May 31, 1998
Individual Income Tax	\$ 4,544,739,246	\$ 4,809,892,600	\$ 3,832,196,561	\$ 4,212,881,748
General Sales and Use Tax ..	2,864,373,180	3,015,000,000	2,344,412,532	2,482,336,145
Corporate Franchise and Income Tax	643,821,885	646,300,000	528,366,857	514,093,484
Public Utility Taxes	306,230,883	274,005,700	303,925,592	292,723,742
Excise Taxes	253,904,414	292,575,000	208,052,458	244,026,938
Inheritance Taxes	50,825,151	45,000,000	46,720,845	71,227,393
Miscellaneous Taxes	<u>150,545,817</u>	<u>140,200,000</u>	<u>129,021,849</u>	<u>130,065,417</u>
SUBTOTAL.....	8,814,440,576	9,222,973,300	7,392,696,694	7,947,354,867
Federal Receipts.....	3,478,405,811	3,863,347,100	3,139,643,611	3,138,212,400
Dedicated and Other Revenues ^(c)	<u>2,376,474,850</u>	<u>2,680,026,100</u>	<u>2,288,197,738</u> ^(d)	<u>2,532,627,862</u> ^(d)
TOTAL.....	<u>\$14,669,321,237</u>	<u>\$15,766,346,500</u>	<u>\$12,820,538,043</u>	<u>\$13,618,195,129</u>

^(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 [1997 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, from the sale of operating notes, of \$150 million principal amount in fiscal year 1996-97 and \$450 million principal amount in fiscal year 1997-98.

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 May 31, 1998 compared with previous year
(Unaudited)**

	Actual Expenditures <u>1996-97 FY^(b)</u>	Appropriations <u>1997-98 FY</u>	Actual Expenditures July 1, 1996 to <u>May 31, 1997</u>	Actual Expenditures July 1, 1997 to <u>May 31, 1998</u>
Commerce.....	\$ 204,697,785	\$ 195,180,400	\$ 166,035,184	\$ 160,557,590
Education.....	6,566,191,813	7,202,088,700	5,049,493,402	5,344,062,092
Environmental Resources.....	237,381,444	239,232,900	221,553,627	213,801,235
Human Relations & Resources..	5,447,424,395	5,954,107,100	4,848,480,143	4,978,800,815
General Executive.....	497,084,469	520,567,800	454,210,182	671,096,714
Judicial.....	86,651,785	89,158,400	79,099,088	82,183,504
Legislative.....	53,218,947	55,307,000	45,192,684	46,390,455
General Appropriations.....	<u>1,839,755,076</u>	<u>1,865,582,600</u>	<u>1,556,202,669</u>	<u>1,705,115,873</u>
TOTAL.....	<u>\$ 14,932,405,714</u>	<u>\$ 16,121,224,900</u>	<u>\$ 12,420,266,979</u>	<u>\$ 13,202,008,278</u>

(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 [1997 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-6; Debt Statement (Page Part III-16). Replace the table with the following:

Debt Statement					
July 1, 1998					
	<u>Tax-Supported Debt</u>		<u>Revenue-Supported Debt^(a)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Segregated Funds^(b)</u>	<u>Veterans Housing</u>	<u>Other^(c)</u>	
GENERAL OBLIGATIONS					
Outstanding Indebtedness .	<u>\$2,385,435,746</u>	<u>\$46,336,083</u>	<u>\$690,337,510</u>	<u>\$326,400,099</u>	<u>\$3,448,509,438</u>
NONSTOCK, NONPROFIT CORPORATIONS^(d)					
Wisconsin University					
Building Corp.				\$ 91,957	\$ 91,957
Wisconsin State Colleges					
Building Corp.				<u>975,000</u>	<u>975,000</u>
Outstanding Indebtedness .				<u>\$ 1,066,957</u>	<u>\$ 1,066,957</u>
Total Outstanding					
Indebtedness	<u>\$2,385,435,746</u>	<u>\$46,336,083</u>	<u>\$690,337,510</u>	<u>\$327,467,056</u>	<u>\$3,449,576,395</u>

^(a) Revenue Supported Debt represents general obligation debt of the State and indebtedness of its nonstock, nonprofit corporations issued to fund particular programs and facilities with the initial expectation that revenues and other proceeds derived from the operation of the programs and facilities will amortize the allocable debt without recourse to the General Fund.

^(b) Includes the Transportation Fund and certain administrative facilities for the Department of Natural Resources.

^(c) Includes university dormitories, food service, intercollegiate athletic facilities, certain facilities on the State Fair grounds and capital equipment acquisition.

^(d) See "STATE OBLIGATIONS; Nonstock, Nonprofit Corporations" in the [1997 Annual Report](#) for a description of the nonstock, nonprofit corporations.

Source: Wisconsin Department of Administration.

Table III-9; Debt Service Maturity Schedule: Amount Due Annually on General Obligation Bonds Issued to July 15, 1998 (Page Part III-18). Replace the table with the following:

**DEBT SERVICE MATURITY SCHEDULE:
AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION BONDS
ISSUED TO JULY 15, 1998^(a)**

Fiscal Year (Ending June 30)	Principal	Interest	Total Debt Service
1999 ^(b)	\$ 230,534,072	\$ 172,830,608	\$ 403,364,680
2000.....	234,725,911	162,419,593	397,145,504
2001.....	231,725,311	152,045,889	383,771,200
2002.....	227,242,754	140,146,286	367,389,040
2003.....	219,402,654	128,030,861	347,433,515
2004.....	203,565,674	116,750,239	320,315,913
2005.....	198,826,494	105,701,516	304,528,010
2006.....	194,888,101	94,283,047	289,171,148
2007.....	191,401,611	84,217,450	275,619,061
2008.....	186,548,601	74,347,645	260,896,246
2009.....	183,375,539	64,478,370	247,853,909
2010.....	166,152,097	55,270,145	221,422,242
2011.....	150,021,795	47,039,340	197,061,135
2012.....	123,142,278	39,537,923	162,680,201
2013.....	104,657,479	33,563,136	138,220,615
2014.....	84,441,973	28,212,507	112,654,480
2015.....	72,619,374	23,685,418	96,304,792
2016.....	54,690,119	19,744,835	74,434,954
2017.....	51,535,274	16,695,550	68,230,824
2018.....	36,684,325	13,893,125	50,577,450
2019.....	20,590,000	11,776,284	32,366,284
2020.....	20,400,000	10,473,904	30,873,904
2021.....	19,355,000	9,224,485	28,579,485
2022.....	23,325,000	7,966,836	31,291,836
2023.....	22,775,000	6,498,739	29,273,739
2024.....	23,325,000	5,078,481	28,403,481
2025.....	18,265,000	3,626,806	21,891,806
2026.....	14,045,000	2,453,536	16,498,536
2027.....	16,540,000	1,568,238	18,108,238
2028.....	8,070,000	647,780	8,717,780
2029.....	3,130,000	113,463	3,243,463
TOTALS.....	<u><u>\$3,336,001,436</u></u>	<u><u>\$1,632,322,035</u></u>	<u><u>\$4,968,323,471</u></u>

^(a) This maturity schedule does not include interest and principal payments on outstanding general obligation commercial paper.

^(b) For the fiscal year ending June 30, 1999, the table includes debt service amounts for the period July 15, 1998 through June 30, 1999.

Source: Wisconsin Department of Administration.

Table III-10; Amortization Schedule: Amount Due Annually on General Obligation Commercial Paper Issued to July 15, 1998 (Page Part III-19). Replace the table with the following:

**AMORTIZATION SCHEDULE:
AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION COMMERCIAL PAPER
ISSUED TO JULY 15, 1998 ^(a)**

Fiscal Year (Ending June 30)	Principal
1999.....	\$ 5,085,000
2000.....	5,270,000
2001.....	5,495,000
2002.....	5,730,000
2003.....	5,485,000
2004.....	5,730,000
2005.....	6,000,000
2006.....	6,280,000
2007.....	6,595,000
2008.....	4,695,000
2009.....	4,935,000
2010.....	5,190,000
2011.....	5,460,000
2012.....	5,750,000
2013.....	6,060,000
2014.....	6,385,000
2015.....	6,735,000
2016.....	7,110,000
2017.....	7,505,000
2018.....	<u>1,945,000</u>
TOTALS.....	<u>\$113,440,000</u>

^(a) The State intends to treat each issue of general obligation commercial paper as if it were a long-term bond issue by making annual payments on May 1. Each annual payment reflects a principal amortization. The Program Resolution does not permit the State to have any commercial paper outstanding for more than 10 years after its issuance date. The State also intends to make a payment on each May 1 and November 1 on all outstanding general obligation commercial paper in an amount equal to the interest accrued and accruing for that period.

Source: Wisconsin Department of Administration.

Appendix B

STATE OF WISCONSIN GENERAL OBLIGATION ISSUANCE STATUS REPORT July 15, 1998

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	Total Authorized Unissued Debt	1998 Series D Bonds	Remaining Authority ^(a)
University of Wisconsin; academic facilities.....	\$ 762,124,100	\$ 709,892,229	\$ 11,142,080	\$ 41,089,791	\$ 4,000,000	\$ 37,089,791
University of Wisconsin; self-amortizing facilities.....	438,248,600	248,907,621	872,944	188,468,035	22,455,000	166,013,035
Natural resources; municipal clean drinking water grants.....	9,800,000	9,519,342	141,811	138,847		138,847
Clean water fund program.....	552,743,200	313,935,573		238,807,627	800,000	238,007,627
Safe drinking water loan program.....	12,130,000			12,130,000	8,200,000	3,930,000
Natural resources; nonpoint source grants.....	34,363,600	23,830,658	132,570	10,400,372	3,950,000	6,450,372
Natural resources; nonpoint source compliance.....	2,000,000			2,000,000		2,000,000
Natural resources; environmental repair.....	43,000,000	15,380,000	161,017	27,458,983	374,900	27,084,083
Natural resources; environmental segregated fund supported administrative facilities.....	145,000			145,000	136,100	8,900
Natural resources; segregated revenue supported dam maintenance, repair, modification, abandonment and removal.....	6,350,000	565,000		5,785,000	750,000	5,035,000
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	146,850,000	145,010,325	50,000	1,789,675		1,789,675
Natural resources; pollution abatement and sewage collection facilities.....	902,449,800	872,803,888	18,510,235	11,135,677		11,135,677
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,144,242	6,287,401	168,357		168,357
Natural resources; recreation projects.....	56,055,000	56,053,036	1,005	959		959
Natural resources; local parks land acquisition and development.....	2,490,000	2,439,349	42,259	8,392		8,392
Natural resources; recreation development.....	23,061,500	22,713,166	141,227	207,107	65,000	142,107
Natural resources; land acquisition.....	45,608,600	45,115,269	491,670	1,661		1,661
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,442,545	17,174	40,281		40,281

GENERAL OBLIGATION ISSUANCE STATUS REPORT--CONTINUED
July 15, 1998

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	Total Authorized Unissued Debt	1998 Series D Bonds	Remaining Authority ^(a)
Natural resources; segregated revenue supported facilities.....	18,746,600	10,414,722	48,761	8,283,117	1,225,000	7,058,117
Natural resources; general fund supported administrative facilities.....	8,295,800	5,446,075	17,958	2,831,767	505,000	2,326,767
Natural resources; ice age trail.....	750,000			750,000		750,000
Natural resources; dam maintenance, repair, modification, abandonment and removal.....	5,500,000	5,345,000	49,701	105,299	25,000	80,299
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,498,446		1,554		1,554
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	139,655,000	1,446,521	89,898,479	9,400,000	80,498,479
Transportation; administrative facilities.....	8,890,400	8,759,479	33,943	96,978		96,978
Transportation; accelerated bridge improvements.....	46,849,800	46,849,800				
Transportation; rail passenger route development...	50,000,000			50,000,000		50,000,000
Transportation; accelerated highway improvements.....	185,000,000	185,000,000				
Transportation; connecting highway improvements.....	15,000,000	15,000,000				
Transportation; federally aided highway facilities.....	10,000,000	10,000,000				
Transportation; highway projects.....	41,000,000	41,000,000				
Transportation; harbor improvements.....	15,000,000	11,585,000	232,606	3,182,394	215,000	2,967,394
Transportation; rail acquisitions and improvements.....	19,000,000	10,480,000		8,520,000	165,000	8,355,000
Corrections; correctional facilities.....	594,680,500	439,011,762	8,657,527	147,011,211	5,000,000	142,011,211
Corrections; self-amortizing facilities and equipment.....	7,337,000	700,000	93	6,636,907		6,636,907

GENERAL OBLIGATION ISSUANCE STATUS REPORT--CONTINUED
July 15, 1998

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	Total Authorized Unissued Debt	1998 Series D Bonds	Remaining Authority ^(a)
Corrections; juvenile correctional facilities.....	26,441,500	24,123,556	100,564	2,217,380	200,000	2,017,380
Health and family services; mental health and secure treatment facilities.....	88,712,500	79,000,268	680,486	9,031,746	2,500,000	6,531,746
Agriculture; soil and water.....	3,000,000			3,000,000		3,000,000
Administration; Black Point Estate.....	1,600,000			1,600,000		1,600,000
Building commission; previous lease rental authority.....	143,071,600	143,068,654		2,946		2,946
Building commission; refunding corporation self-amortizing debt.....	1,940,000			1,940,000		1,940,000
Building commission; refunding tax-supported general obligation debt.....	2,125,000,000	1,700,210,460 ^(c)		424,789,540		424,789,540
Building commission; refunding self-amortizing general obligation debt.....	275,000,000	175,804,003 ^(c)		99,195,997		99,195,997
Building commission; housing state departments and agencies.....	259,727,600	202,074,121	1,708,026	55,945,453		55,945,453
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,650,000	294,479	155,521		155,521
Building commission; project contingencies.....	28,233,200	10,790,000	49,419	17,393,781	2,000,000	15,393,781
Building commission; capital equipment acquisition.....	84,312,100	56,999,191	728,337	26,584,572	4,000,000	22,584,572
Building commission; discount sale of debt.....	90,000,000	52,078,484		37,921,516		37,921,516
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(c)		11,167		11,167
Building commission; other public purposes.....	919,466,000	625,872,152	4,476,195	289,117,653	5,749,000	283,368,653
Medical College of Wisconsin, Inc.;						
basic science education and health information technology facilities...	10,000,000	8,000,000		2,000,000	2,000,000	
Technology for educational achievement in Wisconsin board;						
school district educational technology infrastructure loans.....	100,000,000			100,000,000		100,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT--CONTINUED
July 15, 1998

Program Purpose	Legislative Authorization	General Obligations Issued to Date^(a)	Interest Earnings^(b)	Total Authorized Unissued Debt	1998 Series D Bonds	Remaining Authority^(a)
Technology for educational achievement in Wisconsin board; public library educational technology infrastructure loans.....	10,000,000			10,000,000		10,000,000
Educational communications board; educational communications facilities.....	8,354,100	7,044,539	36,946	1,272,615	110,000	1,162,615
Historical society; self-amortizing facilities.....	3,173,600	1,029,156	3,896	2,140,548		2,140,548
Historical society; historic records.....	400,000			400,000		400,000
Historical society; historic sites.....	1,839,000	1,825,756		13,244		13,244
Historical society; museum facility.....	4,384,400	4,331,000		53,400	5,000	48,400
Public instruction; state schools and library facilities...	7,367,700	7,324,197	32,508	10,995	5,000	5,995
Military affairs; armories and military facilities.....	19,590,200	16,247,527	192,543	3,150,130	50,000	3,100,130
Veterans affairs; veterans facilities.....	10,090,100	8,248,065	50,556	1,791,479	120,000	1,671,479
Veterans affairs; self-amortizing mortgage loans.....	1,807,500,000	1,673,706,295	5,415,132	128,378,573		128,378,573
Veterans affairs; refunding bonds.....	665,000,000	610,594,245		54,405,755		54,405,755
Veterans affairs; self-amortizing housing facilities.....	2,031,900			2,031,900		2,031,900
State fair park board; board facilities.....	2,000,000			2,000,000		2,000,000
State fair park board; housing facilities.....	11,000,000	10,880,000		120,000	110,000	10,000
State fair park board; self-amortizing facilities.....	27,850,000	20,403,800	6,046	7,440,154	725,000	6,715,154
Funding of general obligation higher education bonds presented for payment.....						
Total.....	<u>\$11,352,255,000</u>	<u>\$9,148,791,829</u>	<u>\$62,253,636</u>	<u>\$2,141,209,535</u>	<u>\$74,840,000</u>	<u>\$2,066,369,535</u>

(a) On August 27, 1998, the State entered into an agreement for the sale of its \$157,580,000 General Obligation Refunding Bonds of 1998, Series 1, which is not reflected in these amounts. Delivery of these refunding bonds is expected on September 17, 1998.

(b) Interest earnings reduce issuance authority by the same amount.

(c) Interest scheduled to accrue on any obligation that is not payable during the current fiscal year is treated as debt and taken into account for purposes of the statutory authority to issue debt.

Source: Wisconsin Department of Administration.

Appendix C

EXPECTED FORM OF 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)

\$74,840,000

**STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1998, SERIES D**

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 D to the amount of \$74,840,000, dated September 1, 1998 (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 a resolution adopted by the State of Wisconsin Building Commission (the "Commission") on August 6, 1998 (the "Resolution").

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 Resolution has been duly adopted by the Commission and constitutes a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the 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 Bonds is excluded from gross income for federal income tax purposes, and the interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; it should be noted, however, that with respect to certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for

the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended, and other federal tax legislation that must be satisfied subsequent to the issuance of the 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 Bonds in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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