OFFICIAL STATEMENT

New Issue

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

$40,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1999, SERIES B (TAXABLE)

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

Bond Ratings	AA+ Fitch IBCA, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Group
Taxable Bonds	Interest on the Bonds is subject to federal income and State of Wisconsin income and franchise taxes—*See pages 15-17*.
Redemption	Bonds maturing November 1, 2013, 2016 and 2030 are subject to mandatory sinking fund redemption at par—*See pages 5-6*.
	Bonds maturing on or after November 1, 2010 are callable at par on or after November 1, 2009—*See page 4*.
	Bonds are subject to special redemption at par—*See pages 6-7*.
Security	General obligations of the State of Wisconsin.
Purpose	Proceeds of the Bonds are being used to fund veterans housing loans—*See pages 1-2*.
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 1999
Denominations	$5,000
Closing/Settlement	June 2, 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—*See pages 2-4*.
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 May 11, 1999. The interest rates payable by the State, which are shown below, resulted from bids received at this competitive sale.

CUSIP	Year (November 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price
977056 VZ0	2000	$ 420,000	5.35%	Not Callable	-
977056 WA4	2001	450,000	5.60	Not Callable	-
977056 WB2	2002	480,000	5.80	Not Callable	-
977056 WC0	2003	500,000	6.00	Not Callable	-
977056 WD8	2004	535,000	6.20	Not Callable	-
977056 WE6	2005	570,000	6.25	Not Callable	-
977056 WF3	2006	600,000	6.25	Not Callable	-
977056 WG1	2007	640,000	6.30	Not Callable	-
977056 WH9	2008	680,000	6.35	Not Callable	-
977056 WJ5	2009	725,000	6.40	Not Callable	-
977056 WK2	2010	770,000	6.40	11/1/2009	100%
977056 WN6	2013 [(a)]	2,620,000	6.50	11/1/2009	100
977056 WR7	2016 [(a)]	3,180,000	7.00	11/1/2009	100
977056 XF2	2030 [(a)]	27,830,000	7.25	11/1/2009	100

Purchase Price: $39,857,827.25

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

May 11, 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 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
(608) 266-2305
frank.hoadley@doa.state.wi.us

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

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

As of the date of this Official Statement, additional information about the State of Wisconsin can be found on the world wide web at:

badger.state.wi.us

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

SUMMARY DESCRIPTION OF THE BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 1999, Series B (Taxable)
Principal Amount:	$40,000,000
Denominations:	$5,000 and integral multiples
Date of Issue:	May 1, 1999
Record Date:	April 15 or October 15
Interest Payment:	May 1 and November 1, commencing November 1, 1999
Maturities:	November 1, 2000-2010, 2013, 2016 and 2030—*See front cover*
Redemption:	*Mandatory Sinking Fund*—Bonds maturing November 1, 2013, 2016 and 2030 are subject to mandatory sinking fund redemption at par—*See page 5-6*
	Optional—Bonds maturing on or after November 1, 2010 are subject to optional redemption at par beginning November 1, 2009—*See page 4*
	Special—Bonds are subject to special redemption at par—*See pages 6-7*
Form:	Book entry only—*See pages 2-4*
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the State Treasurer. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Bonds are general obligations. As of December 1, 1998, the outstanding principal amount of general obligations of the State was $3,563,989,070.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18, 20 and 45 of the Wisconsin Statutes.
Purpose:	Proceeds of the Bonds are being used to fund veterans housing loans.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Legality of Investment:	The Bonds are legal investments for all banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies and other persons or entities carrying on a banking business in Wisconsin; for all executors, administrators, guardians, trustees and other fiduciaries in Wisconsin; for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.
Taxable Bonds:	Interest on the Bonds is included in gross income for federal income tax purposes.
	Interest on the Bonds is subject to State of Wisconsin income and franchise taxes—*See pages 15-17*
Legal Opinion:	Validity opinion to be provided by Foley & Lardner—*See page B-1*

OFFICIAL STATEMENT

$40,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1999, SERIES B (TAXABLE)

INTRODUCTION

This Official Statement sets forth information concerning the $40,000,000 General Obligation Bonds of 1999, Series B (Taxable) (**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 April 21, 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 its 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

THE BONDS

Plan of Finance

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

The State intends to provide a subsidy for housing loans funded with proceeds of the Bonds. The source of this subsidy will be excess proceeds of eligible mortgage pools, including repayments of veterans housing loans that under federal tax law are eligible for such use.

General

The front 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**).

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

Security

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

Book-Entry-Only Form

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond will be issued for each maturity 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

Optional Redemption

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

Mandatory Sinking Fund Redemption

The Bonds due on November 1, 2013 (**2013 Term Bonds**) are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on November 1 of each year the respective amount of the 2013 Term Bonds specified below:

Redemption Date (November 1)	**Principal Amount**
2011	$ 820,000
2012	870,000
2013[a]	930,000

[a] Stated Maturity

The Bonds due on November 1, 2016 (**2016 Term Bonds**) are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on November 1 of each year the respective amount of the 2016 Term Bonds specified below:

Redemption Date (November 1)	**Principal Amount**
2014	$ 990,000
2015	1,060,000
2016 [a]	1,130,000

[a] Stated Maturity

The Bonds due on November 1, 2030 (**2030 Term Bonds**) are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on November 1 of each year the respective amount of the 2030 Term Bonds specified below:

Redemption Date (November 1)	**Principal Amount**
2017	$ 1,215,000
2018	1,300,000
2019	1,395,000
2020	1,495,000
2021	1,600,000
2022	1,725,000
2023	1,845,000
2024	1,975,000
2025	2,125,000

Redemption Date **<u>(November 1)</u>**	**Principal** **<u>Amount</u>**
2026	2,275,000
2027	2,440,000
2028	2,620,000
2029	2,805,000
2030 [(a)]	3,015,000

[(a)] Stated Maturity

Optional or special redemption (or the purchase in lieu thereof) of the 2013 Term Bonds, 2016 Term Bonds or 2030 Term Bonds **(Term Bonds)** for which sinking fund installments have been established shall be applied to reduce the sinking fund installments established for the respective Term Bonds so redeemed or purchased in such manner as the Commission shall direct.

Special Redemption

The Bonds are subject to special redemption prior to maturity, at the option of the Commission, on May 1, 2001 and any date thereafter, in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the Bonds. In the event of a partial redemption, the Commission shall direct the maturities of the Bonds and the amounts thereof so to be redeemed; however, the Commission intends to apply amounts from this source as a pro rata redemption on all applicable outstanding maturities of the Bonds, subject to rounding.

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

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

Table 1 summarizes the expected average life of the Bonds, based on various assumptions. Table 1 was prepared by cfX Incorporated, the firm the State has employed to review and provide quantitative analysis about the cash flow of the veterans housing loan program. In creating Table 1, cfX Incorporated used the following assumptions:

- Average origination date of December 1, 1999.
- Level amortization of the housing loans based on a 30-year term and a 6.85% mortgage loan rate.

- Principal amount due on the Bonds on a particular date is payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond, as determined by the successful bidder.
- Special redemption available solely from prepayments of veterans housing loans funded by or attributed to the Bonds.
- Early special redemptions done on a semi-annual periodicity.
- 0% Federal Housing Authority (**FHA**) and 0% Public Securities Association (**PSA** and currently called The Bond Market Association) prepayment speed assumes that no prepayments will occur.

Table 1
Average Life Summary

Prepayment Speed (FHA)

0%	25%	50%	75%	100%	150%	200%	300%	400%
21.50	18.29	15.73	13.72	12.10	9.72	8.11	6.16	5.06

Prepayment Speed (PSA)

0%	25%	50%	75%	100%	150%	200%	300%	400%
21.50	18.58	16.21	14.30	12.74	10.42	8.78	6.76	5.57

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. Information in Table 1 for the FHA prepayment speed was prepared using the June 30, 1991 table entitled "Survivor and Decrement Tables for HUD/FHA Home Mortgage Insurance Program". The PSA prepayment model represents an assumed monthly rate of repayment of the then outstanding balance of a pool of new mortgage loans. The PSA prepayment model does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction on the anticipated rate of prepayment of any pool of mortgage loans. One hundred percent PSA assumes prepayment rates of 0.2 percent per year of the then unpaid principal balance of mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100 percent PSA assumes a constant prepayment rate of six percent per year. Multiples are calculated from this prepayment rate series; for example, 200 percent PSA assumes prepayment rates will be 0.4 percent per year in the first month, 0.8 percent in the second month, reaching 12 percent per year in the 30th month and remaining constant at 12 percent per year thereafter.

Information contained in Table 1 is based on data and assumptions obtained by cfX Incorporated from various sources, including the State. cfX Incorporated has made no verification, independent investigation, or review of the truth or accuracy of such data and assumptions. Table 1 is also based on assumptions as to quantitative and other factors, including assumptions with respect to incomplete information, which are inherently subject to significant economic and other uncertainties and contingencies. Different assumptions could have a material effect upon the results contained in Table 1. cfX Incorporated makes no representation, express or implied, as to the accuracy, timeliness or completeness of the aforementioned data or the accuracy or reasonableness of any of the aforementioned assumptions.

No assurance can be given that prepayments of principal on the mortgages underlying the Bonds will conform to any prepayment projections or schedule, including Table 1, or that prepayments will be available to be applied to redemptions of the Bonds . The State has not undertaken to provide ongoing information to bondholders whether actual results are consistent with such assumptions.

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 Bonds are being used to fund veterans housing loans. Bond proceeds are to be deposited into the Capital Improvement Fund of the State Treasury for expenditure pursuant to rules and procedures adopted by the Wisconsin Department of Veterans Affairs (**DVA**) and approved by the Commission. Until such time as these expenditures are made, the Bond proceeds will be invested by the State of Wisconsin Investment Board.

Ratings

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 the following:

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

- 40% of the most critical applications have completed all above five stages.
- 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 some 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, with the remaining application scheduled for completion by September 30. 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 collectively are 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).

The State intends to provide a subsidy for housing loans funded with proceeds of the Bonds. The source of this subsidy will be excess proceeds of eligible mortgage pools, including repayments of veterans housing loans that under federal tax law are eligible for such use.

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 18, 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 second competitively sold general obligation issue for this calendar year. The Commission has previously issued $148 million of general obligation bonds via competitive sale to fund general governmental purposes.

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

- Approximately $16 million of general obligation refunding bonds for veterans housing loans. This authorization is for the current refunding of certain maturities of Tax-Exempt Veterans Mortgage Bonds. The State expects to complete the issuance of these refunding bonds prior to July 1, 1999.
- 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 depend 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 State expects the issuance of clean water revenue bonds in 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 in this calendar year. No other master lease certificates of participation issues are expected in this calendar year.

The State expects to sell operating notes in the second quarter of this calendar year with delivery on July 1, 1999.

Underwriting

The Bonds were purchased at competitive bidding on May 11, 1999 by the following account (**Underwriters**): PaineWebber Incorporated, book-running manager; Salomon Smith Barney; A.G. Edwards & Sons, Inc.; Pryor, McClendon, Counts & Co., Inc.; J.C. Bradford & Co. and William E. Simon & Sons Municipal Securities Inc.

The Underwriters paid $39,857,827.25, resulting in a true interest cost rate to the State of 7.1430%.

Reference Information About the Bonds

Table 2 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 price to maturity or the price to call.

Table 2

$40,000,000
State of Wisconsin
General Obligation Bonds of 1999, Series B (Taxable)

Dated Date: May 1, 1999
First Interest Date: November 1, 1999
Issuance Date: June 2, 1999
Special Redemption: All Bonds are subject to special redemption at par. See "THE BONDS; Redemption Provisions".

CUSIP	Year (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Redemption Date	Call Price
977056 VZ0	2000	$ 420,000	5.35%	5.36%	99.981%	Not Callable	-
977056 WA4	2001	450,000	5.60	5.62	99.949	Not Callable	-
977056 WB2	2002	480,000	5.80	5.84	99.871	Not Callable	-
977056 WC0	2003	500,000	6.00	6.00	100.000	Not Callable	-
977056 WD8	2004	535,000	6.20	6.20	100.000	Not Callable	-
977056 WE6	2005	570,000	6.25	6.25	100.000	Not Callable	-
977056 WF3	2006	600,000	6.25	6.30	99.700	Not Callable	-
977056 WG1	2007	640,000	6.30	6.35	99.670	Not Callable	-
977056 WH9	2008	680,000	6.35	6.40	99.643	Not Callable	-
977056 WJ5	2009	725,000	6.40	6.45	99.617	Not Callable	-
977056 WK2	2010	770,000	6.40	6.50	99.195	11/1/2009	100%
977056 WN6	2013 [a]	2,620,000	6.50	6.59	99.163	11/1/2009	100
977056 WR7	2016 [a]	3,180,000	7.00	7.00	100.000	11/1/2009	100
977056 XF2	2030 [a]	27,830,000	7.25	7.25	100.000	11/1/2009	100

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

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 Matters

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

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

Although the Bonds maturing on November 1, 2000-2002, 2006-2010 and 2013 are being issued at prices that are less than their respective principal amounts, no Bond is treated as having original issue discount for federal income tax purposes, because the amount of discount is less than the applicable *de minimis* amount.

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

A Bond will be deemed to have "market discount" in the hand of an owner if:

- The owner's tax basis in such Bonds immediately after acquisition is less than the Bond adjusted issue price, and
- The amount of this difference (**market discount**) exceeds a specified *de minimis* amount.

If a Bond has market discount in the hand of an owner, then unless an election is made to include such discount in gross income for federal income tax purposes on an accrual basis over the remaining life of the Bonds, any gain recognized by an owner upon the sale or other disposition (including payment at maturity) of this Bonds will be treated as ordinary income to the extent that this gain does not exceed the amount of "market discount" that has accrued on the Bonds while held by the owner. If interest is paid or accrued by the owner on indebtedness incurred or maintained to purchase or carry a Bond with market discount, the deduction for the portion of the owner's interest expense that is allocable to the accrued market discount may be deferred.

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

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

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

- Such foreign person is neither a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, nor a bank that is purchasing Bonds pursuant to an extension of credit made in the ordinary course of its trade or business,
- Such foreign person provides the person who would otherwise be required to withhold tax from payments of such interest (**withholding agent**) with an appropriate statement, signed under the penalties of perjury, identifying the beneficial owner and stating, among other things, that the beneficial owner of the Bonds is a foreign person, and
- The interest is not effectively connected with the conduct of a trade or business within the United States by the foreign person.

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

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

Any gain realized by a foreign person on a sale or exchange (including a redemption) of a Bond will not be subject to United States federal income tax or withholding if (1) the gain is not effectively connected with the conduct of a trade or business within the United States, and (2) in the case of a foreign individual, such individual is not present in the United States for 183 days or more in the taxable year of the sale or exchange.

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

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

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

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

Interest on the 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 11, 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:

- 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 notice of 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)
$40,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1999, SERIES B (TAXABLE)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of its General Obligation Bonds of 1999, Series B (Taxable) to the amount of $40,000,000, 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 "Resolutions").

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

1. The Bonds, to the amount named, are valid and binding general obligations of the State.
2. The Resolutions have been duly adopted by the Commission and constitute valid and binding obligations of the State enforceable upon the State as provided in the Resolutions.
3. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the same mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.

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