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, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in the Official Statement.

$15,790,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 1999, SERIES 1
Subject to Alternative Minimum Tax (AMT)

Dated: May 1, 1999 **Due: May 1 as shown below**

Bond Ratings	AA+ Fitch IBCA, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Group
Tax Exemption	Interest on the Bonds is, for federal income tax purposes, excluded from gross income but included as an item of tax preference and is subject to State of Wisconsin income and franchise taxes–Pages 16-17
Redemption	Bonds maturing May 1, 2015 and 2020 are subject to mandatory sinking fund redemption at par—Page 5
	Bonds maturing on or after May 1, 2010 are callable at par on or after May 1, 2009–Pages 5-6.
	Bonds are subject to special redemption at par–Pages 6-8
Security	General obligations of the State of Wisconsin
Purpose	Proceeds are being used for the current refunding of general obligation bonds previously issued to fund veterans housing loans and to pay for costs of issuance–Pages 1-2
Interest Payment Dates	May 1 and November 1, commencing November 1, 1999
Closing/Settlement	On or about May 27, 1999
Denominations	$5,000
Book-Entry-Only Form	The Depository Trust Company
Registrar/Paying Agent	State Treasurer
Bond Counsel	Foley & Lardner
Issuer Contact	Wisconsin Capital Finance Office; (608) 266-2305; capfin@doa.state.wi.us
Annual Report	This Official Statement incorporates by reference certain parts of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1998

The prices and yields listed below were determined through negotiated sale on May 18, 1999. The Underwriters purchased the Bonds at a purchase price of $15,491,435.75.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date	Optional Call Price
977056 VL1	2008	$ 860,000	4.60%	4.70%	99.274%	Not Callable	-
977056 VM9	2009	935,000	4.70	4.75	99.604	Not Callable	-
977056 VN7	2010	980,000	4.80	4.90	99.158	5/1/2009	100%
977056 VP2	2011	1,030,000	5.00	5.00	100.000	5/1/2009	100
977056 VQ0	2012	1,100,000	5.00	5.05	99.525	5/1/2009	100
977056 VT4	2015 [(a)]	3,880,000	5.10	5.24	98.496	5/1/2009	100
977056 VY3	2020 [(a)]	7,005,000	5.30	5.40	98.750	5/1/2009	100

(Accrued interest to be added)

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

**Robert W. Baird & Co.
Incorporated**

Loop Capital Markets, LLC

May 19, 1999

In connection with the offering of the Bonds, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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 6, 2003
Senator Fred A. Risser, Vice-Chairperson	January 8, 2001
Senator Carol Roessler	January 8, 2001
Senator Robert Wirch	January 8, 2001
Representative Timothy Hoven	January 8, 2001
Representative Daniel Vrakas	January 8, 2001
Representative Robert Turner	January 8, 2001
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 6, 2003
Mr. James E. Doyle State Attorney General	January 6, 2003

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
Telefax (608) 266-7645
capfin@doa.state.wi.us

Mr. Frank R. Hoadley
Capital Finance Director
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Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
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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 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 Refunding Bonds of 1999, Series 1
Principal Amount:	$15,790,000
Denominations:	$5,000 and integral multiples
Date of Issue:	May 1, 1999
Record Date:	April 15 and October 15
Interest Payment:	May 1 and November 1, commencing November 1, 1999
Maturities:	May 1, 2008-2012, 2015 and 2020—*See cover*
Redemption:	*Mandatory Sinking Fund*—Bonds maturing May 1, 2015 and 2020 are subject to mandatory sinking fund redemption at par—*See page 5* *Optional*—Bonds maturing on or after May 1, 2010 are subject to optional redemption at par beginning May 1, 2009—*See pages 5-6* *Special*—Bonds are subject to special redemption at par—*See pages 6-8*
Form:	Book entry only—*See pages 2-5*
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:	Bonds are general obligations. As of December 1, 1998, the outstanding principal amount of general obligations of the State was $3,563,989,070.
Authority for Issuance:	Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18, 20, and 45 of the Wisconsin Statutes.
Purpose:	The proceeds of the Bonds will be used for the current refunding of outstanding general obligations previously issued to fund veterans housing loans and for paying costs of issuance.
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; and for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.
Tax Exemption:	Interest on the Bonds is not included in gross income but is an item of tax preference for federal income tax purposes. Subject to State of Wisconsin income and franchise taxes—*See pages 16-17*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner—*See APPENDIX B*

OFFICIAL STATEMENT

$15,790,000

STATE OF WISCONSIN

GENERAL OBLIGATION REFUNDING BONDS OF 1999, SERIES 1

Subject to Alternative Minimum Tax (AMT)

INTRODUCTION

This Official Statement sets forth information concerning the $15,790,000 General Obligation Refunding Bonds of 1999, Series 1 (**Bonds**) issued by the State of Wisconsin (**State**). This Official Statement includes by reference Part II and Part III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1998 (**1998 Annual Report**).

The Bonds are authorized pursuant to Article VIII, Section 7 of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes (**Act**) and an authorizing resolution adopted by the State of Wisconsin Building Commission (**Commission**) on April 21, 1999 **(Resolution).**

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 general obligation debt is included as APPENDIX A, which includes by reference Part II and Part III of the 1998 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

PLAN OF REFUNDING

The Act provides that bonds can be authorized by the Commission and issued to provide funds to refund outstanding bonds of the State, including amounts required for principal, interest to the redemption date and any redemption premium.

The Bonds are being issued for the current refunding of certain maturities of general obligation bonds previously issued to fund loans to veterans who are "qualified veterans" under federal tax law **(Tax-Exempt Veterans Mortgage Bonds)** and to pay costs of issuance. The refunded maturities are currently outstanding in the total principal amount of $15,490,000 (**Refunded Bonds**). APPENDIX C identifies these Refunded Bonds and provides other information including redemption date and price of each Refunded Bond.

In order to provide for the refunding of the Refunded Bonds, a portion of the Bond proceeds will be deposited in the Bond Security and Redemption Fund of the State, which deposit will be sufficient to redeem or pay the principal amount of the Refunded Bonds on July 1, 1999. As a result of the issuance of the Bonds, approximately $3,500,000 will be made available to subsidize the interest rate on future veterans housing loans.

THE BONDS

General

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

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

Beneficial interests in the Bonds may be acquired in a principal amount of $5,000 or any integral multiple thereof. In the event that the Bonds are no longer in Book-Entry-Only Form, bond certificates in a principal amount of $5,000 or any integral multiple thereof will be printed and delivered.

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 set forth on the front cover, each in the principal amount of such maturity, and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities

Exchange Act of 1934, as amended. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**) (the Indirect Participants and Direct Participants are collectively referred to as **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 at the expense of the State.

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.

DTC's Year 2000 Efforts

DTC management is aware that some computer applications, systems, and the like for processing data (**Systems**) that are dependent upon calendar dates, including dates before, on, and after January 1, 2000, may encounter "Year 2000 problems". DTC has informed its Participants and other members of the financial community (**Industry**) that it has developed and is implementing a program so that its Systems, as the same relate to the timely payment of distributions (including principal and income payments) to securityholders, book-entry deliveries, and settlement of trades within DTC, continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's plan includes a testing phase, which is expected to be completed within appropriate time frames.

However, DTC's ability to perform properly its services is also dependent upon other parties, including but not limited to issuers and their agents, as well as third party vendors from whom DTC licenses software and hardware, and third party vendors on whom DTC relies for information or the provision of services, including telecommunication and electrical utility service providers, among others. DTC has informed the Industry that it is contacting (and will continue to contact) third party vendors from whom DTC acquires services:

- to impress upon them the importance of such services being Year 2000 compliant; and
- to determine the extent of their efforts for Year 2000 remediation (and as appropriate, testing) of their services.

In addition, DTC is in the process of developing such contingency plans as it deems appropriate.

According to DTC, the foregoing information with respect to DTC has been provided to the Industry for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

Redemption Provisions

Mandatory Sinking Fund Redemption

The Bonds due on May 1, 2015 **(2015 Term Bonds**) are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the 2015 Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**
2013	$1,205,000
2014	1,295,000
2015[a]	1,380,000

[a]Stated Maturity

The Bonds due on May 1, 2020 **(2020 Term Bonds**) are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of the 2020 Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**
2016	$1,480,000
2017	1,590,000
2018	1,715,000
2019	1,580,000
2020[a]	640,000

[a]Stated Maturity

Optional or special redemption (or the purchase in lieu thereof) of Bonds for which sinking fund installments have been established shall be applied to reduce the sinking fund installments established for the respective Bonds so redeemed or purchased in such manner as the Commission shall direct.

Optional Redemption

The Bonds maturing on or after May 1, 2010 are subject to optional redemption, prior to their maturity date, on May 1, 2009 or any date thereafter, in whole or in part in integral multiples of $5,000, at a redemption price equal to 100% of the principal amount to be redeemed, 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 maturities of the Bonds to be redeemed.

Special Redemption

The 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:

- Prepayments of veterans housing loans funded from or attributed to any series of Tax-Exempt Veterans Mortgage Bonds.
- 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.

In the event of a partial redemption, the Commission shall direct the maturities of the Bonds and the amounts thereof so to be redeemed.

Prepayments of mortgages originated with or attributed to any series of general obligations issued primarily to fund loans to veterans who are not "qualified veterans" under federal tax law (**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 April 15, 1999, approximately $593 million of Tax-Exempt Veterans Mortgage Bonds. Of this amount, approximately $580 million of Tax-Exempt Veterans Mortgage Bonds are subject to special redemption from certain loan prepayments or excess revenues, as provided for in the resolution authorizing the particular series of bonds. Table 1 presents information about the outstanding Tax-Exempt Veterans Mortgage Bonds that are subject to special redemption. The amount of outstanding Tax-Exempt Veterans Mortgage Bonds subject to special redemption and the information in Table 1 includes the Refunded Bonds, which are identified in APPENDIX C.

Table 1
Summary of Outstanding Tax-Exempt Veterans Mortgage Bonds
Subject to Special Redemption
April 15, 1999

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	$ 2,200,000	7.50–7.50%
1988 Series A	07/01/88	14,425,000	1,265,000	7.20–7.60
1989 Series A	01/01/89	19,375,000	2,225,000	7.40–7.70
1989 Series D	08/01/89	19,475,000	12,450,000	6.85–7.20
1990 Series B	03/01/90	19,600,000	2,175,000	6.90–7.30
1990 Series F	10/01/90	19,675,000	2,300,000	6.95–7.35
1991 Series A	04/01/91	29,575,000	3,600,000	6.40–7.10
1992 Series B	06/01/92	29,850,000	8,620,000	5.75–6.60
1993 Series 6	10/15/93	20,000,000	18,190,000	4.10–5.30
1993 Series 5	12/01/93	135,255,000	134,415,000	4.10–5.40

Series	Dated Date	Original Principal Amount Subject to Special Redemption	Outstanding Principal Amount Subject to Special Redemption	Range of Interest Rates on Outstanding Bonds
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	40,065,000	4.25–5.75
1996 Series B	05/15/96	45,000,000	42,940,000	4.70–6.20
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
1998 Series E	10/15/98	6,155,000	6,155,000	4.60-4.80
		$ 742,755,000	$ 580,420,000	

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.

The Department of Administration, on behalf of the Building Commission, has established and modified from time to time a working policy on the selection of Tax-Exempt Veterans Mortgage Bonds for special redemption from prepayments of veterans housing loans. The working policy, as of the date of this Official Statement, is to call Tax-Exempt Veterans Mortgage Bonds for special redemption based on the highest estimated market price.

The estimated market price is determined for each maturity of Tax-Exempt Veterans Mortgage Bonds using published market indices that the State adjusts to reflect:

- the historic 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.

Tax-Exempt Veterans Mortgage Bonds identified by this estimated market price determination must further be tested to maintain compliance with the Legislature's mandate that the veterans housing loan program be self-amortizing. 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 January 1, 1999. At that time, the Commission made the special redemptions, summarized in Table 2.

The Commission further expects to exercise its option of special redemption of Tax-Exempt Veterans Mortgage Bonds, from prepayments of veterans housing loans funded by Tax-Exempt Veterans Mortgage Bonds, on approximately July 1, 1999. The estimated amount of this special redemption is $24,000,000.

Table 2
January 1, 1999 Special Redemption
Tax-Exempt Veterans Mortgage Bonds

Bond Issue	Maturity Date	Coupon	Redemption Amount
1986 Series A	January 1, 2015	7.50%	$ 1,320,000
1989 Series D	July 1, 2019	7.20	2,000,000
1991 Series A	January 1, 2021	7.50	6,400,000

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 DTC and its 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. The notice shall also be mailed, 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. 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. The notice of revocation shall also be mailed, 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.

Interest on any Bond called for prior redemption shall cease to accrue on the redemption date provided payment has been made or provided for.

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 proceeds from the sale of the Bonds, exclusive of accrued interest, are expected to be applied as follows:

Sources	
Principal Amount of the Bonds	$ 15,790,000.00
Original Issue Discount	(169,340.50)
TOTAL SOURCES	$ 15,620,659.50
Uses	
Deposit to Bond Security and Redemption Fund	$ 15,490,000.00
Underwriters' Discount	129,223.75
Applied to Cost of Issuance	1,435.75
TOTAL USES	$ 15,620,659.50

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.

STATE YEAR 2000 READINESS DISCLOSURE

Overview

The 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.

The Department of Administration created an interagency executive taskforce to advise on ways to coordinate Year 2000 compliance oversight activities and has developed a detailed Year 2000 project plan to manage the Year 2000 compliance efforts. As a result of this approach, the State can focus on the highest priority Year 2000 compliance needs.

In 1996, the Department of Administration identified 100 critical business applications, which are applications that support core state government operations and services. The Department of Administration, working with a multi-agency oversight group, has refined the list to 85 applications that are considered to be the most critical.

The Department of Administration requires agencies to report monthly on:

- efforts to ensure operation of critical business functions within the agency,

- compliance progress on the information technology systems supporting those critical business functions, and
- efforts to address issues related to equipment with embedded microprocessors that support critical business functions.

The reporting on information technology systems measures progress in five stages: (1) analysis, (2) design, (3) modification, (4) testing, and (5) implementation.

As of April 1, 1999, the following information is available from this reporting:

- 40% of the most critical applications have been completed.
- 70% of the most critical applications are in the testing phase, or beyond, which the State considers the key phase of Year 2000 remediation.
- All of the most critical applications have had Year 2000 modifications made, or modifications are in progress, although testing and implementation of the modifications is not completed yet.

The Department of Administration continues to work with all agencies to ensure full reporting of critical business functions and the work needed to remedy Year 2000 problems. In addition, as part of the enterprise Year 2000 project plan, the Department of Administration has instituted independent risk assessment studies of the State's most critical business functions.

The State has not identified any significant Year 2000 consequences or unbudgeted costs to make the 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:

- On July 27, 1998 the Governor issued an executive order that directs all state agencies to make Year 2000 compliance activities their top technology priority. In addition, this executive order creates a blue ribbon commission to recommend ways to enhance communication and coordination between public and private efforts to address Year 2000 issues.
- The State has 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 site is: y2k.state.wi.us/.
- Agencies are preparing contingency plans designed to address possible problems arising from failures of information technology systems or other disruptions of business processes. The Department of Administration has provided agencies with instructions and templates for their contingency planning efforts and will be offering use of standardized software for documenting contingency planning. This last element will allow the Department of Administration to consolidate agencies' plans and provide an enterprise contingency plan for the State that will allow for better coordination with local government and the private sector.

Internal Year 2000 Issues

Examples of the highest priority critical applications that can be considered "internal year 2000 issues" include the following. 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, has completed modification of 67% of its critical applications and has completed or is in the process of going through final acceptance testing. This department continues to modify and test its critical applications with all work scheduled for completion by mid-August.

External Year 2000 Issues

The State contacted each of its paying agents, registrars, escrow agents, trustees, and depositories and was informed by each of these firms that they intended to meet federal regulations 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 has completed modifications to 83% of its most critical applications. All but one critical application is scheduled for completion by June 30, 1999, with the remaining application scheduled for completion by September 30, 1999. This department continues to address Year 2000 efforts with the Federal government and work on contingency plans in the event of a problem.

Mechanical Year 2000 Issues

With respect to debt service payments, the State maintains paper 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 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 or State Street Bank and Trust Company, N.A.
January 3, 2000	Transportation Revenue Bonds	Bank One Trust Company, NA (Trustee)/DTC
February 14, 2000	Master Lease Certificates of Participation	State Treasurer's Office/Firstar Bank Milwaukee, N.A.(Trustee)
March 1, 2000	Master Lease Certificates of Participation	Firstar Bank Milwaukee, N.A. (Trustee)/DTC
May 1, 2000	General Obligation Bonds	State Treasurer's Office/DTC
June 1, 2000	Clean Water Revenue Bonds	Firstar Bank Milwaukee, N.A. (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. Agencies are preparing contingency plans designed to address possible problems arising from failures of information technology systems or other disruptions of business processes.

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 State general obligation bond issues that have been either Tax-Exempt Veterans Mortgage Bonds or 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

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). Since 1997 the State has followed a practice of having the mortgage rate for housing loans funded with Taxable Veterans Mortgage Bonds be the same as the mortgage rate for those funded at that time with Tax-Exempt Veterans Mortgage Bonds. To accomplish this, the State has done the following:

- The State has provided a subsidy from excess proceeds of eligible mortgage pools for housing loans funded with proceeds of the Taxable Veterans Mortgage Bonds. The source of the subsidy is excess proceeds of eligible mortgage pools, including repayments of veterans housing loans that under federal tax law are eligible for such use.
- The State has allocated portions of the housing loans to veterans who are "qualified veterans" under federal tax law to both Tax-Exempt Veterans Mortgage Bonds and Taxable Veterans Mortgage Bonds 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 October 19, 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 may be assumed 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 February 28, 1999, of the 14,935 outstanding veterans housing loans financed by the program there were 121 loans of an aggregate principal amount of approximately $4.0 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 1999

General Obligations

This is the first negotiated sale of general obligation bonds in this calendar year. The Commission has previously issued $148 million of general obligation bonds via competitive sale to fund general governmental purposes. The Commission has also authorized taxable general obligation bonds. These taxable general obligation bonds in an amount of $40 million were sold via competitive sale on May 11, 1999 and delivery is expected on June 2, 1999.

In addition, the Commission has authorized the following general obligation bonds:

- Approximately $278 million of general obligation refunding bonds. The amount and timing of negotiated sales of general obligation refunding bonds depend on market conditions.
- Approximately $70 million of general obligation commercial paper notes have been authorized but not issued. The placement of these general obligation commercial paper notes depends on funding needs of the State.

In addition, the State expects to issue the following general obligations in this calendar year:

- Additional general obligations to fund general governmental purposes.
- General obligation bonds to fund veterans housing and home improvement loans.

- General obligation subsidy bonds for the Clean Water Fund Loan Program

Other Obligations

The Commission has authorized $275 million of transportation revenue refunding bonds. The amount and timing of negotiated sales of transportation revenue refunding bonds depend on market conditions. The State has also authorized $188 million of transportation revenue bonds 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. At this time, the State does not intend to refund the currently outstanding transportation revenue commercial paper notes. In addition, the State also expects the issuance in this calendar year of transportation revenue bonds or commercial paper notes to provide new proceeds for the transportation revenue bond program.

The Commission has authorized $120 million of clean water revenue bonds. The amount and timing of the competitive sale of these clean water revenue bonds depend on funding needs of the clean water fund program. No other bonds are expected during the calendar year for providing loans under the Environmental Improvement Fund.

The State has issued two series of master lease certificates of participation this calendar year in the aggregate amount of $43 million. No other master lease certificates of participation issues are expected in this calendar year.

The Commission has authorized an amount not to exceed $350 million of operating notes. The State expects to sell operating notes during June 1999 with delivery on July 1, 1999.

Underwriting

The Bonds are being purchased by the Underwriters, for which Robert W. Baird & Co. Incorporated is acting as representative. The Underwriters have agreed, subject to certain conditions, to purchase from the State the Bonds described on the front cover page of this Official Statement at an aggregate purchase price, exclusive of accrued interest, of $15,491,435.75 (reflecting an original issue discount of $169,340.50 and underwriters' discount of $129,223.75). The Underwriters have agreed to reoffer the Bonds at the public offering prices or yields set forth on the front cover of this Official Statement. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices and such prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all the Bonds if any Bonds are purchased.

Certain legal matters will be passed upon for the Underwriters by their counsel, Reinhart, Boerner, Van Deuren, Norris & Rieselbach, S.C.

Reference Information About the Bonds

Table 3 and the table on the 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 price at issuance is the lower of the price to maturity or the price to call.

Table 3

$15,790,000
State of Wisconsin
General Obligation Refunding Bonds of 1999, Series 1
Subject to Alternative Minimum Tax (AMT)

Dated Date: May 1, 1999
First Interest Date: November 1, 1999
Issuance Date: On or about May 27, 1999

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date	Optional Call Price
977056 VL1	2008	$ 860,000	4.60%	4.70%	99.274%	Not Callable	-
977056 VM9	2009	935,000	4.70	4.75	99.604	Not Callable	-
977056 VN7	2010	980,000	4.80	4.90	99.158	5/1/2009	100%
977056 VP2	2011	1,030,000	5.00	5.00	100.000	5/1/2009	100
977056 VQ0	2012	1,100,000	5.00	5.05	99.525	5/1/2009	100
977056 VT4	2015 [a]	3,880,000	5.10	5.24	98.496	5/1/2009	100
977056 VY3	2020 [a]	7,005,000	5.30	5.40	98.750	5/1/2009	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.

Quantitative Analyst

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

Legal Investment

The Bonds are legal investments for all:

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

Legal Opinion

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Foley & Lardner (**Bond Counsel**). Bond Counsel will deliver an approving opinion with delivery of the Bonds, in substantially the form shown in APPENDIX B. In the event certificated Bonds are issued, the opinion will be printed on the reverse side of each Bond.

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

Tax Exemption

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

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

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each Bond maturing May 1, 2008-2010, 2012, 2015 and 2020 (**Discount Bonds**), to the extent properly allocable to each owner of a Discount Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Bond is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of a Discount Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Bonds were sold (**Issue Price**).

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (1) the Issue Price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (3) any interest payable on such Discount Bond during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in such Discount Bond. The adjusted tax basis in a Discount Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Discount Bond.

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

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

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

- Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Bonds or, in the case of financial institutions, a portion of an owner's interest expense allocable to interest on the Bonds.
- Property and casualty insurance companies will be required in each taxable year to reduce the amount of their deductible losses by 15% of the amount of tax-exempt interest received or accrued during such taxable year, including interest on the Bonds, and life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest.
- Interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code.
- Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the S corporation is passive investment income.
- Section 86 of the Code requires certain recipients of social security and railroad retirement benefits to include a portion of such benefits in gross income by reason of receipt or accrual of interest on the Bonds.
- A portion of the original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences similar to the consequences of receipt of interest on the Bonds and may result in tax liability in the year of accrual, even though the owner of the Discount Bond will not receive a corresponding cash payment until a later year.

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

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

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report, providing certain financial information and operating data relating to the State (**Annual Reports**), not later than 180 days following the close of the State's fiscal year, to each nationally recognized municipal securities information repository (**NRMSIR**) and to the state information depository (**SID**), if any, and to provide notices of occurrence of certain events specified in the Rule to each NRMSIR or the Municipal Securities Rulemaking Board (**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/scf1.htm

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

Certain statements in this Official Statement involve matters of opinion or estimates and are not intended as representations of fact. The quotations, summaries and explanations of laws, resolutions, judicial decisions and administrative regulations in this Official Statement do not purport to be complete and are qualified by reference to the complete text of such documents. This Official Statement is not a contract or agreement between the State and the purchasers or owners of any of the Bonds.

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

Dated: May 19, 1999

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. Part II and Part III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1998 (**1998 Annual Report**) are included by reference as part of this APPENDIX A.

Part II to the 1998 Annual Report contains general information about the State. This part presents information on the following subjects:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization and description of services provided by the State
- Results of fiscal year 1997-98
- State budget
- Obligations of the State
- State Investment Board
- 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, 1998, 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 1998 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 1998 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). As of the date of this Official Statement, the 1998 Annual Report can be found on the world wide web at:

www.doa.state.wi.us/debf/capfin/annreport/98condis.htm

After publication and filing of the 1998 Annual Report, certain changes or events have occurred that affect items discussed in the 1998 Annual Report. Listed below, by reference to particular sections of the 1998 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.

State Budget (Page 34–37). Add the following:

Proposed Budget for 1999-2001

The Governor has introduced the executive budget for the 1999-2000 and 2000-2001 fiscal years. The following tables summarize the results for each fiscal year on a general-fund basis and all-funds basis.

Proposed Executive Budget
General-Fund Basis
(Amounts in Millions)

	Proposed Budget 1999-2000	Proposed Budget 2000-2001
Beginning Balance	$ 551	$ 545
Tax Revenues	10,120	10,228
Nontax Revenues	7,071	7,357
Total Amount Available	$17,741	$18,130
Total Disbursements/Reserves	$17,302	$18,126
Balance	$ 545	126
Statutory Required Reserve*	105	121
Net Balance	$ 440	$ 5

* Amount of Statutory Reserve is currently 1% of general purpose revenue (GPR) appropriations for that fiscal year. The proposed executive budget increases this amount to 1.1% beginning in the 2000-2001 fiscal year.

Proposed Executive Budget
All-Funds Basis
(Amounts in Millions)

	Proposed Budget 1999-2000	Proposed Budget 2000-2001
Beginning Balance	$ 551	$ 545
Tax Revenues	10,120	10,228
Nontax Revenues	17,026	17,560
Total Amount Available	$27,697	$28,334
Total Disbursements/Reserves	$27,258	$28,329
Balance	$ 545	126
Statutory Required Reserve*	105	121
Net Balance	$ 440	$ 5

* Amount of Statutory Reserve is currently 1% of GPR appropriations for that fiscal year. The proposed executive budget increases this amount to 1.1% beginning in the 2000-2001 fiscal year.

A detailed summary of the all-funds budget is on page A-3. A detailed summary of the general-fund budget is on page A-4. In addition, the complete executive budget and certain summaries can, as of the date of this Official Statement, be found on the World Wide Web at the following address; however, the information at this address is not part of this Official Statement:

www.doa.state.wi.us/debf/sbo/9901_state_budget.htm

Table II-3; State Budget–All Funds (Page 36). Amend the table with the following:

State Budget–All Funds[(a)]

	Actual [(b)] 1997-98	Budget 1997-98	Budget 1998-99	Governor's Proposed Budget 1999-2000	Governor's Proposed Budget 2000-2001
RECEIPTS					
Fund Balance from Prior Year	$ 327,145,000	$ 331,145,100	$ 352,243,400	$ 550,580,700 [(c)]	$ 545,141,400
Tax Revenue					
Individual Income	5,047,325,000	4,916,000,000	5,052,400,000	5,340,000,000	5,301,000,000
General Sales and Use	3,047,406,000	2,999,850,000	3,134,030,000	3,432,675,300	3,609,307,700
Corporate Franchise and Income	627,024,000	644,800,000	654,700,000	618,603,200	617,206,300
Public Utility	288,358,000	277,300,000	272,600,000	239,925,000	209,850,000
Excise					
Cigarette/Tobacco Products	257,096,000	257,000,000	268,900,000	247,200,000	242,100,000
Liquor and Wine	32,735,000	32,000,000	32,300,000	33,000,000	33,500,000
Malt Beverage	9,260,000	9,500,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift	80,111,000	73,000,000	55,000,000	57,000,000	59,000,000
Insurance Company	88,065,000	95,000,000	95,000,000	84,000,000	86,000,000
Other	1,025,774,000	46,025,000 [(d)]	88,237,500 [(d)]	58,600,000 [(d)]	61,000,000 [(d)]
Subtotal	10,503,154,000	9,350,475,000	9,662,667,500	10,120,303,500	10,228,264,000
Nontax Revenue					
Departmental Revenue	428,998,000	159,375,900	151,226,600	295,443,600	312,487,100
Total Federal Aids	3,462,744,000	4,323,934,400	4,339,196,600	4,797,850,200	4,913,435,500
Total Program Revenue	2,272,046,000	2,284,115,900	2,353,325,400	2,650,496,400	2,704,688,600
Total Segregated Funds	2,851,387,000	2,175,818,200	2,229,010,500	2,148,305,000	2,178,323,900
Fund Transfers In	NA	261,605,900	NA	64,000,000	NA
Bond Authority	444,985,000	415,000,000	430,000,000	458,000,000	400,000,000
Employee Benefit Contributions [(e)]	9,634,618,000	4,542,998,211	4,840,878,164	6,612,282,698	7,051,394,299
Subtotal	19,094,778,000	14,162,848,511	14,343,637,264	17,026,377,898	17,560,329,399
Total Available	$ 29,925,077,000	$ 23,844,468,611	$ 24,358,548,164	$ 27,697,262,098	$ 28,333,734,799
DISBURSEMENTS AND RESERVES					
Commerce	$ 355,424,000	$ 399,608,700	$ 390,029,300	$ 417,065,400	$ 419,727,700
Education	7,102,297,000	7,046,047,900	7,332,883,400	7,832,184,100	8,107,574,600
Environmental Resources	2,225,495,000	2,153,578,600	2,183,076,800	2,394,571,100	2,424,591,600
Human Relations and Resources	5,867,267,000	5,889,776,700	6,120,171,500	6,637,682,200	6,910,227,500
General Executive	3,250,801,000	818,817,000	613,160,900	643,058,300	648,538,200
Judicial	91,027,000	89,630,900	90,209,800	98,640,200	98,597,600
Legislative	55,051,000	55,274,500	55,994,700	58,719,300	58,877,500
General Appropriations	2,633,902,000	2,107,286,500	2,012,329,700	2,024,461,600	2,076,474,500
General Obligation Bond Program	386,312,000	415,000,000	430,000,000	458,000,000	400,000,000
Employee Benefit Payments [(e)]	1,759,164,000	1,889,607,836	2,019,386,350	2,504,993,829	2,695,311,352
Reserve for Employe Benefit Payments [(e)]	7,875,454,000	2,653,390,375	2,821,491,814	4,107,288,869	4,356,082,947
Subtotal	31,602,194,000	23,518,019,011	24,068,734,264	27,176,664,898	28,196,003,499
Less: (Lapses)	NA	(62,926,600)	(60,255,000)	(68,644,200)	(83,221,500)
Compensation Reserves	NA	34,915,600	66,338,400	44,100,000	94,750,000
Required Statutory Balance	NA	98,110,700	99,426,600	105,538,300	121,472,000
Fund Transfers Out	NA	2,217,200	166,108,600	NA	NA
Change in Continuing Balance	(2,285,220,000)	NA	NA	NA	NA
Total Disbursements & Reserves	$ 29,316,974,000	$ 23,590,335,911	$ 24,340,352,864	$ 27,257,658,998	$ 28,329,003,999
Fund Balance	$ 608,103,000	$ 254,132,700	$ 18,195,300	$ 439,603,100	$ 4,730,800
Undesignated Balance	$ 552,311,000	$ 352,243,400	$ 117,621,900	$ 545,141,400	$ 126,202,800

(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) The beginning balance for the Governor's proposed fiscal year 1999-2000 budget includes various budget adjustments and revenue re-estimates that were completed prior to release of the Governor's proposed budget.

(d) The budgets do not include taxes collected for segregated funds. The largest such tax is the the motor vehicle tax. The State collected $740 million of those motor vehicle taxes in the 1997-98 fiscal year. The amount included for the budget 1998-99 includes an estimate of revenues to be collected via a tax amnesty program. This program is now complete.

(e) State law separates the accounting of employee 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 in the 1998 Annual Report.

Source: Wisconsin Department of Administration.

Table II-4; State Budget–General Fund (Page 37). Amend the table with the following:

State Budget–General Fund[a]

	Actual[b] 1997-98	Budget 1997-98	Budget 1998-99	Governor's Proposed Budget 1999-2000	Governor's Proposed Budget 2000-2001
RECEIPTS					
Fund Balance from Prior Year	$ 327,145,000	$ 331,145,100	$ 352,243,400	$ 550,580,700 [c]	$ 545,141,400
Tax Revenue					
State Taxes Deposited to General Fund					
Individual Income	5,047,325,000	4,916,000,000	5,052,400,000	5,340,000,000	5,301,000,000
General Sales and Use	3,047,406,000	2,999,850,000	3,134,030,000	3,432,675,300	3,609,307,700
Corporate Franchise and Income	627,024,000	644,800,000	654,700,000	618,603,200	617,206,300
Public Utility	288,358,000	277,300,000	272,600,000	239,925,000	209,850,000
Excise					
Cigarette/Tobacco Products	257,096,000	257,000,000	268,900,000	247,200,000	242,100,000
Liquor and Wine	32,735,000	32,000,000	32,300,000	33,000,000	33,500,000
Malt Beverage	9,260,000	9,500,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift	80,111,000	73,000,000	55,000,000	57,000,000	59,000,000
Insurance Company	88,065,000	95,000,000	95,000,000	84,000,000	86,000,000
Other	60,044,000	46,025,000	88,237,500 [d]	58,600,000	61,000,000
Subtotal	9,537,424,000	9,350,475,000	9,662,667,500	10,120,303,500	10,228,264,000
Nontax Revenue					
Departmental Revenue	428,998,000	159,375,900	151,226,600	295,443,600	312,487,100
Program Revenue-Federal	3,462,744,000	3,868,165,100	3,929,984,000	4,234,723,100	4,339,899,300
Program Revenue-Other	2,272,046,000	2,284,115,200	2,353,325,400	2,476,812,800	2,704,688,600
Fund Transfers In	NA	261,605,900	NA	64,000,000	NA
Subtotal	6,163,788,000	6,573,262,100	6,434,536,000	7,070,979,500	7,357,075,000
Total Available	$ 16,028,357,000	$ 16,254,882,200	$ 16,449,446,900	$ 17,741,863,700	$ 18,130,480,400
DISBURSEMENTS AND RESERVES					
Commerce	$ 193,084,000	$ 207,291,600	$ 195,817,600	$ 112,110,000	223,439,600
Education	6,905,997,000	6,981,265,900	7,185,455,400	7,713,699,100	8,048,983,300
Environmental Resources	238,916,000	239,538,800	239,024,700	268,569,800	271,713,400
Human Relations and Resources	5,573,049,000	5,792,936,500	6,013,539,700	6,523,612,800	6,789,982,800
General Executive	716,887,000	742,911,000	533,306,400	562,081,400	564,937,300
Judicial	90,711,000	88,987,000	89,565,900	97,982,400	97,939,800
Legislative	55,051,000	55,274,500	55,994,700	58,719,300	58,877,500
General Appropriations	1,735,920,000	1,820,227,300	1,846,928,600	1,884,491,700	1,936,875,400
Subtotal	15,509,615,000	15,928,432,600	16,159,633,000	17,221,266,500	17,992,749,100
Less: (Lapses)	NA	(62,926,600)	(60,255,000)	(68,644,200)	(83,221,500)
Compensation Reserves	NA	34,915,600	66,338,400	44,100,000	94,750,000
Required Statutory Balance	NA	98,110,700	99,426,600	105,538,300	121,472,000
Fund Transfers Out	NA	2,217,200	166,108,600	NA	NA
Changes in Continuing Balance	(89,361,000)	NA	NA	NA	NA
Total Disbursements & Reserves	$ 15,420,254,000	$ 16,000,749,500	$ 16,431,251,600	$ 17,302,260,600	$ 18,125,749,600
Fund Balance	$ 608,103,000	$ 254,132,700	$ 18,195,300	$ 439,603,100	$ 4,730,800
Undesignated Balance	$ 552,311,000	$ 352,243,400	$ 117,621,900	$ 545,141,400	$ 126,202,800

[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] The beginning balance for the Governor's proposed fiscal year 1999-2000 budget includes various budget adjustments and revenue re-estimates that were completed prior to release of the Governor's proposed budget.

[d] The amount for budget 1998-99 includes revenues expected to be collected from a tax amnesty program. This program is now complete.

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)

$15,790,000

STATE OF WISCONSIN

GENERAL OBLIGATION REFUNDING BONDS OF 1999, SERIES 1

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of its General Obligation Refunding Bonds of 1999, Series 1 to the amount of $15,790,000, dated May 1, 1999 (the "Bonds"). We investigated the law and examined such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

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

The Bonds are being issued pursuant to Chapter 18, Wisconsin Statutes (the "Act") and a resolution adopted by the State of Wisconsin Building Commission (the "Commission") on April 21, 1999 (the "Resolution").

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

1. The Bonds, to the amount named, are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and constitutes a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the same mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. The interest on the Bonds is excluded from gross income for federal income tax purposes. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. The opinions set forth in the preceding sentences of this paragraph are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended, and other federal tax legislation that must be satisfied subsequent to the issuance of the

Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The State has covenanted to comply with each such requirement to the extent it may lawfully do so. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

Very truly yours,

FOLEY & LARDNER

Appendix C

STATE OF WISCONSIN
OUTSTANDING BONDS REFUNDED
BY THE BONDS

Series	Dated Date	Principal Amount	Interest Rate	Maturity	CUSIP	Redemption Date	Redemption Price
1988-A	7/1/1988	$ 125,000	7.30%	1/1/2000	977055 HJ4	7/1/1999	100%
		120,000	7.30	7/1/2000	977055 HK1	7/1/1999	100
		125,000	7.40	1/1/2001	977055 HL9	7/1/1999	100
		125,000	7.40	7/1/2001	977055 HM7	7/1/1999	100
		150,000	7.50	1/1/2002	977055 HN5	7/1/1999	100
		150,000	7.50	7/1/2002	977055 HP0	7/1/1999	100
		150,000	7.60	1/1/2003	977055 HQ8	7/1/1999	100
		195,000	7.60	7/1/2003	977055 HR6	7/1/1999	100
1989-A	1/1/1989	175,000	7.50	1/1/2000	977055 KK7	7/1/1999	100
		200,000	7.50	7/1/2000	977055 KL5	7/1/1999	100
		200,000	7.60	1/1/2001	977055 KM3	7/1/1999	100
		225,000	7.60	7/1/2001	977055 KN1	7/1/1999	100
		225,000	7.65	1/1/2002	977055 KP6	7/1/1999	100
		250,000	7.65	7/1/2002	977055 KQ4	7/1/1999	100
		250,000	7.70	1/1/2003	977055 KR2	7/1/1999	100
		250,000	7.70	7/1/2003	977055 KS0	7/1/1999	100
		275,000	7.70	1/1/2004	977055 KT8	7/1/1999	100
1989-D	8/1/1989	175,000	6.90	1/1/2000	977055 MK5	7/1/1999	100
		175,000	6.90	7/1/2000	977055 ML3	7/1/1999	100
		200,000	6.95	1/1/2001	977055 MM1	7/1/1999	100
		200,000	6.95	7/1/2001	977055 MN9	7/1/1999	100
		225,000	7.00	1/1/2002	977055 MP4	7/1/1999	100
		225,000	7.00	7/1/2002	977055 MQ2	7/1/1999	100
		250,000	7.05	1/1/2003	977055 MR0	7/1/1999	100
		250,000	7.05	7/1/2003	977055 MS8	7/1/1999	100
		250,000	7.10	1/1/2004	977055 MT6	7/1/1999	100
		275,000	7.10	7/1/2004	977055 MU3	7/1/1999	100
		725,000	7.15	7/1/2009	977055 MW9	7/1/1999	100
		9,350,000	7.20	7/1/2019	977055 MX7	7/1/1999	100
	Total:	$ 15,490,000					