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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
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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.

STATE OF WISCONSIN

$6,155,000 GENERAL OBLIGATION BONDS OF 1998, SERIES E
Not Subject to Alternative Minimum Tax

$55,000,000 GENERAL OBLIGATION BONDS OF 1998, SERIES F (TAXABLE)

Dated: October 15, 1998 **Due: May 1 and November 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 E 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. Interest on the Series F Bonds (Taxable) is subject to federal income and State of Wisconsin income and franchise taxes—*See pages 15-19*.
Redemption	Series E Bonds are callable at par on or after May 1, 2009. Series F Bonds (Taxable) maturing on or after November 1, 2010 are callable at par on or after November 1, 2009—*See pages 4-5*. Bonds of both series are subject to special redemption at par—*See pages 5-9*.
Security	General obligations of the State of Wisconsin.
Purpose	Proceeds of the Series E Bonds are being used for the replacement refunding of certain outstanding general obligations previously issued to fund veterans housing loans. Proceeds of the Series F Bonds (Taxable) are being used for veterans housing loans—*See pages 1-2*.
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 1999
Denominations	$5,000
Closing/Settlement	November 4, 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 2-4*.

The Bonds were sold at competitive sales on October 15, 1998. The interest rates payable by the State, which are shown on the inside front cover, resulted from bids received at these competitive sales.

October 15, 1998

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

STATE OF WISCONSIN

$6,155,000 GENERAL OBLIGATION BONDS OF 1998, SERIES E
Not Subject to Alternative Minimum Tax

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price
977056 SX9	2012	$ 905,000	4.60%	5/1/2009	100%
977056 SY7	2013	950,000	4.70	5/1/2009	100
977056 SZ4	2014	995,000	4.80	5/1/2009	100
977056 TA8	2015	1,050,000	4.75	5/1/2009	100
977056 TB6	2016	1,100,000	4.75	5/1/2009	100
977056 TC4	2017	1,155,000	4.80	5/1/2009	100

Purchase Price: $6,064,701.25

$55,000,000 GENERAL OBLIGATION BONDS OF 1998, SERIES F
(TAXABLE)

CUSIP	Year (November 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price
977056 TD2	1999	$ 355,000	5.00%	Not Callable	-
977056 TE0	2000	725,000	5.00	Not Callable	-
977056 TF7	2001	760,000	5.10	Not Callable	
977056 TG5	2002	790,000	5.20	Not Callable	-
977056 TH3	2003	830,000	5.35	Not Callable	-
977056 TJ9	2004	870,000	5.45	Not Callable	-
977056 TK6	2005	915,000	5.50	Not Callable	-
977056 TL4	2006	960,000	5.55	Not Callable	-
977056 TM2	2007	1,015,000	5.60	Not Callable	-
977056 TN0	2008	1,065,000	5.65	Not Callable	-
977056 TP5	2009	1,125,000	5.75	Not Callable	-
977056 UK4	2029 [a]	45,590,000	6.40	11/1/2009	100%

[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@doa.state.wi.us

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Mr. Lawrence K. Dallia
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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

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

SUMMARY DESCRIPTION OF THE 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 E and General Obligation Bonds of 1998, Series F (Taxable)
Principal Amount:	$6,155,000 Series E Bonds and $55,000,000 Series F Bonds (Taxable)
Denominations:	$5,000 and integral multiples
Date of Issue:	October 15, 1998
Record Date:	April 15 or October 15
Interest Payment:	May 1 and November 1, commencing May 1, 1999
Maturities:	Series E Bonds mature May 1, 2012-2017 and Series F Bonds (Taxable) mature November 1, 1999-2009 and 2029 —*See inside front cover*
Redemption:	*Mandatory Sinking Fund*—Series F Bonds (Taxable) maturing November 1, 2029 are subject to mandatory sinking fund redemption at par—*See pages 4-5*
	Optional—Series E Bonds are subject to optional redemption at par beginning May 1, 2009. Series F Bonds (Taxable) maturing on or after November 1, 2010 are subject to optional redemption at par beginning November 1, 2009—*See page 5*
	Special—Bonds of each series are subject to special redemption at par—*See pages 5-9*
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. As of July 1, 1998, the outstanding principal amount of general obligations of the State was $3,449,576,395.
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 the Series E Bonds are being used for the replacement refunding of certain outstanding general obligation bonds previously issued to fund veterans housing loans. Proceeds of the Series F Bonds (Taxable) are being used for veterans housing 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:	Interest on the Series E Bonds is not included in gross income and is not an item of tax preference for federal income tax purposes. Interest on the Series F Bonds (Taxable) is included in gross income for federal income tax purposes
	Interest on the Bonds is subject to State of Wisconsin income and franchise taxes—*See pages 15-19*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner—*See page B-1*

OFFICIAL STATEMENT

STATE OF WISCONSIN

$6,155,000 GENERAL OBLIGATION BONDS OF 1998, SERIES E
Not Subject to Alternative Minimum Tax

$55,000,000 GENERAL OBLIGATION BONDS OF 1998, SERIES F (TAXABLE)

This Official Statement sets forth information concerning the $6,155,000 General Obligation Bonds of 1998, Series E (**Series E Bonds**) and the $55,000,000 General Obligation Bonds of 1998, Series F (**Series F Bonds (Taxable)**) (collectively, the Series E Bonds and the Series F Bonds (Taxable) are referred to as the **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 authorizing resolutions 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 condition, 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

Plan of Finance

The Series E Bonds are being issued for a replacement refunding on January 1, 1999. The proceeds of the Series E Bonds will replace a portion of the moneys currently available to redeem certain outstanding maturities of general obligation bonds previously issued to fund loans to veterans who are "qualified veterans" under federal tax (**Tax-Exempt Veterans Mortgage**

Bonds). The maturities of the Tax-Exempt Veterans Mortgage Bonds to be redeemed are identified in APPENDIX C. This replacement refunding will allow certain moneys available in the Veterans Mortgage Loan Repayment Fund **(Repayment Fund)** and attributable to the outstanding Tax-Exempt Veterans Mortgage Bonds to be used to originate veterans housing loans. The Series E Bonds is a series of Tax-Exempt Veterans Mortgage Bonds.

The Series F Bonds (Taxable) are being used to fund veterans housing loans. The State previously issued two series of bonds to primarily fund loans to veterans who are not "qualified veterans" under federal tax law for the purpose of acquiring residences (**Taxable Veterans Mortgage Bonds**). The Series F Bonds (Taxable) is a series of Taxable Veterans Mortgage Bonds.

The State intends to have the same mortgage rate for housing loans funded with moneys available as the result of the replacement refunding and those funded with proceeds of the Series F Bonds (Taxable). To accomplish this, the State will:

(1) provide a subsidy for housing loans funded with proceeds of the Series F Bonds (Taxable) that are made to veterans who are not "qualified veterans" under federal tax law (the source of the subsidy will be excess proceeds of eligible mortgage pools, including repayments of veterans housing loans that under federal tax law are eligible for such use), and

(2) allocate portions of the housing loans to veterans who are "qualified veterans" under federal tax law to both the Series E Bonds and the Series F Bonds (Taxable) so that the aggregate housing loan will bear interest at a blended rate.

General

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

Each series of Bonds will be dated October 15, 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.

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 F Bonds (Taxable) due on November 1, 2029 (**Series F (Taxable) 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 November 1 of each year the respective amount of the Series F (Taxable) Term Bonds specified below:

Redemption Date (November 1)	**Principal Amount**
2010	$ 1,185,000
2011	1,255,000
2012	1,330,000
2013	1,410,000
2014	1,495,000
2015	1,590,000

Redemption Date (November 1)	**Principal Amount**
2016	1,695,000
2017	1,800,000
2018	1,925,000
2019	2,045,000
2020	2,185,000
2021	2,335,000
2022	2,485,000
2023	2,660,000
2024	2,835,000
2025	3,030,000
2026	3,235,000
2027	3,455,000
2028	3,690,000
2029[a]	3,950,000

[a] Stated maturity

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

Optional Redemption

The Series E Bonds 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.

The Series F Bonds (Taxable) maturing on or after November 1, 2010 are subject to optional redemption prior to their maturity date on November 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.

Special Redemption–Series E Bonds

The Series E 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:

(1) unexpended proceeds of the Series E Bonds, including amounts resulting from the replacement refunding that are not used to originate veterans housing loans,

(2) 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

(3) 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 July 15, 1998, approximately $611 million of Tax-Exempt Veterans Mortgage Bonds. Of this amount, approximately $597 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
July 15, 1998

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	$ 11,330,000	7.25–7.50%
1988 Series A	07/01/88	14,425,000	1,365,000	7.20–7.60
1989 Series A	01/01/89	19,375,000	2,375,000	7.40–7.70
1989 Series D	08/01/89	19,475,000	14,600,000	6.85–7.20
1990 Series B	03/01/90	19,600,000	2,300,000	6.90–7.30
1990 Series F	10/01/90	19,675,000	2,475,000	6.95–7.35
1991 Series A	04/01/91	29,575,000	10,175,000	6.40–7.50
1992 Series B	06/01/92	29,850,000	8,700,000	5.75–6.60
1993 Series 6	10/15/93	20,000,000	18,385,000	4.00–5.30
1993 Series 5	12/01/93	135,255,000	134,515,000	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	7,200,000	4.90–5.80
1994 Series C	09/15/94	45,000,000	42,530,000	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
1998 Series B	05/15/98	30,565,000	30,565,000	4.75-5.35
		$ 742,755,000	$ 596,740,000	

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; however, after giving consideration of this proxy price, the State can only call maturities of Tax-Exempt Veterans Mortgage Bonds that further allow the program to continue to meet the Legislature's mandate that the program be self-amortizing. In establishing this proxy price, the State intends:

(1) to determine a hypothetical yield to maturity for each maturity of Tax-Exempt Veterans Mortgage Bonds being evaluated, using published market indices,

(2) 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

(3) to convert each hypothetical yield to the proxy price.

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 July 1, 1998. At that time, the Commission made the special redemption summarized in Table 2.

Table 2
July 1, 1998 Special Redemption
Tax-Exempt Veterans Mortgage Bonds

Bond Issue	Maturity Date	Coupon	Redemption Amount
1991 Series A	January 1, 2021	7.50%	$12,000,000

Special Redemption–Series F Bonds (Taxable)

The Series F 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 F Bonds (Taxable). In the event of a partial redemption, the Commission shall direct the maturities of the Series F Bonds (Taxable) and the amounts thereof so to be redeemed; however, the Commission intends to apply amounts from this source as a pro rata redemption on all applicable outstanding maturities of the Series F Bonds (Taxable), subject to rounding.

In addition, the Series F 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 prepayments of veterans housing loans, or interest or income on investments in certain accounts, funded from or attributed to the Series F Bonds (Taxable). In the event of a partial redemption, the Commission shall direct the maturities of the Series F Bonds (Taxable) and the amounts thereof so to be redeemed; however, the Commission intends to apply amounts from this source as a pro rata redemption on all applicable outstanding maturities of the Series F Bonds (Taxable), subject to rounding.

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 F Bonds (Taxable) and prepayments of mortgages originated with or attributed to the Series F 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 F Bonds (Taxable), based on various assumptions, is summarized in Table 3. Table 3 has been prepared by cfX Incorporated, which is the firm the State has employed to review, and provide quantitative analysis regarding the cash flow of the veterans housing loan program. In creating Table 3, cfX Incorporated used the following assumptions:

(1) average origination date of April 1, 1999,
(2) level amortization of the housing loans based on a 30-year term and a 6.50% mortgage loan rate,
(3) principal amount due on the Series F 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,
(4) special redemption available solely from prepayments of veterans housing loans funded by or attributed to the Series F Bonds (Taxable),
(5) early special redemptions done on a semi-annual periodicity, and
(6) 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.

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

Prepayment Speed (FHA)

0%	25%	50%	75%	100%	150%	200%	300%	400%
20.73	17.67	15.25	13.32	11.77	9.49	7.94	6.06	5.01

Prepayment Speed (PSA)

0%	25%	50%	75%	100%	150%	200%	300%	400%
20.73	17.94	15.70	13.88	12.39	10.15	8.59	6.63	5.49

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 F 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 F Bonds (Taxable). The State has not undertaken to provide ongoing information to bondholders whether actual results are 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. The PSA prepayment model 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 30^{th} month. Beginning in the 30^{th} 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 30^{th} month and remaining constant at 12 percent per year thereafter.

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.

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.

Sources and Uses of Funds

The Series E Bonds are being used for the replacement refunding of certain general obligations previously issued to fund veterans housing loans. The Series F Bonds (Taxable) are being used to fund veterans housing loans. Series F Bond (Taxable) 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 Series F Bond (Taxable) proceeds will be invested by the State of Wisconsin Investment Board.

Ratings

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

Rating	*Rating Agency*
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

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).

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 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). 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 moneys available as the result of the replacement refunding and those funded with proceeds of the Series F Bonds (Taxable). To accomplish this, the State will:

(1) provide a subsidy for housing loans funded with proceeds of the Series F Bonds (Taxable) that are made to veterans who are not "qualified veterans" under federal tax law (the source of the subsidy will be excess proceeds of eligible mortgage pools, including repayments of veterans housing loans that under federal tax law are eligible for such use), and

(2) allocate portions of the housing loans to veterans who are "qualified veterans" under federal tax law to both the Series E Bonds and the Series F Bonds (Taxable) so that the aggregate housing loan will bear interest at a blended rate.

The State has not determined if any subsidy or similar arrangement will be available for housing loans funded with future issues of Veterans Mortgage Bonds.

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 March 1, 1998 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 Repayment Fund, a segregated statutory fund. An irrevocable appropriation is provided by law as a first charge on assets of the Repayment 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 August 31, 1998, of the 15,669 outstanding veterans housing loans financed by the program there were 151 loans of an aggregate principal amount of approximately $4.5 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

General Obligations

The State in this calendar year has sold six general obligation bond issues in the aggregate amount of $547 million. Of this amount, $231 million were issued for general governmental purposes, $65 million were issued to fund veterans housing and home improvement loans, and $252 million were issued to refund previously issued general obligation bonds. Four of the issues were sold via public sale and two issues were sold via negotiated sale. The State has also privately 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 commercial paper notes in an amount not to exceed $120 million. The amount and timing of the placement of these notes depends on the cash needs of the State.
- General obligation refunding bonds in an amount not to exceed $323 million. This authorization is in addition to the general obligation refunding bonds that have already been issued. The amount and timing of the subsequent negotiated sales of general obligation refunding bonds depend on market conditions.

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

Other Obligations

The State in this calendar year has sold two transportation revenue bond issues in the aggregate amount of $241 million. One issue in the amount of $131 million was sold via negotiated sale and refunded previously issued transportation revenue bonds. The other issue in the amount of $110 million was sold via competitive sale on October 14, 1998 and will fund eligible projects; delivery of these bonds is expected on October 29, 1998. The State has also authorized the following transportation revenue bonds:

- Transportation revenue refunding bonds in an amount not to exceed $369 million. This authorization is in addition to the transportation revenue refunding bonds that have already been sold. The amount and timing of subsequent negotiated sales of transportation revenue refunding bonds depend on market conditions.
- Transportation revenue bonds in an amount not to exceed $188 million for the refunding of outstanding transportation revenue commercial paper notes. This 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. The State does not intend to refund the currently outstanding transportation revenue commercial paper notes during this calendar year.

The State in this calendar year has sold two clean water revenue bond issues in the aggregate amount of $194 million. One issue in the amount of $90 million was sold via competitive sale and provided new-money proceeds. The other issue in the amount of $104 million was sold via negotiated sale and refunded previously issued clean water revenue bonds. No other clean water revenue bond issues are expected 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 sold operating notes in the amount of $350 million.

Underwriting

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

Key Capital Markets, Inc., as agent for Corby North Bridge Securities, Incorporated and Fidelity Capital Markets.

The Series E Underwriters paid $6,064,701.25, resulting in a true interest cost rate to the State of 4.8736%.

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

PaineWebber Incorporated, book-running manager; Salomon Smith Barney; Morgan Keegan & Co., Inc.; Advest, Inc.; A.G. Edwards & Sons, Inc.; Pryor, McClendon, Counts & Co., Inc.; and William E. Simon & Sons Municipal Securities Inc.

The Series F (Taxable) Underwriters paid $54,718,950.00, resulting in a true interest cost rate to the State of 6.3743%. The Series E Underwriters and Series F (Taxable) Underwriters are collectively referred to as the **Underwriters**.

Reference Information About the Bonds

Table 4 and the tables on the inside front cover include information about the Bonds and are provided for reference. The CUSIP number for each maturity has been obtained from sources 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 Underwriters 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.

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.

Table 4

State of Wisconsin

$6,155,000 General Obligation Bonds of 1998, Series E
$55,000,000 General Obligation Bonds of 1998, Series F (Taxable)

Dated Date: October 15, 1998
First Interest Date: May 1, 1999
Issuance Date: November 4, 1998
Special Redemption: All Bonds are subject to special redemption at par.
See "THE BONDS; Redemption Provisions".

$6,155,000 General Obligation Bonds of 1998, Series E
Not Subject to Alternative Minimum Tax

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price	Yield at Issuance	Price at Issuance
977056 SX9	2012	$ 905,000	4.60%	5/1/2009	100%	4.650%	99.502%
977056 SY7	2013	950,000	4.70	5/1/2009	100	4.750	99.480
977056 SZ4	2014	995,000	4.80	5/1/2009	100	4.800	100.000
977056 TA8	2015	1,050,000	4.75	5/1/2009	100	4.850	98.873
977056 TB6	2016	1,100,000	4.75	5/1/2009	100	4.878	98.500
977056 TC4	2017	1,155,000	4.80	5/1/2009	100	4.924	98.500

$55,000,000 General Obligation Bonds of 1998, Series F (Taxable)

CUSIP	Year (November 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price	Yield at Issuance	Price at Issuance
977056 TD2	1999	$ 355,000	5.00%	Not Callable	-	5.00%	100.000%
977056 TE0	2000	725,000	5.00	Not Callable	-	5.00	100.000
977056 TF7	2001	760,000	5.10	Not Callable	-	5.10	100.000
977056 TG5	2002	790,000	5.20	Not Callable	-	5.20	100.000
977056 TH3	2003	830,000	5.35	Not Callable	-	5.35	100.000
977056 TJ9	2004	870,000	5.45	Not Callable	-	5.45	100.000
977056 TK6	2005	915,000	5.50	Not Callable	-	5.50	100.000
977056 TL4	2006	960,000	5.55	Not Callable	-	5.55	100.000
977056 TM2	2007	1,015,000	5.60	Not Callable	-	5.60	100.000
977056 TN0	2008	1,065,000	5.65	Not Callable	-	5.65	100.000
977056 TP5	2009	1,125,000	5.75	Not Callable	-	5.75	100.000
977056 UK4	2029[a]	45,590,000	6.40	11/1/2009	100%	6.40	100.000

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

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 E Bonds

In the opinion of Bond Counsel, under existing law, the interest on the Series E Bonds is excluded from gross income for federal income tax purposes and the interest on the Series E 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 Series E 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 E Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series E Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series E Bonds. The proceedings authorizing the Series E Bonds do not provide for an increase in interest rates or a redemption of the Series E 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, 2012-2013 and 2015-2017 (**Discount Series E Bonds**), to the extent properly allocable to each owner of a Discount Series E Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Series E 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 Series E Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Series E 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 Series E Bond during any accrual period generally equals (1) the Issue Price of such Discount Series E Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity of such Discount Series E 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 (3) any interest payable on such Discount Series E 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 Series E Bond. The adjusted tax basis in a Discount Series E 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 Series E Bond.

Owners of Discount Series E Bonds who did not purchase such Discount Series E 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 Series E Bond.

Owners of Series E Bonds should consult their own tax advisors with respect to the state and local tax consequences of holding such Series E Bonds. It is possible that under the applicable provisions governing the determination of state and local taxes, accrued original issue discount on the Discount Series E 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 that could affect the economic value of the Series E Bonds to particular Series E 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 Series E Bonds or, in the case of financial institutions, a portion of an owner's interest expense allocable to interest on the Series E 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 Series E 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 Series E 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 Series E 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 Series E Bonds.
- A portion of the original issue discount that accrues in each year to an owner of a Discount Series E 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 Series E 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 Series E Bonds. There may be other provisions of the Code that could adversely affect the value of an investment in the Series E Bonds for particular Series E Bond owners. Investors should consult their own tax advisors with respect to the tax consequences of owning a Series E Bond.

Interest on the Series E Bonds is subject to State of Wisconsin income and franchise taxes. Investors should consult their own tax advisors with respect to the state and local tax consequences of owning a Series E Bond.

Series F 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 F 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 F 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 F Bonds (Taxable) as part of a straddle, hedge or conversion transaction). In addition, this discussion is limited to owners who hold Series F Bonds (Taxable) as capital assets within the meaning of Section 1221 of the Code. Each prospective purchaser of the Series F 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 F Bond (Taxable) (see discussion below regarding foreign persons), the interest paid on a Series F 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.

If an owner purchases a Series F Bond (Taxable) at a cost that is greater than the stated redemption price at maturity of the Series F 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 F 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 F Bond (Taxable).

A Series F Bond (Taxable) will be deemed to have "market discount" in the hand of an owner if:

(1) the owner's tax basis in such Series F Bond (Taxable) immediately after acquisition is less than the Series F Bond's (Taxable) adjusted issue price, and

(2) the amount of this difference (**market discount**) exceeds a specified *de minimis* amount.

If a Series F 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 F Bond (Taxable), any gain recognized by an owner upon the sale or other disposition (including payment at maturity) of this Series F 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 F 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 F 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 F 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 F 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 F 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 (**foreign person**). Owners of Series F Bonds (Taxable) who are foreign persons are urged to consult their own tax advisers regarding the specific tax consequences to them of owning Series F Bonds (Taxable).

Interest and any original issue discount earned on a Series F 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 (a) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, nor (b) a bank that is purchasing Series F 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 (**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 F 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 F 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 F Bond (Taxable), and any gain realized on a sale or exchange (including redemption) of a Series F 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 F Bond (Taxable) will not be subject to United States federal income tax or withholding if (1) the gain is not effectively connected with the conduct of a trade or business within the United States, and (2) 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 F 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 F 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.

Interest on the Series F Bonds (Taxable) is subject to State of Wisconsin income and franchise taxes. Investors should consult their own tax advisors with respect to the state and local tax consequences of owning a Series F Bond (Taxable).

REGARDING 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.

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. Material referred to in this Official Statement, including information available on the world wide web, is not part of this Official Statement unless expressly included by reference. 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: October 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 (the State's accounting system), Income Tax Processing, Shared Revenues, Motor Vehicle Registration, Wisconsin Employee Benefit System, Investment Accounting System and 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 because 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 the efforts currently being undertaken by the State:

- The Governor issued Executive Order 341 on July 27, 1998 that 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
- The State has also created 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 by 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, the agency responsible for the collection of State taxes, is completing the 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 efforts with the Federal Government and is also working on contingency plans in the event of a problem.

Mechanical Year 2000 Issues

With respect to debt service payments, the State maintains 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:

Date	**Obligation**	**Parties Involved**
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/Firstar Trust Company (Trustee)
March 1, 2000	Master Lease Certificates of Participation	Firstar Trust Company (Trustee)/DTC
May 1, 2000	General Obligation Bonds	State Treasurer's Office/ DTC
June 1, 2000	Clean Water Revenue Bonds	Firstar 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:

Results of 1997-98 Fiscal Year

The Annual Fiscal Report for the fiscal year ending June 30, 1998 was published October 15, 1998. It reports that the State ended the fiscal year on a statutory and unaudited basis with an unreserved, undesignated balance of $552 million. The following tables summarize the results from fiscal year 1997-98 as compared to the 1997-98 budget.

State Budget
General-Fund Basis
(Amounts in Millions)

	Actual 1997-98	Budgeted 1997-98
Beginning Balance	$ 327	$ 331
Tax Revenues	9,537	9,351
Nontax Revenues	6,164	6,573
Total Amount Available	$16,028	$16,255
Total Disbursements/Reserves	$15,420	$16,001
Estimated Balance	$ 608	254
Designated For Expenditure	56	(98) [a]
Total Balance	$ 552	$ 352

State Budget
All-Funds Basis
(Amounts in Millions)

	Actual 1997-98	Budgeted 1997-98
Beginning Balance	$ 327	$ 331
Tax Revenues	10,503	9,350
Nontax Revenues	19,095	14,163
Total Amount Available	$29,925	$23,844
Total Disbursements/Reserves	$29,317	$23,590
Estimated Balance	$ 608	254
Designated For Expenditure	56	(98) [a]
Total Balance	$ 552	$ 352

[a] Reflects the statutorily required reserve for the 1997-98 budget.

The budget adjustment bill for the 1997-99 biennial budget provided that up to $125 million of any budget surplus above the estimated balance on June 30, 1998 of $352 million be used to increase the school property tax credit for tax year 1998. As outlined in the Annual Fiscal Report for the period ending June 30, 1998, the actual budget surplus above the estimated balance is approximately $200 million. As a result, $125 million of the surplus on June 30, 1998 will be used for the school property tax credit for tax year 1998.

A detailed summary of the all-funds budget is on page A-5. A detailed summary of the general-fund budget is on page A-6.

Budget for 1998-99

On June 2, 1998, the Governor signed into law a budget adjustment bill for the 1997-99 biennial budget. The budget on an all-funds and general-fund basis projects a balance of $117 million for the fiscal year ending June 30, 1999.

A detailed summary of the all-funds budget is on page A-5. A detailed summary of the general-fund budget is on page A-6.

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

State Budget–All Funds[a]

`	Actual [b] 1997-98	Budget 1997-98	Budget 1998-99
RECEIPTS			
Fund Balance from Prior Year	$ 327,145,000	$ 331,145,100 [c]	$ 352,243,400
Tax Revenue			
Individual Income	5,047,325,000	4,916,000,000	5,052,400,000
General Sales and Use	3,047,406,000	2,999,850,000	3,134,030,000
Corporate Franchise and Income	627,024,000	644,800,000	654,700,000
Public Utility	288,358,000	277,300,000	272,600,000
Excise			
Cigarette/Tobacco Products	257,096,000	257,000,000	268,900,000
Liquor and Wine	32,735,000	32,000,000	32,300,000
Malt Beverage	9,260,000	9,500,000	9,500,000
Inheritance, Estate & Gift	80,111,000	73,000,000	55,000,000
Insurance Company	88,065,000	95,000,000	95,000,000
Other	1,025,774,000	46,025,000 [d]	88,237,500 [d]
Subtotal	10,503,154,000	9,350,475,000	9,662,667,500
Nontax Revenue			
Departmental Revenue	428,998,000	159,375,900	151,226,600
Total Federal Aids	3,462,744,000	4,323,934,400	4,339,196,600
Total Program Revenue	2,272,046,000	2,284,115,900	2,353,325,400
Total Segregated Funds	2,851,387,000	2,175,818,200	2,229,010,500
Fund Transfers In	NA	261,605,900	NA
Bond Authority	444,985,000	415,000,000	430,000,000
Employe Benefit Contributions [e]	9,634,618,000	4,542,998,211	4,840,878,164
Subtotal	19,094,778,000	14,162,848,511	14,343,637,264
Total Available	$ 29,925,077,000	$ 23,844,468,611	$ 24,358,548,164
DISBURSEMENTS AND RESERVES			
Commerce	$ 355,424,000	$ 399,608,700	$ 390,029,300
Education	7,102,297,000	7,046,047,900	7,332,883,400
Environmental Resources	2,225,495,000	2,153,578,600	2,183,076,800
Human Relations and Resources	5,867,267,000	5,889,776,700	6,120,171,500
General Executive	3,250,801,000	818,817,000	613,160,900
Judicial	91,027,000	89,630,900	90,209,800
Legislative	55,051,000	55,274,500	55,994,700
General Appropriations	2,633,902,000	2,107,286,500	2,012,329,700
General Obligation Bond Program	386,312,000	415,000,000	430,000,000
Employe Benefit Payments [e]	1,759,164,000	1,889,607,836	2,019,386,350
Reserve for Employe Benefit Payments [e]	7,875,454,000	2,653,390,375	2,821,491,814
Subtotal	31,602,194,000	23,518,019,011	24,068,734,264
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
Change in Continuing Balance	(2,285,220,000)	NA	NA
Total Disbursements & Reserves	$ 29,316,974,000	$ 23,590,335,911	$ 24,340,352,864
Fund Balance	$ 608,103,000	$ 254,132,700	$ 18,195,300
Undesignated Balance	$ 552,311,000	$ 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 $4,000,000 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 is complete and the State is evaluating the results, which results should be available in December 1998.

(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 1997 Annual Report. 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.

Source: Wisconsin Department of Administration.

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

State Budget–General Fund[(a)]

	Actual [(b)] 1997-98	Budget 1997-98	Budget 1998-99
RECEIPTS			
Fund Balance from Prior Year	$ 327,145,000	$ 331,145,100 [(c)]	$ 352,243,400
Tax Revenue			
State Taxes Deposited to General Fund			
Individual Income	5,047,325,000	4,916,000,000	5,052,400,000
General Sales and Use	3,047,406,000	2,999,850,000	3,134,030,000
Corporate Franchise and Income	627,024,000	644,800,000	654,700,000
Public Utility	288,358,000	277,300,000	272,600,000
Excise			
Cigarette/Tobacco Products	257,096,000	257,000,000	268,900,000
Liquor and Wine	32,735,000	32,000,000	32,300,000
Malt Beverage	9,260,000	9,500,000	9,500,000
Inheritance, Estate & Gift	80,111,000	73,000,000	55,000,000
Insurance Company	88,065,000	95,000,000	95,000,000
Other	60,044,000	46,025,000	88,237,500 [(d)]
Subtotal	9,537,424,000	9,350,475,000	9,662,667,500
Nontax Revenue			
Departmental Revenue	428,998,000	159,375,900	151,226,600
Program Revenue-Federal	3,462,744,000	3,868,165,100	3,929,984,000
Program Revenue-Other	2,272,046,000	2,284,115,200	2,353,325,400
Fund Transfers In	NA	261,605,900	NA
Subtotal	6,163,788,000	6,573,262,100	6,434,536,000
Total Available	$ 16,028,357,000	$ 16,254,882,200	$ 16,449,446,900
DISBURSEMENTS AND RESERVES			
Commerce	$ 193,084,000	$ 207,291,600	$ 195,817,600
Education	6,905,997,000	6,981,265,900	7,185,455,400
Environmental Resources	238,916,000	239,538,800	239,024,700
Human Relations and Resources	5,573,049,000	5,792,936,500	6,013,539,700
General Executive	716,887,000	742,911,000	533,306,400
Judicial	90,711,000	88,987,000	89,565,900
Legislative	55,051,000	55,274,500	55,994,700
General Appropriations	1,735,920,000	1,820,227,300	1,846,928,600
Subtotal	15,509,615,000	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	(89,361,000)	NA	NA
Total Disbursements & Reserves	$ 15,420,254,000	$ 16,000,749,500	$ 16,431,251,600
Fund Balance	$ 608,103,000	$ 254,132,700	$ 18,195,300
Undesignated Balance	$ 552,311,000	$ 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 $4,000,000 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 is complete and the results are being evaluated by the State, which results should be available in December 1998.

Source: Wisconsin Department of Administration.

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 September 30, 1998 ¾ Actual
October 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	1,536,033	1,078,050
	May	879,918	1,258,276	990,358
	June	1,147,836	1,535,006	2,240,138
	July	442,704	1,641,655	1,750,960
	August	333,399	1,200,704	803,188
	September	730,915	1,607,957	1,283,254
	October	1,055,618	1,269,290	936,294
	November	1,388,614	1,339,517	1,623,427
	December	1,104,704	1,360,610	1,779,869
1999	January	685,445	1,721,853	991,586
	February	1,415,712	1,264,656	1,232,477
	March	1,447,891	1,341,348	2,201,285
	April	587,954	1,625,130	1,208,472
	May	1,004,612	1,374,682	1,038,366
	June	1,340,928	1,574,384	2,475,905

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

	1996	1997	1998	1999
January		$3,210.23	$3,362.80	3,362.80
February		3,553.70	3,905.76	3,905.76
March		3,793.12	4,222.27	4,222.27
April		3,832.30	4,298.47	4,298.47
May		3,423.07	4,011.24	4,011.24
June		3,317.76	3,811.49	3,811.49
July	$3,252.38	3,522.40	3,926.09	
August	3,511.90	3,824.91	4,236.15	
September	3,250.54	3,546.19	3,982.39	
October	3,010.27	3,456.06	3,822.11	
November	2,687.47	3,126.49	3,126.49[(b)]	
December	2,072.66	3,177.39	3,177.39	

(a) Consists of the following funds:

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

(b) Estimated balances for November 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, 1998 to September 30, 1998 compared with previous year
(Unaudited)

	Actual Receipts 1997–98 FY[(b)]	Projected Receipts 1998–99 FY	Actual Receipts July 1, 1997 to September 30, 1997	Actual Receipts July 1, 1998 to September 30, 1998
Individual Income Tax	$ 5,047,325,000	$ 5,052,400,000	$ 875,550,858	$ 926,687,640
General Sales and Use Tax ..	3,047,406,000	3,134,030,000	511,272,213	546,593,222
Corporate Franchise and Income Tax	627,024,000	654,700,000	161,987,886	155,520,894
Public Utility Taxes	288,358,000	272,600,000	852,149	118,222
Excise Taxes	299,091,000	310,700,000	44,408,055	56,042,238
Inheritance Taxes	80,111,000	55,000,000	36,020,603	15,364,569
Miscellaneous Taxes	148,109,000	183,237,500	15,619,637	12,616,966
SUBTOTAL..............	9,537,424,000	9,662,667,500	1,645,711,401	1,712,943,751
Federal Receipts....................	3,462,744,000	3,929,984,000	724,915,670	874,654,859
Dedicated and Other Revenues[(c)]............	2,701,044,000	2,504,552,000	727,084,482 [(d)]	619,967,134 [(d)]
TOTAL......................	$15,701,212,000	$16,097,203,500	$3,097,711,553	$3,207,565,744

(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 1997-98 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1998.

(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 $450 million principal amount in fiscal year 1997–98 and $350 million principal amount in fiscal year 1998–99.

Table II-10; General Fund Expenditures By Function (Page Part II-32). Replace the table with the following:

GENERAL FUND EXPENDITURES BY FUNCTION[(a)]
July 1, 1998 to September 30, 1998 compared with previous year
(Unaudited)

	Actual Expenditures 1997–98 FY[(b)]	Appropriations 1998–99 FY	Actual Expenditures July 1, 1997 to September 30, 1997	Actual Expenditures July 1, 1998 to September 30, 1998
Commerce	$ 193,084,000	$ 195,817,600	$ 45,619,002	$ 47,052,449
Education	6,905,997,000	7,185,455,400	1,248,668,012	1,376,851,522
Environmental Resources	238,916,000	239,024,700	17,826,449	24,422,471
Human Relations & Resources	5,573,049,000	6,013,539,700	1,339,498,325	1,338,684,018
General Executive	716,887,000	533,306,400	109,364,805	111,628,391
Judicial	90,711,000	89,565,900	16,832,608	29,983,362
Legislative	55,051,000	55,994,700	10,209,038	8,913,067
General Appropriations	1,735,920,000	1,846,928,600	670,056,653	675,762,247
TOTAL	$ 15,509,615,000	$ 16,159,633,000	$ 3,458,074,892	$ 3,613,297,527

(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 1997-98 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1998.

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

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

(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...............	$3,336,001,436	$1,632,322,035	$4,968,323,471

[(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	1,945,000
TOTAL	$113,440,000

[(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.

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

	Month Ending	Principal Amount Outstanding	Number of Loans Outstanding	60+ Day Delinquent Loans	Percent of Total
1994	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
	,arch	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	0.78
1998	January	575,718,021	15,857	143	0.90
	February	578,994,241	15,814	143	0.90
	March	580,965,811	15,710	121	0.77
	April	590,104,309	15,680	117	0.75
	May	596,302,367	15,640	128	0.82
	June	609,093,336	15,645	133	0.85
	July	624,155,413	15,669	143	0.91
	August	636,434,524	15,669	151	0.96

Source: Wisconsin Department of Veterans Affairs.

Table III-21; Tax-Exempt Veterans Mortgage Bonds Subject to Special Redemption (Pages Part III-33 to Part III-37). Replace the table with the following:

	Dated		Original Par Amount		Par Amount Outstanding[a]		
Series	Date	Maturities	January	July	January	July	Coupon
1985 Series B	04/01/85	1996	$ 3,550,000				8.65%
		1997	8,110,000				8.80
		1998	8,365,000				8.90
		1999	10,415,000				9.05
		2000	12,700,000				9.15
		2001	16,870,000				9.25
		2009	140,130,000				9.50
		2016	50,000,000				9.00
1986 Series A	05/15/86	1995	460,000				6.90
		1996	1,055,000				7.00
		1997	1,090,000				7.25
		1998	1,360,000				7.25
		1999	1,655,000		$ 1,655,000		7.25
		2000	2,200,000		2,200,000		7.50
		2001	2,420,000		2,420,000		7.50
		2002	2,905,000		2,905,000		7.50
		2006	13,025,000				7.50
		2015	12,015,000		2,150,000		7.50
1988 Series A	07/01/88	1994	75,000	$ 75,000			6.40
		1995	75,000	75,000			6.60
		1996	75,000	100,000			6.80
		1997	100,000	100,000			7.00
		1998	100,000	100,000			7.10
		1999	100,000	125,000	100,000	$ 125,000	7.20
		2000	125,000	125,000	125,000	120,000	7.30
		2001	125,000	125,000	125,000	125,000	7.40
		2002	150,000	150,000	150,000	150,000	7.50
		2003	150,000	200,000	150,000	195,000	7.60
		2008		1,200,000			7.85
		2008		3,050,000 [b]			7.00
		2018		7,925,000			8.10
1989 Series A	01/01/89	1994	100,000	100,000			7.00
		1995	100,000	100,000			7.10
		1996	100,000	125,000			7.20
		1997	125,000	125,000			7.25
		1998	125,000	150,000			7.35
		1999	150,000	175,000	150,000	175,000	7.40
		2000	175,000	200,000	175,000	200,000	7.50
		2001	200,000	225,000	200,000	225,000	7.60
		2002	225,000	250,000	225,000	250,000	7.65
		2003	250,000	250,000	250,000	250,000	7.70
		2004	275,000		275,000		7.70
		2009	775,000				7.80
		2009	3,900,000 [b]				7.80
		2019	11,175,000				7.90
1989 Series D	08/01/89	1994	100,000	100,000			6.50
		1995	100,000	100,000			6.60
		1996	100,000	100,000			6.70
		1997	125,000	125,000			6.75
		1998	125,000	125,000			6.80
		1999	150,000	150,000	150,000	150,000	6.85
		2000	175,000	175,000	175,000	175,000	6.90
		2001	200,000	200,000	200,000	200,000	6.95

Table III-21–Continued
Tax-Exempt Veterans Mortgage Bonds Subject to Special Redemption

	Dated		Original Par Amount		Par Amount Outstanding[a]		
Series	**Date**	**Maturities**	**January**	**July**	**January**	**July**	**Coupon**
1989 Series D		2002	225,000	225,000	225,000	225,000	7.00
(continued)		2003	250,000	250,000	250,000	250,000	7.05
		2004	250,000	275,000	250,000	275,000	7.10
		2009		725,000		725,000	7.15
		2009		3,775,000 [b]			6.75
		2019		11,350,000		11,350,000	7.20
1990 Series B	03/01/90	1994	75,000	75,000			6.40
		1995	75,000	75,000			6.50
		1996	75,000	100,000			6.60
		1997	100,000	100,000			6.70
		1998	100,000	100,000			6.80
		1999	125,000	125,000	125,000	125,000	6.90
		2000	125,000	150,000	125,000	150,000	7.00
		2001	175,000	175,000	175,000	175,000	7.10
		2002	175,000	175,000	175,000	175,000	7.10
		2003	200,000	200,000	200,000	200,000	7.20
		2004	225,000	225,000	225,000	225,000	7.25
		2005	225,000		225,000		7.30
		2010	3,975,000 [b]				7.25
		2020	12,450,000				7.60
1990 Series F	10/01/90	1994	75,000	75,000			6.45
		1995	100,000	100,000			6.55
		1996	100,000	100,000			6.65
		1997	100,000	125,000			6.75
		1998	125,000	125,000			6.85
		1999	125,000	125,000	125,000	125,000	6.95
		2000	150,000	150,000	150,000	150,000	7.05
		2001	150,000	175,000	150,000	175,000	7.15
		2002	175,000	150,000	175,000	150,000	7.20
		2003	200,000	200,000	200,000	200,000	7.25
		2004	200,000	225,000	200,000	225,000	7.30
		2005	225,000	175,000	225,000	175,000	7.35
		2010		3,800,000 [b]			7.30
		2020		12,425,000			7.60
1991 Series A	04/01/91	1994	150,000	150,000			5.70
		1995	150,000	150,000			5.90
		1996	150,000	150,000			6.10
		1997	150,000	175,000			6.20
		1998	175,000	175,000			6.30
		1999	175,000	175,000	175,000	175,000	6.40
		2000	200,000	200,000	200,000	200,000	6.50
		2001	225,000	250,000	225,000	250,000	6.60
		2002	250,000	250,000	250,000	250,000	6.75
		2003	250,000	300,000	250,000	300,000	6.90
		2004	275,000	300,000	275,000	300,000	7.00
		2005	325,000	325,000	325,000	325,000	7.10
		2006	275,000		275,000		7.10
		2011	5,825,000 [b]				6.75
		2021	18,400,000		6,400,000		7.50
1992 Series B	06/01/92	1994	175,000	175,000			5.60
		1995	175,000	180,000			5.60
		1996	180,000	185,000			5.60
		1997	190,000	200,000			5.60
		1998	200,000	200,000			5.60
		1999	210,000	215,000	80,000	75,000	5.75

Table III-21–Continued
Tax-Exempt Veterans Mortgage Bonds Subject to Special Redemption

Series	Dated Date	Maturities	Original Par Amount January	Original Par Amount July	Par Amount Outstanding[a] January	Par Amount Outstanding[a] July	Coupon
1992 Series B (continued)		2000	230,000	230,000	85,000	85,000	5.90
		2001	250,000	255,000	90,000	90,000	6.00
		2002	270,000	280,000	100,000	100,000	6.10
		2003	290,000	295,000	105,000	110,000	6.20
		2004	315,000	330,000	110,000	120,000	6.30
		2005	340,000	355,000	125,000	130,000	6.40
		2006	365,000	370,000	130,000	135,000	6.40
		2007	370,000	400,000	135,000	145,000	6.50
		2008	400,000		145,000		6.50
		2012	4,000,000 [b]				6.00
		2022	18,220,000		6,605,000		6.60

Series	Dated Date	Maturities	Original Par Amount May	Original Par Amount November	Par Amount Outstanding[a] May	Par Amount Outstanding[a] November	Coupon
1993 Series 6	10/15/93	1994	210,000	165,000			2.70/2.80
		1995	170,000	170,000			3.30
		1996	175,000	175,000			3.65
		1997	180,000	185,000			3.85
		1998	185,000	195,000		195,000	4.00
		1999	195,000	195,000	195,000	195,000	4.10
		2000	205,000	210,000	205,000	210,000	4.20
		2001	210,000	220,000	210,000	220,000	4.30
		2002	220,000	230,000	220,000	230,000	4.45
		2003	230,000	240,000	230,000	240,000	4.55
		2004	240,000	250,000	240,000	250,000	4.65
		2005	255,000	260,000	255,000	260,000	4.75
		2006	270,000	270,000	270,000	270,000	4.85
		2010	2,125,000		2,125,000		5.15
		2013	2,150,000		2,150,000		5.25
		2016	10,215,000		10,215,000		5.30
1993 Series 5	12/01/93	1994		95,000			2.50
		1995	90,000	85,000			3.20
		1996	90,000	95,000			3.60
		1997	95,000	95,000			3.80
		1998	95,000	100,000		100,000	4.00
		1999	105,000	105,000	105,000	105,000	4.10
		2000	105,000	6,805,000	105,000	6,805,000	4.20
		2001	3,605,000	9,135,000	3,605,000	9,135,000	4.35
		2002	5,650,000	10,885,000	5,650,000	10,885,000	4.45
		2003	8,425,000	9,555,000	8,425,000	9,555,000	4.55
		2004	7,160,000	11,000,000	7,160,000	11,000,000	4.65
		2005	8,875,000	10,275,000	8,875,000	10,275,000	4.75
		2006	9,000,000	12,025,000	9,000,000	12,025,000	4.85
		2010		14,770,000		14,770,000	5.20
		2013		1,190,000		1,190,000	5.30
		2016		1,405,000		1,405,000	5.35
		2023		4,340,000		4,340,000	5.40
1994 Series 2	03/01/94	1999	10,565,000		10,565,000		4.85
		2000	9,070,000		9,070,000		5.00
		2001	8,680,000		8,680,000		5.10
		2002	6,390,000		6,390,000		5.20
		2003	4,810,000		4,810,000		5.30
		2004	3,715,000		3,715,000		5.40
		2005	2,540,000		2,540,000		5.50
		2006	2,050,000		2,050,000		5.60
		2007	1,760,000		1,760,000		5.70
		2008	1,580,000		1,580,000		5.80
		2009	890,000		890,000		5.85
		2014	1,700,000		1,700,000		6.10
		2024	4,775,000		4,775,000		6.20

Table III-21–Continued
Tax-Exempt Veterans Mortgage Bonds Subject to Special Redemption

Series	Dated Date	Maturities	Original Par Amount May	Original Par Amount November	Par Amount Outstanding[(a)] May	Par Amount Outstanding[(a)] November	Coupon
1994 Series 3	09/15/94	1995	800,000				3.90
		1996	800,000				4.30
		1997	800,000				4.55
		1998	800,000				4.75
		1999	800,000		800,000		4.90
		2000	800,000		800,000		5.00
		2001	800,000		800,000		5.10
		2002	800,000		800,000		5.20
		2003	800,000		800,000		5.30
		2004	800,000		800,000		5.40
		2005	800,000		800,000		5.50
		2006	600,000		600,000		5.60
		2007	600,000		600,000		5.70
		2008	400,000		400,000		5.80
1994 Series C	09/15/94	1996	575,000				5.50
		1997	610,000				5.50
		1998	635,000				5.50
		1999	670,000		660,000		5.50
		2000	700,000		690,000		5.50
		2001	740,000		730,000		5.50
		2002	780,000		770,000		5.60
		2003	825,000		815,000		5.70
		2004	870,000		855,000		5.80
		2005	915,000		900,000		5.90
		2006	980,000		965,000		6.00
		2007	1,040,000		1,025,000		6.10
		2008	1,105,000		1,090,000		6.20
		2009	1,175,000		1,155,000		6.30
		2010	1,255,000		1,235,000		6.30
		2011	1,335,000		1,315,000		6.40
		2012	1,415,000		1,395,000		6.40
		2013	1,510,000		1,485,000		6.50
		2016	5,135,000		5,060,000		6.60
		2020	8,535,000		8,405,000		6.60
		2025	14,195,000		13,980,000		6.65
1995 Series 1	2/15/95	1999	1,110,000		1,110,000		5.25
		2000	3,240,000		3,240,000		5.30
		2004	860,000		860,000		5.55
		2008	1,300,000		1,300,000		5.80
		2009	1,380,000		1,380,000		5.80
		2010	1,465,000		1,465,000		6.00
		2011	1,560,000		1,560,000		6.00
		2012	1,660,000		1,660,000		6.00
		2013	1,765,000		1,765,000		6.00
		2014	1,395,000		1,395,000		6.10
1995 Series B	2/15/95	2016	4,215,000		4,215,000		6.40
		2020	7,920,000		7,920,000		6.50
		2025	17,130,000		17,130,000		6.50
1995 Series 2	10/15/95	1997		1,100,000			4.00
		1998		1,685,000		1,685,000	4.15
		1999		1,395,000		1,395,000	4.25
		2000		1,600,000		1,600,000	4.35
		2004		730,000		730,000	4.85
		2005		1,985,000		1,985,000	4.95
		2007		1,975,000		1,975,000	5.20
		2008		3,245,000		3,245,000	5.25
		2009		3,450,000		3,450,000	5.40
		2010		3,660,000		3,660,000	5.40
		2011		3,895,000		3,895,000	5.50
		2012		4,130,000		4,130,000	5.60
		2013		4,390,000		4,390,000	5.70
		2014		4,660,000		4,660,000	5.75
		2015		4,950,000		4,950,000	5.75

Table III-21–Continued
Tax-Exempt Veterans Mortgage Bonds Subject to Special Redemption

Series	Dated Date	Maturities	Original Par Amount May	Original Par Amount November	Par Amount Outstanding[a] May	Par Amount Outstanding[a] November	Coupon
1996 Series B	5/15/96	1998		2,060,000		2,060,000	4.40
		1999		2,155,000		2,155,000	4.70
		2007		6,730,000		6,730,000	5.50
		2008		5,430,000		5,430,000	5.60
		2009		3,255,000		3,255,000	5.70
		2010		200,000		200,000	5.80
		2011		210,000		210,000	5.90
		2012		230,000		230,000	6.00
		2013		240,000		240,000	6.00
		2014		255,000		255,000	6.00
		2021		10,305,000		10,305,000	6.10
		2026		13,930,000		13,930,000	6.20
1996 Series D	10/15/96	2007	4,500,000		4,500,000		5.25
		2008	2,250,000		2,250,000		5.30
		2009	1,800,000		1,800,000		5.40
		2014	3,700,000		3,700,000		5.75
		2020	6,405,000		6,405,000		5.80
		2027	11,345,000		11,345,000		6.00
1997 Series A	3/15/97	2021	8,065,000		8,065,000		6.00
		2028	13,295,000		13,295,000		6.00
1997 Series 1	3/15/97	2006	1,000,000		1,000,000		5.20
		2007	2,385,000		2,385,000		5.25
		2008	1,015,000		1,015,000		5.25
		2009	725,000		725,000		5.35
		2010	1,290,000		1,290,000		5.50
		2011	3,165,000		3,165,000		5.50
		2012	2,330,000		2,330,000		5.50
		2013	1,910,000		1,910,000		5.55
		2014	1,990,000		1,990,000		5.60
		2015	2,070,000		2,070,000		5.65
		2017	5,760,000		5,760,000		5.75
1997 Series C	9/15/97	2000		250,000		250,000	4.25
		2001		270,000		270,000	4.30
		2003		1,445,000		1,445,000	4.50
		2004		1,645,000		1,645,000	4.50
		2005		1,390,000		1,390,000	4.50
		2006		1,480,000		1,480,000	4.60
		2007		1,935,000		1,935,000	4.75
		2008		2,035,000		2,035,000	4.80
		2009		2,445,000		2,445,000	5.00
		2010		2,765,000		2,765,000	5.00
		2011		2,655,000		2,655,000	5.00
		2012		2,600,000		2,600,000	5.10
		2013		2,360,000		2,360,000	5.20
		2017		7,850,000		7,850,000	5.40
		2023		10,580,000		10,580,000	5.50
		2026		3,295,000		3,295,000	5.50
1998 Series B	5/15/98	2007	955,000		955,000		4.75
		2008	1,910,000		1,910,000		4.80
		2010	4,775,000		4,775,000		5.00
		2018	2,865,000		2,865,000		5.30
		2023	8,670,000		8,670,000		5.30
		2028	11,390,000		11,390,000		5.35

[a] As of July 15, 1998.

[b] Accelerated Redemption Term Bond.

Source: Wisconsin Department of Administration

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

$6,155,000 GENERAL OBLIGATION BONDS OF 1998, SERIES E

$55,000,000 GENERAL OBLIGATION BONDS OF 1998, SERIES F (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 E to the amount of $6,155,000, dated October 15, 1998 (the "Series E Bonds") and its General Obligation Bonds of 1998, Series F (Taxable) to the amount of $55,000,000, dated October 15, 1998 (the "Series F Bonds (Taxable)") (the Series E Bonds and the Series F 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 August 6, 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 E Bonds is excluded from gross income for federal income tax purposes, and the interest on the Series E 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 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 E 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 E Bonds in gross income for federal income tax purposes retroactively to the date of issuance of the Series E Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series E Bonds or the Series F 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

STATE OF WISCONSIN
OUTSTANDING BONDS REFUNDED
BY THE SERIES E BONDS

Series	Dated Date	Principal Amount	Interest Rate	Maturity	Redemption Date	Redemption Price
1986-A	May 15, 1986	$2,420,000	7.50%	1/1/2001	1/1/1999	100%
		2,905,000	7.50	1/1/2002	1/1/1999	100
		830,000	7.50	1/1/2015	1/1/1999	100