

OFFICIAL STATEMENT

New Issue

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

\$35,000,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2000, SERIES B (TAXABLE)

Dated: July 1, 2000

Due: November 1, as shown below

Ratings	AA+ Fitch Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Services
Taxable Bonds	Interest on the Bonds is subject to federal income and State of Wisconsin income and franchise taxes— <i>See pages 12-14.</i>
Redemption	Bonds maturing on or after November 1, 2011 are callable at par on or after November 1, 2010— <i>See page 3.</i> Bonds maturing November 1, 2010 and November 1, 2030 are subject to mandatory sinking fund redemption at par— <i>See pages 2-3.</i> Bonds are subject to special redemption at par— <i>See pages 3-5.</i>
Security	General obligations of the State of Wisconsin.
Purpose	Proceeds of the Bonds are being used to fund veterans primary mortgage home loans— <i>See pages 1-2.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 2001
Denominations	\$5,000
Closing/Settlement	August 2, 2000
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 6-8.</i>
Annual Report	This Official Statement incorporates by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1999.

The Bonds were sold at competitive sale on July 12, 2000. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Year (November 1)	Principal Amount	Interest Rate	First Optional Redemption	Call Price
977056 ZR4	2010 ^(a)	\$ 4,625,000	7.50%	Not Callable	-
977056 B41	2030 ^(a)	30,375,000	8.05	11/1/2010	100%

Purchase Price: \$34,946,100.00

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

July 12, 2000

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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.

The issuer is the author of this Official Statement and is responsible for its accuracy and completeness. The Underwriters are not the authors of this Official Statement. In accordance with their responsibilities under federal securities laws, the Underwriters are required to review the information in this Official Statement and must have a reasonable basis for their belief in the accuracy and completeness of the Official Statement's key representations.

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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 Robert Turner	January 8, 2001
Representative Daniel Vrakas	January 8, 2001
Mr. Bryce Styza, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. George Lightbourn, 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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Capital Finance Office
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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 2000, Series B (Taxable)
Principal Amount:	\$35,000,000
Denominations:	\$5,000 and integral multiples
Date of Issue:	July 1, 2000
Record Date:	April 15 or October 15
Interest Payment:	May 1 and November 1, commencing May 1, 2001
Maturities:	November 1, 2010 and 2030— <i>See front cover</i>
Redemption:	<i>Mandatory Sinking Fund</i> —Bonds maturing November 1, 2010 and 2030 are subject to mandatory sinking fund redemption at par— <i>See page 2-3</i> <i>Optional</i> —Bonds maturing on or after November 1, 2011 are subject to optional redemption at par beginning November 1, 2010— <i>See page 3</i> <i>Special</i> —Bonds are subject to special redemption at par— <i>See pages 3-5</i>
Form:	Book entry only— <i>See pages 6-8</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 June 1, 2000, the outstanding principal amount of general obligations of the State was \$3,731,062,453.
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 primary mortgage home loans— <i>See pages 1-2</i>
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all executors, administrators, guardians, trustees, and other fiduciaries; for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Taxable Bonds:	<i>Federal income tax</i> —Interest on the Bonds is included in gross income for federal income tax purposes. <i>Wisconsin state income and franchise taxes</i> —Interest on the Bonds is subject to State of Wisconsin income and franchise taxes— <i>See pages 12-14</i>
Legal Opinion:	Validity opinion to be provided by Foley & Lardner— <i>See page B-1</i>

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OFFICIAL STATEMENT
\$35,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2000, SERIES B (TAXABLE)

INTRODUCTION

This Official Statement sets forth information concerning the \$35,000,000 General Obligation Bonds of 2000, Series B (Taxable) (**Bonds**) issued by the State of Wisconsin (**State**). This Official Statement includes by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1999 (**1999 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 June 28, 2000.

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 1999 Annual Report.

Requests for additional information about the State may be directed as follows.

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 primary mortgage home loans to veterans without regard to whether they are “qualified veterans” under federal tax law for the purpose of acquiring residences (**Taxable Veterans Mortgage Bonds**).

The State intends to provide a subsidy for veterans primary mortgage home loans funded with proceeds of the Bonds. This subsidy will result in the mortgage rate for the veterans primary

mortgage home loans being less than the true interest rate cost of the Bonds. The source of the subsidy will be excess proceeds of eligible mortgage pools, including available equity of the veterans primary mortgage housing loan program, repayments of veterans primary mortgage home loans funded with tax-exempt general obligation bonds (**Tax-Exempt Veterans Mortgage Bonds**), or excess amounts in the Insurance Reserve Account. Under federal tax law, each of these sources is 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 July 1, 2000 and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 2001.

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

Mandatory Sinking Fund Redemption

The Bonds due on November 1, 2010 (**2010 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 2010 Term Bonds specified below:

Redemption Date (November 1)	Principal Amount
2001	\$415,000
2002	345,000
2003	370,000
2004	395,000
2005	430,000
2006	460,000
2007	495,000
2008	530,000
2009	570,000
2010 ^(a)	615,000

^(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
2011	\$ 660,000
2012	715,000
2013	770,000
2014	830,000
2015	900,000
2016	975,000
2017	1,050,000
2018	1,135,000
2019	1,225,000
2020	1,325,000
2021	1,430,000
2022	1,550,000
2023	1,670,000
2024	1,805,000
2025	1,950,000
2026	2,110,000
2027	2,280,000
2028	2,460,000
2029	2,660,000
2030 ^(a)	2,875,000

^(a) Stated maturity

Optional redemption (or the purchase in lieu thereof) of the 2010 Term Bonds or 2030 Term Bonds for which sinking fund installments have been established shall be applied to reduce the sinking fund installments established for such Term Bonds redeemed or purchased in such manner as the Commission shall direct.

Optional Redemption

The Bonds maturing on or after November 1, 2011 are subject to optional redemption prior to their maturity date on November 1, 2010 or any date thereafter, in whole or in part in integral multiples of \$5,000, at a redemption price equal to par (100%) plus accrued interest to the date of redemption. This redemption is at the option of the Commission, and the Commission shall direct the amounts and maturities of the Bonds to be redeemed.

Special Redemption—Unexpended Proceeds

The Bonds are subject to special redemption prior to maturity, at the option of the Commission, on November 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.

Special Redemption–Prepayments

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

Expected Average Life Table

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

- Origination date of April 1, 2001.
- Level amortization of the primary mortgage home loans based on a 30-year term at a 7.90% 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 unexpended proceeds of the Bonds or from prepayments of veterans primary mortgage home loans funded by or attributed to the Bonds.
- Early special redemptions done on a semi-annual periodicity.
- Prepayment speed of 0% relative to the prepayment models prepared by Federal Housing Authority (FHA) and Public Securities Association (PSA and currently called The Bond Market Association) assumes that no prepayments will occur.

Average Life Summary (In Years)									
Prepayment Speed (FHA)									
	<u>0%</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
2010 Term Bond	6.23	6.03	5.83	5.64	5.47	5.12	4.84	4.34	3.95
2030 Term Bond	23.22	19.67	16.87	14.63	12.84	10.20	8.43	6.29	5.13
Aggregate Bonds	21.07	17.96	15.50	13.53	11.95	9.61	8.04	6.11	5.06

		Prepayment Speed (PSA)								
		<u>0%</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
2010 Term Bond		6.23	6.05	5.88	5.69	5.56	5.27	5.00	4.55	4.17
2030 Term Bond		23.22	19.99	17.39	15.26	13.55	10.95	9.16	6.92	5.67
Aggregate Bonds		21.07	18.23	15.95	14.08	12.58	10.29	8.70	6.70	5.56

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. Information in the above table 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. A prepayment speed of 100 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 the above table 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. The average life summary in the above table 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 in the above table. 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 primary mortgage home loans underlying the Bonds will conform to any prepayment projections or schedule, including the above table, or that prepayments will be available to be applied to redemption of the Bonds. The State has not undertaken to provide ongoing information to bondholders with respect to the aforementioned assumptions or the extent that actual results have been 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. See “**THE BONDS; Book-Entry-Only Form**”. 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.

Book-Entry-Only Form

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond will be issued for each maturity of the Bonds as set forth on the front cover, each in the principal amount of such maturity, and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include

securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**) (the Indirect Participants and Direct Participants are collectively referred to as **Participants**). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC by the State Treasurer. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of the State or DTC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the State, disbursement of such payments to Direct Participants

shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered at the expense of the State.

The State may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC; the State takes no responsibility for its accuracy.

No assurance can be given by the State that DTC, Direct Participants, and Indirect Participants will promptly transfer payments or notices received with respect to the Bonds. The State assumes no liability for the failure of DTC, Direct Participants, or Indirect Participants to transfer to the Beneficial Owner payments or notices received with respect to the Bonds.

Similarly, no assurance can be given by the State that DTC will abide by its procedures or that such procedures will not be changed from time to time. In the event that a successor securities depository is designated, it may establish different procedures.

Sources and Uses of Funds

Bond proceeds are being used to fund veterans primary mortgage home 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. SEE "STATE OF WISCONSIN INVESTMENT BOARD" in Part II of the 1999 Annual Report.

Ratings

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

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

Any explanation of the significance of a rating may only be obtained from the rating service furnishing that rating. There is no assurance a rating given to the Bonds will be maintained for any period of time; a rating may be lowered or withdrawn entirely by the rating service if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

OTHER INFORMATION

Veterans Primary Mortgage Housing Loan Program

The veterans primary mortgage 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 were 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. These bonds are collectively referred to as **Veterans Mortgage Bonds**.

Program Requirements

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 primary mortgage home loan. The home 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 first, or primary mortgage, and 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 home 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 funding the loan, 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 veterans primary mortgage home loans funded with proceeds of the Bonds. This subsidy will result in the mortgage rate for the veterans primary mortgage home loans being less than the true interest rate cost of the Bonds. While the State intends to use the above practice for these Bonds, the State has not determined if any subsidy or similar arrangement will be available for veterans primary mortgage home 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 November 9, 1999 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 April 30, 2000, of the 14,434 outstanding veterans primary mortgage home loans financed by the program, there were 81 loans in an aggregate principal amount of approximately \$2.9 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 2000

General Obligations

This is the second series of general obligation bonds to be issued in this calendar year. The State has previously issued \$150 million of general obligation bonds for general governmental purposes. The Commission has authorized the following general obligations:

- Up to \$308 million of general obligations for general governmental purposes and funding outstanding general obligation extendible commercial notes. These general obligations may be sold as fixed-rate bonds or placed by a dealer as variable-rate extendible municipal commercial paper. Both the sale of the bonds and the placement of the extendible municipal commercial paper are expected in the third quarter of this calendar year.
- Up to \$35 million of tax-exempt general obligation bonds to fund veterans housing loans. The competitive sale of these tax-exempt general obligation bonds depends on the funding needs of the veterans housing loan program.

In addition, the State also expects the following general obligations to be issued this calendar year, although the Building Commission has not yet acted to authorize the issuance of these general obligations:

- Taxable general obligation bonds in the fourth quarter to fund veterans housing loans.
- General obligation subsidy bonds for the Environmental Improvement Fund, which provides funds for the Clean Water Fund Loan Program.

Other Obligations

The State has authorized up to \$200 million of transportation revenue bonds to fund projects in the transportation revenue bond program. The competitive sale of these transportation revenue bonds is expected in the third quarter of this calendar year. 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 fund the currently outstanding transportation revenue commercial paper notes.

The State may issue clean water revenue bonds in the fourth quarter of this calendar year to fund loans under the Environmental Improvement Fund.

The State expects to issue master lease certificates of participation in the third quarter of this calendar year.

The State may issue operating notes in the third quarter of this calendar year.

Underwriting

The Bonds were purchased through competitive bidding on July 12, 2000 by the following account (**Underwriters**): PaineWebber Incorporated, book-running manager; Salomon Smith Barney and Hanifen, Imhoff (A Division of Stifel Financial Corp.).

The purchase price paid by the Underwriters was \$34,946,100.00. The true interest cost rate to the State, after the State adjusted the amortization of the Bonds as provided for in the Official Notice of Sale, was 8.021768%. The sale of the Bonds was awarded based on a true interest cost rate of 8.023317%, determined before the State adjusted the amortization of the Bonds.

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 Underwriters. The price at issuance is the lower of the price to maturity or the price to call.

\$35,000,000
State of Wisconsin
General Obligation Bonds of 2000, Series B
(Taxable)

Dated Date: July 1, 2000

First Interest Date: May 1, 2001

Closing/Settlement: August 2, 2000

Special Redemption: The 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 ZR4	2010 ^(a)	\$ 4,625,000	7.50%	7.50%	100.000%	Not Callable	-
977056 B41	2030 ^(a)	30,375,000	8.05	8.05	100.000	11/1/2010	100%

Purchase Price: \$

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

Note: The Bonds were not re-offered.

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

State law provides that the Bonds are legal investments for the following:

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

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

Federal Income Tax

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.

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's 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 applies 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.

State of Wisconsin Income and Franchise Taxes

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. Part I of the 1999 Annual Report, which contains information on the undertaking, is included by reference as part of this Official Statement.

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
(608) 266-2305
capfin@doa.state.wi.us

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

Certain statements in this Official Statement involve matters of opinion or estimates and are not intended as representations of fact. The quotations, summaries, and explanations of laws,

resolutions, judicial decisions, and administrative regulations in this Official Statement do not purport to be complete and are qualified by reference to the complete text of such documents. Material referred to in this Official Statement is not part of this Official Statement unless expressly included. 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: July 12, 2000

STATE OF WISCONSIN

/s/ TOMMY G. THOMPSON

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

/s/ GEORGE LIGHTBOURN

George Lightbourn, Secretary
State of Wisconsin Department of Administration

/s/ ROBERT BRANDHERM

Robert Brandherm, Secretary
State of Wisconsin Building Commission

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APPENDIX A

INFORMATION ABOUT THE STATE

This appendix includes information concerning the State of Wisconsin (**State**). Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1999 (**1999 Annual Report**) are included by reference as part of this APPENDIX A.

Part II to the 1999 Annual Report contains general information about the State. More specifically, that part presents information on the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization and description of services provided by the State
- Results of fiscal year 1998-99
- 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, 1999, 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 1999 Annual Report contains information concerning general obligations issued by the State. That 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 that general obligation debt that is revenue-supported general obligation debt.

The 1999 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). Copies of the 1999 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

After publication and filing of the 1999 Annual Report, certain changes or events have occurred that affect items discussed in the 1999 Annual Report. Listed below, by reference to particular sections of the 1999 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes have not been filed with the NRMSIRs. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRs. These informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

State Budget (page 34). Add the following:

On January 24, 2000, the Legislative Fiscal Bureau provided revised general-fund estimates for the 1999-2000 and 2000-2001 fiscal years, taking into account economic forecasts and actual tax collections and expenditures. The revised estimates show the following differences from estimates used in the 1999-2001 biennial budget and the sales tax rebate signed into law on November 16, 1999:

- 1999-2000 general-fund tax collections are now estimated to be \$145.3 million greater at \$10.793 billion.
- 2000-2001 general-fund tax collections are now estimated to be \$271.9 million greater at \$10.599 billion.
- Departmental revenues (non-tax receipts) are now estimated to be \$25.5 million lower.
- Net expenditures are now estimated to be \$27.6 million greater.

On May 30, 2000, the Governor signed legislation that restores the State's property tax rent credit pertaining to individual income taxes starting in tax year 2000. It is estimated that this law will reduce 2000-2001 general-fund tax collections by \$319.0 million.

The above information is intended to provide an update to the budget tables that appear on pages A-3 and A-4; however, this information is not intended to be a general-fund condition statement or a forecast of the June 30, 2000 general-fund balance.

Potential Effect of Litigation; Assessment of Taxes for Railroads (page 37). Amend with the following:

Recently, the Wisconsin Court of Appeals decided against the State in this case. The State currently expects that it will incur a liability of approximately \$22 million. This liability will be payable, with interest, unless this case is reversed on the appeal that the State will make to the Wisconsin Supreme Court.

Table II-5; State Budget–All Funds (Page 35). Replace the table with the following, which reflects the Governor’s actions on the biennial budget:

State Budget–All Funds^(a)

	Actual ^(b) 1998-99	Budget 1998-99	Budget 1999-2000	Budget 2000-2001
RECEIPTS				
Fund Balance from Prior Year.....	\$ 552,311,000	\$ 352,243,400	\$ 701,293,000	\$ 550,993,800
Tax Revenue				
Individual Income.....	5,162,239,000	5,052,400,000	5,795,065,000	5,343,763,400 ^(c)
General Sales and Use.....	3,284,695,000	3,134,030,000	3,443,143,500	3,623,801,900
Corporate Franchise and Income.....	635,203,000	654,700,000	645,703,200	639,562,400 ^(d)
Public Utility.....	287,085,000	272,600,000	244,105,000	219,950,000 ^(e)
Excise				
Cigarette/Tobacco Products.....	266,817,000	268,900,000	247,575,000	242,600,000 ^(f)
Liquor and Wine.....	32,941,000	32,300,000	33,000,000	33,500,000
Malt Beverage.....	9,163,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift.....	116,898,000	55,000,000	90,000,000	70,000,000 ^(g)
Insurance Company.....	97,045,000	95,000,000	84,000,000	86,000,000
Other.....	1,089,833,000 ^(h)	88,237,500 ^(h)	56,113,400 ^(h)	58,613,400 ^(h)
Subtotal.....	10,981,919,000	9,662,667,500	10,648,005,100	10,327,091,100
Nontax Revenue				
Departmental Revenue.....	\$ 158,390,000	\$ 151,226,600	\$ 252,555,800	\$ 182,585,200
Tobacco Settlement.....	NA	NA	185,031,900	148,984,800
Total Federal Aids.....	3,774,415,000	4,339,196,600	5,073,553,400	4,677,447,800
Total Program Revenue.....	2,358,405,000	2,353,325,400	2,647,370,200	2,720,533,400
Total Segregated Funds.....	3,542,902,000	2,229,010,500	2,275,227,200	2,290,799,300
Fund Transfers In.....	NA	NA	64,000,000	NA
Bond Authority.....	490,003,000	430,000,000	458,000,000	400,000,000
Employee Benefit Contributions ⁽ⁱ⁾	6,794,183,000	4,840,878,164	6,612,282,700	7,051,394,300
Subtotal.....	17,118,298,000	14,343,637,264	17,568,021,200	17,471,744,800
Total Available.....	\$ 28,652,528,000	\$ 24,358,548,164	\$ 28,917,319,300	\$ 28,349,829,700
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 367,656,000	\$ 390,029,300	\$ 416,377,800	\$ 417,404,800
Education.....	7,537,266,000	7,332,883,400	7,857,071,000	8,211,025,300
Environmental Resources.....	2,494,198,000	2,183,076,800	2,480,489,400	2,427,967,200
Human Relations and Resources.....	6,579,235,000	6,120,171,500	6,841,230,700	6,695,265,900
General Executive.....	3,283,685,000	613,160,900	672,909,000	668,691,900
Judicial.....	95,431,000	90,209,800	101,242,400	101,739,000
Legislative.....	58,081,000	55,994,700	60,239,300	58,829,900
General Appropriations.....	2,547,602,000	2,012,329,700	2,882,274,900	2,168,380,400
General Obligation Bond Program.....	401,345,000	430,000,000	458,000,000	400,000,000
Employee Benefit Payments ⁽ⁱ⁾	1,934,678,000	2,019,386,350	2,504,993,800	2,695,311,400
Reserve for Employee Benefit Payments ⁽ⁱ⁾	4,859,505,000	2,821,491,814	4,107,288,900	4,356,082,900
Subtotal.....	30,158,682,000	24,068,734,264	28,382,117,200	28,200,698,700
Less: (Lapses).....	NA	(60,255,000)	(95,891,700)	(118,987,100)
Compensation Reserves.....	NA	66,338,400	56,100,000	117,750,000
Required Statutory Balance.....	NA	99,426,600	113,717,800	134,139,300
Fund Transfers Out.....	NA	166,108,600	23,500,000	NA
Other.....	NA	NA	500,000	NA
Change in Continuing Balance.....	(2,218,980,000)	NA	NA	NA
Total Disbursements & Reserves.....	\$ 27,939,702,000	\$ 24,340,352,864	\$ 28,480,043,300	\$ 28,333,600,900
Fund Balance.....	\$ 712,826,000	\$ 18,195,300	\$ 437,276,000	\$ 16,228,800
Undesignated Balance.....	\$ 701,293,000	\$ 117,621,900	\$ 550,993,800	\$ 150,368,100

- (a) The amounts shown are based on statutorily required accounting and not on GAAP.
- (b) The amounts shown are unaudited and rounded to the nearest thousand.
- (c) The decrease results from budgeted tax reductions becoming effective.
- (d) The decrease results from budgeted tax changes that produce one-time effects in the first fiscal year.
- (e) The decrease results from the continued effect of prior years' tax changes.
- (f) The decrease results from an anticipated decline in consumption.
- (g) The decrease results from an expected one-time collection in the 1999-2000 fiscal year.
- (h) The budgets do not include taxes collected for segregated funds. The largest such tax is the motor fuel tax. The State collected \$797 million of motor fuel taxes in the 1998-99 fiscal year. The 1998-99 fiscal year includes revenues collected from a tax amnesty program.
- (i) 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 1999 Annual Report.

Source: Wisconsin Department of Administration.

Table II-6; State Budget–General Fund (Page 36). Replace the table with the following, which now reflects the Governor’s actions on the biennial budget:

State Budget–General Fund^(a)

	Actual ^(b) 1998-99	Budget 1998-99	Budget 1999-2000	Budget 2000-2001
RECEIPTS				
Fund Balance from Prior Year.....	\$ 552,311,000	\$ 352,243,400	\$ 701,293,000	\$ 550,993,800
Tax Revenue				
State Taxes Deposited to General Fund				
Individual Income.....	5,162,239,000	5,052,400,000	5,795,065,000	5,343,763,400 ^(c)
General Sales and Use.....	3,284,695,000	3,134,030,000	3,443,143,500	3,623,801,900
Corporate Franchise and Income.....	635,203,000	654,700,000	645,703,200	639,562,400 ^(d)
Public Utility.....	287,085,000	272,600,000	244,105,000	219,950,000 ^(e)
Excise				
Cigarette/Tobacco Products.....	266,817,000	268,900,000	247,575,000	242,600,000 ^(f)
Liquor and Wine.....	32,941,000	32,300,000	33,000,000	33,500,000
Malt Beverage.....	9,163,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift.....	116,898,000	55,000,000	90,000,000	70,000,000 ^(g)
Insurance Company.....	97,045,000	95,000,000	84,000,000	86,000,000
Other.....	69,243,000 ^(h)	88,237,500 ^(h)	56,113,400	58,613,400
Subtotal.....	9,961,329,000	9,662,667,500	10,648,005,100	10,327,091,100
Nontax Revenue				
Departmental Revenue.....	158,390,000	151,226,600	\$ 252,555,800	\$ 182,585,200
Tobacco Settlement.....	NA	NA	185,031,900	148,984,800
Program Revenue-Federal.....	3,774,415,000	3,929,984,000	4,450,884,500	4,105,179,800
Program Revenue-Other.....	2,358,405,000	2,353,325,400	2,647,370,200	2,720,533,400
Fund Transfers In.....	NA	NA	64,000,000	NA
Subtotal.....	6,291,210,000	6,434,536,000	7,599,842,400	7,157,283,200
Total Available.....	\$ 16,804,850,000	\$ 16,449,446,900	\$ 18,949,140,500	\$ 18,035,368,100
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 199,054,000	\$ 195,817,600	216,422,000	221,753,100
Education.....	7,228,129,000	7,185,455,400	7,795,022,700	8,151,560,200
Environmental Resources.....	244,061,000	239,024,700	258,472,200	260,085,700
Human Relations and Resources.....	5,829,545,000	6,013,539,700	6,676,189,200	6,505,112,000
General Executive.....	523,088,000	533,306,400	633,904,200	568,969,200
Judicial.....	95,074,000	89,565,900	100,584,600	101,081,200
Legislative.....	58,081,000	55,994,700	60,239,300	58,829,900
General Appropriations.....	1,921,555,000	1,846,928,600	2,673,104,200	2,018,845,800
Subtotal.....	16,098,587,000	16,159,633,000	18,413,938,400	17,886,237,100
Less: (Lapses).....	NA	(60,255,000)	(95,891,700)	(118,987,100)
Compensation Reserves.....	NA	66,338,400	56,100,000	117,750,000
Required Statutory Balance.....	NA	99,426,600	113,717,800	134,139,300
Fund Transfers Out.....	NA	166,108,600	23,500,000	NA
Other.....	NA	NA	500,000	NA
Changes in Continuing Balance.....	(6,563,000)	NA	NA	NA
Total Disbursements & Reserves.....	\$ 16,092,024,000	\$ 16,431,251,600	\$ 18,511,864,500	\$ 18,019,139,300
Fund Balance.....	\$ 712,826,000	\$ 18,195,300	\$ 437,276,000	\$ 16,228,800
Undesignated Balance.....	\$ 701,293,000	\$ 117,621,900	\$ 550,993,800	\$ 150,368,100

- (a) The amounts shown are based on statutorily required accounting and not on GAAP.
- (b) The amounts shown are unaudited and rounded to the nearest thousand.
- (c) The decrease results from budgeted tax reductions becoming effective.
- (d) The decrease results from budgeted tax changes that produce one-time effects in the first fiscal year.
- (e) The decrease results from the continued effect of prior years' tax changes.
- (f) The decrease results from an anticipated decline in consumption.
- (g) The decrease results from an expected one-time collection in the 1999-2000 fiscal year.
- (h) The 1998-99 fiscal year information include revenues collected from a tax amnesty program.

Source: Wisconsin Department of Administration.

Table II-9; General Fund Monthly Position (Page 45). Replace the table with the following:

GENERAL FUND MONTHLY CASH POSITION
July 1, 1997 through May 31, 2000 — Actual
June 1, 2000 through June 30, 2000 — Estimated^(a)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(b)</u>	<u>Disbursements^(b)</u>
1997	July.....	\$ 493,468	\$ 1,583,435	\$ 1,558,759
	August.....	518,144	1,092,096	868,164
	September.....	742,076	1,518,617	1,140,770
	October.....	1,119,923	1,281,159	1,220,979
	November.....	1,180,103	1,363,754	1,575,478
	December.....	968,379	1,221,439	1,810,967
1998	January.....	378,851	1,701,236	1,004,066
	February.....	1,076,021	1,222,276	1,122,065
	March.....	1,176,232	1,357,272	2,111,569
	April.....	421,935	1,536,033	1,078,050
	May.....	879,918	1,258,276	990,358
	June.....	1,147,836	1,535,006	2,240,138
	July.....	442,704	1,641,655	1,750,960
	August.....	333,399	1,200,704	803,188
	September.....	730,915	1,607,957	1,283,254
	October.....	1,055,618	1,267,513	1,035,960
	November.....	1,287,171	1,408,782	1,619,285
	December.....	1,076,668	1,333,433	1,878,358
1999	January.....	531,743	1,745,237	953,828
	February.....	1,323,152	1,267,106	1,107,154
	March.....	1,483,104	1,491,320	2,232,696
	April.....	741,728	1,648,520	1,185,032
	May.....	1,205,216	1,488,763	1,027,762
	June.....	1,666,217	1,541,035	2,470,983
	July.....	736,269	1,441,009	1,836,987
	August.....	340,291	1,308,849	868,154
	September.....	780,986	1,547,229	1,292,942
	October.....	1,035,273	1,331,192	1,031,907
	November.....	1,334,558	1,433,801	1,794,197
	December.....	974,162	1,449,618	1,987,753
2000	January.....	436,027	2,095,798	1,693,313
	February.....	838,512	1,544,207	1,240,280
	March.....	1,142,439	1,526,625	2,143,437
	April.....	525,627	1,812,812	1,174,173
	May.....	1,164,266	1,580,865	1,172,474
	June.....	1,572,657	1,761,576	2,591,357

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

^(b) The receipt amounts shown in July 1997 and 1998 include the proceeds received at closing for the respective operating notes. See "OTHER OBLIGATIONS; Operating Notes" in Part II of the 1999 Annual Report. The disbursement amounts shown for February, March, April and May 1998-1999 include impoundment payments required in connection with the operating notes. No operating notes were issued in the 1999-2000 fiscal year.

Source: Wisconsin Department of Administration.

Table II-11; Revenues Deposited to the General Fund (Page 47). Replace the table with the following:

REVENUES DEPOSITED TO THE GENERAL FUND^(a)
July 1, 1999 to May 31, 2000 compared with previous year
(Unaudited)

	<u>Actual Receipts</u> <u>1998-99 FY^(b)</u>	<u>Projected</u> <u>Receipts</u> <u>1999-2000 FY</u>	<u>Actual Receipts</u> <u>July 1, 1998 to</u> <u>May 31, 1999</u>	<u>Actual Receipts</u> <u>July 1, 1999 to</u> <u>May 31, 2000</u>
Individual Income Tax	\$ 5,162,239,000	\$ 5,795,065,000	\$ 4,444,978,990	\$ 4,963,033,926
General Sales and Use Tax	3,284,695,000	3,443,143,500	2,655,993,704	2,844,412,621
Corporate Franchise and Income Tax	635,203,000	645,703,200	502,662,412	514,152,166
Public Utility Taxes	287,085,000	244,105,000	138,613,384	258,654,955
Excise Taxes	308,921,000	289,875,000	255,079,195	248,282,088
Inheritance Taxes	116,898,000	90,000,000	112,230,607	127,789,524
Miscellaneous Taxes	166,288,000	140,113,400	145,944,944	136,280,844
SUBTOTAL.....	<u>9,961,329,000</u>	<u>10,648,005,100</u>	<u>8,255,503,236</u>	<u>9,092,606,124</u>
Federal Receipts.....	3,774,415,000	4,454,261,000	3,438,982,903	3,673,478,390
Dedicated and Other Revenues ^(c)	<u>2,516,795,000</u>	<u>3,152,112,400</u>	<u>2,487,133,951</u> ^(d)	<u>2,815,545,266</u> ^(d)
TOTAL.....	<u>\$16,252,539,000</u>	<u>\$18,254,378,500</u>	<u>\$ 14,181,620,090</u>	<u>\$ 15,581,629,780</u>

- (a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "ACCOUNTING AND FINANCIAL REPORTING" in Part II of the 1999 Annual Report.
- (b) The amounts shown are the sum of all revenues for fiscal year 1998-99 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1999.
- (c) The statutory basis of accounting requires that certain transfers between General Fund appropriations be recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (d) The amounts shown do not reflect receipt of \$350 million principal amount in fiscal year 1998-99 from the sale of operating notes. No operating notes were issued in the 1999-2000 fiscal year.

Source: Wisconsin Department of Administration.

Table II-12; General Fund Expenditures by Function (Page 48). Replace the table with the following:

**GENERAL FUND EXPENDITURES BY FUNCTION^(a)
July 1, 1999 to May 31, 2000 compared with previous year
(Unaudited)**

	Actual Expenditures 1998-99 FY ^(b)	Appropriations 1999-2000 FY	Actual Expenditures July 1, 1998 to May 31, 1999	Actual Expenditures July 1, 1999 to May 31, 2000
Commerce.....	\$ 199,054,000	\$ 216,422,000	\$ 167,958,797	\$ 175,558,933
Education.....	7,228,129,000	7,795,022,700	5,644,594,824	6,062,377,516
Environmental Resources.....	244,061,000	258,472,200	229,178,449	251,106,629
Human Relations & Resources.....	5,829,545,000	6,676,189,200	5,190,495,013	5,540,448,818
General Executive.....	523,088,000	633,904,200	466,226,121	576,695,727
Judicial.....	95,074,000	100,584,600	86,622,679	92,705,490
Legislative.....	58,081,000	60,239,300	48,939,276	51,525,414
General Appropriations.....	1,921,555,000	2,673,104,200	1,724,864,974	2,497,615,610
TOTAL.....	<u>\$ 16,098,587,000</u>	<u>\$ 18,413,938,400</u>	<u>\$ 13,558,880,133</u>	<u>\$ 15,248,034,137</u>

(a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "ACCOUNTING AND FINANCIAL REPORTING" in Part II of the 1999 Annual Report.

(b) The amounts shown are the sum of all expenditures for fiscal year 1998-99 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1999.

Source: Wisconsin Department of Administration.

Table III-6; Debt Statement (Page 86). Replace the table with the following:

Debt Statement					
June 1, 2000					
	<u>Tax-Supported Debt</u>		<u>Revenue-Supported Debt^(a)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Segregated Funds^(b)</u>	<u>Veterans Housing</u>	<u>Other^(c)</u>	
GENERAL OBLIGATIONS					
Outstanding Indebtedness ..	<u>\$2,567,023,529</u>	<u>\$49,646,587</u>	<u>\$762,185,000</u>	<u>\$352,207,337</u>	<u>\$3,731,062,453</u>
NONSTOCK, NONPROFIT CORPORATIONS^(d)					
Wisconsin State Colleges					
Building Corp.				<u>125,000</u>	<u>125,000</u>
Outstanding Indebtedness..				<u>\$ 125,000</u>	<u>\$ 125,000</u>
Total Outstanding Indebtedness	<u>\$2,567,023,529</u>	<u>\$49,646,587</u>	<u>\$762,185,000</u>	<u>\$352,332,337</u>	<u>\$3,731,187,453</u>

- (a) Revenue Supported Debt represents general obligation debt of the State and indebtedness of its nonstock, nonprofit corporations issued to fund particular programs and facilities with the initial expectation that revenues and other proceeds derived from the operation of the programs and facilities will amortize the allocable debt without recourse to the General Fund.
- (b) Includes the Transportation Fund and certain administrative facilities for the Department of Natural Resources.
- (c) Includes university dormitories, food service, intercollegiate athletic facilities, certain facilities on the State Fair grounds, and capital equipment acquisition.
- (d) See "STATE OBLIGATIONS; Nonstock, Nonprofit Corporations" in Part II of the 1999 Annual Report for a description of the nonstock, nonprofit corporations.

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)

\$35,000,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2000, 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 2000, Series B (Taxable) to the amount of \$35,000,000, dated July 1, 2000 (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 June 28, 2000 (the "Resolution").

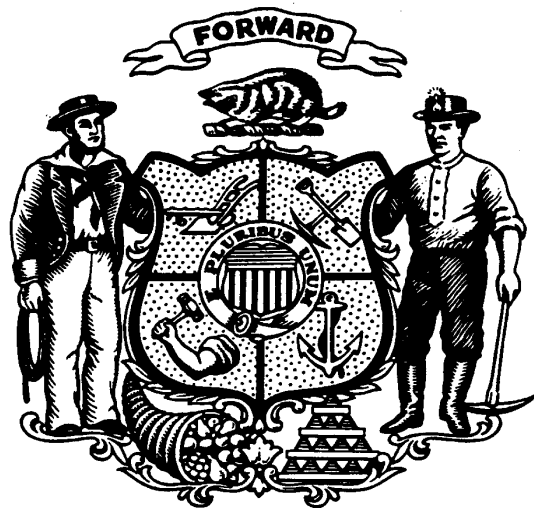
Based upon the foregoing, we are of the opinion that, under existing law:

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.

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



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