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DEPARTMENT OF ADMINISTRATION
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OFFICIAL STATEMENT

New Issue

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

\$147,060,000

STATE OF WISCONSIN GENERAL OBLIGATION BONDS OF 1999, SERIES A

Dated: February 1, 1999

Due: May 1, as shown below

Bond Ratings	AA+ Fitch IBCA, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Group
Tax Exemption	Interest on the Bonds is, for federal income tax purposes, excluded from gross income 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, 2010 are callable at par on or after May 1, 2009— <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— <i>See page 5.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 1999
Denominations	\$5,000
Closing/Settlement	March 3, 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 February 9, 1999. The interest rates payable by the State, which are shown below, resulted from bids received at this competitive sale.

<u>CUSIP</u>	<u>Year (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>First Optional Redemption Date</u>	<u>Call Price</u>
977056 UM0	2000	\$ 6,640,000	4.00%	Not Callable	-
977056 UN8	2001	6,845,000	4.00	Not Callable	-
977056 UP3	2002	7,070,000	4.00	Not Callable	-
977056 UQ1	2003	7,330,000	5.00	Not Callable	-
977056 UR9	2004	7,590,000	4.00	Not Callable	-
977056 US7	2005	6,625,000	4.00	Not Callable	-
977056 UT5	2006	6,880,000	4.00	Not Callable	-
977056 UU2	2007	7,150,000	4.00	Not Callable	-
977056 UV0	2008	7,435,000	4.00	Not Callable	-
977056 UW8	2009	7,735,000	4.75	Not Callable	-
977056 UX6	2010	6,160,000	5.00	5/1/2009	100%
977056 UY4	2011	6,420,000	5.00	5/1/2009	100
977056 UZ1	2012	6,700,000	5.00	5/1/2009	100
977056 VA5	2013	7,000,000	5.00	5/1/2009	100
977056 VB3	2014	7,320,000	5.00	5/1/2009	100
977056 VC1	2015	7,660,000	4.75	5/1/2009	100
977056 VD9	2016	8,025,000	4.75	5/1/2009	100
977056 VE7	2017	8,410,000	4.75	5/1/2009	100
977056 VF4	2018	8,815,000	4.75	5/1/2009	100
977056 VG2	2019	9,250,000	4.75	5/1/2009	100

Purchase Price: \$148,514,012.81

February 9, 1999

WWW.DOA.STATE.WI.US/DEBF/CAPFIN/WIOSGEN.HTM

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 Hover	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

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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

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

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 1999, Series A
Principal Amount:	\$147,060,000
Denominations:	\$5,000 and integral multiples
Date of Issue:	February 1, 1999
Record Date:	April 15 and October 15
Interest Payment:	May 1 and November 1, commencing November 1, 1999
Maturities:	May 1, 2000 – 2019— <i>See cover</i>
Redemption:	<i>Optional</i> — Bonds maturing on or after May 1, 2010 are subject to optional redemption at par beginning May 1, 2009— <i>See page 2</i>
Form:	Book-entry-only— <i>See pages 3-5</i>
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the State Treasurer. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Bonds are general obligations. As of December 1, 1998, there were \$3,563,989,070 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 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 11-13</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner— <i>See page C-1</i>

OFFICIAL STATEMENT
\$147,060,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 1999, SERIES A

INTRODUCTION

This Official Statement sets forth information concerning the \$147,060,000 General Obligation Bonds of 1999, Series A (**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 January 20, 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 February 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.

Redemption Provisions

Optional Redemption

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

Selection of Bonds

If the Bonds are in book-entry-only form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of Beneficial Owners of the Bonds affected thereby shall be made solely by 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 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 as of January 15, 1999.

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 **OTHER INFORMATION; Temporary Investments** in [Part II of the 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 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 enterprise Year 2000 project plan to manage enterprise efforts. This approach allows the State to focus on the highest priority Year 2000 compliance needs.

In 1996, the Department of Administration identified 100 critical business applications (that is, applications that support core state government operations and services). The Department of Administration has deemed 21 of these as the "highest priority" critical applications. Among the financial-related systems within the group of 21 highest priority critical applications are:

- WiSMART (State's accounting system)
- Income Tax Processing
- Shared Revenues
- Motor Vehicle Registration
- Wisconsin Employee Benefit Systems
- Investment Accounting System
- Local Government Investment Pool

The Department of Administration is requiring agencies to report monthly on efforts to ensure operation of critical business functions within the agency, progress on making information technology systems supporting those critical business functions and efforts to address issues related

* The information in this section was included by reference in APPENDIX A of the Preliminary Official Statement, dated January 27, 1999.

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.

Based on this reporting, as of November 1998, the following information is available:

- Three of the 21 most critical applications are completed through testing and implementation of changes, or have been certified as Year 2000 ready by the private vendor responsible for the system.
- Fourteen of the 21 applications are in final acceptance testing of changes made to make the application ready for Year 2000.
- Four of the 21 applications are in the modification phase, and the agencies have indicated that the work is proceeding and is expected to be completed before the end of calendar year 1999.

The Department of Administration is continuing 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

The 21 highest priority critical applications have a direct impact on critical and core State operations. Specific examples of Year 2000 efforts for these 21 highest priority critical applications

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 15 of its 16 critical applications and has completed or is in the process of going through final acceptance testing. The one application not tested is scheduled for testing in April 1999, after the main workload for the tax processing season is completed.

External Year 2000 Issues

The State has contacted each of its paying agents, registrars, escrow agents, trustees, and depositories and has been informed by each of these firms that they intend to meet 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 is addressing Year 2000 efforts with the Federal government and is also working on contingency plans in the event of a problem.

Mechanical Year 2000 Issues

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

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

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. The annual limit is derived as the lesser of two formulas. 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 \$1,867,461,864. A refunding bond issue does not count for purposes of the annual debt limit, and a refunded bond issue does not count for purposes of the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year that it accrues is treated as debt and taken into account for purposes of the debt limitations.

Borrowing Plans for 1999

General Obligations

This is the first publicly sold general obligation issue for this calendar year.

The Commission has authorized approximately \$278 million of general obligation refunding bonds. The amount and timing of negotiated sales of general obligation refunding bonds depend on market conditions. In addition, approximately \$70 million of general obligation commercial paper notes have been authorized but not issued. The placement of these general obligation commercial paper notes depends on cash needs of the State.

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

- Additional general obligation bonds 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. The State also expects the issuance in this calendar year of transportation revenue bonds or commercial paper notes 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 will sell on February 10, 1999 via competitive sale two series of master lease certificates of participation in the aggregate amount of approximately \$43 million. No other master lease certificates of participation are expected to be issued 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 February 9, 1999 by the following account (**Underwriters**): Merrill Lynch & Co., book-running manager; Griffin, Kubik, Stephens &

Thompson, Inc., Amerivet-Dymally Securities Inc., Axelrod Associates, Inc., Bank of Alabama, Belle Haven Investments, L.P., S.B.K–Brooks Investment Corp., The Chapman Company, The GMS Group L.L.C., Greenwich Partners, L.L.C., Guzman & Company, Interstate/Johnson Lane Corporation, Walton Johnson & Company, Lafayette Investments, Inc., J.P.McGowan & Company, Inc., CIBC Oppenheimer Corp., Ramirez & Co., Inc., Roosevelt & Cross, Inc., Siebert, Brandford, Shank & Co., Southwest Securities, Inc., Harris Trust and Savings Bank, Hanifen Imhoff, Inc., Fahnestock & Co. Inc., Ferris, Baker Watts Inc., Isaak Bond Investments, Inc., McDonald & Company Securities, Inc. and Securities Corporation of Iowa.

The Underwriters paid \$148,514,012.81, resulting in a true interest cost rate to the State of 4.539%.

Reference Information About the Bonds

The following table 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 Underwriter in order to allow the computation of yield for federal tax law compliance. The reoffering prices have been calculated to the lower of maturity or call.

\$147,060,000
State of Wisconsin
General Obligation Bonds of 1999, Series A

Dated Date: February 1, 1999
First Interest Date: November 1, 1999
Issuance Date: March 3, 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 UM0	2000	\$6,640,000	4.00%	3.050%	101.072%	Not Callable	-
977056 UN8	2001	6,845,000	4.00	3.337	101.367	Not Callable	-
977056 UP3	2002	7,070,000	4.00	3.567	101.279	Not Callable	-
977056 UQ1	2003	7,330,000	5.00	3.680	105.044	Not Callable	-
977056 UR9	2004	7,590,000	4.00	3.800	100.925	Not Callable	-
977056 US7	2005	6,625,000	4.00	3.850	100.811	Not Callable	-
977056 UT5	2006	6,880,000	4.00	3.950	100.304	Not Callable	-
977056 UU2	2007	7,150,000	4.00	4.050	99.651	Not Callable	-
977056 UV0	2008	7,435,000	4.00	4.100	99.238	Not Callable	-
977056 UW8	2009	7,735,000	4.75	4.170	104.758	Not Callable	-
977056 UX6	2010	6,160,000	5.00	4.250	106.130*	5/1/2009	100%
977056 UY4	2011	6,420,000	5.00	4.350	105.286*	5/1/2009	100
977056 UZ1	2012	6,700,000	5.00	4.450	104.450*	5/1/2009	100
977056 VA5	2013	7,000,000	5.00	4.550	103.622*	5/1/2009	100
977056 VB3	2014	7,320,000	5.00	4.650	102.802*	5/1/2009	100
977056 VC1	2015	7,660,000	4.75	4.780	99.658	5/1/2009	100
977056 VD9	2016	8,025,000	4.75	4.850	98.837	5/1/2009	100
977056 VE7	2017	8,410,000	4.75	4.900	98.203	5/1/2009	100
977056 VF4	2018	8,815,000	4.75	4.912	98.000	5/1/2009	100
977056 VG2	2019	9,250,000	4.75	4.907	98.000	5/1/2009	100

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

Legal Investment

The Bonds are legal investments for all:

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

Legal Opinion

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

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

Tax Exemption

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

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

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each Bond maturing May 1, 2007, 2008, and 2015-2019 (**Discount Bonds**), to the extent properly allocable to each owner of a Discount Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Bond is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of a Discount Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Bonds were sold (**Issue Price**).

Under Section 1288 of the Code, original issue discount on 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, 2000-2006, and 2009-2014 (**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. 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: February 9, 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

Appendix B

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

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series A	Total Authorized Unissued Debt ^(a)
University of Wisconsin; academic facilities.....	\$ 762,124,100	\$ 713,892,229	\$ 11,258,380	\$ 8,000,000	\$ 28,973,491
University of Wisconsin; self-amortizing facilities.....	438,248,600	271,362,621	947,169		165,938,810
Natural resources; municipal clean drinking water grants.....	9,800,000	9,519,342	141,818		138,840
Clean water fund program.....	552,743,200	314,735,573		18,070,000	219,937,627
Safe drinking water loan program.....	12,130,000	8,200,000		3,930,000	
Natural resources; nonpoint source grants.....	34,363,600	27,780,658	132,570	1,485,000	4,965,372
Natural resources; nonpoint source compliance.....	2,000,000				2,000,000
Natural resources; environmental repair.....	43,000,000	15,754,900	161,017	1,390,000	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	1,315,000		345,000	4,690,000
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	872,803,888	18,510,235	200,000	10,935,677
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,144,242	6,287,401	165,000	3,357
Natural resources; recreation projects.....	56,055,000	56,053,036	1,005		959
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	22,778,166	141,227	15,000	127,107
Natural resources; land acquisition.....	45,608,600	45,115,269	491,670		1,661
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,442,545	17,174		40,281

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

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series A	Total Authorized Unissued Debt ^(a)
Natural resources; segregated revenue supported facilities.....	18,746,600	11,639,722	48,761	670,000	6,388,117
Natural resources; general fund supported administrative facilities.....	8,295,800	5,951,075	17,958	590,000	1,736,767
Natural resources; ice age trail.....	750,000				750,000
Natural resources; dam maintenance, repair, modification, abandonment and removal.....	5,500,000	5,370,000	49,701		80,299
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	149,055,000	1,446,521	12,460,000	68,038,479
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	11,800,000	232,606	675,000	2,292,394
Transportation; rail acquisitions and improvements.....	19,000,000	10,645,000		820,000	7,535,000
Corrections; correctional facilities.....	594,680,500	469,011,762	8,888,005	40,000,000	76,780,733
Corrections; self-amortizing facilities and equipment.....	7,337,000	700,000	99	25,000	6,611,901

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

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series A	Total Authorized Unissued Debt ^(a)
Corrections; juvenile correctional facilities.....	26,441,500	24,323,556	101,839	500,000	1,516,105
Health and family services; mental health and secure treatment facilities.....	88,712,500	81,500,268	680,486	250,000	6,281,746
Agriculture; soil and water.....	3,000,000			400,000	2,600,000
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.....	259,727,600	202,074,121	1,970,079	2,000,000	53,683,400
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,650,000	294,479	100,000	55,521
Building commission; project contingencies.....	28,233,200	12,790,000	49,447	1,000,000	14,393,753
Building commission; capital equipment acquisition.....	84,312,100	60,999,191	728,786	1,000,000	21,584,123
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	658,181,152	4,671,207	51,470,000	205,143,641
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	50,000,000	31,567	135,000	49,833,433

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

Program Purpose	Legislative Authorization	General Obligations Issued to Date ^(a)	Interest Earnings ^(b)	G.O. Bonds of 1999, Series A	Total Authorized Unissued Debt ^(a)
Technology for educational achievement in Wisconsin board; public library educational technology infrastructure loans.....	10,000,000	5,000,000			5,000,000
Educational communications board; educational communications facilities.....	8,354,100	7,154,539	36,946	50,000	1,112,615
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	4,336,000		15,000	33,400
Public instruction; state schools and library facilities..	7,367,700	7,329,197	32,508		5,995
Military affairs; armories and military facilities.....	19,590,200	16,297,527	192,543	200,000	2,900,130
Veterans affairs; veterans facilities.....	10,090,100	8,368,065	50,556	100,000	1,571,479
Veterans affairs; self-amortizing mortgage loans.....	1,807,500,000	1,728,706,295	6,283,148		72,510,557
Veterans affairs; refunding bonds.....	665,000,000	616,749,245			48,250,755
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	10,990,000			10,000
State fair park board; self-amortizing facilities.....	27,850,000	21,128,800	6,046	1,000,000	5,715,154
Total.....	<u>\$11,352,255,000</u>	<u>\$9,656,526,829</u>	<u>\$64,033,052</u>	<u>\$147,060,000</u>	<u>\$1,484,635,119</u>

^(a) These amounts include the total authorized amount of General Obligation Commercial Paper Notes of 1998, Series A&B (\$119,910,000) As of January 15, 1999, only \$50,000,000 of these commercial paper notes have been issued.

^(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)

\$147,060,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 1999, SERIES A

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 A to the amount of \$147,060,000, dated February 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 January 20, 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 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