

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 used on this cover page have the meanings given in the Official Statement.

\$100,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1999, SERIES C

Dated: October 15, 1999

Due: May 1, as shown below

Ratings	AA+ Fitch IBCA, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Services
Tax Exemption	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and is not an item of tax preference but is subject to State of Wisconsin income and franchise taxes— <i>See pages 11-13.</i>
Redemption	Bonds maturing on or after May 1, 2011 are callable at par on or after May 1, 2010— <i>See page 2.</i>
Security	General obligations of the State of Wisconsin— <i>See page 2.</i>
Purpose	Proceeds from the Bonds are being used for various governmental purposes— <i>See page 5.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 2000
Denominations	\$5,000
Closing/Settlement	November 18, 1999 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— <i>See pages 3-5.</i>
Annual Report	This Official Statement incorporates by reference certain parts of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1998.

The Bonds were sold at competitive sale on October 27, 1999. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds at this competitive sale.

<u>CUSIP</u>	<u>Year (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>First Optional Redemption Date</u>	<u>Call Price</u>
977056 XG0	2001	\$ 3,620,000	5.00%	Not Callable	-
977056 XH8	2002	3,760,000	5.10	Not Callable	-
977056 XJ4	2003	3,925,000	5.10	Not Callable	-
977056 XK1	2004	4,100,000	5.00	Not Callable	-
977056 XL9	2005	4,290,000	5.25	Not Callable	-
977056 XM7	2006	4,390,000	5.25	Not Callable	-
977056 XN5	2007	4,600,000	5.25	Not Callable	-
977056 XP0	2008	4,820,000	5.00	Not Callable	-
977056 XQ8	2009	5,065,000	5.50	Not Callable	-
977056 XR6	2010	5,320,000	5.75	Not Callable	-
977056 XS4	2011	4,360,000	5.75	5/1/2010	100%
977056 XT2	2012	4,590,000	6.00	5/1/2010	100
977056 XU9	2013	4,835,000	6.00	5/1/2010	100
977056 XV7	2014	5,100,000	6.00	5/1/2010	100
977056 XW5	2015	5,380,000	6.25	5/1/2010	100
977056 XX3	2016	5,685,000	5.90	5/1/2010	100
977056 XY1	2017	6,005,000	5.90	5/1/2010	100
977056 XZ8	2018	6,345,000	5.90	5/1/2010	100
977056 YA2	2019	6,710,000	6.00	5/1/2010	100
977056 YB0	2020	7,100,000	6.00	5/1/2010	100

Purchase Price: \$100,822,090.45

October 27, 1999

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 Wirsch	January 8, 2001
Representative Timothy Hoven	January 8, 2001
Representative Robert Turner	January 8, 2001
Representative Daniel Vrakas	January 8, 2001
Mr. Bryce Styza, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

Mr. George Lightbourn, Acting 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
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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
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(608) 267-7399
larry.dallia@doa.state.wi.us

Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
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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

(The 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 Bonds of 1999, Series C
Principal Amount:	\$100,000,000
Denominations:	\$5,000 and integral multiples
Date of Issue:	October 15, 1999
Record Date:	April 15 and October 15
Interest Payment:	May 1 and November 1, commencing May 1, 2000
Maturities:	May 1, 2001–2020— <i>See cover</i>
Redemption:	<i>Optional</i> — Bonds maturing on or after May 1, 2011 are subject to optional redemption at par beginning May 1, 2010— <i>See page 2</i>
Form:	Book-entry-only— <i>See pages 3-5</i>
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the State Treasurer. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Bonds are general obligations. As of September 15, 1999, there were \$3,595,011,363 of outstanding general obligations of the State.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement or improvement of land, water, property, highways, buildings, equipment or facilities for public purposes.
Legality of Investment:	The Bonds are legal investments for all banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, and other persons or entities carrying on a banking business in Wisconsin; for all executors, administrators, guardians, trustees, and other fiduciaries in Wisconsin; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies in Wisconsin.
Tax Exemption:	Not included in gross income and not an item of tax preference for federal income tax purposes. Subject to State of Wisconsin income and franchise taxes— <i>See pages 8-10</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner— <i>See page C-1</i>

OFFICIAL STATEMENT
\$100,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1999, SERIES C

INTRODUCTION

This Official Statement sets forth information concerning the \$100,000,000 General Obligation Bonds of 1999, Series C (**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 and an authorizing resolution adopted by the State of Wisconsin Building Commission (**Commission**) on September 28, 1999.

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:

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

THE BONDS

General

The [cover of this Official Statement](#) sets forth the maturity dates, amounts and interest rates for the Bonds.

The Bonds will be dated October 15, 1999 and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 2000.

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

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

Security

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

Redemption Provisions

Optional Redemption

The Bonds maturing on or after May 1, 2011 are subject to optional redemption prior to their maturity date on May 1, 2010 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 maturities of the Bonds to be redeemed.

Selection of Bonds

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

Notice of Redemption

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

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

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

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 the Bonds as 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.

Registration and Payment of Bonds

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

When in certificated form, payment of principal due on the Bonds shall be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying Agent. Payment of interest due on the Bonds shall be made by check or draft mailed to the registered owner shown in the registration books on the Record Date.

Application of Bond Proceeds

The Wisconsin Statutes authorize the issuance and sale of public debt to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, equipment, or facilities. The Wisconsin Legislature has the authority to establish the borrowing purposes and amounts for which public debt may be issued. **APPENDIX B** includes a summary of these purposes and amounts authorized and issued for each borrowing purpose. **APPENDIX B** also identifies the purposes and amounts for which the Bonds are being issued.

Bond proceeds will be deposited in the Capital Improvement Fund of the State and will be expended as costs for the various borrowing purposes are incurred. Until these expenditures are made, the Bond proceeds are invested by the State of Wisconsin Investment Board. See "STATE OF WISCONSIN INVESTMENT BOARD" in [Part II of the 1998 Annual Report](#).

Ratings

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

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

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.
- 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 September 22, 1999, the following information is available from this reporting:

- 85% of the most critical applications have been completed.
- 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 completion dates of the remaining critical applications vary for each critical application.

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. Risk assessments have been completed in all 11 agencies scheduled for review.

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 created 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/.
- Prior to May 14, 1999, agencies prepared contingency plans designed to address possible problems arising from failures of information technology systems or other disruptions of business processes. The Department of Administration provided agencies with instructions and templates for their contingency planning efforts and offered 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. The Department of Administration is currently reviewing and completing testing of these contingency plans.

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 testing for Year 2000 compliance has been completed successfully. The Department of Revenue, the agency responsible for the collection of State taxes, has completed modification of 100% 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 the end of October.

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 the implementation of fully remediated software for 94% of its most critical applications. The department's sole remaining critical application is scheduled for implementation in October 1999. This department continues to address Year 2000 efforts with the Federal government and work on contingency plans in the event of a problem. The Federal government recently concluded an audit of several primary programs in the Departments of Health and Family Services and Workforce Development. The audit revealed no issues and no recommendations were made.

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:

<u>Date</u>	<u>Obligation</u>	<u>Parties Involved</u>
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/Firststar Bank, National Association (Trustee)
March 1, 2000	Master Lease Certificates of Participation	Firststar Bank, National Association (Trustee)/DTC
May 1, 2000	General Obligation Bonds	State Treasurer's Office/DTC
June 1, 2000	Clean Water Revenue Bonds	Firststar Bank, National Association (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

Limitations on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and Statutes. There is an annual limit of three-quarters of one percent, and a cumulative limit of five percent, of the aggregate value of all taxable property in the State. The annual limit is currently \$1,999,256,351. A refunding bond issue does not count for purposes of the annual debt limit, and a refunded bond issue does not count for purposes of the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year that it accrues is treated as debt and taken into account for purposes of the debt limitations.

Borrowing Plans for 1999

General Obligations

In this calendar year, the Commission has previously issued \$203 million of general obligation bonds and \$125 million of general obligation extendible commercial notes. These obligations

provided \$273 million for general governmental purposes, \$40 million for funding veterans housing loans, and \$15 million to refund bonds previously issued to fund veterans housing loans.

In addition, the Commission has:

- Authorized general obligation bonds in an amount not to exceed \$100 million to fund veterans housing loans. The competitive sale for \$65 million of taxable general obligation bonds is scheduled for November 4, 1999. The competitive sale of the tax-exempt general obligation bonds depends on the funding needs of the veterans housing loan program.
- Authorized general obligation refunding bonds in an amount not to exceed \$278 million. The amount and timing of negotiated sales of general obligation refunding bonds depend on market conditions.

In addition, the State expects to issue in this calendar year 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.

The Commission has issued \$80 million of clean water revenue bonds. No other bonds are expected during this calendar year for providing loans under the Environmental Improvement Fund.

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

Underwriting

The Bonds were purchased at competitive bidding on October 27, 1999 by the following account (**Underwriters**): Morgan Stanley & Co., Incorporated, (book running manager); J.P. Morgan Securities Inc., Bear, Stearns & Co. Inc., Banc One Capital Markets, Inc., ABN Amro Incorporated, Dain Rauscher Inc., Raymond James & Associates, BB&T Capital Markets, Inc., a division of Scott & Stringfellow, M.R. Beal & Company, Crews & Associates, Inc., Fidelity Capital Markets, Kirlin Securities, Inc., Mesirow Financial Inc., Seattle-Northwest Securities Corporation, Prudential Securities Incorporated, and Corby North Bridge Securities

The Underwriters paid \$100,822,090.45, resulting in a true interest cost rate to the State of 5.689%.

Reference Information About the Bonds

The tables below and **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.

\$100,000,000
State of Wisconsin
General Obligation Bonds of 1999, Series C

Dated Date: October 15, 1999
First Interest Date: May 1, 2000
Issuance Date: November 18, 1999

<u>CUSIP</u>	<u>Year (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield at Issuance</u>	<u>Price at Issuance</u>	<u>First Optional Redemption Date</u>	<u>Call Price</u>
977056 XG0	2001	\$3,620,000	5.00%	4.27%	100.015%	Not Callable	-
977056 XH8	2002	3,760,000	5.10	4.43	101.538	Not Callable	-
977056 XJ4	2003	3,925,000	5.10	4.58	101.640	Not Callable	-
977056 XK1	2004	4,100,000	5.00	4.73	101.070	Not Callable	-
977056 XL9	2005	4,290,000	5.25	4.85	101.893	Not Callable	-
977056 XM7	2006	4,390,000	5.25	4.95	101.637	Not Callable	-
977056 XN5	2007	4,600,000	5.25	5.05	101.226	Not Callable	-
977056 XP0	2008	4,820,000	5.00	5.15	98.979	Not Callable	-
977056 XQ8	2009	5,065,000	5.50	5.25	101.841	Not Callable	-
977056 XR6	2010	5,320,000	5.75	5.35	103.167	Not Callable	-
977056 XS4	2011	4,360,000	5.75	5.45	102.363*	5/1/2010	100%
977056 XT2	2012	4,590,000	6.00	5.55	103.529*	5/1/2010	100
977056 XU9	2013	4,835,000	6.00	5.65	102.731*	5/1/2010	100
977056 XV7	2014	5,100,000	6.00	5.75	101.940*	5/1/2010	100
977056 XW5	2015	5,380,000	6.25	5.85	103.091*	5/1/2010	100
977056 XX3	2016	5,685,000	5.90	5.90	100.000	5/1/2010	100
977056 XY1	2017	6,005,000	5.90	5.95	99.458	5/1/2010	100
977056 XZ8	2018	6,345,000	5.90	5.99	98.999	5/1/2010	100
977056 YA2	2019	6,710,000	6.00	6.02	99.768	5/1/2010	100
977056 YB0	2020	7,100,000	6.00	6.04	99.530	5/1/2010	100

* These bonds are priced to the May 1, 2010 call date.

Legal Investment

The Bonds are legal investments for all:

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

Legal Opinion

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Foley & Lardner (**Bond Counsel**). Bond Counsel will deliver an approving opinion

with delivery of the Bonds, in substantially the form shown in **APPENDIX C**. In the event certificated Bonds are issued, the opinion will be printed on the reverse side of each Bond.

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

Tax Exemption

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

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

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each Bond maturing May 1, 2008 and 2017 through 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 Discount Bonds accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the Issue Price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount Bond during such accrual period.

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

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

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

Each Bond maturing May 1, 2001 through 2007 and 2009 through 2015 (**Premium Bonds**) has an issue price that is greater than the amount payable at maturity of such Bond.

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

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

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 owners of Bonds. 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. 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. The availability of information on the world wide web may change after the date of this Official Statement. 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: October 27, 1999

STATE OF WISCONSIN

/s/ TOMMY G. THOMPSON

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

/s/ GEORGE LIGHTBOURN

George Lightbourn, Acting 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**). [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. More specifically, this part presents information on the following matters:

- 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.

Results of 1998-99 Fiscal Year (page 33). Add the following:

The Annual Fiscal Report for the fiscal year ended June 30, 1999 was published on October 15, 1999. It reports the State ended the 1998-99 fiscal year on a statutory and unaudited basis with an unreserved, undesignated balance of \$702 million.

A complete copy of this Annual Fiscal Report can be found on the world wide web at:

<http://www.doa.state.wi.us/debf/cafr/fy99/99wiafr.pdf>

The following tables summarize the results from fiscal year 1998-99 as compared to the 1998-99 budget.

**State Budget
General-Fund Basis
(Amounts in Millions)**

	<u>Actual 1998-99</u>	<u>Budgeted 1998-99</u>
Beginning Balance	\$ 552	\$ 352
Tax Revenues	9,961	9,663
Nontax Revenues	<u>6,291</u>	<u>6,435</u>
Total Amount Available	\$16,805	\$16,449
Total Disbursements/Reserves	\$16,092	\$16,431
Estimated Balance	\$ 712	18
Designated For Expenditure	<u>11</u>	<u>(99)</u> ^(a)
Total Balance	\$ 701	\$ 117

**State Budget
All-Funds Basis
(Amounts in Millions)**

	<u>Actual 1998-99</u>	<u>Budgeted 1998-99</u>
Beginning Balance	\$ 552	\$ 352
Tax Revenues	10,982	9,663
Nontax Revenues	<u>17,118</u>	<u>14,344</u>
Total Amount Available	\$28,652	\$24,359
Total Disbursements/Reserves	\$27,940	\$24,340
Estimated Balance	\$ 712	18
Designated For Expenditure	<u>11</u>	<u>(99)</u> ^(a)
Total Balance	\$ 701	\$ 117

^(a) Reflects the statutorily required reserve for the 1998-99 budget.

During the 1998-99 fiscal year, the State issued \$350 million of operating notes. The operating notes were issued on July 1, 1998 and matured on June 15, 1999. Operating notes are not general obligations of the State and are not on a parity with State general obligations.

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

Budget for 1999-2001

On October 27, 1999, the Governor signed into law in part, and vetoed in part, the budget for the 1999-2000 and 2000-2001 fiscal years. A two-thirds vote in each house is required to override any veto. A copy of this approved budget, which incorporates vetoes made by the Governor, can be found on the world wide web at:

<http://www.legis.state.wi.us/1999/data/acts/99Act9.pdf>

A complete copy of the Governor's veto message can also be found on the world wide web at:

http://www.doa.state.wi.us/debf/sbo/9901_state_budget/9901_exec_bud/9901vmess.htm

The tables that appear below, the detailed summary of the all-funds budget on [page A-4](#), and detailed summary of the general-fund budget on [page A-5](#) only reflect the budget approved by the Wisconsin Legislature. Updates to these tables and summaries that reflect the Governor's actions on the legislatively approved budget are not yet available.

**Legislature Approved Budget
All-Funds Basis
(Amounts in Millions)**

	<u>1999-2000</u>	<u>2000-2001</u>
Beginning Balance	\$ 751	\$ 1,006
Tax Revenues	10,407	10,183
Nontax Revenues	<u>17,637</u>	<u>17,744</u>
Total Amount Available	\$ 28,759	\$ 28,933
Total Disbursements/Reserves	\$ 27,860	\$ 28,572
Balance	\$ 1,006	\$ 118
Statutory Required Reserve	<u>107</u>	<u>113</u>
Net Balance	\$ 899	\$ 5

**Legislature Approved Budget
General-Fund Basis
(Amounts in Millions)**

	<u>1999-2000</u>	<u>2000-2001</u>
Beginning Balance	\$ 715	\$ 1,006
Tax Revenues	10,407	10,183
Nontax Revenues	<u>7,606</u>	<u>7,163</u>
Total Amount Available	\$ 18,728	\$ 18,352
Total Disbursements/Reserves	\$ 17,829	\$ 18,347
Balance	\$ 1,006	118
Statutory Required Reserve	<u>107</u>	<u>113</u>
Net Balance	\$ 899	\$ 5

The Legislature's approved budget for the 1999-2000 and 2000-2001 fiscal years includes updated general fund tax collections for the 1998-99 fiscal year and revised general fund revenue estimates for the 1999-2000 and 2000-2001 fiscal years, all of which were made available on July 1, 1999.

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

State Budget--All Funds^(a)

	Actual ^(b) 1998-99	Budget 1998-99	Legislature Passed Budget 1999-2000 ^(c)	Legislature Passed Budget 2000-2001 ^(c)
RECEIPTS				
Fund Balance from Prior Year.....	\$ 552,311,000	\$ 352,243,400	\$ 714,970,000 ^(d)	\$ 1,005,583,400
Tax Revenue				
Individual Income.....	5,162,239,000	5,052,400,000	5,546,565,000	5,196,063,400 ^(e)
General Sales and Use.....	3,284,695,000	3,134,030,000	3,443,143,500	3,623,331,900
Corporate Franchise and Income.....	635,203,000	654,700,000	653,203,200	644,562,400 ^(f)
Public Utility.....	287,085,000	272,600,000	244,105,000	219,950,000 ^(g)
Excise				
Cigarette/Tobacco Products.....	266,817,000	268,900,000	247,575,000	241,650,000 ^(h)
Liquor and Wine.....	32,941,000	32,300,000	33,000,000	33,500,000
Malt Beverage.....	9,163,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift.....	116,898,000	55,000,000	90,000,000	70,000,000 ⁽ⁱ⁾
Insurance Company.....	97,045,000	95,000,000	84,000,000	86,000,000
Other.....	1,089,833,000 ^(j)	88,237,500 ^(j)	56,113,400 ^(j)	58,613,400 ^(j)
Subtotal.....	10,981,919,000	9,662,667,500	10,407,005,100	10,182,971,100
Nontax Revenue				
Departmental Revenue.....	158,390,000	151,226,600	254,180,800	183,447,300
Tobacco Settlement.....	NA	NA	185,031,900	148,984,800
Total Federal Aids.....	3,774,415,000	4,339,196,600	5,085,403,000	4,690,281,100
Total Program Revenue.....	2,358,405,000	2,353,325,400	2,650,181,600	2,722,470,700
Total Segregated Funds.....	3,542,902,000	2,229,010,500	2,328,268,500	2,547,710,600
Fund Transfers In.....	NA	NA	64,000,000	NA
Bond Authority.....	490,003,000	430,000,000	458,000,000	400,000,000
Employee Benefit Contributions ^(k)	6,794,183,000	4,840,878,164	6,612,282,698	7,051,394,299
Subtotal.....	17,118,298,000	14,343,637,264	17,637,348,498	17,744,288,799
Total Available.....	\$ 28,652,528,000	\$ 24,358,548,164	\$ 28,759,323,598	\$ 28,932,843,299
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 367,656,000	\$ 390,029,300	\$ 417,002,800	\$ 418,429,800
Education.....	7,537,266,000	7,332,883,400	7,859,283,200	8,217,026,700
Environmental Resources.....	2,494,198,000	2,183,076,800	2,506,173,700	2,453,534,500
Human Relations and Resources.....	6,579,235,000	6,120,171,500	6,846,917,000	6,705,146,100
General Executive.....	3,283,685,000	613,160,900	670,902,100	690,086,500
Judicial.....	95,431,000	90,209,800	101,242,400	101,739,000
Legislative.....	58,081,000	55,994,700	60,239,300	58,829,900
General Appropriations.....	2,547,602,000	2,012,329,700	2,218,444,400	2,476,326,900
General Obligation Bond Program.....	401,345,000	430,000,000	458,000,000	400,000,000
Employee Benefit Payments ^(k)	1,934,678,000	2,019,386,350	2,504,993,829	2,695,311,352
Reserve for Employee Benefit Payments ^(k)	4,859,505,000	2,821,491,814	4,107,288,869	4,356,082,947
Subtotal.....	30,158,682,000	24,068,734,264	27,750,487,598	28,572,513,699
Less: (Lapses).....	NA	(60,255,000)	(93,046,400)	(115,926,800)
Compensation Reserves.....	NA	66,338,400	56,100,000	117,750,000
Required Statutory Balance.....	NA	99,426,600	106,724,500	112,784,100
Fund Transfers Out.....	NA	166,108,600	40,199,000	240,689,300
Change in Continuing Balance.....	(2,218,980,000)	NA	NA	NA
Total Disbursements & Reserves.....	\$ 27,939,702,000	\$ 24,340,352,864	\$ 27,860,464,698	\$ 28,927,810,299
Fund Balance.....	\$ 712,826,000	\$ 18,195,300	\$ 898,858,900	\$ 5,033,000
Undesignated Balance.....	\$ 701,293,000	\$ 117,621,900	\$ 1,005,583,400	\$ 117,817,100

- (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 Governor has signed into law in part, and vetoed in part, the budget for the 1999-2000 and 2000-2001 fiscal years. However, information in this table does not reflect the Governor's actions and only reflect the budget passed by the Wisconsin Legislature. Vetoes made by the Governor can be overridden by a two-thirds vote of each house.
- (d) The beginning balance for the 1999-2000 fiscal year includes various budget adjustments and revenue re-estimates that were completed after the 1998-1999 budget became law. The Governor's actions on the legislatively approved budget address the difference between the 1998-99 ending balance and the 1999-2000 beginning balance.
- (e) The decrease results from budgeted tax reductions becoming effective.
- (f) The decrease results from budgeted tax changes that produce one-time effects in the first fiscal year.
- (g) The decrease results from the continued effect of prior years tax changes.
- (h) The decrease results from an anticipated decline in consumption.
- (i) The decrease results from an expected one time collection in the 1999-2000 fiscal year.
- (j) The budgets do not include taxes collected for segregated funds. The largest such tax is the motor vehicle tax. The State collected \$740 million of motor vehicle taxes in the 1997-98 fiscal year. The 1998-99 budget includes revenues expected to be collected from a tax amnesty program.
- (k) 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). Replace the table with the following:

State Budget–General Fund^(a)

	Actual ^(b) 1998-99	Budget 1998-99	Legislature Passed Budget 1999-2000 ^(c)	Legislature Passed Budget 2000-2001 ^(c)
RECEIPTS				
Fund Balance from Prior Year.....	\$ 552,311,000	\$ 352,243,400	\$ 714,970,000 ^(d)	\$ 1,005,583,400
Tax Revenue				
State Taxes Deposited to General Fund				
Individual Income.....	5,162,239,000	5,052,400,000	5,546,565,000	5,196,063,400 ^(e)
General Sales and Use.....	3,284,695,000	3,134,030,000	3,443,143,500	3,623,331,900
Corporate Franchise and Income.....	635,203,000	654,700,000	653,203,200	644,562,400 ^(f)
Public Utility.....	287,085,000	272,600,000	244,105,000	219,950,000 ^(g)
Excise				
Cigarette/Tobacco Products.....	266,817,000	268,900,000	247,575,000	241,650,000 ^(h)
Liquor and Wine.....	32,941,000	32,300,000	33,000,000	33,500,000
Malt Beverage.....	9,163,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift.....	116,898,000	55,000,000	90,000,000	70,000,000 ⁽ⁱ⁾
Insurance Company.....	97,045,000	95,000,000	84,000,000	86,000,000
Other.....	69,243,000	88,237,500 ^(j)	56,113,400	58,613,400
Subtotal.....	9,961,329,000	9,662,667,500	10,407,005,100	10,182,971,100
Nontax Revenue				
Departmental Revenue.....	158,390,000	151,226,600	254,180,800	183,447,300
Tobacco Settlement.....	NA	NA	185,031,900	148,984,800
Program Revenue-Federal.....	3,774,415,000	3,929,984,000	4,454,261,000	4,108,258,100
Program Revenue-Other.....	2,358,405,000	2,353,325,400	2,648,899,700	2,722,470,700
Fund Transfers In.....	NA	NA	64,000,000	NA
Subtotal.....	6,291,210,000	6,434,536,000	7,606,373,400	7,163,160,900
Total Available.....	\$ 16,804,850,000	\$ 16,449,446,900	\$ 18,728,348,500	\$ 18,351,715,400
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 199,054,000	\$ 195,817,600	\$ 217,047,000	\$ 221,778,100
Education.....	7,228,129,000	7,185,455,400	7,796,911,900	8,157,123,300
Environmental Resources.....	244,061,000	239,024,700	259,090,200	260,762,300
Human Relations and Resources.....	5,829,545,000	6,013,539,700	6,681,675,500	6,512,700,200
General Executive.....	523,088,000	533,306,400	631,897,300	633,356,600
Judicial.....	95,074,000	89,565,900	100,584,600	101,081,200
Legislative.....	58,081,000	55,994,700	60,239,300	58,829,900
General Appropriations.....	1,921,555,000	1,846,928,600	1,972,066,700	2,045,754,200
Subtotal.....	16,098,587,000	16,159,633,000	17,719,512,500	17,991,385,800
Less: (Lapses).....	NA	(60,255,000)	(93,046,400)	(115,926,800)
Compensation Reserves.....	NA	66,338,400	56,100,000	117,750,000
Required Statutory Balance.....	NA	99,426,600	106,724,500	112,784,100
Fund Transfers Out.....	NA	166,108,600	40,199,000	240,689,300
Changes in Continuing Balance.....	(6,563,000)	NA	NA	NA
Total Disbursements & Reserves.....	\$ 16,092,024,000	\$ 16,431,251,600	\$ 17,829,489,600	\$ 18,346,682,400
Fund Balance.....	\$ 712,826,000	\$ 18,195,300	\$ 898,858,900	\$ 5,033,000
Undesignated Balance.....	\$ 701,293,000	\$ 117,621,900	\$ 1,005,583,400	\$ 117,817,100

(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 Governor has signed into law in part, and vetoed in part, the budget for the 1999-2000 and 2000-2001 fiscal years. However, information in this table does not reflect the Governor's actions and only reflect the budget passed by the Wisconsin Legislature. Vetoes made by the Governor can be overridden by a two-thirds vote of each house.

(d) The beginning balance for the 1999-2000 fiscal year includes various budget adjustments and revenue re-estimates that were completed after the 1998-1999 budget became law. The Governor's actions on the legislatively approved budget address the difference between the 1998-99 ending balance and the 1999-2000 beginning balance.

(e) The decrease results from budgeted tax reductions becoming effective.

(f) The decrease results from budgeted tax changes that produce one-time effects in the first fiscal year.

(g) The decrease results from the continued effect of prior years tax changes.

(h) The decrease results from an anticipated decline in consumption.

(i) The decrease results from an expected one time collection in the 1999-2000 fiscal year.

(j) The 1998-99 budget includes revenues expected to be collected from a tax amnesty program.

Source: Wisconsin Department of Administration.

Table II-7; General Fund Monthly Position (Page 46). Replace the table with the following:

GENERAL FUND MONTHLY CASH POSITION
July 1, 1997 through September 30, 1999 ^¾ Actual
October 1, 1999 through June 30, 2000 ^¾ Estimated^(a)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(b)</u>	<u>Disbursements^(b)</u>
1997	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	1,267,513	1,035,960
	November.....	1,287,171	1,408,782	1,619,285
	December.....	1,076,668	1,333,433	1,878,358
1999	January.....	531,743	1,745,237	953,828
	February.....	1,323,152	1,267,106	1,107,154
	March.....	1,483,104	1,491,320	2,232,696
	April.....	741,728	1,648,520	1,185,032
	May.....	1,205,216	1,488,763	1,027,762
	June.....	1,666,217	1,541,035	2,470,983
	July.....	736,269	1,441,009	1,836,987
	August.....	340,291	1,308,849	868,154
	September.....	780,986	1,547,229	1,292,942
	October.....	1,035,273	1,462,778	1,044,046
	November.....	1,454,005	1,397,830	1,768,997
	December.....	1,082,838	1,399,963	2,034,603
2000	January.....	448,198	2,066,299	1,066,543
	February.....	1,447,954	1,409,745	1,138,233
	March.....	1,719,466	1,504,803	2,143,976
	April.....	1,080,293	1,741,973	1,165,093
	May.....	1,657,173	1,469,664	1,173,823
	June.....	1,953,014	1,701,292	2,602,891

^(a) The monthly receipt and disbursement projections for October 1, 1999 through June 30, 2000 are based on estimates provided by the Division of Executive Budget and Finance.

^(b) The receipt amounts shown in July 1997–1998 include the proceeds received at closing for the respective operating notes. See “OTHER OBLIGATIONS; Operating Notes” in the [1998 Annual Report](#). The disbursement amounts shown for February, March, April and May 1998–1999 include impoundment payments required in connection with the operating notes. No operating notes have been issued in the 1999-2000 fiscal year.

Source: Wisconsin Department of Administration.

Table II-8; Balances in Funds Available for Interfund Borrowing (Page 47). Replace the table with the following:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(a)
July 1, 1997 to October 1, 1999 — Actual
November 1, 1999 to June 1, 2000 — Estimated^(b)
(Amounts in Millions)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
January		\$ 3,363	\$ 3,736	\$ 1,606
February.....		3,906	4,291	1,696
March		4,222	4,459	1,768
April		4,298	4,526	1,752
May		4,011	4,199	1,675
June		3,811	3,957	1,686
July	\$ 3,522	3,926	4,017	
August	3,825	4,236	4,245	
September	3,546	3,982	3,865	
October	3,456	3,822	3,820	
November.....	3,126	3,429	1,470 ^(b)	
December	3,177	3,465	1,505	

^(a) Consists of the following funds:

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

^(b) Estimated balances for November 1, 1999 and succeeding months include only 20% of the amount estimated to be available for the local government investment pool. The local government investment pool is composed of funds deposited by local units of government that may be withdrawn without notice. Balances in the local government investment pool ranged from a low of \$63 million on July 1, 1983 to a high of \$4.426 billion on March 1, 1994. 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 based on the 1999–2000 budget approved by the Wisconsin Legislature, is approximately \$530 million.

Source: Wisconsin Department of Administration.

Table II-9; Revenues Deposited to the General Fund (Page 48). Replace the table with the following:

**REVENUES DEPOSITED TO THE GENERAL FUND^(a)
July 1, 1999 to September 30, 1999 compared with previous year
(Unaudited)**

	Actual Receipts <u>1998-99 FY^(b)</u>	Projected Receipts <u>1999-2000 FY^(c)</u>	Actual Receipts July 1, 1998 to September 30, 1998	Actual Receipts July 1, 1999 to September 30, 1999
Individual Income Tax	\$ 5,162,239,000	\$ 5,546,565,000	\$ 926,687,640	\$ 988,647,652
General Sales and Use Tax	3,284,695,000	3,443,143,500	546,593,222	583,098,219
Corporate Franchise and Income Tax	635,203,000	653,203,200	155,520,894	161,154,665
Public Utility Taxes	287,085,000	244,105,000	118,222	175,475
Excise Taxes	308,921,000	289,875,000	56,042,238	55,094,530
Inheritance Taxes	116,898,000	90,000,000	15,364,569	22,777,582
Miscellaneous Taxes	<u>166,288,000</u>	<u>140,113,400</u>	<u>12,616,966</u>	<u>15,567,543</u>
SUBTOTAL.....	9,961,329,000	10,407,005,100	1,712,943,751	1,826,515,666
Federal Receipts.....	3,774,415,000	4,454,261,000	874,654,859	865,971,978
Dedicated and Other Revenues ^(d)	<u>2,516,795,000</u>	<u>3,152,112,400</u>	<u>619,967,134^(e)</u>	<u>676,863,727^(e)</u>
TOTAL.....	<u>\$16,252,539,000</u>	<u>\$18,013,378,500</u>	<u>\$3,207,565,744</u>	<u>\$3,369,351,371</u>

- (a) The amounts shown are based on the statutory accounting basis and not on GAAP. See “ACCOUNTING AND FINANCIAL REPORTING” in the [1998 Annual Report](#).
- (b) The amounts shown are the sum of all revenues for fiscal year 1998-99 based on the data used in the preparation of the [Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1999](#).
- (c) The amounts shown are from the 1999-2000 budget approved by the Wisconsin Legislature and do not reflect any changes resulting from the Governor’s actions on this legislatively approved budget.
- (d) 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.
- (e) The amounts shown do not reflect receipt of \$350 million principal amount in fiscal year 1998-99 from the sale of operating notes.

Source: Wisconsin Department of Administration.

Table II-10; General Fund Expenditures by Function (Page 49). Replace the table with the following:

**GENERAL FUND EXPENDITURES BY FUNCTION^(a)
July 1, 1999 to September 30, 1999 compared with previous year
(Unaudited)**

	Actual Expenditures 1998-99 FY ^(b)	Appropriations 1999-2000 FY ^(c)	Actual Expenditures July 1, 1998 to September 30, 1998	Actual Expenditures July 1, 1999 to September 30, 1999
Commerce.....	\$ 199,054,000	\$ 217,047,000	\$ 47,052,449	\$ 49,681,014
Education.....	7,228,129,000	7,796,911,900	1,376,851,522	1,369,044,136
Environmental Resources.....	244,061,000	259,090,200	24,422,471	32,813,415
Human Relations & Resources....	5,829,545,000	6,681,675,500	1,338,684,018	1,344,496,091
General Executive.....	523,088,000	631,897,300	111,628,391	124,315,256
Judicial.....	95,074,000	100,584,600	29,983,362	17,461,011
Legislative.....	58,081,000	60,239,300	8,913,067	12,130,547
General Appropriations.....	<u>1,921,555,000</u>	<u>1,972,066,700</u>	<u>675,762,247</u>	<u>678,745,764</u>
TOTAL.....	<u>\$ 16,098,587,000</u>	<u>\$ 17,719,512,500</u>	<u>\$ 3,613,297,527</u>	<u>\$ 3,628,687,234</u>

- (a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "ACCOUNTING AND FINANCIAL REPORTING" in the [1998 Annual Report](#).
- (b) The amounts shown are the sum of all expenditures for fiscal year 1998-99 based on the data used in the preparation of the [Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1999](#).
- (c) The amounts shown are from the 1999-2000 budget approved by the Wisconsin Legislature and do not reflect any changes resulting from the Governor's actions on this legislatively approved budget.

Source: Wisconsin Department of Administration.

Appendix B

STATE OF WISCONSIN GENERAL OBLIGATION ISSUANCE STATUS REPORT September 15, 1999

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series C	Total Authorized Unissued Debt ^(a)
University of Wisconsin; academic facilities.....	\$ 791,009,100	\$ 726,892,229	\$ 11,302,696		\$ 52,814,175
University of Wisconsin; self-amortizing facilities.....	438,248,600	271,362,621	1,040,535	\$ 25,965,000	139,880,444
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,342	141,818		139,840
Clean water fund program.....	552,743,200	332,805,573		10,000,000	209,937,627
Safe drinking water loan program.....	12,130,000	12,130,000			
Natural resources; nonpoint source grants.....	34,363,600	29,265,658	132,570		4,965,372
Natural resources; nonpoint source compliance.....	2,000,000				2,000,000
Natural resources; environmental repair.....	43,000,000	17,144,900	161,017		25,694,083
Natural resources; environmental segregated fund supported administrative facilities.....	145,000	136,100			8,900
Natural resources; segregated revenue supported dam maintenance, repair, modification, abandonment and removal.....	6,350,000	1,660,000		1,048,000	3,642,000
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	146,850,000	145,010,325	50,000		1,789,675
Natural resources; pollution abatement and sewage collection facilities.....	902,449,800	873,003,888	18,510,235		10,935,677
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,309,242	6,287,401		3,357
Natural resources; recreation projects.....	56,055,000	56,053,036	1,005	958	1
Natural resources; local parks land acquisition and development.....	2,490,000	2,439,349	42,259		8,392
Natural resources; recreation development.....	23,061,500	22,793,166	141,227	24,944	102,163
Natural resources; land acquisition.....	45,608,600	45,115,269	491,671		1,660
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,442,545	17,174		40,281

GENERAL OBLIGATION ISSUANCE STATUS REPORT--CONTINUED
September 15, 1999

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series C	Total Authorized Unissued Debt ^(a)
Natural resources; segregated revenue supported facilities.....	18,746,600	12,309,722	45,287	1,995,000	4,396,591
Natural resources; general fund supported administrative facilities.....	8,295,800	6,541,075	21,432	205,000	1,528,293
Natural resources; ice age trail.....	750,000				750,000
Natural resources; dam maintenance, repair, modification, abandonment and removal.....	5,500,000	5,367,000	49,701		83,299
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,498,446			1,554
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	181,515,000	1,284,627		48,200,373
Transportation; administrative facilities.....	8,890,400	8,759,479	33,943		96,978
Transportation; accelerated bridge improvements.....	46,849,800	46,849,800			
Transportation; rail passenger route development...	50,000,000				50,000,000
Transportation; accelerated highway improvements.....	185,000,000	185,000,000			
Transportation; connecting highway improvements.....	15,000,000	15,000,000			
Transportation; federally aided highway facilities.....	10,000,000	10,000,000			
Transportation; highway projects.....	41,000,000	41,000,000			
Transportation; harbor improvements.....	15,000,000	12,475,000	232,605	1,660,000	632,395
Transportation; rail acquisitions and improvements.....	19,000,000	11,465,000		1,925,000	5,610,000
Corrections; correctional facilities.....	594,680,500	527,011,762	9,129,051		58,539,687
Corrections; self-amortizing facilities and equipment.....	7,337,000	725,000	99	250,000	6,361,901

GENERAL OBLIGATION ISSUANCE STATUS REPORT--CONTINUED
September 15, 1999

Program Purpose	Legislative Authorization	General Obligations Issued to Date^(a)	Interest Earnings^(b)	G.O. Bonds of 1999, Series C	Total Authorized Unissued Debt^(a)
Corrections; juvenile correctional facilities.....	26,441,500	24,823,556	101,839		1,516,105
Health and family services; mental health and secure treatment facilities.....	118,712,500	83,750,268	680,487		34,281,746
Agriculture; soil and water.....	3,000,000	400,000	1,196		2,598,804
Administration; Black Point Estate.....	1,600,000				1,600,000
Building commission; previous lease rental authority.....	143,071,600	143,068,654			2,946
Building commission; refunding corporation self-amortizing debt.....	1,940,000				1,940,000
Building commission; refunding tax-supported general obligation debt.....	2,125,000,000	1,896,403,677 ^(c)			228,596,323
Building commission; refunding self-amortizing general obligation debt.....	275,000,000	231,440,786 ^(c)			43,559,214
Building commission; housing state departments and agencies.....	319,227,600	209,074,121	1,992,401	9,071,000	99,090,079
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,750,000	294,479	55,521	
Building commission; project contingencies.....	28,233,200	13,790,000	49,699	3,000,000	11,393,501
Building commission; capital equipment acquisition.....	84,312,100	61,999,191	728,786	3,500,000	18,084,123
Building commission; discount sale of debt.....	90,000,000	65,428,484			24,571,516
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(c)			11,167
Building commission; other public purposes.....	919,466,000	709,736,152	4,987,780	38,873,162	165,868,906
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities...	10,000,000	10,000,000			
Technology for educational achievement in Wisconsin board; school district educational technology infrastructure loans.....	100,000,000	25,135,000	277,632		74,587,368

GENERAL OBLIGATION ISSUANCE STATUS REPORT--CONTINUED
September 15, 1999

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series C	Total Authorized Unissued Debt ^(a)
Technology for educational achievement in Wisconsin board; public library educational technology infrastructure loans.....	10,000,000				10,000,000
Educational communications board; educational communications facilities.....	8,354,100	7,204,539	36,946	150,000	962,615
Historical society; self-amortizing facilities.....	3,173,600	1,029,156	3,896		2,140,548
Historical society; historic records.....	400,000				400,000
Historical society; historic sites.....	1,839,000	1,825,756			13,244
Historical society; museum facility.....	4,384,400	4,351,000			33,400
Public instruction; state schools and library facilities...	7,367,700	7,329,197	32,508	1,415	4,580
Military affairs; armories and military facilities.....	19,590,200	16,497,527	192,543	1,000,000	1,900,130
Veterans affairs; veterans facilities.....	10,090,100	8,468,065	50,556	75,000	1,496,479
Veterans affairs; self-amortizing mortgage loans.....	1,807,500,000	1,768,706,295	2,133,000		36,660,705
Veterans affairs; refunding bonds.....	665,000,000	632,539,245			32,460,755
Veterans affairs; self-amortizing housing facilities.....	2,031,900				2,031,900
State fair park board; board facilities.....	2,000,000				2,000,000
State fair park board; housing facilities.....	11,000,000	10,909,000			91,000
State fair park board; self-amortizing facilities.....	27,850,000	22,128,800	6,046	1,200,000	4,515,154
Total.....	<u>\$11,470,640,000</u>	<u>\$9,879,376,828</u>	<u>\$60,686,148</u>	<u>\$100,000,000</u>	<u>\$1,430,577,025</u>

^(a) These amounts include the total authorized amount of \$54,120,000 for General Obligation Commercial Paper Notes of 1998, Series B. As of September 15, 1999, only \$25,000,000 of these commercial paper notes have been issued. These amounts do not include the \$75,000,000 General Obligation Extendible Commercial Notes of 1999, Series B that were issued on October 6, 1999.

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

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

Source: Wisconsin Department of Administration.

Appendix C

EXPECTED FORM OF LEGAL OPINION

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

(Letterhead of Foley & Lardner)

\$100,000,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 1999, SERIES C

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of its General Obligation Bonds of 1999, Series C to the amount of \$100,000,000, dated October 15, 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 September 28, 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, and the interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; it should be noted, however, that with respect to certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing

the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence 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