

OFFICIAL STATEMENT

New Issue

This Official Statement provides information about the Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement.

\$100,000,000 STATE OF WISCONSIN GENERAL OBLIGATION BONDS OF 2008, SERIES D

Dated: Date of Delivery

Due: May 1, as shown below

Ratings	AA- Fitch Ratings Aa3 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Services
Tax Exemption	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference. Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes— <i>See pages 8-10.</i>
Redemption	The Bonds maturing on or after May 1, 2019 are callable at par on May 1, 2018 or any date thereafter— <i>See page 2</i>
Security	General obligations of the State of Wisconsin— <i>See page 2.</i>
Purpose	Proceeds from the Bonds are being used for various governmental purposes— <i>See page 3.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 2009
Denominations	Multiples of \$5,000
Closing/Settlement	On or about December 23, 2008
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company— <i>See pages 3-4.</i>
2007 Annual Report	This Official Statement incorporates by reference, and includes updated information and makes changes or additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2007.

The Bonds were sold at competitive sale on December 8, 2008. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705L UX3	2012	\$ 3,975,000	5.00%	Not Callable	-
97705L UY1	2013	4,180,000	5.00	Not Callable	-
97705L UZ8	2014	4,400,000	5.00	Not Callable	-
97705L VA2	2015	4,625,000	5.00	Not Callable	-
97705L VB0	2016	4,860,000	5.00	Not Callable	-
97705L VC8	2017	5,105,000	5.00	Not Callable	-
97705L VD6	2018	5,375,000	5.00	Not Callable	-
97705L VE4	2019	5,650,000	5.25	2018	100%
97705L VF1	2020	5,935,000	5.00	2018	100
97705L VG9	2021	4,420,000	5.00	2018	100
97705L VH7	2022	4,645,000	5.25	2018	100
97705L VJ3	2023	4,880,000	5.25	2018	100
97705L VK0	2024	5,135,000	5.40	2018	100
97705L VL8	2025	5,395,000	5.40	2018	100
97705L VM6	2026	5,670,000	5.50	2018	100
97705L VN4	2027	5,965,000	5.60	2018	100
97705L VP9	2028	6,270,000	5.70	2018	100
97705L VQ7	2029	6,590,000	6.00	2018	100
97705L VR5	2030	6,925,000	6.00	2018	100

Purchase Price: \$101,048,635.70

December 8, 2008

This document is called the Official Statement because it is the only document that the State has authorized for providing information about the Bonds. This document is not an offer or solicitation for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, or anything else related to the offering of the Bonds.

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State’s permission. The State prepared this document and is responsible for its accuracy and completeness. The Underwriters did not prepare this document. In accordance with their responsibilities under federal securities laws, the Underwriters are required to review the information in this document and must have a reasonable basis for their belief in the accuracy and completeness of its key representations.

Certain statements in this document are forward-looking statements that are based on expectations, estimates, projections, or assumptions. Forward-looking statements contained in this document are made as of the date hereof, and the State undertakes no obligation to update such statements to reflect subsequent events or circumstances. Actual results could differ materially from the anticipated results.

Some of the people who prepared, compiled, or reviewed the information in this document had specific functions that covered some of its aspects but not others. For example, financial staff may have been asked to assist with quantitative financial information, and legal counsel, with specific documents or legal issues.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. The delivery of this document or any sale of the Bonds does not imply that there has been no change in the matters contained in this document since the date of this document. Material referred to in this document is not part of this document unless expressly included.

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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 Jim Doyle, Chairperson	January 2, 2011
Senator Fred A. Risser, Vice-Chairperson	January 4, 2009
Senator Ted Kanavas	January 4, 2009
Senator Jeffrey Plale	January 2, 2011
Representative Dean Kaufert	January 4, 2009
Representative Phil Montgomery	January 4, 2009
Representative Jennifer Shilling	January 4, 2009
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	_____
Mr. Dave Haley, State Chief Architect Department of Administration	_____
Building Commission Secretary	
Mr. David W. Helbach, Administrator Division of State Facilities Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

OTHER PARTICIPANTS

Mr. J.B. Van Hollen State Attorney General	January 2, 2011
Mr. Michael L. Morgan, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
Telefax (608) 266-7645
DOACapitalFinanceOffice@wisconsin.gov

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Assistant Capital Finance Director
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Capital Finance Officer
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david.erdman@wisconsin.gov

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 2008, Series D
Principal Amount:	\$100,000,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about December 23, 2008)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2009
Maturities:	May 1, 2012-2030— <i>See front cover</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2019 are callable at par on May 1, 2018 or any date thereafter— <i>See page 2</i>
Form:	Book-entry-only— <i>See pages 3-4</i>
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of November 1, 2008, general obligations of the State were outstanding in the principal amount of \$5,939,381,430.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are authorized by 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:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, 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 personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference— <i>See pages 8-10</i> Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes— <i>See page 9</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1</i>

OFFICIAL STATEMENT
\$100,000,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2008, SERIES D

INTRODUCTION

This Official Statement provides information about the \$100,000,000 General Obligation Bonds of 2008, Series D (**Bonds**), which are being issued by the State of Wisconsin (**State**). This Official Statement incorporates by reference, and includes updated information and makes changes or additions to, Parts **I**, **II**, and **III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2007 (**2007 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, as well as an authorizing resolution that the State of Wisconsin Building Commission (**Commission**) adopted on November 12, 2008.

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all the State's general obligations. The Commission is assisted and staffed by the State of Wisconsin Department of Administration (**Department of Administration**).

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 20th 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 incorporates by reference Parts II and III of the 2007 Annual Report. **APPENDIX A** also includes updated information and makes changes or additions to Parts II and III of the 2007 Annual Report, including but not limited to:

- Updated projections of General Fund tax revenue estimates for the 2008-09 fiscal year and projections for the 2009-11 biennium, which were provided on November 20, 2008 by the State of Wisconsin Department of Revenue (**DOR**).
- Projected and actual General Fund cash flows as of October 31, 2008.
- Information on the Annual Fiscal Report (budgetary basis) for the 2007-08 fiscal year, which was released on October 15, 2008.
- Information on the budget adjustment bill for the 2007-09 biennium, which was signed into law, with some vetoes, by the Governor on May 16, 2008 (2007 Wisconsin Act 226).

Requests for additional information about the State may be directed to:

Contact: State of Wisconsin Capital Finance Office
Department of Administration
Attn: Capital Finance Director
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
Phone: (608) 266-2305
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Web site: www.doa.wi.gov/capitalfinance

THE BONDS

General

The **front cover of this Official Statement** sets forth the maturity dates, amounts, and interest rates for the Bonds. The Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee. The Commission has appointed, as the securities depository for the Bonds, The Depository Trust Company, New York, New York (DTC). See **“THE BONDS; Book-Entry-Only Form”**.

The Bonds will be dated their date of delivery (expected to be December 23, 2008) and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 2009.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. So long as the Bonds are in book-entry-only form, payments of principal and interest for each Bond will be paid to the securities depository.

The Bonds are issued as fully registered certificated bonds in principal denominations of \$5,000 or multiples of \$5,000.

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 make principal and interest payments on the Bonds. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient to make principal and interest payments on the Bonds as the payments become due. The Bonds are secured equally with all other outstanding general obligations issued by the State.

Redemption Provisions

Optional Redemption

The Bonds maturing on or after May 1, 2019 may be redeemed on May 1, 2018 or any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem Bonds, and the Capital Finance Director may direct the amounts and maturities of the Bonds to be redeemed.

Selection of Bonds

So long as the Bonds are in book-entry-only form, selection of the beneficial owners affected by the redemption will be made by the securities depository and its participants in accordance with their rules.

Notice of Redemption

So long as the Bonds are in book-entry-only form, any redemption notice will be sent to the securities depository between 30 and 60 days before the redemption date. A redemption notice may be revoked by sending notice to the securities depository at least 15 days before the proposed redemption date.

Interest on any Bond called for redemption will cease to accrue on the redemption date so long as the Bond is paid or money is provided for its payment.

Registration and Payment of Bonds

So long as the Bonds are in book-entry-only form, payment of principal will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration. Payment of interest will be made by wire transfer to the securities depository or its nominee on the payment date.

Ratings

At the State’s request, the following ratings have been assigned to the Bonds:

<u>Rating</u>	<u>Rating Agency</u>
AA–	Fitch Ratings
Aa3	Moody’s Investors Service, Inc. ^(a)
AA	Standard & Poor’s Ratings Services ^(b)

^(a) On March 17, 2008, Moody’s Investors Services, Inc. changed its rating outlook on the State’s general obligations from “stable” to “negative”.

^(b) On August 15, 2008, Standard & Poor’s Rating Services upgraded its rating on the State’s general obligations from “AA–” to “AA”.

Any explanation of what a rating means may only be obtained from the rating agency giving the rating. No one can offer any assurance that a rating given to the Bonds will be maintained for any period of time; a rating agency may lower or withdraw the rating it gives if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Bonds.

Application of Bond Proceeds

The Wisconsin Legislature has established the borrowing purposes and amounts for which public debt may be issued. **APPENDIX B** includes a summary of those purposes and the amounts both authorized and previously issued for each borrowing purpose. **APPENDIX B** also identifies the purposes and amounts for which the Bonds are being issued.

Bond proceeds will be deposited in the State’s Capital Improvement Fund. Bond proceeds will be spent as the State incurs costs for the various borrowing purposes; until spent, the money will be invested by the State of Wisconsin Investment Board.

Book-Entry-Only Form

The Bonds will initially be issued in book-entry-only form. Purchasers of the Bonds will not receive bond certificates but instead will have their ownership in the Bonds recorded in the book-entry system.

Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Bonds. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (**DTC Participants**). All transfers of ownership in the Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The State will make all payments of principal of, and interest and any redemption premium on, the Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State will provide notices and other communications about the Bonds to DTC. Owners of the Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but will rather give a proxy through the DTC Participants.

Redemption

If less than all of the Bonds of a given maturity are being redeemed, DTC's practice is to determine by lottery the amount of the Bonds to be redeemed from each DTC Participant.

Discontinued Service

In the event that participation in DTC's book-entry system were to be discontinued and a successor securities depository were not obtained, bond certificates would be executed and delivered to DTC Participants.

Further Information

Further information concerning DTC and DTC's book-entry system is available at www.dtcc.com. The State is not responsible for any information available on DTC's web site. That information may be subject to change without notice.

The State is not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the Bonds or to follow the procedures established by DTC for its book-entry system.

Possible Discontinuance of Book-Entry-Only System

In the event the Bonds were not in book-entry-only form, how the Bonds are redeemed and paid would differ.

Bonds would be selected for redemption by lot. Any redemption notice would be published between 30 and 60 days before the date of redemption in a financial newspaper published or circulated in New York, New York. The notice would also be mailed, postage prepaid, between 30 and 60 days before the redemption date to the registered owners of any Bonds to be redeemed. The mailing, however, would not be a condition to the redemption; any proceedings to redeem the Bonds would still be effective even if the notice were not mailed. A redemption notice could be revoked by publication of a notice at least 15 days before the proposed redemption date in a financial newspaper published or circulated in New York, New York. Any revocation notice would also be mailed, postage prepaid, at least 15 days before the proposed redemption date to the registered owners of any Bonds to have been redeemed. The mailing, however, would not be a condition to the revocation; the revocation would still be effective even if the notice were not mailed. Interest on any Bond called for redemption would cease to accrue on the redemption date so long as the Bond were paid or money were provided for its payment.

Payment of principal would be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying Agent, as designated by the Commission. Payment of interest due on the Bonds would be made by check or draft mailed to the registered owner shown in the registration book at the close of business on the record date—which is the 15th day (whether or not a business day) of the calendar month before the interest payment date.

OTHER INFORMATION

Limitations on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and Statutes. There is an annual limit of three-quarters of one percent, and a cumulative limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual limit is \$3,857,954,728, and the aggregate limit is \$25,719,698,185. A funding or refunding obligation does not count for purposes of the annual debt limit or the cumulative debt limit. Accrued interest on any

obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations. As of November 1, 2008, general obligations of the State were outstanding in the principal amount of \$5,939,381,430.

Borrowing Plans for 2008

General Obligations

The Bonds are the eighth series of general obligations to be issued in this calendar year. The State has previously issued (i) two series of general obligation bonds in the aggregate par amount of \$467 million for general governmental purposes, (ii) general obligation extendible municipal commercial paper in the aggregate par amount of \$452 million to fund general obligation extendible municipal commercial paper issued under multiple series designations in previous calendar years, (iii) three series of general obligation bonds in the aggregate par amount of \$24 million to refund general obligations previously issued for the veterans housing loan program, and (iv) two series of general obligation bonds in the par amount of \$27 million to provide a subsidy for the State's Clean Water Fund Program.

The Commission has authorized, in addition to the Bonds, the issuance of the following general obligations:

- Up to \$105 million of general obligations for general governmental purposes, which may be in the form of bonds, commercial paper notes, or extendible municipal commercial paper. The amount and timing of issuance of general obligations for this purpose depend on disbursements from the State's Capital Improvement Fund.
- Up to \$509 million of general obligation refunding bonds to refund general obligation bonds previously issued for general governmental purposes. The amount and timing of any issuance of general obligation refunding bonds depend on market conditions.
- Up to \$28 million of general obligation subsidy bonds to be purchased by the Environmental Improvement Fund for the Clean Water Fund Program. The amount and timing of issuance of general obligation subsidy bonds for this purpose depend on various factors, including the amount and timing of loan disbursements from the Clean Water Fund Program.
- Up to \$85 million of general obligations for the veterans housing loan program, which may be in the form of bonds, commercial paper notes, or extendible municipal commercial paper. The amount and timing of issuance of general obligations for this purpose depend on originations of veterans housing loans.
- Up to \$57 million of general obligation refunding bonds to refund general obligation bonds previously issued for the veterans housing loan program. The amount and timing of issuance of general obligation refunding bonds for this purpose depend on market conditions.
- General obligations for the funding of the State's outstanding general obligation commercial paper notes and extendible municipal commercial paper, which were outstanding in the amount of \$640 million as of November 1, 2008. The amount and timing of any issuance of general obligations for this funding purpose depend on various factors.

Other Obligations

The State issued one series of transportation revenue bonds in this calendar year in the par amount of \$185 million to fund highway projects and transportation facilities. The Commission has authorized up to \$250 million of transportation revenue refunding bonds to refund previously issued transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend on market conditions.

The State issued two series of clean water revenue bonds in this calendar year; one series in the par amount of \$100 million to fund loans in the Clean Water Fund Program and one series in the par amount of \$27 million to refund previously issued clean water revenue bonds. The Commission has authorized up to \$125 million of clean water revenue bonds to fund loans in the Clean Water Fund Program; the State sold at negotiated sale on November 25, 2008 a series of clean water revenue bonds in the par amount of approximately \$92 million, with delivery expected on or about December 11, 2008. The amount and timing of any additional issuance of clean water revenue bonds depend on market conditions and loan activity in the Clean Water Fund Program. The Commission has also authorized up to \$98 million of clean water revenue refunding bonds to refund previously issued clean water revenue bonds. The amount and timing of any additional issuance of clean water revenue refunding bonds depend on market conditions.

The State, acting by and through its Department of Administration, issued three series of general fund annual appropriation refunding bonds in this calendar year, in the aggregate par amount of \$1.0 billion. The proceeds were used to refund auction rate certificates that were issued in calendar year 2003 as part of a larger issue of general fund annual appropriation bonds. The proceeds of those bonds were used to pay the State's unfunded accrued prior service (pension) liability and unfunded accrued liability for sick leave conversion credits.

The budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226) provides that the State may issue appropriation obligations to purchase tobacco settlement payments to be received pursuant to the Master Settlement Agreement entered into among the participating cigarette manufacturers, 46 states, and six other U.S. jurisdictions in conjunction with the settlement of certain smoking-related litigation, and to refund obligations previously issued in calendar year 2002 by Badger Tobacco Asset Securitization Corporation. The appropriation obligations may be sold for this purpose, depending on market conditions, in the fourth quarter of this calendar year.

The State has issued operating notes in the par amount of \$800 million for the 2008-09 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on December 8, 2008 by Barclays Capital Inc., book-running manager, and E.J. De La Rosa & Co., Inc. (**Underwriters**). The Underwriters paid \$101,048,635.70, and their bid resulted in a true-interest-cost rate to the State of 5.303083%.

Reference Information About the Bonds

Both the table on the following page 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 the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices. For each of the Bonds subject to optional redemption, the yield shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

\$100,000,000
State of Wisconsin
General Obligation Bonds of 2008, Series D

Dated Date: Date of Delivery

First Interest Date: May 1, 2009

Delivery/Settlement Date: On or about December 23, 2008

CUSIP	Year (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705L UX3	2012	\$ 3,975,000	5.00%	3.00%	106.335%	Not Callable	-
97705L UY1	2013	4,180,000	5.00	3.25	107.049	Not Callable	-
97705L UZ8	2014	4,400,000	5.00	3.50	107.263	Not Callable	-
97705L VA2	2015	4,625,000	5.00	3.76	106.947	Not Callable	-
97705L VB0	2016	4,860,000	5.00	4.02	106.182	Not Callable	-
97705L VC8	2017	5,105,000	5.00	4.29	104.936	Not Callable	-
97705L VD6	2018	5,375,000	5.00	4.53	103.546	Not Callable	-
97705L VE4	2019	5,650,000	5.25	4.78	103.505	^(a) 2018	100%
97705L VF1	2020	5,935,000	5.00	5.00	100.000	2018	100
97705L VG9	2021	4,420,000	5.00	5.14	98.724	2018	100
97705L VH7	2022	4,645,000	5.25	5.27	99.802	2018	100
97705L VJ3	2023	4,880,000	5.25	5.35	98.999	2018	100
97705L VK0	2024	5,135,000	5.40	5.44	99.579	2018	100
97705L VL8	2025	5,395,000	5.40	5.53	98.604	2018	100
97705L VM6	2026	5,670,000	5.50	5.61	98.782	2018	100
97705L VN4	2027	5,965,000	5.60	5.69	98.974	2018	100
97705L VP9	2028	6,270,000	5.70	5.76	99.297	2018	100
97705L VQ7	2029	6,590,000	6.00	5.95	100.345	^(a) 2018	100
97705L VR5	2030	6,925,000	6.00	5.99	100.061	^(a) 2018	100

^(a) These Bonds are priced to the May 1, 2018 first optional call date.

Legal Investment

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

- Banks, trust companies, bankers, 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.
- Personal representatives, guardians, trustees, and other fiduciaries.
- The State and all public officers, municipal corporations, political subdivisions, and public bodies.

Legal Opinions

Bond Opinion

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. Bond Counsel will deliver an approving opinion when the Bonds are delivered, in substantially the form shown in **APPENDIX C**. If certificated Bonds were issued, then the opinion would be printed on the reverse side of each Bond.

Attorney General

As required by law, the office of 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. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way

contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the Bonds, (2) the validity of the Bonds or any of the proceedings taken with respect to the issuance, sale, execution, or delivery of the Bonds, or (3) the pledge or application of any moneys or security provided for the payment of the Bonds.

If certificated Bonds were issued, then a certificate of the Attorney General would be printed on the reverse side of each Bond.

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes. Such interest also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Bonds is taken into account in determining adjusted current earnings. As to questions of fact material to Bond Counsel's opinion, Bond Counsel has relied upon certified proceedings and certifications of public officials without independently undertaking to verify them. Moreover, the State must comply with all requirements of the Internal Revenue Code of 1986, as amended (**Code**), that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has promised to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date the Bonds were issued. The proceedings authorizing the Bonds do not provide for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds ceases to be excluded from gross income.

Certain requirements and procedures contained or referred to in the authorizing resolution and other relevant documents may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel does not express any opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Foley & Lardner LLP.

Future legislation or clarifications or amendments to the Code, if enacted into law, may cause the interest on the Bonds to be subject, directly or indirectly, to federal taxation, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending federal legislation.

The opinion of Bond Counsel is based on legal authorities that are current as of its date, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (**IRS**) or the courts, and it is not a guarantee of result.

The IRS has an active tax-exempt bond enforcement program. Bond Counsel is not obligated to defend the State regarding the tax-exempt status of the Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners of the Bonds and other parties other than the State would have little, if any, right to participate in an IRS examination of the Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the State may legitimately disagree may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for examination, or the course or result of such an examination, or an examination of obligations presenting similar tax issues may affect the market price, or the marketability of the Bonds, and may cause the State or the owners of the Bonds to incur significant expense.

Bond Counsel expresses no opinion about other federal tax consequences arising regarding the Bonds. There may be other federal tax law provisions that could adversely affect the value of an investment in the Bonds for particular owners of Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a Bond.

State of Wisconsin Income and Franchise Taxes

Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a Bond.

Discount Bonds

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each Bond maturing in the years 2021 through 2028 (**Discount Bond**), to the extent properly allocable to the owner of a Discount Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Bond is, or would be, excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of a Discount Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Bonds were sold (**Issue Price**).

Under Section 1288 of the Code, original issue discount on tax-exempt obligations 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:

- The Issue Price of the Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, *multiplied* by the yield to maturity of the 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* any interest payable on the 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 the 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 the Discount Bond.

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

Owners of Discount Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning 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.

Premium Bonds

Each Bond maturing in the years 2012 through 2019, 2029, and 2030 (**Premium Bond**) has an Issue Price that is greater than the amount payable at the maturity of the 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 the 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 the 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 the Premium Bond.

Owners of Premium Bonds who do not purchase their Premium Bonds in the initial offering at the Issue Price should consult their own tax advisors with respect to the federal tax consequences of owning Premium Bonds. Owners of Premium Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning Premium Bonds.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By December 27 of each year, the State will send the report to each nationally recognized municipal securities information repository (NRMSIR) and to any state information depository (SID) for the State. The State will also provide notices of the occurrence of certain events specified in the undertaking to each NRMSIR, or the Municipal Securities Rulemaking Board (MSRB), and to any SID. At this time, there is no SID for the State. [Part I of the 2007 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
Attn: Capital Finance Director
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov
www.doa.wi.gov/capitalfinance

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the NRMSIRS, or the MSRB, and to any SID. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: December 8, 2008

STATE OF WISCONSIN

/s/ JIM DOYLE

Governor Jim Doyle, Chairperson
State of Wisconsin Building Commission

/s/ MICHAEL L. MORGAN

Michael L. Morgan, Secretary
State of Wisconsin Department of Administration

/s/ DAVID W. HELBACH

David W. Helbach, Secretary
State of Wisconsin Building Commission

APPENDIX A

INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin (**State**) and general obligations issued by the State, contained in Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2007 (**2007 Annual Report**), which can be obtained as described below. This Appendix also includes updated information and makes changes or additions to the information presented in Parts II and III of the 2007 Annual Report. These updates, changes, or additions include information on the following:

- Updated projections of General Fund tax revenue estimates for the 2008-09 fiscal year and projections for the 2009-11 biennium, which were provided on November 20, 2008 by the State of Wisconsin Department of Revenue (**DOR**).
- Projected and actual General Fund cash flows as of October 31, 2008.
- Information on the Annual Fiscal Report (budgetary basis) for the 2007-08 fiscal year, which was released on October 15, 2008.
- The budget adjustment bill for the 2007-09 biennium, as signed into law, with some vetoes, by the Governor on May 16, 2008 (2007 Wisconsin Act 226).

[Part II of the 2007 Annual Report](#) contains general information about the State. More specifically, that part presents information about the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization of, and services provided by, the State
- Results of fiscal year 2006-07
- State budget
- Potential effects of litigation
- Obligations of the State
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as [APPENDIX A to Part II of the 2007 Annual Report](#) are the audited general purpose external financial statements for the fiscal year ending June 30, 2007, prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Government Accounting Standards Board, and the independent auditor's report provided by the State Auditor.

[Part III of the 2007 Annual Report](#) contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2007 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**) and is also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin". The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2007 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office
 Department of Administration
 Attn: Capital Finance Director
 101 East Wilson Street, FLR 10
 P.O. Box 7864
 Madison, WI 53707-7864
 (608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov

After publication and filing of the 2007 Annual Report, certain changes or events have occurred that affect items discussed in the 2007 Annual Report. Listed below, by reference to particular sections of Parts II and III of the 2007 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes or additions have not been filed with the NRMSIRs. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRs, some of which may be notices that describe matters other than listed material events under the State's Master Agreement on Continuing Disclosure.

Budget for 2007-08 and 2008-09 Fiscal Years (Part II; Pages 26-27). Add the following new sections:

November 20, 2008 General Fund Tax Revenue Estimates

On November 20, 2008, DOR provided updated projections of General Fund, or general purpose revenue (GPR), tax revenues for the 2008-09 fiscal year. The updated total projection of GPR tax revenues for the 2008-09 fiscal year is \$12.762 billion, which is approximately \$281 million, or 2.2%, lower than actual GPR tax revenue collections for the 2007-08 fiscal year. This projection is also \$509 million lower than the amount previously estimated in February 2008 by the Legislative Fiscal Bureau (LFB). The following table provides a summary of the updated projections of GPR tax revenues for the 2008-09 fiscal year, and for comparison, other previous projections.

**Projected General Fund Tax Revenues Compared to Previous Projections
 2008-09 Fiscal Year
 (in Millions)**

	DOR Projections <u>November 2008</u>	LFB Projections <u>February 2008</u>	2007-09 <u>Biennial Budget</u>
Individual Income	\$ 6,705.4	\$ 6,965.0	\$ 7,105.5
Sales and Use	4,097.4	4,295.0	4,479.4
Corp. Income & Franchise	720.0	815.0	860.3
Public Utility	309.1	316.2	214.4
Excise			
Cigarettes	565.4	523.7	531.0
Liquor & Wine	43.5	43.0	43.0
Tobacco Products	39.9	41.2	41.2
Beer	9.8	9.4	9.4
Insurance Company	184.7	160.0	144.0
Estate	25.4	30.0	25.0
Miscellaneous Taxes	<u>61.7</u>	<u>73.0</u>	<u>73.0</u>
TOTAL	\$12,762.3	\$13,271.5	\$13,626.2

November 20, 2008 Department of Administration Report; Updated General Fund Condition Statement

On November 20, 2008, the Secretary of Administration provided a report (required by Wisconsin Statutes) that included DOR's updated projections of GPR tax revenues for the 2008-09 fiscal year and the next two fiscal years (2009-10 and 2010-11), a summary of agency budget requests for the next two fiscal years, and an updated projection of the General Fund condition statement for the 2008-09 fiscal year and next two fiscal years (2009-10 and 2010-11).

The updated projection of the General Fund condition statement for the 2008-09 fiscal year takes into account DOR's updated projections of GPR tax revenues, current estimates of departmental revenues, sum sufficient appropriations, and lapses, and the final budget for the fiscal year. The following table provides the updated projection of the General Fund condition statement for the 2008-09 fiscal year and, for comparison, the estimated General Fund condition statement for the budget (1) as changed by the budget adjustment bill signed into law in May 2008 (2007 Wisconsin Act 226), and (2) initially enacted for the 2007-09 biennium (2007 Wisconsin Act 20).

**Estimated General Fund Condition Statement
2008-09 Fiscal Year
(in Millions)**

	November 2008 <u>Projection</u>	Budget Adjustment Bill <u>(2007 Act 226)</u>	<u>2007 Act 20</u>
Revenues			
Opening Balance	\$ 130.6	\$ 80.5	\$ 67.0
Taxes	12,762.3	13,286.5	13,626.2
Department Revenues			
Tribal Gaming	90.7	46.3	46.3
Other	<u>541.8</u>	<u>514.2</u>	<u>435.0</u>
Total Available	\$13,525.4	\$13,917.5	\$14,174.5
Appropriations			
Gross Appropriations	\$14,117.9	\$14,117.9	\$14,212.1
Compensation Reserves	132.6	132.6	156.6
Sum Sufficient Reestimates	11.2	n/a	n/a
Biennial Appropriations Spending Ahead ^(a)	(34.8)	n/a	n/a
Less: Lapses	<u>(420.3)</u>	<u>(429.3)</u>	<u>(262.0)</u>
Net Appropriations	\$13,806.6	\$13,821.2	\$14,106.8
Balances			
Gross Balance	\$ (281.2)	\$ 106.2	\$ 67.7
Less: Req. Statutory Balance	<u>(65.0)</u>	<u>(65.0)</u>	<u>(65.0)</u>
Net Balance, June 30	\$ (346.2)	\$ 41.3	\$ 2.7

(a) Certain biennial appropriations from the 2008-09 fiscal year were expended in the 2007-08 fiscal year.

The November 20, 2008 report from the Secretary of Administration identified that a shortfall of approximately \$40 million is projected for Wisconsin Works (W-2) and the State's child care subsidy programs. If this shortfall continues and legislation is adopted and signed into law that funds this shortfall from the General Fund, the estimated deficit for the 2008-09 fiscal year may increase to \$386.2 million.

The November 20, 2008 report from the Secretary of Administration also constitutes the notification to the Governor and Legislature, as required by Wisconsin Statutes, that the Secretary of Administration has determined for the 2008-09 fiscal year that budgeted expenditures will exceed revenues by more than

one-half of one percent of general purpose revenues. It is expected that the Governor will prepare legislation to address this projected deficit for the 2008-09 fiscal year, with introduction of such legislation tentatively planned for early calendar year 2009.

The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget (which the Legislature has done, including for the 2007-09 biennium) and also requires that if final budgetary expenses of any fiscal year exceed available revenues, then the Legislature must take action to balance the budget in the succeeding fiscal year.

A complete copy of the November 20, 2008 report from the Secretary of Administration is available from the addresses shown on [pages A-1 and A-2](#) of this Official Statement.

Results of 2007-08 Fiscal Year

The State's Annual Fiscal Report included the ending general fund balance for the 2007-08 fiscal year (unaudited, budgetary basis) and was released on October 15, 2008. It reports the State ended the 2007-08 fiscal year on a statutory and unaudited basis with an undesignated balance of \$130.7 million. This amount is \$50.2 million more than the projected balance of \$80.5 million from the estimate for the budget adjustment bill signed into law in May 2008 (2007 Wisconsin Act 226). The State did issue operating notes during the 2007-08 fiscal year.

The following table shows the final General Fund condition statement for the 2007-08 fiscal year. This table also includes, for comparison, the estimated General Fund condition statements that reflect (1) the budget adjustment bill (2007 Wisconsin Act 226), and (2) the biennial budget bill (2007 Wisconsin Act 20).

General Fund Condition Statement			
2007-08 Fiscal Year			
(in Millions)			
	<u>Annual</u>	<u>Budget</u>	<u>Biennial Budget</u>
	<u>Fiscal Report</u>	<u>Adjustment Bill</u>	<u>Bill</u>
		<u>(2007 Act 226)</u>	<u>(2007 Act 20)</u>
Revenues			
Opening Balance	\$ 66.3	\$ 66.3	\$ 66.3
Prior Year Designation of Cont. Balance	6.8	n/a	n/a
Taxes	13,042.9	12,868.3	13,100.1
Department Revenues ^(a)			
Tribal Gaming	18.0	96.7	96.7
Other	<u>550.5</u>	<u>643.1</u>	<u>428.2</u>
Total Available	\$13,684.4	\$13,674.4	\$13,691.4
Appropriations			
Gross Appropriations	\$13,861.1	\$13,799.4	\$13,824.0
Compensation Reserves	50.4	62.8	62.8
Less: Lapses and Sum Sufficient	<u>(357.8)</u>	<u>(268.3)</u>	<u>(262.4)</u>
Reestimates			
Net Appropriations	\$13,553.8	\$13,593.9	\$13,624.4
Balances			
Gross Balance	\$ 130.7	\$ 80.5	\$ 67.0
Less: Required Statutory Balance	<u>n/a</u>	<u>(65.0)</u>	<u>(65.0)</u>
Net Balance, June 30	\$ 130.7	\$ 15.5	\$ 2.0

(a) On a budgetary basis, final tribal gaming payments were \$78.7 million less than estimates due to payments that were expected to be received in the 2007-08 fiscal year but were actually received in the 2008-09 fiscal year. In addition, estimates used in 2007 Wisconsin Act 226 assumed that entire \$270 million of state agency reductions would be allocated to departmental revenues; however, some of those reductions actually occurred as lapses from GPR appropriations.

The annual fiscal report also included final GPR tax revenue collections for the 2007-08 fiscal year. These GPR tax revenue collections, on a budgetary basis, were about \$425 million, or 3.4%, above collections in the 2006-07 fiscal year and about \$175 million above the previous projections from LFB in February, 2008. The following table provides a summary of the final GPR tax revenue collections for the 2007-08 fiscal year, and for comparison, other previous projections.

General Fund Tax Collections Compared to Previous Projections
2007-08 Fiscal Year
(in Millions)

	Annual Fiscal Report <u>October 2008</u>	LFB Projections <u>February 2008</u>	2007-09 <u>Biennial Budget</u>
Individual Income	\$ 6,713.7	\$ 6,660.0	\$ 6,758.8
Sales and Use	4,268.0	4,210.0	4,310.0
Corp. Income & Franchise	837.8	810.0	887.8
Public Utility	297.5	295.6	297.2
Excise			
Cigarettes	455.7	448.9	456.5
Liquor & Wine	45.2	42.5	42.5
Tobacco Products	29.7	28.9	28.9
Beer	9.6	9.4	9.4
Insurance Company	156.6	140.0	141.0
Estate	158.8	150.0	95.0
Miscellaneous Taxes	<u>70.3</u>	<u>83.0</u>	<u>73.0</u>
TOTAL	\$13,042.9	\$12,868.3	\$13,100.1

The complete Annual Fiscal Report is available from the addresses shown on [pages A-1 and A-2](#) of this Official Statement.

Preliminary General Fund Tax Collections; 2007-08 Fiscal Year

On September 17, 2008, DOR released preliminary GPR tax collections for the 2007-08 fiscal year, which on a budgetary basis, were about \$423 million, or 3.4%, above collections in the 2006-07 fiscal year and about \$173 million above the previous projections from LFB in February, 2008. DOR's release of these preliminary GPR tax collections included the following additional information. The difference between the LFB estimated tax collections and the preliminary figures can be attributed to two sources: \$88.2 million from a stronger economy in the first half of calendar year 2008, and \$84.9 million from process improvements at DOR. With respect to the stronger economy in the first half of calendar year 2008, much of the gain was realized in sales tax revenues and related to the \$2.1 billion of stimulus checks that were issued by the U.S. Treasury to Wisconsin taxpayers.

Budget Adjustment Bill

A budget adjustment bill for the 2007-09 biennium was passed by the Senate and the Assembly and signed into law, with some vetoes, by the Governor on May 16, 2008 (2007 Wisconsin Act 226). This budget adjustment bill was in response to the February 13, 2008 LFB memorandum (see below) and the Secretary of Administration's determination that, as a result of the revised projections of General Fund tax collections, budgeted expenditures would exceed revenues by more than one-half of one percent of general purpose revenues.

February 2008 General Fund Revenue Projections - LFB

On February 13, 2008, LFB released projections of General Fund tax collections for the 2007-09 biennium. These projections differed adversely from the projections of General Fund tax collections that were made in January 2007 and used in preparing the State's 2007-09 biennial budget (2007 Wisconsin Act 20). For the 2007-09 biennium, the February 13, 2008 LFB memorandum projected:

- A decrease of \$240 million in estimated individual income tax collections.
- A decrease of \$284 million in estimated general sale and use tax collections.
- A decrease of \$124 million in estimated corporate income and franchise tax collections.

The February 13, 2008 LFB memorandum identified other items that may impact the projections and information presented in such memorandum. These items include the following, which have been previously discussed in the 2007 Annual Report:

- Budgetary assumptions related to payment of amounts due in previous fiscal years from a tribal government, pursuant to amended gaming compacts in calendar year 2003—see “General Fund Information; General Fund Cash Flow; *Settlement of Amended Gaming Compact*” in this Appendix A to the Official Statement.
- Litigation from calendar year 2007 related to the transfer of certain amounts from the State's Patient and Families Compensation Fund to the Medical Assistance Trust Fund.
- The Supreme Court's consideration of an appeal from the State of Wisconsin related to the taxability of computer software—see “State Budget; Potential Effect of Litigation; Sales Tax on Customized Computer Software” in this Appendix A to the Official Statement.

Budget for 2009-11 Biennium (Part II). Add the following new section:

The estimates provided by DOR on November 20, 2008 also include estimates of GPR tax revenues for the 2009-11 biennium, namely, \$12.268 billion for the 2009-10 fiscal year and \$12.722 billion for the 2010-11 fiscal year, or annual changes of (3.9%) and 4.1%, respectively.

The projected General Fund condition statement for the 2009-2011 biennium, based on the estimates of GPR tax revenue provided by DOR on November 20, 2008, tax law cuts, credits, and other advanced commitments from prior biennia, and budget requests that have been provided by State agencies, has a net balance on June 30, 2011 of negative \$5.363 billion. The Governor will use these revenue estimates and agency requests to propose a balanced biennial budget, which must be submitted to the Legislature on or before January 31, 2009; however, a later submission date may be allowed by the Legislature if requested by the Governor. The Wisconsin Constitution also requires the Legislature to enact a balanced biennial budget.

State Budget; Potential Effect of Litigation; Sales Tax on Customized Computer Software (Part II; Pages 30-31). Update with the following information:

On July 11, 2008, the Wisconsin Supreme Court affirmed a Wisconsin court of appeals' decision in this case, that sales of certain customized software are not subject to the State's sales tax (Wisconsin Department of Revenue v. Menasha Corporation).

The LFB memorandum of February 13, 2008 included prior estimates from DOR that such a decision could reduce the State sales tax revenues by approximately \$28 million annually. In addition, the LFB memorandum estimates that refund requests associated with years prior to the 2008-09 fiscal year will be approximately \$265 million.

The projections of GPR tax revenues provided on November 20, 2008 by DOR reflect the estimated timing and amounts of refunds due as a result of this decision. It is expected that refunds will be paid in the amount of \$21 million in the 2008-09 fiscal year, \$212 million in the 2009-10 fiscal year, and \$37 million

in the 2010-11 fiscal year. These projected refunds reduced the overall projected sales tax revenue estimates in each of the respective fiscal years.

General Fund Information; General Fund Cash Flow (Part II; Pages 36-44).

The following tables provide updates and additions to various tables containing General Fund information for the 2007-08 and the 2008-09 fiscal years, which are presented on either a cash basis or agency recorded basis. The projections and estimates in the following tables, unless noted, reflect the projected General Fund revenues released by LFB on February 13, 2008 and the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226). The tables contain information through October 31, 2008, and generally reflect revenues from economic activity that occurred in September, 2008. As a result, the data for these reports do not reflect the economic downturns that are generally acknowledged to have occurred in October and November, 2008. The projections in the tables *do not reflect* the updated projections of General Fund tax revenues, as released by DOR on November 20, 2008.

The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month.

The following tables may show negative balances on a cash basis. The Wisconsin Statutes provide certain administrative remedies, such as interfund borrowing, to deal with periods when the balance, on a cash basis, is negative. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

The State can have a negative cash balance at the end of a fiscal year. The Wisconsin Constitution, however, requires the Legislature to enact a balanced biennial budget, and if final budgetary expenses of any fiscal year exceed available revenues, then the Legislature must take actions to balance the budget in the succeeding fiscal year.

Settlement of Amended Gaming Compact

On September 17, 2008, the State reached an agreement on a new gaming compact amendment with the tribal government that had not made scheduled payments pursuant to a previous amendment to its gaming compact. As part of this new gaming compact amendment, the tribal government will make a \$60 million payment to the State upon notice of this gaming compact amendment being published in the Federal Register, and the parties agreed on the methodology for future payments due from the tribal government, beginning with the 2008-09 fiscal year.

Table II-7; Actual and Projected General Fund Cash Flow (Page 39). Replace with the following updated tables, which include actual and projected General Fund cash flow for both the 2007-08 and 2008-09 fiscal years:

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2007 TO JUNE 30, 2008^(a)

(In Thousands of Dollars)

	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008
BALANCES^(b)												
Beginning Balance	\$ 49,148	\$ 349,749	\$ 638,780	\$ 723,620	\$ 1,417,676	\$ 1,131,328	\$ 446,854	\$ 1,364,065	\$ 1,117,488	\$ (212,538)	\$ 412,897	\$ 584,332
Ending Balance^(c)	349,749	638,780	723,620	1,417,676	1,131,328	446,854	1,364,065	1,117,488	(212,538)	412,897	584,332	24,835
Lowest Daily Balance^(c)	39,257	(441)	159,554	606,183	783,121	(285,238)	435,780	1,048,982	(212,538)	(648,410)	121,190	(576,399)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 682,211	\$ 500,798	\$ 651,858	\$ 695,206	\$ 521,419	\$ 459,790	\$ 1,112,129	\$ 574,257	\$ 578,486	\$ 1,193,252	\$ 411,259	\$ 860,989
Sales & Use	414,387	413,404	401,674	396,967	385,034	345,203	421,814	323,947	310,458	358,240	353,900	409,089
Corporate Income	35,238	20,042	154,364	51,110	31,669	174,535	21,726	30,498	188,247	49,678	42,495	144,842
Public Utility	20	20	509	1,871	148,786	987	56	20	94	1,111	154,287	213
Excise	30,620	34,376	36,523	27,764	36,994	26,518	28,435	74,544	47,280	51,023	53,713	55,139
Insurance	584	1,777	33,083	489	1,004	31,518	2,096	23,510	26,594	33,065	1,627	37,004
Inheritance	12,784	17,121	14,108	14,117	15,580	10,886	4,291	11,192	18,117	10,360	12,993	9,900
Subtotal Tax Receipts	\$ 1,175,844	\$ 987,538	\$ 1,292,119	\$ 1,187,524	\$ 1,140,486	\$ 1,049,437	\$ 1,590,547	\$ 1,037,968	\$ 1,169,276	\$ 1,696,729	\$ 1,030,274	\$ 1,517,176
NON-TAX RECEIPTS												
Federal	\$ 579,248	\$ 553,559	\$ 479,277	\$ 518,519	\$ 557,015	\$ 504,290	\$ 650,871	\$ 609,628	\$ 553,043	\$ 450,485	\$ 715,921	\$ 509,436
Other & Transfers	397,510	231,439	414,249	418,712	264,756	215,831	457,837	507,579	230,775	315,770	241,706	587,733
Note Proceeds ^(d)	594,000	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,570,758	\$ 784,998	\$ 893,526	\$ 937,231	\$ 821,771	\$ 720,121	\$ 1,108,708	\$ 1,117,207	\$ 783,818	\$ 766,255	\$ 957,627	\$ 1,097,169
TOTAL RECEIPTS	\$ 2,746,602	\$ 1,772,536	\$ 2,185,645	\$ 2,124,755	\$ 1,962,257	\$ 1,769,558	\$ 2,699,255	\$ 2,155,175	\$ 1,953,094	\$ 2,462,984	\$ 1,987,901	\$ 2,614,345
DISBURSEMENTS												
Local Aids	\$ 1,088,886	\$ 170,143	\$ 841,399	\$ 120,205	\$ 928,976	\$ 1,293,374	\$ 244,301	\$ 255,745	\$ 1,358,278	\$ 113,409	\$ 274,666	\$ 1,958,842
Income Maintenance	554,657	462,141	430,767	475,577	408,147	473,582	425,771	484,702	438,158	484,009	356,006	338,683
Payroll and Related	293,794	439,220	257,475	384,708	457,197	272,879	447,230	491,507	258,898	398,933	435,843	289,695
Tax Refunds	114,634	89,140	53,251	63,034	69,419	157,306	100,895	567,085	409,708	384,057	160,371	156,033
Debt Service	95,411	5,720	170,526	-	3,239	-	-	1,500	330,346	-	12,688	-
Miscellaneous	294,406	317,141	347,387	387,175	381,627	256,891	563,847	450,369	331,924	301,106	420,593	430,589
Note Repayment ^(d)	4,213	-	-	-	-	-	-	150,844	155,808	156,035	156,299	-
TOTAL DISBURSEMENTS	\$ 2,446,001	\$ 1,483,505	\$ 2,100,805	\$ 1,430,699	\$ 2,248,605	\$ 2,454,032	\$ 1,782,044	\$ 2,401,752	\$ 3,283,120	\$ 1,837,549	\$ 1,816,466	\$ 3,173,842

(a) Projections had reflected the assumption that the State would receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments (\$72 million of this amount was an estimate of all payments due in the 2007-08 fiscal year, and \$52 million of this amount was an estimate of payments due in previous years from a tribal government that were expected to be made in the 2007-08 fiscal year). With respect to the estimated \$72 million of payments due in the 2007-08 fiscal year, as of June 30, 2008 the State received payments totaling \$44 million and had not yet received (and did not expect to receive) payment from one other tribal government. With respect to the estimated \$52 million of payments due in previous years, the State did not receive such payments. It is the same tribal government that is not expected to make its scheduled payment in the 2007-08 fiscal year and the payments due in previous years. As of June 30, 2008, the State and this tribal government were continuing arbitration with respect to this tribal government's amended gaming compact. This table does not include interfund borrowing amounts.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds were expected to range from \$191 to \$324 million during the 2007-08 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately \$22 million during the 2007-08 fiscal year.

(c) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. Based on the enacted budget bill and budget adjustment bill, this amount was approximately \$690 million for the 2007-08 fiscal year. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of the general-purpose revenue appropriations then in effect (approximately \$414 million for the 2007-08 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

(d) Included \$600 million of proceeds from an operating note issue that was issued on July 2, 2007 and impoundment payments made on February 29, 2008, March 31, 2008, April 30, 2008, and May 30, 2008. The February 29, 2008 impoundment payment reflected the premium that was received on July 2, 2007 and deposited into the Operating Note Redemption Fund.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2008 TO OCTOBER 31, 2008
PROJECTED GENERAL FUND CASH FLOW; NOVEMBER 1, 2008 TO JUNE 30, 2009^(a)

(In Thousands of Dollars)

	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009
BALANCES^(b)												
Beginning Balance	\$ 24,835	\$ 172,120	\$ 464,375	\$ 895,808	\$ 1,403,014	\$ 1,090,619	\$ 542,231	\$ 1,353,402	\$ 1,249,992	\$ (142,836)	\$ 311,826	\$ 570,644
Ending Balance ^(c)	172,120	464,375	895,808	1,403,014	1,090,619	542,231	1,353,402	1,249,992	(142,836)	311,826	570,644	(230,268)
Lowest Daily Balance ^(c)	17,165	(74,304)	125,448	395,498	805,764	(400,463)	397,864	1,005,944	(142,836)	(532,561)	39,467	(882,851)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 599,419	\$ 416,459	\$ 852,654	\$ 635,921	\$ 470,404	\$ 555,940	\$ 1,088,287	\$ 600,673	\$ 613,719	\$ 1,025,393	\$ 540,072	\$ 688,256
Sales & Use	424,497	414,465	400,891	405,299	380,600	353,400	425,200	326,400	315,800	359,800	362,900	395,600
Corporate Income	29,250	34,416	144,769	36,415	28,300	163,800	28,600	20,300	215,400	43,200	22,300	158,600
Public Utility	61	150	1,178	4,977	156,900	1,600	100	1,200	200	2,900	159,400	900
Excise	68,383	58,369	61,880	62,978	53,400	49,300	51,000	47,200	41,600	47,800	51,000	54,100
Insurance	712	1,106	37,504	440	1,578	40,185	2,978	21,558	28,211	31,639	1,861	33,748
Inheritance	12,093	10,971	7,118	3,216	-	-	-	-	-	-	-	-
Subtotal Tax Receipts	\$ 1,134,415	\$ 935,936	\$ 1,505,994	\$ 1,149,246	\$ 1,091,182	\$ 1,164,225	\$ 1,596,165	\$ 1,017,331	\$ 1,214,930	\$ 1,510,732	\$ 1,137,533	\$ 1,331,204
NON-TAX RECEIPTS												
Federal	\$ 563,248	\$ 566,365	\$ 480,475	\$ 697,621	\$ 576,488	\$ 521,920	\$ 673,625	\$ 630,940	\$ 507,525	\$ 540,249	\$ 572,436	\$ 641,030
Other & Transfers	514,783	206,097	514,202	574,653	282,545	293,232	465,544	556,921	283,616	340,483	320,272	451,360
Note Proceeds ^(d)	801,840	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,879,871	\$ 772,462	\$ 994,677	\$ 1,272,274	\$ 859,033	\$ 815,152	\$ 1,139,169	\$ 1,187,861	\$ 791,141	\$ 880,732	\$ 892,708	\$ 1,092,390
TOTAL RECEIPTS	\$ 3,014,286	\$ 1,708,398	\$ 2,500,671	\$ 2,421,520	\$ 1,950,215	\$ 1,979,377	\$ 2,735,334	\$ 2,205,192	\$ 2,006,071	\$ 2,391,464	\$ 2,030,241	\$ 2,423,594
DISBURSEMENTS												
Local Aids	\$ 1,172,822	\$ 130,313	\$ 881,727	\$ 181,686	\$ 1,025,475	\$ 1,331,112	\$ 245,207	\$ 282,190	\$ 1,357,945	\$ 111,512	\$ 160,021	\$ 1,969,005
Income Maintenance	636,352	425,402	352,616	720,279	403,477	450,789	443,039	418,166	410,209	448,219	338,725	229,859
Payroll and Related	474,451	427,624	275,539	508,109	384,195	358,393	522,558	395,680	286,440	436,168	386,805	384,555
Tax Refunds	76,352	67,223	47,309	69,728	52,000	122,100	130,900	549,900	473,200	395,000	156,800	166,300
Debt Service	104,317	0	158,589	-	3,239	-	-	1,537	327,165	-	28,837	-
Miscellaneous	392,867	365,581	353,458	434,512	394,224	265,371	582,459	465,236	338,207	340,170	494,502	474,787
Note Repayment ^(d)	9,840	-	-	-	-	-	-	195,893	205,733	205,733	205,733	-
TOTAL DISBURSEMENTS	\$ 2,867,001	\$ 1,416,143	\$ 2,069,238	\$ 1,914,314	\$ 2,262,610	\$ 2,527,765	\$ 1,924,163	\$ 2,308,602	\$ 3,398,899	\$ 1,936,802	\$ 1,771,423	\$ 3,224,506

(a) The projections in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), updated General Fund revenues estimates released by LFB on February 13, 2008, and the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226). The projections also reflect an assumption that the State will receive approximately \$75 million pursuant to the amended gaming compacts with tribal governments (which is the estimate of all payments due in the 2008-09 fiscal year). Finally, the projections were updated for September 2008 and subsequent months to reflect receipt of \$60 million to be made by a tribal government pursuant to settlement of a new gaming compact amendment, and additional receipts resulting from lapses and timing of transfers during May and June 2009. The projections *do not reflect* the updated projections of General Fund tax revenues, as released by DOR on November 20, 2008. This table does not include interfund borrowings.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are expected to range from \$206 to \$350 million during the 2008-09 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average approximately \$10 million during the 2008-09 fiscal year.

(c) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount is approximately \$706 million for the 2008-09 fiscal year. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of the general-purpose revenue appropriations then in effect (approximately \$424 million for the 2008-09 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

(d) Includes \$800 million of operating note proceeds issued on July 1, 2008 and impoundment payments expected to be made on February 27, 2009, March 31, 2009, April 30, 2009, and May 29, 2009. The February 27, 2009 impoundment payment reflects the premium received on July 1, 2008 and deposited into the Operating Note Redemption Fund.

Table II-8; General Fund Cash Receipts and Disbursements Year to Date; Compared to Estimates and Previous Fiscal Year. (Page 40). Replace with the following updated table.

**2008-09 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)
(Cash Basis)
As of October 31, 2008
(Amounts in Thousands)**

	<u>FY08 through October 2007</u>	<u>FY09 through October 2008</u>				<u>Difference FY08 Actual to FY09 Actual</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimate^(b)</u>	<u>Variance</u>	<u>Adjusted Variance^(c)</u>	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 2,530,073	\$ 2,504,453	\$ 2,571,456	\$ (67,003)	\$ (67,003)	\$ (25,620)
Sales	1,626,432	1,645,152	1,611,200	33,952	33,952	18,720
Corporate Income	260,754	244,850	242,000	2,850	2,850	(15,904)
Public Utility	2,420	6,366	4,400	1,966	1,966	3,946
Excise	129,283	251,610	223,300	28,310	28,310	122,327
Insurance	35,933	39,762	34,584	5,178	5,178	3,829
Inheritance	58,130	33,398	30,953	2,445	2,445	(24,732)
Total Tax Receipts	\$ 4,643,025	\$ 4,725,591	\$ 4,717,893	\$ 7,698	\$ 7,698	\$ 82,566
Non-Tax Receipts						
Federal	\$ 2,130,603	\$ 2,307,709	\$ 2,205,087	\$ 102,622	\$ 102,622	\$ 177,106
Other and Transfers	1,461,910	1,809,735	1,459,675	350,060	350,060	347,825
Note Proceeds	594,000	801,840	801,840	-	-	207,840
Total Non-Tax Receipts	\$ 4,186,513	\$ 4,919,284	\$ 4,466,602	\$ 452,682	\$ 452,682	\$ 732,771
TOTAL RECEIPTS	\$ 8,829,538	\$ 9,644,875	\$ 9,184,495	\$ 460,380	\$ 460,380	\$ 815,337
DISBURSEMENTS						
Local Aids	\$ 2,220,633	\$ 2,366,548	\$ 2,395,933	\$ 29,385	\$ 29,385	\$ 145,915
Income Maintenance	1,923,142	2,134,649	1,978,469	(156,180)	(156,180)	211,507
Payroll & Related	1,375,197	1,685,723	1,687,875	2,152	2,152	310,526
Tax Refunds	320,059	260,612	172,900	(87,712)	(87,712)	(59,447)
Debt Service	271,657	262,906	279,422	16,516	16,516	(8,751)
Miscellaneous	1,346,109	1,546,418	1,382,778	(163,640)	(163,640)	200,309
Note Repayment	4,213	9,840	9,840	-	-	5,627
TOTAL DISBURSEMENTS	\$ 7,461,010	\$ 8,266,696	\$ 7,907,217	\$ (359,479)	\$ (359,479)	\$ 805,686

VARIANCE FY09 YEAR-TO-DATE

\$ 100,901 \$ 100,901

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The estimates in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the updated General Fund revenues estimates released by LFB on February 13, 2008, the budget adjustment bill (2007 Wisconsin Act 226), and the issuance of \$800 million in operating notes for the 2008-09 fiscal year. The estimates in this table do not reflect the updated projections of General Fund tax revenues, as released by DOR on November 20, 2008.
- (c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed, which may result in large variances. This column includes adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration

Table II-9; General Fund Monthly Position (Page 41). Replace with the following updated table:

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2006 through October 31, 2008 – Actual
November 1, 2008 through June 30, 2009 – Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(c)</u>	<u>Disbursements^(c)</u>	
2006	July.....	\$ 4,563 ^(d)	\$ 1,920,630	\$ 2,121,122	
	August.....	(195,929) ^(d)	1,695,545	1,391,455	
	September.....	108,161 ^(d)	2,288,498	2,041,092	
	October.....	355,567	2,130,549	1,373,404	
	November.....	1,112,712	1,856,520	2,086,743	
	December.....	882,489 ^(d)	1,791,636	2,501,552	
	2007	January.....	172,573	2,570,733	1,717,796
		February.....	1,025,510	1,949,875	1,947,201
		March.....	1,028,184	1,869,287	2,934,724
		April.....	(37,253) ^(d)	2,548,712	1,896,578
		May.....	614,881	2,009,550	1,525,908
		June.....	1,098,523 ^(d)	2,307,089	3,356,463
July.....		49,149	2,746,602	2,446,001	
August.....		349,750 ^(d)	1,772,536	1,483,505	
September.....		638,781	2,185,645	2,100,805	
October.....		723,621	2,124,755	1,430,699	
November.....		1,417,677	1,962,257	2,248,605	
December.....		1,131,329 ^(d)	1,769,558	2,454,032	
2008	January.....	446,855	2,699,255	1,782,044	
	February.....	1,364,066	2,155,175	2,401,752	
	March.....	1,117,489 ^(d)	1,953,094	3,283,120	
	April.....	(212,537) ^(d)	2,462,984	1,837,549	
	May.....	412,898	1,987,901	1,816,466	
	June.....	584,333 ^(d)	2,614,345	3,173,842	
	July.....	24,836	3,014,286	2,867,001	
	August.....	172,121 ^(d)	1,708,398	1,416,143	
	September.....	464,376	2,500,671	2,069,238	
	October.....	895,809	2,421,520	1,914,314	
	November.....	1,403,015 ^(d)	1,950,215	2,262,610	
	December.....	1,090,620	1,979,377	2,527,765	
2009	January.....	542,232	2,735,334	1,924,163	
	February.....	1,353,403	2,205,192	2,308,602	
	March.....	1,249,993 ^(d)	2,006,071	3,398,899	
	April.....	(142,835) ^(d)	2,391,464	1,936,802	
	May.....	311,827	2,030,241	1,771,423	
	June.....	570,645 ^(d)	2,423,594	3,224,506	

^(a) The General Fund balances presented in this table are not based on generally accepted accounting principles (GAAP).

^(b) The projections in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the updated General Fund revenues estimates released by LFB on February 13, 2008, and the budget adjustment bill (2007 Wisconsin Act 226). The estimates in this table do not reflect the updated projections of General Fund tax revenues, as released by DOR on November 20, 2008.

^(c) Operating notes were not issued for the 2006-07 fiscal year but were issued for the 2007-08 and 2008-09 fiscal years.

^(d) At some period during this month, the General Fund was in a negative cash position. The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount is approximately \$706 million for the 2008-09 fiscal year. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of the general-purpose revenue appropriations then in effect (approximately \$424 million for the 2008-09 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

Source: Wisconsin Department of Administration

Table II-10; Balances in Funds Available for Interfund Borrowing (Page 42). Replace with the following updated table:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(a)
July 31, 2006 to October 31, 2008 – Actual
November 30, 2008 to June 30, 2009 – Estimated
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation, or interfund borrowing. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for interfund borrowing, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$2.2 billion during November 2005 to a high of \$4.3 billion in August 2008. The Secretary of Administration may not exercise the authority to use interfund borrowing if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

<u>Month (Last Day)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
January		\$ 1,048	\$ 1,203	\$ 1,203
February		1,131	1,265	1,265
March		1,154	1,298	1,298
April		1,114	1,210	1,210
May		1,202	1,166	1,166
June		1,208	1,079	1,079
July	\$ 932	1,141	910	
August	1,052	1,204	943	
September	1,067	1,204	1,081	
October	925	1,110	906	
November	966	1,229	1,229	
December	1,019	1,244	1,244	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
January		\$ 4,509	\$ 4,943	\$ 4,943
February		4,773	5,255	5,255
March		4,860	5,453	5,453
April		4,593	5,273	5,273
May		4,408	5,010	5,010
June		4,536	3,941	3,941
July	\$ 4,218	4,862	5,422	
August	3,978	4,383	4,589	
September	3,845	4,264	4,479	
October	3,361	3,900	3,900	
November	3,477	4,017	4,017	
December	3,764	4,141	4,141	

^(a) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and interfund borrowing was used for such fund.

Source: Wisconsin Department of Administration

Table II-11; General Fund Recorded Revenues (Page 43). Replace with the following updated table:

GENERAL FUND RECORDED REVENUES^(a)				
(Agency Recorded Basis)				
July 1, 2008 to October 31, 2008 compared with previous year				
	Annual Fiscal Report Revenues 2007-08 FY^(b)	Projected Revenues 2008-09 FY^(c)	Recorded Revenues July 1, 2007 to October 31, 2007^(d)	Recorded Revenues July 1, 2008 to October 31, 2008^(e)
Individual Income Tax	\$ 6,713,681,000	\$ 6,965,000,000	\$ 1,964,094,008	\$ 2,082,661,735
General Sales and Use Tax	4,268,045,000	4,295,000,000	1,157,511,735	1,131,183,675
Corporate Franchise and Income Tax	837,807,000	830,000,000	226,770,614	175,959,800
Public Utility Taxes	297,460,000	316,200,000	761,715	4,345,860
Excise Taxes	540,259,000	617,300,000	96,245,640	182,211,073
Inheritance Taxes	158,789,000	30,000,000	55,594,029	20,387,791
Insurance Company Taxes	156,606,000	160,000,000	34,662,850	37,865,390
Miscellaneous Taxes	70,296,000	73,000,000	25,077,280	23,623,868
SUBTOTAL.....	<u>13,042,943,000</u>	<u>13,286,500,000</u>	<u>3,560,717,870</u>	<u>3,658,239,191</u>
Federal and Other Inter- Governmental Revenues ^(f)	6,803,292,000	6,457,183,500	2,107,983,625	2,334,582,442
Dedicated and Other Revenues ^(g)	<u>4,151,603,000</u>	<u>4,698,803,200</u>	<u>1,436,766,515</u>	<u>1,633,434,976</u>
TOTAL.....	<u>\$ 23,997,838,000</u>	<u>\$ 24,442,486,700</u>	<u>\$ 7,105,468,009</u>	<u>\$ 7,626,256,609</u>

- (a) The revenues in this table are presented on an agency recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2007-08 fiscal year, dated October 15, 2008.
- (c) The projections in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20), the projected General Fund revenues released by LFB on February 13, 2008 and the budget adjustment bill (2007 Wisconsin Act 226). The projections in this table do not reflect the updated projections of General Fund tax revenues, as released by DOR on November 20, 2008.
- (d) The amounts shown are 2007-08 fiscal year revenues as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.
- (e) The amounts shown are 2008-09 general purpose revenues and program revenue taxes collected across all State agencies. There may be differences between the tax revenues shown in this table and those reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.
- (g) Certain transfers between general fund appropriations are 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.

Source: Wisconsin Department of Administration

Table II-12; General Fund Recorded Expenditures by Function (Page 44). Replace with the following updated table:

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency Recorded Basis)
July 1, 2008 to October 31, 2008 compared with previous year**

	Annual Fiscal Report Expenditures 2006-07 FY^(b)	Appropriations 2007-08 FY^(c)	Recorded Expenditures July 1, 2007 to October 31, 2007^(d)	Recorded Expenditures July 1, 2008 to October 31, 2008^(e)
Commerce.....	\$ 240,689,000	\$ 294,718,400	\$ 72,672,779	\$ 78,366,398
Education.....	10,853,809,000	11,216,515,600	2,630,301,117	2,787,489,172
Environmental Resources.....	328,094,000	380,037,300	105,006,748	103,389,261
Human Relations & Resources	9,645,679,000	9,577,562,400	3,164,859,527	3,489,436,643
General Executive.....	802,326,000	963,061,100	335,187,022	343,808,363
Judicial.....	126,563,000	127,641,200	46,349,618	48,719,054
Legislative.....	65,047,000	70,324,700	17,604,852	16,373,934
General Appropriations.....	2,047,768,000	2,177,798,400	879,736,936	951,411,036
TOTAL.....	\$ 24,109,975,000	\$ 24,807,659,100	\$ 7,251,718,599	\$ 7,818,993,861

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2007-08 fiscal year, dated October 15, 2008.
- (c) The estimates in this table reflect the budget for the 2007-09 biennium (2007 Wisconsin Act 20) and the budget adjustment bill (2007 Wisconsin Act 226).
- (d) The amounts shown are 2007-08 fiscal year expenditures as recorded by all State agencies.
- (e) The amounts shown are 2008-09 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration

State Obligations; Prior Service Pension Liabilities and Other Post Employment Benefits (Part II; Page 58). Add the following new section.

January 1, 2007 Actuarial Valuation

In August 2008, the State released a report presenting the results of an actuarial valuation (as of January 1, 2007) of the State of Wisconsin Retiree Health Program. It provides the information required to be disclosed, pursuant to the requirements of Statement No. 45 of the Governmental Accounting Standards Board (GASB). The report shows a total unfunded liability for other post employment benefits (OPEB) of \$1.473 billion, consisting of a liability in the amount of \$935 million for an implicit rate subsidy (previously referred to as implied subsidy of group health insurance) and a liability in the amount of \$538 million for a Medicare Part D subsidy, which reflects future subsidy reimbursement payments from the federal government. A complete copy of the report has been filed with the NRMSIRs and is also available from the State at the addresses shown on pages A-1 and A-2 of this Official Statement.

Part III—Introduction (Page 76). Update with the following information:

On August 15, 2008, Standard & Poor’s Rating Services upgraded its rating on the State’s general obligations from “AA-” to “AA”.

APPENDIX B
State of Wisconsin
General Obligation Issuance Status Report
November 1, 2008

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>G.O. Bonds of 2008, Series D</u>	<u>Total Authorized Unissued Debt</u>
University of Wisconsin; academic facilities.....	\$ 1,567,180,800	\$ 1,248,161,744	\$ 13,072,507	\$ 20,000,000	\$ 285,946,549
University of Wisconsin; self-amortizing facilities.....	1,615,268,200	1,081,141,661	2,911,822	9,230,000	521,984,717
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,432,000,000	460,824,651	405,319	3,500,000	967,270,030
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818		139,438
Clean water fund program.....	697,643,200	513,394,053		3,500,000	180,749,147
Safe drinking water loan program.....	38,400,000	38,311,520			88,480
Natural resources; nonpoint source grants.....	94,310,400	88,384,918	190,043		5,735,439
Natural resources; nonpoint source	11,000,000	7,295,000	1,454		3,703,546
Natural resources; environmental repair.....	54,000,000	43,219,054	203,594	4,000,000	6,577,352
Natural resources; urban nonpoint source cost-sharing.....	29,900,000	22,878,640	30,671		6,990,689
Natural resources; contaminated sediment removal.....	17,000,000	8,000,000			9,000,000
Natural resources; environmental segregated fund supported administrative facilities.....	10,339,800	7,532,686	143		2,806,971
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	6,157,779	617		441,604
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	145,060,325	145,010,325	50,000		
Natural resources; pollution abatement and sewage collection facilities.....	893,493,400	874,927,239	18,513,077		53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,312,599	6,287,401		
Natural resources; recreation projects.....	56,055,000	56,053,994	1,006		
Natural resources; local parks land acquisition and development.....	2,490,000	2,447,741	42,259		
Natural resources; recreation development.....	23,061,500	22,914,510	141,325		5,665
Natural resources; land acquisition.....	45,608,600	45,116,929	491,671		
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,445,793	17,174		37,033

General Obligation Issuance Status Report—Continued
November 1, 2008

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>G.O. Bonds of 2008, Series D</u>	<u>Total Authorized Unissued Debt</u>
Natural resources; segregated revenue supported facilities.....	73,277,700	55,417,692	93,544		17,766,464
Natural resources; general fund supported administrative facilities.....	11,410,200	11,204,102	21,753		184,345
Natural resources; ice age trail.....	750,000	750,000			
Natural resources; dam safety projects.....	5,500,000	5,400,148	49,701		50,151
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000			
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	227,652,895	1,306,849		2,040,256
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...	82,000,000	1,932,921	3,016		80,064,063
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; major highway and rehabilitation projects.....	565,480,400	565,480,400			
Transportation; Marquette interchange and I 94 north-south corridor reconstruction projects.....	303,300,000	250,300,000	3,018,078	15,000,000	34,981,922
Transportation; state highway rehabilitation projects.....	300,000,000	297,942,103	1,182,897		875,000
Transportation; harbor improvements.....	53,400,000	36,791,500	234,581	2,000,000	14,373,919
Transportation; rail acquisitions and improvements.....	66,500,000	42,886,684	5,187	6,000,000	17,608,129
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000			
Corrections; correctional facilities.....	812,235,900	783,800,337	11,467,562	2,000,000	14,968,001
Corrections; self-amortizing facilities and equipment.....	7,337,000	2,115,438	99		5,221,463
Corrections; juvenile correctional facilities.....	28,984,500	27,433,551	108,861	60,000	1,382,088
Health services; mental health and secure treatment facilities.....	172,817,700	140,045,268	895,124	2,400,000	29,477,308

General Obligation Issuance Status Report—Continued
November 1, 2008

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>G.O. Bonds of 2008, Series D</u>	<u>Total Authorized Unissued Debt</u>
Agriculture; soil and water.....	33,075,000	25,657,960	3,025	3,500,000	3,914,015
Agriculture; conservation reserve enhancement...	40,000,000	11,591,000			28,409,000
Administration; Black Point Estate.....	1,600,000	1,597,000	445	1,655	900
Administration; energy conservation projects; capital improvement fund.....	30,000,000	300,000		1,000,000	28,700,000
Building commission; previous lease rental authority.....	143,071,600	143,068,654			2,946
Building commission; refunding tax-supported general obligation debt.....	2,102,086,430	2,102,086,530			
Building commission; refunding self-amortizing general obligation debt.....	272,863,033	272,863,033			
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005...	250,000,000	250,000,000			
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	1,775,000,000	1,266,025,000			508,975,000
Building commission; housing state departments and agencies.....	554,279,900	426,188,306	2,356,097	1,700,000	124,035,497
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479		
Building commission; project contingencies.....	47,961,200	45,014,610	64,761	100,000	2,781,829
Building commission; capital equipment acquisition.....	126,335,000	115,778,761	740,327	750,000	9,065,912
Building commission; discount sale of debt.....	90,000,000	67,493,598			22,506,402
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(b)			11,167
Building commission; other public purposes.....	1,883,901,000	1,511,503,856	8,728,268	24,260,730	339,408,146
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities....	10,000,000	10,000,000			
Bond Health Center.....	1,000,000				1,000,000
HR Academy, Inc.....	1,500,000	1,500,000			
Medical College of Wisconsin, Inc.; biomedical research and technology incubator.....	35,000,000	25,000,000			10,000,000
Marquette University; dental clinic and education facility...	15,000,000	14,999,182	818		
Civil War exhibit at the Kenosha Public Museums.....	500,000			500,000	

General Obligation Issuance Status Report—Continued
November 1, 2008

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings^(a)	G.O. Bonds of 2008, Series D	Total Authorized Unissued Debt
Swiss cultural center.....	1,000,000				1,000,000
Hmong cultural centers.....	2,250,000	250,000			2,000,000
Milwaukee Police Athletic League; youth activities center.....	1,000,000	1,000,000			
Children's research institute.....	10,000,000	10,000,000			
Administration; school educational technology infrastructure financial assistance.....	71,911,300	71,480,216	431,066		18
Administration; public library educational technology infrastructure financial assistance.....	269,000	268,918	42		40
Educational communications board; educational communications facilities.....	23,981,500	22,127,389	38,515		1,815,596
Historical society; self-amortizing facilities.....	1,157,000	1,029,156	3,896		123,948
Historical society; historic records.....	18,650,000				18,650,000
Historical society; historic sites.....	3,107,800	3,058,756	847		48,197
Historical society; museum facility.....	4,384,400	4,362,469			21,931
Historical society; Wisconsin history center.....	30,000,000				30,000,000
Public instruction; state school, state center and library facilities.....	7,367,700	7,330,612	32,509		4,579
Military affairs; armories and military facilities.....	32,772,500	26,217,447	195,308	330,000	6,029,745
Veterans affairs; veterans facilities.....	10,090,100	9,405,485	50,593		634,022
Veterans affairs; self-amortizing mortgage loans.....	2,205,840,000	2,122,542,395			83,297,605
Veterans affairs; refunding bonds.....	1,015,000,000	761,594,245			253,405,755
Veterans affairs; self-amortizing facilities.....	38,051,600	14,577,450	1,613	140,000	23,332,537
State fair park board; board facilities.....	14,787,100	14,769,363	1		17,736
State fair park board; housing facilities.....	11,000,000	10,999,985	15		
State fair park board; self-amortizing facilities.....	52,987,100	51,999,300	22,401	27,615	937,784
Total.....	<u>\$21,061,425,088</u>	<u>\$17,176,786,928</u>	<u>\$73,888,123</u>	<u>\$100,000,000</u>	<u>\$3,710,750,139</u>

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

^(b) Accrued interest on any obligation that is not paid during the fiscal year in which it accrues 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 BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

\$100,000,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2008, SERIES D

We have served as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$100,000,000 General Obligation Bonds of 2008, Series D, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on November 12, 2008 (**Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is 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 Bonds 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. Interest on the Bonds is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Bonds is taken into account in determining adjusted current earnings. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. This letter expresses no opinion about other federal tax law consequences regarding the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

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 (except only the matters set forth as our opinion in the Official Statement). However, in serving as bond counsel, 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.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law. In serving as bond counsel, we have established an attorney-client relationship solely with the State.

Very truly yours,

FOLEY & LARDNER LLP