OFFICIAL STATEMENT

New Issue

This Official Statement provides information on the 2008 Series A 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.

$185,000,000
STATE OF WISCONSIN
TRANSPORTATION REVENUE BONDS, 2008 SERIES A

Dated: Date of Delivery **Due: July 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 2008 Series A Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference. Interest on the 2008 Series A Bonds is not excluded from State of Wisconsin income and franchise taxes—*Pages 11-12*.
Redemption	The 2008 Series A Bonds maturing on or after July 1, 2019 are subject to optional redemption at par (100%) on July 1, 2018 or any date thereafter —*Page 2*.
Security/Priority	The 2008 Series A Bonds have a first claim on vehicle registration fees (which are a substantial portion of pledged Program Income) and other vehicle registration-related fees including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees. The 2008 Series A Bonds are issued on a parity with the Prior Bonds, which are outstanding as of July 15, 2008 in the amount of $1,326,135,000, and any additional parity Bonds issued by the State pursuant to the General Resolution. The Reserve Fund is currently funded in an amount equal to $26,463,600, which exceeds the current aggregate Debt Service Reserve Requirement. The 2008 Series A Bonds are not general obligations of the State—*Pages 5-8.*
Purpose	Proceeds will be used to finance certain State transportation facilities and highway projects and to pay costs of issuance—*Page 3.*
Interest Payment Dates	January 1 and July 1
First Interest Payment Date	January 1, 2009
Closing/Settlement	On or about August 27, 2008
Denominations	Multiples of $5,000
Book-Entry-Only Form	The Depository Trust Company—*Pages 3-4.*
Trustee/Registrar/Paying Agent	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel	Quarles & Brady LLP
Issuer Contact	Wisconsin Capital Finance Office; (608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov
2007 Annual Report	This Official Statement incorporates by reference Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2007.

The prices and yields listed below were determined on August 5, 2008 at negotiated sale. The 2008 Series A Bonds were purchased at an aggregate purchase price of $192,443,604.46.

CUSIP	Year (July 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (July 1)	Call Price
977123 XC7	2010	$ 5,595,000	5.00%	2.33%	104.789%	Not Callable	-
977123 XD5	2011	5,875,000	5.00	2.81	105.943	Not Callable	-
977123 XE3	2012	6,170,000	5.00	3.05	107.019	Not Callable	-
977123 XF0	2013	6,475,000	5.00	3.24	107.828	Not Callable	-
977123 XG8	2014	6,800,000	5.00	3.42	108.301	Not Callable	-
977123 XH6	2015	7,140,000	5.00	3.57	108.611	Not Callable	-
977123 XJ2	2016	7,500,000	5.00	3.72	108.634	Not Callable	-
977123 XK9	2017	7,875,000	5.00	3.86	108.468	Not Callable	-
977123 XL7	2018	8,265,000	5.00	3.98	108.235	Not Callable	-
977123 XM5	2019	8,680,000	5.00	4.17	106.640 [a]	2018	100%
977123 XN3	2020	9,115,000	5.00	4.31	105.482 [a]	2018	100
977123 XP8	2021	9,570,000	5.00	4.42	104.583 [a]	2018	100
977123 XQ6	2022	10,045,000	5.00	4.50	103.935 [a]	2018	100
977123 XR4	2023	10,550,000	5.00	4.56	103.452 [a]	2018	100
977123 XS2	2024	11,075,000	5.00	4.62	102.972 [a]	2018	100
977123 XT0	2025	11,630,000	5.00	4.68	102.495 [a]	2018	100
977123 XU7	2026	12,210,000	5.00	4.73	102.099 [a]	2018	100
977123 XV5	2027	12,825,000	5.00	4.77	101.783 [a]	2018	100
977123 XW3	2028	13,465,000	5.00	4.82	101.391 [a]	2018	100
977123 XX1	2029	14,140,000	5.00	4.87	101.000 [a]	2018	100

[a] These 2008 Series A Bonds are priced to the July 1, 2018 first optional call date.

Lehman Brothers **Ramirez & Co., Inc.**

Cabrera Capital Markets, LLC **Goldman, Sachs & Co.** **Merrill Lynch & Co.**

August 6, 2008

This document is the State's *official* statement about the offering of the 2008 Series A Bonds; that is, it is the only document the State has authorized for providing information about the 2008 Series A Bonds. This document is not an offer or solicitation for the 2008 Series A 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 2008 Series A Bonds, and anything else related to the offering.

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 is the author of this document and is responsible for its accuracy and completeness. The Underwriters are not the authors of 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.

The estimates, forecasts, projections, and opinions in this document are not hard facts, and no one guarantees them. Some of the people who prepared, compiled, or reviewed this information had specific functions that covered some aspects of the offering but not others. For example, financial staff focused on quantitative financial information, and legal counsel focused on specific documents or legal issues assigned to them.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the 2008 Series A Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. Neither the delivery of this document nor any sale of the 2008 Series A Bonds implies that there has been no change in the other matters contained in this document since its date. Material referred to in this document is not part of this document unless expressly included.

TABLE OF CONTENTS

STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE 2008 SERIES A 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

* Senator Carol Roessler replaced Senator Ted Kanavas for the State of Wisconsin Building Commission meeting held on April 16, 2008.

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
Mr. Frank J. Busalacchi, Secretary Department of Transportation	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

Mr. Frank R. Hoadley
Capital Finance Director
(608) 266-2305
frank.hoadley@wisconsin.gov

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
larry.dallia@wisconsin.gov

Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
david.erdman@wisconsin.gov

SUMMARY DESCRIPTION OF THE 2008 SERIES A BONDS

Selected information is presented on this page for the convenience of the reader. To make an informed decision regarding the 2008 Series A Bonds, a prospective investor should read the entire Official Statement.

Description:	State of Wisconsin Transportation Revenue Bonds, 2008 Series A
Principal Amount:	$185,000,000
Denominations:	Multiples of $5,000
Date of Issue:	Date of Delivery (expected to be August 27, 2008)
Interest Payment:	January 1 and July 1, commencing January 1, 2009
Maturities:	July 1, 2010-2029—*Cover*
Record Date:	December 15 or June 15
Redemption:	The 2008 Series A Bonds maturing on or after July 1, 2019 are subject to optional redemption at par (100%) on July 1, 2018 or any date thereafter—*Page 2*
Form:	Book-entry-only—*Pages 3-4*
Paying Agent:	All payments of principal and interest on the 2008 Series A Bonds will be made by The Bank of New York Mellon Trust Company, N.A., or its successor. All payments will be made to The Depository Trust Company, which will distribute payments as described herein.
Authority for Issuance:	The 2008 Series A Bonds are authorized by Chapter 18 and Section 84.59 of the Wisconsin Statutes.
Purpose:	The 2008 Series A Bond proceeds will be used to finance certain State transportation facilities and highway projects and to pay costs of issuance.
Security and Priority:	The 2008 Series A Bonds are revenue obligations having a first claim on vehicle registration fees (which are a substantial portion of pledged Program Income) and other vehicle registration-related fees including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees. The 2008 Series A Bonds are issued on a parity with the Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution. The Reserve Fund is currently funded in an amount equal to $26,463,600, which exceeds the current aggregate Debt Service Reserve Requirement. The 2008 Series A Bonds are not general obligations of the State—*Pages 5-8*
Prior Bonds and Notes:	As of July 15, 2008, $1,326,135,000 of Prior Bonds were Outstanding and $177,618,000 of Notes subordinate to the Prior Bonds were Outstanding—*Pages 5-6*
Additional Bonds:	The State may issue additional transportation revenue obligations, and if certain conditions are met, they may be issued on parity with the Prior Bonds and the 2008 Series A Bonds—*Page 8*
Legality of Investment:	State law provides that the 2008 Series A Bonds are legal investments for all banks and bankers, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance 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 2008 Series A Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference—*Pages 11-12* Interest on the 2008 Series A Bonds is not excluded from State of Wisconsin income and franchise taxes—*Page 12*
Legal Opinion:	Validity and tax opinion to be provided by Quarles & Brady LLP—*Page C-1*

OFFICIAL STATEMENT

$185,000,000

STATE OF WISCONSIN

TRANSPORTATION REVENUE BONDS, 2008 SERIES A

INTRODUCTION

This Official Statement sets forth information concerning the $185,000,000 State of Wisconsin Transportation Revenue Bonds, 2008 Series A (**2008 Series A Bonds**), issued by the State of Wisconsin (**State**). This Official Statement includes by reference Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2007 **(2007 Annual Report)**.

The 2008 Series A Bonds are revenue obligations authorized by Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended (**Revenue Obligations Act**) and Section 84.59 of the Wisconsin Statutes (**Act**), and issued pursuant to a General Resolution adopted by the State of Wisconsin Building Commission (**Commission**) on June 26, 1986, as supplemented on March 19, 1998, August 9, 2000, and October 15, 2003 (**General Resolution**), and a Series Resolution adopted by the Commission on April 16, 2008 (collectively, with the General Resolution, **Resolutions**).

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell transportation revenue obligations of the State. The Commission is assisted and staffed by the State of Wisconsin Department of Administration.

In connection with the issuance and sale of the 2008 Series A Bonds, the Commission has authorized the preparation of this Official Statement. This Official Statement describes the terms of and security for the 2008 Series A Bonds. Copies of the Resolutions, the Revenue Obligations Act and the Act are available from the Commission. All capitalized terms used in this Official Statement and not otherwise defined shall have the meanings assigned in the Resolutions.

THE DEPARTMENT OF TRANSPORTATION

The State of Wisconsin Department of Transportation (**Department** or **WisDOT**) is the State agency that is involved with all forms of transportation in the State, including the construction and reconstruction of State highways and related transportation facilities and the registration of all motor vehicles. The Department is also the State agency responsible for the collection of vehicle registration fees and other vehicle registration-related fees, which are pledged as security for the revenue obligations issued by the State pursuant to the General Resolution.

Information concerning the Department is included as APPENDIX A to this Official Statement, which includes by reference Part V of the 2007 Annual Report. APPENDIX A also includes updates to Part V of the 2007 Annual Report.

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 and its financial condition is included as APPENDIX B to this Official Statement, which includes by reference, and makes changes and additions to, Part II of the 2007 Annual Report. APPENDIX B includes a copy of a memorandum dated February 13, 2008 from the

State's Legislative Fiscal Bureau **(LFB)** that presents revised projections of General Fund tax collections for the 2007-09 biennium, which include unfavorable changes from prior projections. APPENDIX B also includes information on the budget adjustment bill for the 2007-09 biennium that the Governor signed into law, with some vetoes, 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
Phone:	(608) 266-2305
Mail:	101 East Wilson Street, FLR 10 P.O. Box 7864 Madison, WI 53707-7864
E-mail:	DOACapitalFinanceOffice@wisconsin.gov
Web site:	www.doa.wi.gov/capitalfinance

THE 2008 SERIES A BONDS

General

The 2008 Series A Bonds are issued under the General Resolution. The front cover of this Official Statement sets forth the maturity dates, principal amounts, and interest rates for the 2008 Series A Bonds. The Legislature has authorized the issuance of $2.708 billion of revenue obligations to finance the costs of State transportation facilities and highway projects **(Projects),** excluding revenue bonds issued to refund Outstanding Bonds. To date (and including the 2008 Series A Bonds), $2.492 billion of such obligations have been issued.

The 2008 Series A 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 2008 Series A Bonds, The Depository Trust Company, New York, New York **(DTC)**. See "THE 2008 SERIES A BONDS; Book-Entry-Only Form".

The 2008 Series A Bonds will be dated their date of delivery (expected to be August 27, 2008) and will bear interest from that date payable on January 1 and July 1 of each year, beginning on January 1, 2009.

Interest on the 2008 Series A Bonds will be computed on the basis of a 30-day month and a 360-day year. So long as the 2008 Series A Bonds are in book-entry-only form, payments of principal and interest for each 2008 Series A Bond will be paid to the securities depository.

The 2008 Series A Bonds are issued as fully-registered bonds without coupons in the principal denominations of $5,000 or any multiples thereof.

The Bank of New York Mellon Trust Company, N.A., or its successor, is the trustee for the 2008 Series A Bonds (**Trustee**). In addition, the Trustee is the registrar (**Registrar**) and paying agent (**Paying Agent**) for the 2008 Series A Bonds.

Optional Redemption

The 2008 Series A Bonds maturing on or after July 1, 2019 are subject to optional redemption on July 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 2008 Series A Bonds, and the Capital Finance Director shall direct the amounts and maturities of the 2008 Series A Bonds to be redeemed.

Selection of 2008 Series A Bonds

The 2008 Series A Bonds shall be called for redemption in multiples of $5,000 and bonds of denominations of more than $5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by $5,000, and such bonds may be selected for redemption in part. So long as the 2008 Series A Bonds are in book-entry form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of the 2008 Series A Bonds affected thereby shall be made solely by DTC and the DTC Participants in accordance with their then prevailing rules.

Notice of Redemption

So long as the 2008 Series A Bonds are in book-entry form, a notice of the redemption of any 2008 Series A Bonds shall be sent to the securities depository not less than 30 days or more than 60 days prior to the date of redemption.

Interest on any 2008 Series A Bond so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for.

Ratings

At the State's request, several rating agencies have assigned a rating to the 2008 Series A Bonds:

Rating	Rating Agency
AA	Fitch Ratings
Aa3	Moody's Investors Service, Inc.
AA+	Standard and Poor's Ratings Services

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 2008 Series A Bonds and the Outstanding 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 2008 Series A Bonds and the Outstanding Bonds.

Sources and Applications

It is expected that the proceeds of the 2008 Series A Bonds will be applied as follows. Investment earnings on unspent 2008 Series A Bond proceeds deposited into the Program Account are not included with the amounts below but will be applied to cost of Projects.

Sources	
Principal Amount of the 2008 Series A Bonds	$185,000,000.00
Original Issue Premium	8,438,411.70
Total Sources	$193,438,411.70
Applications	
Deposit to the Program Account to Pay	
Costs of Projects	$192,258,604.46
Costs of Issuance	185,000.00
Underwriters' Discount	994,807.24
Total Applications	$193,438,411.70

Book-Entry-Only Form

The 2008 Series A Bonds will initially be issued in book-entry-only form. Purchasers of the 2008 Series A Bonds will not receive bond certificates but instead will have their ownership in the 2008 Series A Bonds recorded in the book-entry system.

2008 Series A Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the 2008 Series A Bonds. Ownership of the 2008 Series A 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 2008 Series A Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The Trustee will make all payments of principal of, interest on, and any redemption premium on the 2008 Series A Bonds to DTC. Owners of the 2008 Series A Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State and Trustee will provide notices and other communications about the 2008 Series A Bonds to DTC. Owners of the 2008 Series A Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but rather will give a proxy through the DTC Participants.

Redemption

If less than all of the 2008 Series A Bonds of a given maturity are being redeemed, DTC's practice is to determine by lottery the amount of the 2008 Series A 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, 2008 Series A 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 and Trustee are not responsible for any information available on DTC's web site. That information may be subject to change without notice.

The State and Trustee are not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the 2008 Series A 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 2008 Series A Bonds were not in book-entry-only form, how the 2008 Series A Bonds are paid, redeemed, and transferred would differ.

Payment

Payment of principal would be made by check or draft issued upon presentation and surrender of the 2008 Series A Bonds at the office of the Paying Agent. Payment of interest due on the 2008 Series A Bonds would be made by check or draft mailed to the registered owner shown in the registration books on the Record Date, which is the 15^{th} day of the month (whether or not a business day) of the month preceding the Interest Payment Date.

Redemption

2008 Series A Bonds, if less than all of a particular maturity is to be redeemed, would be selected for redemption by lot. Any notice of the redemption of any 2008 Series A Bonds would be mailed not less than 30 days prior to the date of redemption to the registered owners of any 2008 Series A Bonds to be redeemed. Interest on any Bond called for redemption would cease to accrue on the redemption date so long as the 2008 Series A Bond was paid or money were on deposit with the Registrar or Paying Agent for its payment.

Transfer

Any 2008 Series A Bond would be transferred by the person in whose name it is registered, in person or by his duly authorized legal representative, upon surrender of the 2008 Series A Bond to the Registrar for cancellation, together with a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any 2008 Series A Bond is surrendered for transfer, the Registrar shall deliver 2008 Series A Bonds, in like aggregate principal amount, interest rate, and maturity. The Registrar may require the Bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer and may charge a sum sufficient to pay the cost of preparing such 2008 Series A Bond. The Registrar shall not be obliged to make any transfer or exchange of 2008 Series A Bonds:

(1) after the 15th day of the month preceding an Interest Payment Date for the 2008 Series A Bond,

(2) during the 15 days preceding the date of the mailing of a notice of redemption of 2008 Series A Bonds selected for redemption, or

(3) after such 2008 Series A Bond has been called for redemption.

SECURITY FOR THE 2008 SERIES A BONDS

General

Information concerning the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program (**Program**), security for the Bonds, sources of payment, vehicles subject to registration, past and projected vehicle registration fees, past and projected other vehicle registration-related fees, registration fee collection procedures, Reserve Fund, additional Bonds, and the Department is included as APPENDIX A to this Official Statement, which includes by reference Part V of the 2007 Annual Report. APPENDIX A also includes updates to Part V of the 2007 Annual Report.

Prior Bonds

The State has previously issued many series of Transportation Revenue Bonds, of which the following are currently Outstanding Bonds within the meaning of the General Resolution:

Bond Issue	Dated Date
Transportation Revenue Bonds, 1993 Series A (**1993 Bonds**)	September 1, 1993
Transportation Revenue Bonds, 1998 Series A (**1998 Series A Bonds**)	August 15, 1998
Transportation Revenue Bonds, 1998 Series B (**1998 Series B Bonds**)	October 1, 1998
Transportation Revenue Bonds, 2001 Series A (**2001 Bonds**)	November 15, 2001
Transportation Revenue Refunding Bonds, 2002 Series 1 **(2002 Series 1 Bonds)**	April 15, 2002
Transportation Revenue Refunding Bonds, 2002 Series 2 **(2002 Series 2 Bonds)**	April 15, 2002
Transportation Revenue Bonds, 2002 Series A **(2002 Series A Bonds)**	October 15, 2002
Transportation Revenue Bonds, 2003 Series A **(2003 Bonds)**	November 1, 2003
Transportation Revenue Refunding Bonds, 2004 Series 1 **(2004 Bonds)**	September 30, 2004
Transportation Revenue Bonds, 2005 Series A **(2005 Series A Bonds)**	March 10, 2005
Transportation Revenue Bonds, 2005 Series B **(2005 Series B Bonds)**	September 29, 2005
Transportation Revenue Bonds, 2007 Series A **(2007 Series A Bonds)**	March 8, 2007
Transportation Revenue Refunding Bonds, 2007 Series 1 **(2007 Series 1 Bonds)**	March 8, 2007

These Outstanding Bonds (collectively, **Prior Bonds**) and the 2008 Series A Bonds, together with any additional Bonds issued by the State pursuant to the General Resolution, are referred to collectively as the **Bonds**. As of July 15, 2008, the amount of outstanding Prior Bonds was $1,326,135,000.

The 2008 Series A Bonds are issued on a parity with the Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution.

The State has also issued Transportation Revenue Commercial Paper Notes of 1997, Series A and Transportation Revenue Commercial Paper Notes of 2006, Series A (collectively, **Notes**). As of July 15, 2008, the amount of outstanding Notes was $177,618,000. The Notes were issued pursuant to the General Resolution and pursuant to Series Resolutions that provide that the Notes are junior and subordinate to the Bonds. The Commission has authorized the issuance of additional Bonds to pay for the funding of the Notes. If and when issued, the funding Bonds will be on a parity with the Prior Bonds, the 2008 Series A Bonds, and any additional parity Bonds issued by the State pursuant to the provisions and conditions of the General Resolution.

Security

The 2008 Series A Bonds are revenue obligations of the State payable solely from the Redemption Fund created by the General Resolution. The 2008 Series A Bonds, the Prior Bonds, and any additional parity Bonds issued by the State pursuant to the General Resolution, are secured by a first lien pledge of Program Income (as defined herein), and the funds created by the General Resolution pledged to the payment of interest, principal, and Redemption Price on the Bonds.

Program Income includes vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes **(Registration Fees)** and certain other vehicle registration-related fees added pursuant to 2003 Wisconsin Act 33 and a supplement to the General Resolution dated October 15, 2003 **(Other Registration-Related Fees)**. Other Registration-Related Fees include many types of fees that are enumerated in the Wisconsin Statutes, however, many of the Other Registration-Related Fees result in insignificant or sporadic annual revenues. Given this insignificant and sporadic nature, the State is currently providing continuing disclosure on some, but not all, Other Registration-Related Fees. These specific Other Registration-Related Fees include vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees. SEE APPENDIX A.

The Notes, and any other obligations to be issued on parity with the Notes, are also revenue obligations of the State payable from Program Income deposited into the Subordinated Debt Service Fund authorized by the General Resolution and created pursuant to the Series Resolutions for the Notes. The pledge of Program Income to the Subordinated Debt Service Fund is subordinate to the pledge of Program Income to the Redemption Fund.

The 2008 Series A Bonds shall be revenue obligations of the State payable solely out of the Redemption Fund. The State is not generally liable on the 2008 Series A Bonds, and the 2008 Series A Bonds shall not be a debt of the State for any purpose whatsoever.

Flow of Funds; Other

All Program Income shall be collected by the Trustee, or the Department as agent of the Trustee, and deposited outside the State Treasury in an account with the Trustee defined as the **Redemption Fund**. Program Income is defined to include all the interest earned or gain realized from the investment of the Redemption Fund.

Program Income received by the Trustee in the Redemption Fund is to be used:

(1) to pay interest on all Outstanding Bonds,

(2) to pay the principal or Redemption Price of all Outstanding Bonds,

(3) to maintain the Debt Service Reserve Requirement in the Reserve Fund,

(4) to pay, from the Program Expense Fund, direct administrative expenses (**Program Expenses**) of the State's program of financing Projects, and

(5) to pay, from the Subordinated Debt Service Fund, principal of and interest on the Notes and any other obligations issued on a parity with the Notes.

Program Income in excess of the amount needed for such purposes is to be transferred to the Transportation Fund held by the Department free of the lien of the pledge of the General Resolution and will be used by the Department for any of its authorized purposes.

The State pledges and agrees with the Bondholders that the State will not limit or alter its powers to fulfill the terms of any agreements (made in the General Resolution or in the Bonds) with the Bondholders, or in any way impair the rights and remedies of the Bondholders until the Bonds, together with interest, including interest on any unpaid installments of interest thereon, and Redemption Price thereof, and all costs and expenses in connection with any action or proceeding by or on behalf of the Bondholders, are fully met and discharged.

Reserve Fund

The General Resolution creates a Reserve Fund and provides that it shall be used in the event there is a deficiency in the Redemption Fund for the payment of principal of and interest on all of the then Outstanding Bonds. If there is a deficiency in the Reserve Fund, the Trustee shall, after setting aside in the Principal and Interest Account the applicable amount required to be deposited therein, deposit Program Income into the Reserve Fund in an amount sufficient to remedy such deficiency.

The State pursuant to each Series Resolution specifies the Debt Service Reserve Requirement, if any, for each Series of Bonds. No representation is made as to the Debt Service Reserve Requirement that the State may specify for any Series of additional Bonds. Since 2005, the State has not specified a Debt Service Reserve Requirement for any Series of Bonds that have been issued. The State will continue this practice with the issuance of the 2008 Series A Bonds. Accordingly, the Debt Service Reserve Requirement for the 2008 Series A Bonds is $0.00. The State will make future decisions about the Debt Service Reserve Requirement to be specified for any Series of additional Bonds, and any resulting change in the amount of Reserve Fund, on a case-by-case basis.

The individual Debt Service Reserve Requirements for each Series of the Outstanding Bonds are combined to determine the aggregate Debt Service Reserve Requirement for the Reserve Fund. If all of the Bonds of a Series cease to be Outstanding, then the aggregate Debt Service Reserve Requirement is reduced by the Debt Service Reserve Requirement attributable to that Series of Bonds. The aggregate Debt Service Reserve Requirement of all Outstanding Bonds (including the Debt Service Reserve Requirement of $0.00 for the 2008 Series A Bonds) is currently $16,341,600. If the State continues its practice of not specifying a Debt Service Reserve Requirement for future Series of additional Bonds, and as all Bonds of a Series that have a specified Debt Service Reserve Requirement cease to be Outstanding, the aggregate Debt Service Reserve Requirement is expected to decline. However, this depends on future decisions the State makes regarding the Debt Service Reserve Requirement to be specified for any Series of additional Bonds.

Since 1993, the State has funded the Reserve Fund, in part, with an irrevocable surety bond **(Surety Bond)** issued by Ambac Assurance Corporation **(Ambac Assurance)**, which is an asset of the Reserve Fund and noncancelable by the provider until it expires on the earlier of July 1, 2023, or when all Bonds are paid in full. Pursuant to the terms of the Surety Bond, the amount available thereunder is the lesser of $51,258,600 or the aggregate Debt Service Reserve Requirement, currently $16,341,600. No information is provided in this Official Statement about any credit rating assigned to the obligations of Ambac Assurance. See APPENDIX A for information that has been supplied by Ambac Assurance.

The amount currently available in the Reserve Fund is $26,463,600, consisting of the amount currently available under the Surety Bond ($16,341,600) and cash and investments ($10,122,000). The State may, pursuant to the General Resolution, transfer cash and investments on deposit in the Reserve Fund that are in excess of the aggregate Debt Service Reserve Requirement to the Interest and Principal

Account at the end of any fiscal year. While it has not been the State's practice to reduce the funds available in the Reserve Fund by making such transfers of cash and investments in conjunction with a reduction in the aggregate Debt Service Reserve Requirement, there is no assurance that the amount available in the Reserve Fund will be maintained at any amount in excess of the-then aggregate Debt Service Reserve Requirement calculated as of any particular date of computation.

The Surety Bond was acquired in 1993 pursuant to provisions of the General Resolution that provide that, in lieu of a deposit to the Reserve Fund of an amount equal to the Debt Service Reserve Requirements, the State may provide for a letter of credit, municipal bond insurance policy, surety bond, or other type of agreement or arrangement with an entity having, at the time of entering into such agreement or arrangement, a credit rating equal to or greater than the rating on the Bonds which provides for the availability, at the times required pursuant to the provisions of any Series Resolution, of an amount at least equal to such Debt Service Reserve Requirements and such method of funding shall be deemed to satisfy all provisions of the Series Resolution with respect to the Debt Service Reserve Requirements and the amount required to be on deposit in the Reserve Fund with respect to such Series of Bonds.

2007 Annual Report—Correction of Reserve Fund Calculation

Part V of the 2007 Annual Report included a description of the Reserve Fund for the Bonds. The amount of the aggregate Debt Service Reserve Requirement in this description was not calculated correctly; the figure consisted of the total of the individual Debt Service Reserve Requirements specified for all previously issued Series of Bonds (whether or not Outstanding), rather than just those of the-then Outstanding Series of Bonds. As described above and in the description of the Reserve Fund in the 2007 Annual Report, the aggregate Debt Service Reserve Requirement is reduced by the amount of the individual Debt Service Reserve Requirements specified for any Series of Bonds which cease to be Outstanding. Since the amount of the aggregate Debt Service Reserve Requirement was not calculated correctly, the 2007 Annual Report also overstated both the amount of the Surety Bond (which by its terms is equal to the lesser of $51,258,600 or the aggregate Debt Service Reserve Requirement) and the amount available in the Reserve Fund. As stated in the 2007 Annual Report, there is no assurance that the Reserve Fund will be maintained at any amount in excess of the aggregate Debt Service Reserve Requirement.

Additional Bonds

The General Resolution authorizes the issuance of additional Bonds for the purpose of paying the costs of Projects, funding reserves, paying costs of issuance, and refunding Outstanding Bonds. Except in the case of additional Bonds issued to refund Outstanding Bonds, additional Bonds may be issued only if Program Income for any 12 consecutive calendar months of the preceding 18 calendar months was at least equal to 2.25 times the maximum aggregate Principal and Interest Requirement in any Bond Year for all Outstanding Bonds, including the Bonds to be issued. The General Resolution defines **Outstanding Bonds**, as of any particular date, as all Bonds previously delivered and expected to be delivered, except (1) any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Registrar, (2) any Bond deemed to have been defeased pursuant to the General Resolution, and (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the requirements of the General Resolution or any Series Resolution.

SUMMARY OF THE GENERAL RESOLUTION

A summary of the General Resolution is included as APPENDIX A to this Official Statement, which includes by reference Part V of the 2007 Annual Report.

BORROWING PROGRAM

The 2008 Series A Bonds are the first issuance of transportation revenue bonds in calendar year 2008.

The Commission has authorized up to $250 million of transportation revenue refunding bonds. The amount and timing of any issuance of any transportation revenue refunding bonds depend on market conditions.

The Commission has previously authorized the issuance of additional Bonds for the funding of the outstanding Notes. If and when issued, these funding Bonds will be on parity with the Prior Bonds, the 2008 Series A Bonds, and any additional parity Bonds issued by the State pursuant to the provisions and conditions of the General Resolution.

UNDERWRITING

The 2008 Series A Bonds are being purchased by an underwriting group, for which Lehman Brothers Inc. is acting as the representative **(Underwriters)**. The Underwriters have agreed, subject to certain conditions, to purchase from the State the 2008 Series A Bonds described on the front cover of this Official Statement at an aggregate purchase price of $192,443,604.46, reflecting an original issue premium of $8,438,411.70 and underwriters' discount of $994,807.24. The Underwriters have agreed to reoffer the 2008 Series A Bonds at the public offering prices or yields set forth on the front cover of this Official Statement. The 2008 Series A Bonds may be offered and sold to certain dealers (including dealers depositing the 2008 Series A Bonds into investment trusts) at prices lower than such public offering prices and such prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all the 2008 Series A Bonds if any 2008 Series A Bonds are purchased.

Certain legal matters will be passed upon for the Underwriters by their counsel, Gonzalez Saggio & Harlan LLP.

CUSIP NUMBERS, REOFFERING YIELDS, AND PRICES

Both the tables appearing on the next page and on the cover include information about the 2008 Series A Bonds and are provided for reference. The CUSIP number for each maturity has been obtained from sources believed to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices. For each of the 2008 Series A Bonds subject to optional redemption, the yield at issuance shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

LEGALITY FOR INVESTMENT

State law provides that the 2008 Series A Bonds are legal investments for the following:

- Banks and bankers, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business.
- Personal representatives, guardians, trustees, and other fiduciaries.
- The State and all public officers, municipal corporations, political subdivisions, and public bodies.

$185,000,000
State of Wisconsin
Transportation Revenue Bonds, 2008 Series A

Dated Date: Date of Delivery
First Interest Date: January 1, 2009
Delivery/Settlement Date: On or about August 27, 2008

CUSIP	Year (July 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance		First Optional Call Date (July 1)	Call Price
977123 XC7	2010	$ 5,595,000	5.00%	2.33%	104.789%		Not Callable	-
977123 XD5	2011	5,875,000	5.00	2.81	105.943		Not Callable	-
977123 XE3	2012	6,170,000	5.00	3.05	107.019		Not Callable	-
977123 XF0	2013	6,475,000	5.00	3.24	107.828		Not Callable	-
977123 XG8	2014	6,800,000	5.00	3.42	108.301		Not Callable	-
977123 XH6	2015	7,140,000	5.00	3.57	108.611		Not Callable	-
977123 XJ2	2016	7,500,000	5.00	3.72	108.634		Not Callable	-
977123 XK9	2017	7,875,000	5.00	3.86	108.468		Not Callable	-
977123 XL7	2018	8,265,000	5.00	3.98	108.235		Not Callable	-
977123 XM5	2019	8,680,000	5.00	4.17	106.640	(a)	2018	100%
977123 XN3	2020	9,115,000	5.00	4.31	105.482	(a)	2018	100
977123 XP8	2021	9,570,000	5.00	4.42	104.583	(a)	2018	100
977123 XQ6	2022	10,045,000	5.00	4.50	103.935	(a)	2018	100
977123 XR4	2023	10,550,000	5.00	4.56	103.452	(a)	2018	100
977123 XS2	2024	11,075,000	5.00	4.62	102.972	(a)	2018	100
977123 XT0	2025	11,630,000	5.00	4.68	102.495	(a)	2018	100
977123 XU7	2026	12,210,000	5.00	4.73	102.099	(a)	2018	100
977123 XV5	2027	12,825,000	5.00	4.77	101.783	(a)	2018	100
977123 XW3	2028	13,465,000	5.00	4.82	101.391	(a)	2018	100
977123 XX1	2029	14,140,000	5.00	4.87	101.000	(a)	2018	100

(a) These 2008 Series A Bonds are priced to the July 1, 2018 first optional call date.

PENDING LITIGATION

The State and its officers and employees are defendants in numerous lawsuits. It is not expected that the pending litigation will be finally determined so as to result individually or in the aggregate in a final judgment against the State which would materially affect the payment of interest on, principal of, or Redemption Price of the 2008 Series A Bonds.

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the 2008 Series A 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 2008 Series A 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 2008 Series A Bonds, (2) the validity of the 2008 Series A Bonds or any of the proceedings and authority by which the same have been issued and sold, or (3) the pledge or application of any moneys or security provided for the payment of the 2008 Series A Bonds, or the existence of the Department or its power to charge and collect Registration Fees and Other Registration-Related Fees and to pledge them for the payment of the 2008 Series A Bonds.

In the event certificated 2008 Series A Bonds are issued, the certificate of the Attorney General will be printed on the reverse side of each 2008 Series A Bond.

LEGALITY

All legal matters incident to the authorization, issuance, and delivery of the 2008 Series A Bonds are subject to the opinion of Quarles & Brady LLP (**Bond Counsel**).

TAX EXEMPTION

Bond Counsel will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the 2008 Series A Bonds under existing law substantially in the form set forth in APPENDIX C. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the 2008 Series A Bonds.

The State has covenanted to comply with all requirements referenced in the legal opinion to the extent it may lawfully do so. However, the proceedings authorizing the 2008 Series A Bonds do not provide for an increase in interest rates in the event of taxability or in the event of the inclusion of interest as an item of tax preference in computing the alternative minimum tax.

In the opinion of Bond Counsel, the 2008 Series A Bonds are not "private activity bonds" under Section 141(a) of the Internal Revenue Code, as amended **(Code)**.

The initial public offering prices of certain of the 2008 Series A Bonds (**Premium Bonds**) are more than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to have "bond premium" equal to the difference between the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Premium Bonds were sold **(issue price)** and the stated redemption price at maturity.

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. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

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

Prospective purchasers of the 2008 Series A Bonds should be aware that ownership of the 2008 Series A Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the 2008 Series A Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time, legislation is proposed which, if enacted, could alter one or more of the federal tax matters referred to above or could adversely affect the market value of the 2008 Series A Bonds. It cannot be predicted whether or in what form any of such proposals may be enacted and whether, if enacted, such proposals will apply to the 2008 Series A Bonds.

State Taxes

The interest on the 2008 Series A Bonds is not excluded from present Wisconsin income or franchise taxes. Investors should consult their own tax advisors with respect to the state and local tax consequences of owning a 2008 Series A Bond.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the 2008 Series A Bonds, to provide an annual report presenting certain financial information and operating data about the State **(Annual Report)**. 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: August 6, 2008

STATE OF WISCONSIN

By: /S/ JIM DOYLE
Governor Jim Doyle, Chairperson
State of Wisconsin Building Commission

By: /S/ DAVID W. HELBACH
David W. Helbach, Secretary
State of Wisconsin Building Commission

By: /S/ FRANK J. BUSALACCHI
Frank J. Busalacchi, Secretary
State of Wisconsin Department of Transportation

APPENDIX A

INFORMATION ABOUT THE TRANSPORTATION REVENUE BOND PROGRAM

This Appendix includes by reference information concerning the State of Wisconsin Transportation Revenue Bond Program, contained in Part V 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 changes or additions to the information presented in Part V of the 2007 Annual Report.

Part V of the 2007 Annual Report contains information concerning the Transportation Revenue Bond Program, security for the Bonds, sources of payment, vehicle registration fees, other vehicle registration-related fees, registration fee collection procedures, the Reserve Fund, additional Bonds, the Wisconsin Department of Transportation **(Department** or **DOT)**, and a summary of the General Resolution. Included as Appendix A to Part V of the 2007 Annual Report are the independent auditor's reports and audited statements of cash receipts and disbursements for the years ended June 30, 2007 and June 30, 2006.

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 2007Annual 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 Part V 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 describe occurrences other than listed material events under the State's Master Agreement on Continuing Disclosure.

Security; Reserve Fund (Part V; Page 149). Replace with the information that is included on pages 7 and 8 of this Official Statement. The information in this Official Statement corrects certain information that was included in the description of the Reserve Fund in Part V of the 2007 Annual Report.

Security; Reserve Fund; Ambac Assurance (Part V; Pages 150-151). Update with the following information:

The following information has been supplied by Ambac Assurance Corporation **(Ambac Assurance)** and no representation is made by the State or the Underwriters as to the accuracy or completeness of the information.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands, with admitted assets of approximately $12,282,000,000 (unaudited) and statutory capital of approximately $6,806,000,000 (unaudited) as of March 31, 2008. Ambac Assurance has been assigned the following financial strength ratings by the following rating agencies: Aa3, with negative outlook, by Moody's Investors Service, Inc., and AA, on CreditWatch with negative implications, by Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the issuer.

Ambac Assurance makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, this Official Statement or the 2007 Annual Report other than the information supplied by Ambac Assurance and presented in this Appendix to the Official Statement and in the 2007 Annual Report under the headings "Surety Bond" and "Ambac Assurance".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. **(Company)**, is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission **(SEC)**. These reports, proxy statements, and other information can be read and copied at the SEC's public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800- SEC-0330 for further information on the public reference room. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements, and other information can also be read at Ambac Assurance's internet website at www.ambac.com and at the offices of the New York Stock Exchange, Inc. at 20 Broad Street, New York, New York 10005. The internet site and website included above are not incorporated by reference into this Official Statement.

Copies of Ambac Assurance's financial statements prepared in accordance on the basis of accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance are available without charge from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number is One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in the information supplied by Ambac Assurance for use in this Official Statement:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and filed on February 29, 2008;

2. The Company's Current Report on Form 8-K dated and filed on March 7, 2008;

3. The Company's Current Reports on Form 8-K dated and filed on March 12, 2008;

4. The Company's Current Report on Form 8-K dated and filed on April 23, 2008;

5. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2008 and filed on May 12, 2008;

6. The Company's Current Report on Form 8-K dated and filed on May 9, 2008;

7. The Company's Current Report on Form 8-K dated and filed on May 28, 2008;

8. The Company's Current Report on Form 8-K dated and filed on June 4, 2008;

9. The Company's Current Report on Form 8-K dated and filed on June 5, 2008;

10. The Company's Current Report on Form 8-K dated and filed on June 19, 2008;

11. The Company's Current Report on Form 8-K dated and filed on June 20, 2008;

12. The Company's Current Report on Form 8-K dated June 26, 2008 and filed on June 27, 2008; and

13. The Company's Current Report on Form 8-K dated July 7, 2008 and filed on July 8, 2008.

Ambac Assurance's consolidated financial statements and all other information relating to Ambac Assurance and subsidiaries included in the Company's periodic reports filed with the SEC subsequent to the date of this Official Statement and prior to the date of closing of the 2008 Series A Bonds shall, to the extent filed (rather than furnished pursuant to Item 9 of Form 8-K), be deemed to be incorporated by reference into the information supplied by Ambac Assurance for use in this Official Statement and to be a part hereof from the respective dates of filing of such reports.

Any statement contained in a document incorporated by reference in the information supplied by Ambac Assurance for use in this Official Statement shall be modified or superseded for the purposes of this Official Statement to the extent that a statement contained in a subsequently filed document incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the information supplied by Ambac Assurance for use in this Official Statement.

Copies of all information regarding Ambac Assurance that is incorporated by reference in the information supplied by Ambac Assurance for use in this Official Statement are available for inspection in the same manner as described above.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above.

Table V-2; Debt Service of Outstanding Transportation Revenue Bonds and Estimated Revenue Coverage (Pages 151-152). Replace with the following updated table:

The table on the following page shows the forecasted coverage of annual debt service on the Outstanding Bonds following the issuance of the 2008 Series A Bonds, based on the Department's estimated Program Income for 2009-2017. There can be no assurance that the estimated vehicle registration and other vehicle registration-related fees will be realized in the amounts shown.

Estimated Debt Service on the 2008 Series A Bonds and Estimated Coverage for Outstanding Bonds

Maturity (July 1)	Principal	Coupon	Interest	Debt Service on 2008 Series A Bonds	Debt Service on the Prior Bonds	Total Debt Service[a]	Estimated Registration Fees (Millions)[b]	Estimated Certain Other Registration-Related Fees (Millions)[b]	Estimated Total Program Income (Millions)[b]	Estimated Coverage Ratio[a][c]
2009			$7,811,111	$7,811,111	$145,040,781	$176,852,792	$538.30	$88.34	$626.64	3.54
2010	$ 5,595,000	5.00%	9,250,000	14,845,000	133,490,046	172,364,946	555.80	88.34	644.14	3.74
2011	5,875,000	5.00%	8,970,250	14,845,250	133,524,148	172,444,048	561.00	88.34	649.34	3.77
2012	6,170,000	5.00%	8,676,500	14,846,500	131,067,979	170,036,879	580.50	88.34	668.84	3.93
2013	6,475,000	5.00%	8,368,000	14,843,000	131,226,971	170,255,871	587.10	88.34	675.44	3.97
2014	6,800,000	5.00%	8,044,250	14,844,250	131,055,881	170,147,281	607.70	88.34	696.04	4.09
2015	7,140,000	5.00%	7,704,250	14,844,250	123,061,994	162,235,144	615.50	88.34	703.84	4.34
2016	7,500,000	5.00%	7,347,250	14,847,250	114,680,700	153,935,600	637.30	88.34	725.64	4.71
2017	7,875,000	5.00%	6,972,250	14,847,250	105,298,813	144,646,963	646.20	88.34	734.54	5.08
2018	8,265,000	5.00%	6,578,500	14,843,500	117,146,788	141,233,438				
2019	8,680,000	5.00%	6,165,250	14,845,250	117,400,423	132,245,673				
2020	9,115,000	5.00%	5,731,250	14,846,250	109,416,545	124,262,795				
2021	9,570,000	5.00%	5,275,500	14,845,500	109,622,740	124,468,240				
2022	10,045,000	5.00%	4,797,000	14,842,000	93,528,145	108,370,145				
2023	10,550,000	5.00%	4,294,750	14,844,750	72,588,920	87,433,670				
2024	11,075,000	5.00%	3,767,250	14,842,250	56,686,473	71,528,723				
2025	11,630,000	5.00%	3,213,500	14,843,500	36,725,720	51,569,220				
2026	12,210,000	5.00%	2,632,000	14,842,000	19,035,600	33,877,600				
2027	12,825,000	5.00%	2,021,500	14,846,500	19,119,450	33,965,950				
2028	13,465,000	5.00%	1,380,250	14,845,250		14,845,250				
2029	14,140,000	5.00%	707,000	14,847,000		14,847,000				
	$185,000,000		$119,707,611	$304,707,611						

(a) Includes estimated debt service for assumed aggregate $178 million in Bonds that could be issued to fund the two Outstanding issues of Notes. These assumed bond issues are amortized with level debt service payments until 2018 and 2017, respectively, using an assumed interest rate of 5.00% per annum.

(b) The estimated fees for 2009 through 2017 reflect revenue projections completed by the Department using data available at the end of April, 2008, and also reflect the various fee increases contained within the 2007-09 biennial budget (2007 Wisconsin Act 20). Excludes interest earnings.

(c) Assumes that no additional Bonds will be issued and continuation of current Registration Fees and Other Registration-Related Fees. Estimates of Program Income and coverage beyond 2017 are not available.

Table V-5; Actual Number of Motor Vehicle Registrations (Page 154). Replace with the following updated table:

ACTUAL NUMBER OF MOTOR VEHICLE REGISTRATIONS[(a)]
(Millions of Vehicles)

Fiscal Year (June 30)	Automobiles[(b)]	Trucks[(c)]	Other Vehicles [(d)]	Total	% Change
1999	3.03	0.92	.66	4.61	—
2000	3.10	0.96	.64	4.70	1.6%
2001	3.17	1.00	.69	4.86	3.4
2002	3.22	1.03	.70	4.95	1.9
2003	3.29	1.05	.75	5.09	2.8
2004	3.32	1.08	.77	5.17	1.6
2005	3.36	1.11	.85	5.32	2.9
2006	3.41	1.14	.89	5.44	2.3
2007	3.47	1.14	.97	5.58	2.5
2008[(e)]	3.52	1.14	.98	5.64	1.1

(a) In fiscal year 2005, the methodology for reporting vehicle registrations was changed from vehicle frame-based to vehicle registration-type. All of the information in this table reflects the use of the new vehicle registration-type methodology.

(b) "Automobiles" include autos, minivans, and sport utility vehicles.

(c) "Trucks" includes trucks and other vehicles that pay Registration Fees based on the vehicle's gross weight.

(d) "Other Vehicles" include mobile homes, motorcycles, mopeds, buses, and several other vehicle types.

(e) Preliminary; subject to adjustment as the State completes accounting entries for fiscal year 2007-08.

Source: Wisconsin Department of Transportation

Table V-6; Actual Registration Fee Revenues (Page 155). Replace with the following updated table:

ACTUAL REGISTRATION FEE REVENUES
(Amounts in Millions)

Fiscal Year (June 30)	Non-IRP Fees	Pledged IRP Fees[a]	Total	% Change
1999	$244.6	$49.9	$294.5	—
2000	255.7	55.1	310.8	5.5
2001	258.4	55.5	313.9	1.0
2002	267.9	55.8	323.7	3.1
2003	267.3	53.0	320.3	(1.1)
2004[a]	302.1	57.1[b]	359.2	12.1
2005	314.4	60.7[b]	375.1	4.4
2006	333.6	62.7[b]	396.3	5.7
2007	322.6	62.2	384.8	(2.9)
2008[c][d]	385.4	70.1	455.5	18.4

[a] The increase in fiscal year 2004 reflects the $10 increase in registration fees for automobiles that went into effect on October 1, 2003.

[b] The Pledged IRP fees for fiscal years 2004, 2005, and 2006 have been revised and restated to reflect a correction in the recording of revenue obtained through the IRP program.

[c] The increase in fiscal year 2008 reflects the $20 increase in registration fees for automobiles, along with other fee increases for other vehicle types, which went into effect on January 1, 2008.

[d] Preliminary; subject to adjustment as the State completes accounting entries for fiscal year 2007-08.

Source: Wisconsin Department of Transportation

Table V-7; Projected Registration Fee Revenues (Page 157). Replace with the following updated table:

PROJECTED REGISTRATION FEE REVENUES
(Amounts in Millions)

Fiscal Year	Revenues[a]	% Change
2009	$538.3	—
2010	555.8	3.2
2011	561.0	0.9
2012	580.5	3.5
2013	587.1	1.1
2014	607.7	3.5
2015	615.5	1.3
2016	637.3	3.5
2017	646.2	1.4

[a] Includes both IRP and non-IRP Registration Fees pursuant to Section 341.25, Wisconsin Statutes. Reflects revenue projections completed by DOT using data available at the end of April 2008 and various fee increases contained within the 2007-09 biennial budget (2007 Wisconsin Act 20). Does not include Other Registration-Related Fees, which are addressed in Part V of the 2007 Annual Report and in the table that appears on the next page of this appendix to the Official Statement.

Source: Wisconsin Department of Transportation

Table V-8; Actual and Projected Other Registration-Related Fees (Pages 161-162). Replace with the following updated table:

ACTUAL AND PROJECTED OTHER REGISTRATION-RELATED FEES

Fiscal Year (June 30)	Title Transaction Fees [a]	Counter Service Fees and Personalized License Plates	Subtotal	Other Miscellaneous Vehicle Registration-Related Fees	Total Registration-Related Fees
1999	$ 24,315,238	$ 9,847,987	$ 34,163,225	$ 13,824,114	$ 47,987,339
2000	24,977,188	10,227,975	35,205,163	17,872,550	53,077,713
2001	24,115,343	10,006,286	34,121,629	15,074,978	49,196,607
2002	24,904,447	10,383,485	35,287,932	18,249,990	53,537,922
2003	25,088,025	10,315,603	35,403,628	15,736,973	51,140,601
2004	35,178,866	10,394,684	45,573,550	19,833,030	65,406,580
2005	37,703,381	9,080,116	46,783,497	11,249,762	58,033,259
2006	48,026,267	9,129,613	57,155,880	8,494,960	65,650,840
2007	50,470,381	8,487,460	58,957,841	8,457,789	67,415,630
2008[b]	63,825,116	8,504,542	72,329,658	8,690,501	81,020,159
2009	78,861,800	9,481,500	88,343,300	9,612,200	97,955,500
2010	78,861,800	9,481,500	88,343,300	9,647,100	97,990,400
2011	78,861,800	9,481,500	88,343,300	9,685,900	98,029,200
2012	78,861,800	9,481,500	88,343,300	9,727,900	98,071,200
2013	78,861,800	9,481,500	88,343,300	9,771,400	98,114,700
2014	78,861,800	9,481,500	88,343,300	9,816,900	98,160,200
2015	78,861,800	9,481,500	88,343,300	9,864,400	98,207,700
2016	78,861,800	9,481,500	88,343,300	9,913,900	98,257,200
2017	78,861,800	9,481,500	88,343,300	9,965,200	98,308,500

[a] Reflects (i) effective date of October 1, 2003 for $10 increase in title transaction fees, (ii) effective date of October 1, 2005 for additional $10 increase in title transaction fees and $12 increase in duplicate title fee, and (iii) effective date of January 1, 2008 for $24.50 increase in title transaction fees.
(b) Preliminary; subject to adjustment as the State completes accounting entries for fiscal year 2007-08.
Source: Wisconsin Department of Transportation.

APPENDIX B

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 Part II 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 changes or additions to the information presented in Part II of the 2007 Annual Report.

The changes or additions include information on the following:

- 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).
- Copy of a memorandum dated February 13, 2008 from the State's Legislative Fiscal Bureau **(LFB)** that presents revised projections of General Fund tax collections for the 2007-09 biennium, which include unfavorable changes from prior projections.
- Projected and actual General Fund cash flows, as of May 31, 2008.

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.

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 Part II 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:

Budget Adjustment Bill

Based on the projections included in the February 13, 2008 LFB memorandum, the Secretary of Administration made a determination on March 5, 2008 that budgeted expenditures would exceed revenues by more than one-half of one percent of general purpose revenues and notified the Governor and Legislature.

In response to this determination, the Governor issued an executive order convening a special session of the Legislature to consider and act upon legislation relating to the projected budget shortfall. A budget adjustment bill 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). A two-thirds vote in each house of the Legislature is required to override any veto and enact the vetoed portion into law. Action to override any veto may be taken before or after the effective date of the act.

The following table provides the estimated General Fund condition statement for the 2007-08 and 2008-09 fiscal years, as of the effective date of 2007 Wisconsin Act 226. The following table also includes, for comparison, the estimated General Fund condition statement for the budget as initially enacted for the 2007-09 biennium (2007 Wisconsin Act 20).

Estimated General Fund Condition Statement
2007-08 and 2008-09 Fiscal Years
(in Millions)

	2007-08 Fiscal Year		2008-09 Fiscal Year	
	2007 Act 20	Budget Adjustment Bill (2007 Act 226)	2007 Act 20	Budget Adjustment Bill (2007 Act 226)
Revenues				
Opening Balance	$ 66.3	$ 66.3	$ 67.0	$ 80.5
Taxes	13,100.1	12,868.3	13,626.2	13,286.5
Department Revenues				
Tribal Gaming	96.7	96.7	46.3	46.3
Other	428.2	643.1	435.0	514.2
Total Available	13,691.4	13,674.4	14,174.5	13,917.5
Appropriations				
Gross Appropriations	13,824.0	13,799.4	14,212.1	14,117.9
Compensation Reserves	62.8	62.8	156.6	132.6
Less: Lapses	(262.4)	(268.3)	(262.0)	(429.3)
Net Appropriations	13,624.4	13,593.9	14,106.8	13,821.2
Balances				
Gross Balance	67.0	80.5	67.7	106.2
Less: Required Statutory Balance	(65.0)	(65.0)	(65.0)	(65.0)
Net Balance, June 30	$ 2.0	$ 15.5	$ 2.7	$ 41.3

The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget (which the Legislature has done 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.

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 differ 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 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 LFB memorandum identified two administrative actions that the Secretary of Administration completed before the release of the LFB memorandum. These actions reduced the potential deficit by approximately $236 million for the 2007-09 biennium.

Taking into account the actions already completed by the Secretary of Administration, the LFB memorandum included an updated General Fund condition statement, which projected a gross ending General Fund balance for the end of the current fiscal year (June 30, 2008) of negative $77 million, and for the end of the current biennium (June 30, 2009) of negative $351 million, not including the statutory required reserve. With respect to the projected gross ending balance for the end of the current biennium, the amount is approximately $419 million less than the balance included in the enacted budget for the 2007-09 biennium.

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.
- 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.

Additional details can be found in the complete copy of the LFB memorandum, which appears on the pages B-4 to B-19 of this Official Statement.

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 appeal's decision in this case, that sales of certain customized software are not subject to the State's sales tax. This is the case commonly referred to as the Wisconsin Department of Revenue vs. Menasha Corporation.

The LFB memorandum of February 13, 2008 included prior estimates from the Wisconsin Department of Revenue **(DOR)** that such a decision could reduce the State sales tax revenues by approximately $28 million annually. This amount is less than the projected gross ending balance of $106 million for the 2008-09 fiscal year, as shown in the above estimated General Fund condition statement. 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 State is currently reviewing the decision. The amount of refunds, if any, that will be paid in the 2008-09 fiscal year is not currently known; a more complete understanding on the timing and amount of refunds will be available on November 20, 2008, when the Department of Administration is required to provide revenue and expenditure estimates for the 2008-09 fiscal year.

Legislative Fiscal Bureau

Robert Wm. Lang, Director

One East Main, Suite 301 • Madison, WI 53703
Email: Fiscal.Bureau@legis.wisconsin.gov
Telephone: (608) 266-3847 • Fax: (608) 267-6873

State of Wisconsin

February 13, 2008

Senator Mark Miller, Senate Chair
Representative Kitty Rhoades, Assembly Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Rhoades:

On January 24, 2008, I sent a letter to you that discussed preliminary information regarding general fund tax revenue estimates for the remainder of the 2007-09 biennium. In that letter, I noted that the December, 2007, tax collection report was considerably weaker than in previous months and thought that it would be prudent to wait until February before issuing our analysis of the condition of the general fund. This would allow us to examine sales taxes paid on purchases during the Christmas shopping season and determine if the weak December report was an anomaly or a trend in collections. It would also provide the opportunity to review the February economic forecast and more recent data on a variety of factors, including the potential effect of interest rate decisions by the Federal Reserve Board and the federal economic stimulus plan.

We have now completed our review. Unfortunately, the January, 2008, collections report and the February forecast both point to further weakness in general fund tax collections.

Based upon our analysis, we project the closing net general fund balance at the end of the biennium to be -$652.3 million. This is prior to decisions made by the Department of Administration (DOA) on February 12, 2008 (described below). The -$652.3 million is $655.0 million below the $2.7 million ending balance that was indicated upon enactment of the state's 2007-09 biennial budget (2007 Act 20).

The $655.0 million is the net result of a decrease in estimated tax collections of $586.5 million, a decrease in departmental revenues of $34.9 million (primarily due to lower interest earnings), and an increase in net expenditures (laws enacted after Act 20, sum sufficient appropriation reestimates, and lapse reestimates) of $33.6 million.

Yesterday, DOA announced two administrative actions aimed at reducing the magnitude of the potential deficit.

In a memorandum to state agency heads dated February 12, 2008, the Secretary of DOA indicated that the Department is taking two actions relating to state agency spending. First, the previously announced allocation of lapses to meet the required $200 million lapse provision under Act 20 will be modified by DOA, so that the entire $200 million will accrue from segregated funds or program revenue accounts. Second, acting under s.16.50 of the statutes, DOA will require GPR-funded agencies to lapse the $106 million previously identified as part of the $200 million lapse under Act 20, as well as an additional $5 million in 2008-09. The effect of these actions will be to improve the general fund's balance by $53 million in 2007-08 and $58 million in 2008-09 compared to the estimates used under Act 20.

The administration also indicates that it will use its existing authority to roll over short-term general obligation borrowing that otherwise would have been paid off in 2007-08 and 2008-09. This action will reduce GPR debt service expenditures by an estimated $63.6 million in 2007-08 and $61.8 million in 2008-09 compared to estimated GPR debt service under Act 20.

These two decisions of the administration are projected to reduce the $652.3 million deficit by a biennial total of $236.4 million to $415.9 million.

The following table reflects the estimated 2007-09 general fund condition statement, which incorporates the revenue and expenditure estimates of this letter and the February 12 actions of the administration.

TABLE 1

2007-09 General Fund Condition Statement

	2007-08	2008-09
Revenues		
Opening Balance, July 1	$66,288,000*	-$76,860,200
Estimated Taxes	12,868,300,000	13,271,500,000
Departmental Revenues		
Tribal Gaming Revenues	96,731,600	46,250,700
Other	467,103,700	472,175,900
Total Available	$13,498,423,300	$13,713,066,400
Appropriations and Reserves		
Gross Appropriations	$13,780,810,400	$14,171,612,500
Compensation Reserves	62,759,600	156,617,900
Less Lapses	-268,286,500	-264,286,400
Net Appropriations	$13,575,283,500	$14,063,944,000
Balances		
Gross Balance	-$76,860,200	-$350,877,600
Less Required Statutory Balance	-65,000,000	-65,000,000
Net Balance, June 30	-$141,860,200	-$415,877,600

*In addition, $55.6 million of the 2006-07 ending balance has been transferred to the budget stabilization fund pursuant to s. 16.518 of the statutes.

There are three items that deserve mention which could impact the figures shown in Table 1. Those items are discussed below.

First, the 2007-09 tribal gaming revenues shown in Table 1 ($96,731,600 in 2007-08 and $46,250,700 in 2008-09) include certain state payments under the Ho-Chunk Nation's 2003 gaming compact amendments. Under the amendments, the Ho-Chunk Nation was to provide certain lump-sum payments to the state in 2003-04 and 2004-05 and payments based on a percent of net casino win in subsequent years. The general fund revenue from tribal gaming indicated in Table 1 assumes the Ho-Chunk will pay, in 2007-08, the lump-sum payment of $30 million originally due in 2004-05, as well as percent-of-net-win payments associated with 2005-06 and 2006-07 casino earnings. In 2008-09, the general fund revenue amount assumes the Ho-Chunk will make a percent-of-net-win payment associated with its 2007-08 casino earnings. However, the timing of any Ho-Chunk payments may be affected by the outcome of litigation, currently pending in the federal court for the Western District of Wisconsin, relating to a dispute between the state and the Ho-Chunk Nation. It is unclear at this time how or when the disputed issues will be resolved.

Second, 2007 Act 20 authorized the transfer of $71.5 million SEG in 2007-08 and $128.5 million SEG in 2008-09 from the injured patients and families compensation fund (IPFCF) to the medical assistance trust fund (MATF), and increased SEG funding from the MATF and reduced GPR funding for MA benefits by corresponding amounts. In response to the Act 20 directive, the Department of Administration has made the 2007-08 transfer.

On October 29, 2007, the Wisconsin Medical Society filed an action in Dane County Circuit Court seeking, among other things, to permanently enjoin the transfer of monies out of the IPFCF, the immediate return to the IPFCF of all monies so transferred, along with lost earnings, and the recovery of the Medical Society's attorneys' fees and costs. The lawsuit remains pending and its ultimate impact on the state's finances, including the MATF, cannot be predicted at this time.

Finally, the tax revenue estimates shown in Table 1 do not include the potential effect of a decision issued by the Court of Appeals on January 25, 2007, in the case Wisconsin Department of Revenue v. Menasha Corporation, with respect to the taxability of computer software. Under state law, while prewritten computer software is subject to the state sales tax on tangible personal property, sales of custom computer software are exempt. In 1998, Menasha Corporation filed a refund claim with the Department of Revenue (DOR) for sales taxes paid on certain computer software that the company believed was custom software. DOR denied the refund claim, and Menasha Corporation appealed to the Tax Appeals Commission, which decided in favor of Menasha Corporation on December 1, 2003. The decision broadened the DOR interpretation of what computer software is to be considered nontaxable custom software. The case was appealed to the Circuit Court, which reversed the Tax Appeals Commission decision on October 26, 2004, and ruled that DOR was correct in collecting sales tax on the computer software in question. Menasha Corporation appealed the Circuit Court's decision to the Court of Appeals, which decided in favor of Menasha Corporation. DOR has appealed the Appeals Court decision, and the Supreme Court agreed to hear the case. Oral arguments were presented in late 2007 and a ruling is expected this spring.

Subsequent to the Appeals Court decision, DOR had estimated the fiscal effect of a final decision in favor of Menasha Corporation as a reduction in state sales tax revenues of approximately $28 million annually. In addition, the Department estimated related refund requests associated with years prior to 2007-08 of up to $221 million. Assuming that the final decision will be made closer to the end of 2007-08, and based on the Department's methodology, this estimate should be updated to approximately $265 million associated with refunds for years prior to 2008-09.

Generally, the statutes authorize claims for refunds to be filed for up to four years from the unextended due date of the claimant's income tax return for the year to which the claim relates. However, longer periods may apply under certain conditions, such as audits or protective claims for refunds. The Department's estimate of the cost of refund requests associated with Menasha Corporation is based on the assumption that refund claims will be filed for 50% of potential claims for 1999 through 2002 and 80% of potential claims for 2003 through the time of final determination of the case. Actual refund requests could be higher or lower than the Department's estimate. Assuming that a final determination of the case would be made prior to the end of 2007-08 or early in 2008-09, the Department expects that most refunds would be paid in the current biennium.

Given the uncertainty of the final determination of the case, the sales tax estimates shown above for the 2007-09 biennium do not incorporate the potential effect of the decision. However, should the Appeals Court decision represent the final determination of the case, it is projected that general fund revenues would be reduced by up to approximately $293 million prior to the end of the 2007-09 biennium ($265 million for refunds for fiscal years through 2007-08 and $28 million associated with computer software sales during 2008-09). While both the precise magnitude and timing of the fiscal effect are uncertain, the $293 million total is based on DOR's expectations for the combined effect of refunds and annual costs through the end of the biennium.

General Fund Taxes

The following section provides information on general fund tax revenues for the 2007-09 biennium, including a discussion of the national economic forecast for 2008 and 2009 and general fund tax revenue projections for fiscal years 2007-08 and 2008-09.

National Economic Forecast. This office first prepared revenue estimates for the 2007-09 biennium in January, 2007, based on the January, 2007, forecast of the U.S. economy by Global Insight, Inc. At that time, positive economic growth was expected to continue in 2007, 2008, and 2009, although at a slower pace than that of 2006. The primary risks to the forecast were that the economy's excess production capacity was less than estimated and that foreign investors would diversify from the dollar in response to the large U.S. trade deficit, which would lead to an acceleration in inflation and interest rates and a lower level of economic growth.

In June, 2007, this office revised its fiscal year 2006-07 revenue estimates upward by $49 million (approximately 0.4%). The revision was based primarily on actual collections through May, 2007. However, because the more recent economic forecasts were somewhat weaker than the January, 2007, forecast, the estimates for 2007-08 and 2008-09 were not increased. Actual collections for 2006-07 exceeded the June estimates by an additional $22 million. However, individual income tax collections in 2006-07 were artificially high by approximately $75 million due to delays in paying refunds for tax year 2006 until 2007-08.

Despite considerable weakness in the housing market, high energy prices, and significant disruptions to credit markets, the economy continued to expand throughout 2007. After a sluggish first quarter of 0.6% real (inflation-adjusted) growth in gross domestic product (GDP), the second and third quarters showed real growth rates of 3.8% and 4.9%, respectively. However, it is believed that the economy slowed dramatically in the fourth quarter, with 0.6% real GDP growth. The slowdown in the fourth quarter reflects an accelerated decline in residential construction, slower consumption growth, and reduced growth in inventories following an unusually high accumulation in the third quarter. For the entire year, nominal (current-dollar) GDP growth is estimated at 4.9% and real growth is estimated at 2.2%. The nominal growth rate is 0.5% higher than projected last January, while the real growth rate is 0.1% lower. This discrepancy reflects a higher rate of inflation than was estimated last January, primarily due to increased prices for fuel.

The labor market was resilient in 2007. Personal income grew by an estimated 6.2% in 2007, compared to last January's estimate of 5.1%, which reflected higher than anticipated growth in both jobs and wages. The unemployment rate for 2007 is now estimated at 4.6%, compared to last January's estimate of 4.9%. The employment and income growth led to higher consumption expenditures, which increased by an estimated at 5.5%, compared to last January's projection of 4.7%. As anticipated, growth in corporate profits slowed significantly from the double-digit increases seen during 2002 through 2006. Growth in pre-tax profits in 2007 is now estimated at 4.2%, which is twice the rate of growth forecast last January.

As described above, by most measures, the economy performed better in 2007 than was anticipated last January, due to strength in the second and third quarters. However, as noted, growth slowed significantly in the fourth quarter, and the current (February, 2008) forecast assumes that the economy has begun to contract. Global Insight believes that the U.S. economy has entered into a recessionary phase that will last through the first half of this year. Real GDP growth is estimated at -0.4% in the first quarter and -0.5% in the second quarter. Positive growth is expected to resume in the third quarter of 2008, in part due to the effects of interest rate cuts and the federal stimulus package. Third-quarter growth is estimated at 3.4% and fourth-quarter growth is estimated at 2.7%. Significantly slower growth (0.7%) is expected in the first quarter of 2009 as the boost to consumer spending from the federal tax rebates diminishes. Real GDP growth is estimated at approximately 3% over the remainder of 2009.

For all of 2008 and 2009, the current forecast expects reduced levels of production, employment, income, profits, and consumption expenditures compared to last year's forecast. Nominal GDP growth is now estimated at 3.6% in 2008 and 4.0% in 2009, compared to last

January's estimates of 5.2% and 5.5%, respectively. Real GDP growth is now estimated at 1.4% in 2008 and 2.2% in 2009, compared to the previous forecast of 3.2% and 3.4%. As in recent months, the main areas of concern going forward are the housing and credit markets and high energy prices. However, new information regarding consumption expenditures, profits, and employment indicates a broader downturn has begun.

After increasing rapidly for several years, housing starts peaked at 2.1 million units in 2005, and then declined by 12.6% (to 1.8 million units) in 2006 and an estimated 25.8% (to 1.3 million units) in 2007. The forecast expects another significant decline in 2008, followed by a strong rebound in 2009. Housing starts are estimated at 0.9 million units in 2008 (a decrease of 33.0% from 2007) and 1.2 million units in 2009 (an increase of 31.1%). Sales of new and existing homes are expected to exhibit a similar pattern, with decreases of 9.5% in 2006, 14.6% in 2007, and 19.5% in 2008, followed by an increase of 10.2% in 2009. The recent declines in housing activity reflect high inventory levels and prices, along with reduced availability of credit. In addition, compared to historical trends, much of the demand for housing in 2004 and 2005 was from investors who did not intend to use the home as a primary residence. These former purchasers have now become sellers of homes, which has contributed to the imbalanced housing market.

The forecast expects housing activity to bottom out in the first half of 2008 and then begin to rebound as the excess inventory is sold off, interest rates decrease, and affordability improves as housing prices decline. Nationwide, housing prices (as measured by the constant-quality price index) decreased by 0.2% in 2007 and are expected to decrease by 5.1% in 2008 and 1.7% in 2009. Beginning in 2010, modest price increases are expected to resume. Median and average prices of new and existing homes are also expected to continue declining at least through 2009. All of these measures of housing activity have been revised downward since last January. As discussed later, a key risk to the baseline forecast is that the housing market will deteriorate further.

Closely tied to the housing market are the credit markets, which experienced significant uncertainty and financial losses during 2007, primarily due to weakness in subprime mortgage loans. In recent years, relaxed lending standards by banks and other lenders have allowed more families to become homeowners and to purchase homes that previously had been beyond their means. These loans often were made with small or no down-payments, and low initial interest rates, which would later adjust upward to reflect market rates. As housing price appreciation slowed and interest rates reset, delinquencies and foreclosures began to rise dramatically, leading to large losses by lenders and by investors who had purchased mortgage-backed securities. Toward the end of 2007, there was also a significant increase in delinquencies on prime-rate mortgages, auto loans, and credit card debt. In response, lending standards have been tightened and there has been a "flight to quality" as investors increased their purchases of less risky assets such as U.S. Treasury securities.

Since last September, the Federal Reserve Board has cut the federal funds rate five times by a total of 225 basis points (from 5.25% to 3.0%). The most recent rate cuts occurred on January 22nd (75 basis points) and January 30th (50 basis points). The January 22nd reduction followed an international stock sell-off based, in part, on fears of a U.S. recession. However, market rates on corporate bonds, mortgage loans, and other types of private-sector debt have not fallen by the same amounts due to increased risk-aversion by lenders. The forecast anticipates that the Federal Reserve will continue to cut rates in order to prevent or mitigate a recession. Specifically, it is expected that the federal funds rate will be reduced by an additional 100 basis points (to 2.0%) by the end of April, 2008, where it will remain through the rest of the year. It is expected that rates will be increased slightly beginning in the first quarter of 2009. Other interest rates are expected to fall by approximately 40 to 70 basis points over the next seven months and then begin rising slowly in the fourth quarter of 2008.

On February 7th, Congress approved a $168 billion economic stimulus package, which included tax rebates for individuals and tax reductions for businesses. As of this writing, the President has not signed the bill, but it is expected that he will do so this week. The plan will provide rebate checks of up to $600 for individuals and up to $1,200 for married couples, with an additional payment of $300 per child and a minimum payment of $300 for individuals who pay less than that amount in federal income taxes. The rebates will be phased out for higher-income taxpayers (individuals with incomes of at least $75,000 and married couples with incomes of at least $150,000). It is anticipated that the Treasury Department will begin distributing the checks in early May after federal income tax returns have been processed. The plan will also allow businesses to depreciate equipment purchases more quickly and increase the amount of capital expenses that small businesses can immediately deduct for tax purposes. The legislation will also increase the loan limits for Fannie Mae, Freddie Mac, and the Federal Housing Administration.

The stimulus package is very similar to, but somewhat larger than, what was assumed by Global Insight in the February forecast (a total package of approximately $150 billion). As noted, it is anticipated that the rebate checks will result in increased consumer spending in the second half of 2008 (6.5% growth in the third quarter and 3.9% growth in the fourth quarter compared to rates of 3.0% and 1.2% in the first and second quarters, respectively). Lower growth rates are expected in the first part of 2009 as the impact of the rebates fades. Global Insight believes that the business tax provisions will affect the timing of certain investments but not have a significant impact on overall economic growth.

After falling in the last quarter of 2006 and first quarter of 2007, oil prices again increased significantly during the remainder of 2007 and early 2008. Crude oil prices had receded to an average of $58 per barrel during the first quarter of 2007, but then rose to approximately $100 per barrel early this year (close to the inflation-adjusted record price of $102.81 per barrel in April, 1980). Prices have since receded to between $90 and $95 per barrel. Global Insight believes that the recent high oil prices reflect temporary geopolitical events and speculation, rather than fundamental supply and demand, and that the slowing economy will result in reduced demand for oil and lower prices in the coming months. Oil prices are expected to decline to approximately $73 per barrel by the fourth quarter of 2008, and then remain between $70 and $75 per barrel throughout the rest of that year and 2009.

As with crude oil, gasoline prices also rose significantly in 2007, from a national average price of $2.43 per gallon in the first quarter to $3.01 per gallon in the fourth quarter. Prices are expected to remain at approximately $3.00 per gallon in the first half of this year and then begin falling in the third quarter. The U.S. average price is expected to be between $2.60 and $2.80 per gallon in the fourth quarter of 2008 and in 2009. However, even with the anticipated decreases later this year, oil and gasoline prices are expected to be significantly higher than in last January's forecast. Natural gas prices are expected to increase by approximately 11.1% during 2008 and 10.2% in 2009. A significant risk to the baseline forecast is that the recent high oil prices will be sustained because they are more reflective of ongoing supply difficulties than speculative buying.

The overall consumer price index (CPI) increased by 2.9% in 2007, primarily due to rising prices for oil and other energy commodities. The CPI for energy commodities rose by 8.2%. Lower levels of inflation are forecast for 2008 and 2009 as the economy slows and oil prices fall. The overall CPI is now estimated at 2.5% in 2008 and 1.6% in 2009. The 2007 figure exceeded last January's forecast by 1.1%; the estimates for 2008 and 2009 are very close to last year's projections. Food prices also rose faster than overall inflation in 2007, with an increase of 4.0%. Food price inflation is estimated at 4.1% in 2008 and 2.1% in 2009. Inflation would be significantly higher (2.9% in 2008 and 3.1% in 2009) if oil prices do not fall as assumed in the baseline forecast.

As noted, personal income growth is estimated at 6.2% in 2007, which is 1.1% above last January's forecast of 5.1%. The higher rate of growth reflects a higher level of both jobs and wages. Other major sources of personal income (farm income, dividends, interest, and transfer payments) also exceeded expectations in 2007. Non-farm proprietors' income was lower than forecast. Personal income growth is now projected to be 4.1% in 2008 and 4.4% in 2009. These growth rates are lower than last January's forecast by 1.4% and 1.8%, respectively. Reduced rates of growth are expected for most components of personal income as overall economic growth slows.

Employment growth is estimated at 1.1% in 2007, which is slightly higher than the 1.0% growth projected last January. However, the projections for 2008 and 2009 have been reduced since last January's forecast. The current forecast anticipates employment growth of 0.3% in 2008 and 0.7% in 2009, compared to the previous estimates of 1.3% and 1.6%. Relative to last January, lower employment growth is expected for nearly all sectors of the economy, with particular weakness in construction jobs. Consistent with the jobs numbers, the unemployment rate is now projected to be higher than estimated last January. The current forecast is for an unemployment rate of 5.3% in 2008 and 5.6% in 2009, compared with last January's projection of 4.9% and 4.6%, respectively.

The forecast for personal consumption expenditures shows a similar pattern, with higher than anticipated growth in 2007, but a less optimistic forecast for 2008 and 2009. Consumption expenditures increased by an estimated 5.5% in 2007, compared to last year's estimate of 4.7%. As in recent years, areas of strength were concentrated in items that are generally not subject to the state sales tax, such as food (6.1% growth), gasoline (6.1%), heating fuel (16.6%), and services (6.0%). Purchases of items that are generally taxable grew more slowly. Sales of motor vehicles and parts increased by 1.6% and sales of other durable goods increased by 3.8%. Sales of nondurable goods, excluding food and fuel, increased by 4.1%.

Overall consumption growth is expected to slow to 4.1% in 2008 and 3.8% in 2009 due to lower personal income growth, tighter credit, and continued weakness in the housing market. The growth rate in 2008 would be even lower if the federal stimulus package had not been approved. As in 2007, higher rates of growth are forecast for food and services. However, due to falling prices, sales of gasoline are expected to show only a modest increase in 2008 and a small decrease in 2009. Sales of motor vehicles and parts are expected to be especially weak in 2008, with a decrease of 4.9%. However, a 4.9% increase is estimated for 2009 as employment and overall economic growth improve. Sales of other durable goods are forecast to rise by 0.5% in 2008 and fall by 0.4% in 2009, while sales of nondurable goods (excluding food and fuel) are expected to increase by 2.9% in 2008 and 3.7% in 2009.

Exports have been an area of strength for the U.S. economy in recent years and are expected to continue showing considerable growth in 2008 and 2009. Without the assumption of strong export growth, the baseline forecast would anticipate a longer and deeper recession. Exports increased by double-digit growth rates in each year from 2004 through 2007. An important factor in this growth has been the reduced value of the dollar relative to the currencies of the nation's major trading partners (more than 30% since early 2002), which makes U.S. products more affordable in foreign markets. In addition, the economies of Asian nations and other trading partners have experienced relatively robust growth. Export growth is estimated at 11.6% in 2008 and 8.6% in 2009, as the dollar continues to weaken throughout the first three quarters of this year before rising in the fourth quarter and stabilizing in 2009. Despite strong export growth, the U.S. trade deficit rose each year between 2002 and 2006. This occurred primarily due to increased imports of consumer goods and oil. As oil prices moderate and U.S. exports of other goods and services continue to show strong growth, it is expected that the trade deficit will decrease in 2008 and 2009.

After double-digit increases in 2005 and 2006, growth in business investment spending moderated to 6.1% in 2007, but was still an area of relative strength for the economy. Spending on nonresidential structures was particularly strong in 2007, with growth of 16.8%. However, investment in software and equipment was much weaker, with 1.7% growth. The forecast anticipates a significant slowdown in business investment as credit markets tighten and overall demand slows. Total business investment is expected to increase by 1.9% in 2008 and decrease by 0.2% in 2009. Investment in structures is expected to grow by 2.9% in 2008 and decrease by 9.5% in 2009, while investment in equipment and software is expected to increase by 1.4% and 4.3%, respectively.

The federal stimulus package will allow a first-year "bonus depreciation" deduction equal to 50% of the adjusted basis of qualified property placed into service during 2008 (the applicable time period is extended through 2009 for certain types of property). In addition, the stimulus package will increase the amount of investment that may be immediately expensed by small businesses (section 179 property) from $128,000 to $250,000, beginning in tax year 2008.

Under current law, the $128,000 amount is reduced by the amount by which the cost of the qualifying property exceeds $510,000. The new federal provisions will increase the $510,000 threshold to $800,000.

Global Insight does not expect the federal bonus depreciation and expensing provisions to have a significant impact on business investment. In effect, the bonus depreciation amounts to an interest-free loan from the government because the beneficial cash-flow impact is reversed in later years. The forecast assumes that business spending will be more influenced by weakening demand than by the federal tax changes, although it is believed that some investments will be moved forward from early 2009 to 2008 before the new provisions expire. As discussed below, the new provisions will result in a significant decrease in before-tax book profits in 2008 and a an offsetting increase in 2009.

Following several very strong years, growth in corporate profits slowed to 4.2% in 2007. Pre-tax book profits are expected to fall by 14.8% in 2008 and increase by 20.9% in 2009. However, these growth rates are distorted by the expensing and depreciation provisions of the federal stimulus package. Economic profits, which are not affected by federal tax law changes, grew by 3.1% in 2007 and are estimated to increase by 0.2% in 2008 and 3.4% in 2009. The double-digit growth rates of recent years were driven in large part by productivity gains, which slowed considerably in 2007. The lower levels of profits also reflect continued weakness in housing-related businesses, large losses in the financial sector, high oil prices, and a general reduction in demand for goods and services as the economy slows.

Global Insight has also prepared two alternative forecasts, one more optimistic and one more pessimistic than the baseline forecast. In the optimistic scenario, productivity growth, business investment, and foreign economic growth are all stronger than under the baseline forecast, and energy prices are lower. These factors lead to lower inflation and to increased domestic production, investment, and housing starts. The federal budget deficit is also lower than under the baseline forecast due to stronger revenue growth and reduced expenditures for transfer payments. Under this alternative forecast, which is assigned a probability of 25%, there is no recession in 2008 and, compared to the baseline forecast, real GDP growth is higher by 0.8% in that year and in 2009.

The pessimistic alternative (also 25% probability) assumes a deeper contraction in the housing market and higher oil prices than under the baseline forecast. Housing starts and prices are significantly lower, which leads to reduced consumption expenditures. In turn, the lower consumer demand leads to reduced production and investment by businesses. Under this scenario, employment drops for five consecutive quarters and industrial production falls for seven quarters. Real GDP declines in the first two quarters of 2008, then rebounds slightly in the second half (less than 1% growth), before decreasing again in the first quarter of 2009. Real GDP growth is estimated at -0.1% in 2008 and 0.4% in 2009, compared to the baseline estimates of 1.4% and 2.2%, respectively. The pessimistic scenario in last January's forecast, which had a probability of 20%, called for a lower level of economic growth but no recession in 2007 through 2009.

Table 2 shows a summary of national economic indicators drawn from the February, 2008, forecast by Global Insight.

TABLE 2

Summary of National Economic Indicators
Global Insight, Inc., February, 2008
($ in Billions)

	2006	2007	2008	2009
Nominal Gross Domestic Product	$13,194.7	$13,843.0	$14,335.2	$14,902.5
Percent Change	6.1%	4.9%	3.6%	4.0%
Real Gross Domestic Product	11,319.4	11,567.3	11,724.3	11,978.4
Percent Change	2.9%	2.2%	1.4%	2.2%
Consumer Price Index	3.2%	2.9%	2.5%	1.6%
Personal Income	10,983.4	11,667.3	12,144.7	12,676.3
Percent Change	6.6%	6.2%	4.1%	4.4%
Personal Consumption	9,224.5	9,732.0	10,128.0	10,511.3
Percent Change	5.9%	5.5%	4.1%	3.8%
Economic Profits	1,553.7	1,601.9	1,604.8	1,659.7
Percent Change	13.2%	3.1%	0.2%	3.4%
Unemployment Rate	4.6%	4.6%	5.3%	5.6%

General Fund Tax Projections. Table 3 shows our revised general fund tax revenue estimates for the 2007-09 biennium. The estimates are based on the February, 2008, forecast of the U.S. economy by Global Insight, and incorporate all of the tax law changes included in Act 20.

TABLE 3

Projected General Fund Tax Collections
($ Millions)

Source	2006-07 Actual	Budget Estimates (Act 20) 2007-08	Budget Estimates (Act 20) 2008-09	Revised Estimates February 2008 2007-08	Revised Estimates February 2008 2008-09
Individual Income	$6,573.8	$6,758.8	$7,105.5	$6,660.0	$6,965.0
General Sales and Use	4,158.6	4,310.0	4,479.4	4,210.0	4,295.0
Corporate Income & Franchise	890.1	887.8	860.3	810.0	815.0
Public Utility	284.9	297.2	314.4	295.6	316.2
Excise					
Cigarette	296.1	456.5	531.0	448.9	523.7
Liquor and Wine	42.7	42.5	43.0	42.5	43.0
Tobacco Products	17.5	28.9	41.2	28.9	41.2
Beer	9.5	9.4	9.4	9.4	9.4
Insurance Company	141.4	141.0	144.0	150.0	160.0
Estate	121.1	95.0	25.0	140.0	30.0
Miscellaneous Taxes	82.2	73.0	73.0	73.0	73.0
Total	$12,617.9	$13,100.1	$13,626.2	$12,868.3	$13,271.5
Change from Prior Year					
Amount		$482.2	$526.1	$250.4	$403.2
Percent Change		3.8%	4.0%	2.0%	3.1%

As shown in Table 3, general fund tax revenues are estimated to total $12,868.3 million in 2007-08 and $13,271.5 million in 2008-09. These amounts are lower than the Act 20 estimates by $231.8 million in the first year and $354.7 million in the second year, for a total decrease of $586.5 million. The estimates for the three major taxes (individual income, general sales and use, and corporate income and franchise) have all been revised downward significantly. The cigarette tax estimates have also been decreased, while the estimates for the estate tax and insurance company taxes have been increased.

Individual Income Tax. State individual income tax revenues were $6,573.8 million in 2006-07 and are currently estimated at $6,660.0 million in 2007-08 and $6,965.0 million in 2008-09. The current estimates are lower than the Act 20 estimates by $98.8 million in the first year and $140.5 million in the second year. The current estimates reflect growth of 1.3% for 2007-08 and 4.6% for 2008-09. It should be noted that the growth rate for 2007-08 is affected by a delay that occurred in the payment of approximately $75 million in individual income tax refunds for the 2006 tax year from 2006-07 to 2007-08. As a result of the delay, collections for 2006-07 were artificially high and collections in 2007-08 will be, correspondingly, artificially low. In addition, the growth rates for both years are affected by a number of law changes, primarily the implementation of the 100% income tax exclusion for social security benefits starting in 2008. In the absence of the refund delay and the effects of the law changes, growth in individual income tax revenues would be estimated at 4.6% for 2007-08 and 4.5% for 2008-09.

Based on preliminary collections information through January, 2008, individual income tax revenues for the current fiscal year are 3.1% higher than such revenues through the same period in 2006-07. However, if the additional $75 million in refunds for tax year 2006 had not been paid in 2007-08, then collections for this fiscal year through January would be 5.1% higher than the previous year. Based on the delay in refunds and law changes referred to above, as well as the forecast reduction in personal income growth in 2008, growth in collections is expected to slow during the remaining months of the fiscal year, resulting in the projections described above for actual growth in 2007-08 of 1.3% and adjusted growth of 4.6%.

General Sales and Use Tax. In 2006-07, state sales and use tax collections were $4,158.6 million, which was a 0.8% increase over the prior year. State sales and use tax revenues are currently estimated at $4,210.0 million in 2007-08 and $4,295.0 million in 2008-09, which represent growth of 1.2% in the first year and 2.0% in the second year. These estimates are $100.0 million lower in the first year and $184.4 million lower in the second year than the Act 20 estimates of $4,310.0 million in 2007-08 and $4,479.4 million in 2008-09. The reductions in the estimates are based, in part, on 1.5% growth in sales and use tax collections year-to-date through January, 2008, and in part on the most recent forecast of growth in taxable personal consumption expenditures. As previously noted, the estimates do not include the impact of the Court of Appeals decision in the Menasha Corporation case.

Corporate Income and Franchise Tax. Corporate income and franchise taxes were $890.1 million in 2006-07. Collections are projected to be $810.0 million in 2007-08 and $815.0 million in 2008-09. These amounts represent an annual decrease of 9.0% in 2007-08, and a slight increase of 0.6% in 2008-09. The new estimates are lower than the Act 20 estimates by $77.8 million in the first year and $45.3 million in the second year.

The new estimates reflect decreased year-to-date corporate income and franchise tax collections, which were 9.3% lower through January, 2008. The lower collections mirror the slowdown in the U. S. economy. Decreasing consumption expenditures, business investment, and industrial production are depressing corporate earnings, as the effect of the housing recession and credit restrictions spread through the economy. However, exports are projected to be a significant contributor to corporate sales and profits over the forecast period. Economic profits are forecast to increase by 0.2% in 2008, before rebounding somewhat to increase by 3.4% in 2009.

The corporate income and franchise tax estimates have been adjusted to reflect the effect of certain law changes, including the phase-in of single-sales factor apportionment, repeal of the manufacturers' sales tax credit, enactment of new tax credits, such as the dairy investment, dairy manufacturing facility, Internet equipment, Health Insurance Risk-Sharing Plan assessments, and ethanol and biodiesel fuel pump tax credits, and for the collection of back taxes from banks.

Public Utility Taxes. Public utility tax revenues were $284.9 million in 2006-07, and are currently projected at $295.6 million in 2007-08 and $316.2 million in 2008-09. Relative to the Act 20 estimates, these figures are lower than the 2007-08 estimate by $1.6 million but higher than the 2008-09 estimate by $1.8 million. Utility tax collections are currently expected to increase by 3.8% in 2007-08 and by 7.0% in 2008-09, rather than by 4.3% in 2007-08 and 5.8% in 2008-09, as had been estimated under Act 20.

Excise Tax Revenues. General fund excise taxes are imposed on cigarettes, other tobacco products, liquor (including wine and hard cider), and beer. Total excise tax revenues were $365.8 million in 2006-07. Under Act 20, total excise tax revenues were reestimated at $537.3 million in 2007-08 and $624.6 million in 2008-09, to reflect the Act 20 increases in the tax rates on cigarettes and other tobacco products as well as additional modifications to taxes on other tobacco products, which took effect January 1, 2008.

Data is not yet available to reflect the actual impact of the cigarette and other tobacco products tax law changes under Act 20. However, while the January, 2007, estimates of cigarette tax revenues under prior law had assumed a slight increase in revenues, collections through December, 2007, had decreased by 1.25% compared to the prior year. Based on the reduced collections through December, 2007, and the current forecast for slower growth in personal income and personal consumption expenditures, it is now anticipated that cigarette tax revenues will be lower than the Act 20 estimates by $7.6 million in 2007-08 and $7.3 million 2008-09.

No changes are projected from the Act 20 estimates for the remaining excise taxes. Therefore, excise tax revenues are currently estimated at $529.7 million in 2007-08 and $617.3 million in 2008-09.

Insurance Premiums Taxes. Insurance premium taxes were $141.4 million in 2006-07. Premiums tax collections are projected to be $150.0 million in 2007-08 and $160.0 million in 2008-09. The projected increase in 2007-08 is primarily based on year-to-date monthly premiums tax collections, which are 4.6 % higher through January, 2008, and expected increased premiums in response to lower investment income. The estimated increase in 2008-09 reflects expected continued growth in insurance premiums. The new estimates exceed the Act 20 estimates by $9.0 million in 2007-08 and $16.0 million in 2008-09.

Estate Tax. In 2006-07, state estate tax revenues were $121.1 million. Under Act 20, estate taxes were estimated at $95.0 million in 2007-08 and $25.0 million in 2008-09. However, based on collections to date in 2007-08, estate taxes are reestimated at $140.0 million in 2007-08 and $30.0 million in 2008-09. The revised estimates are $45.0 million higher in 2007-08 and $5.0 million higher in 2008-09 than the Act 20 estimates.

The significant reduction in the estimates for 2008-09 under both Act 20 and the current revision is the result of statutory provisions that effectively eliminated the state estate tax for deaths on or after January 1, 2008. Such provisions specify that, for deaths on or after January 1, 2008, the state estate tax is based on a federal credit for state death taxes paid under federal estate tax law. However, current federal law does not provide such a credit, which is the reason that the state estate tax is eliminated. It should be noted, however, that the relevant federal provisions are scheduled to sunset on December 31, 2010. As a result, in the absence of a federal law change, Wisconsin's estate tax will again apply with respect to estates of decedents dying after December 31, 2010.

Estate taxes are typically paid nine months after the date of death. Therefore, it is expected that the state will receive estate tax revenues through September, 2008, for deaths occurring in the last nine months of 2007.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were $82.2 million in 2006-07, and are estimated at $73.0 million in both 2007-08 and in 2008-09. These estimates are unchanged from the Act 20 estimates.

Approximately 85% of miscellaneous tax revenues are from the real estate transfer fee (RETF). State RETF collections, which have fluctuated along with the strength of the housing market in recent years, reached a peak of $80.6 million in 2005-06 before declining to $71.7 million in 2006-07. RETF revenues are estimated to further decline to $62.5 million in 2007-08 before stabilizing at that level in 2008-09.

Transportation Fund

In addition to the discussion of the condition of the state's general fund, the following information is provided on the condition of the transportation fund.

Typically, the Department of Transportation, in cooperation with this office, prepares revised estimates of the transportation fund condition each spring. This year, the Department expects to produce this estimate in early April, utilizing February economic forecasts from Global Insight, Inc., as well as other, state-specific forecasts developed by the Department of Revenue. Of particular interest for this estimate will be the impact on transportation fund revenue collections of the economic downturn that has affected general fund revenue collections. Although it is still too early to fully evaluate the precise magnitude of the impact, based on preliminary indications, including actual collections through the first six months of the biennium, it appears that the transportation fund could have a biennium-ending deficit of as much as $25 million to $40 million.

The primary area of concern for transportation fund collections is vehicle registration and titling. The Act 20 revenue estimates were based on projections made in the spring of 2007, covering the three-year period from 2006-07 through 2008-09. Actual collections of vehicle registration revenue for 2006-07, however, were lower than the projections by $16.0 million. Although these reductions were offset in that year by higher collections in other areas, including motor fuel taxes, the relative weakness of vehicle registration revenue, particularly from heavy trucks, appears to have continued into the 2007-09 biennium.

Motor fuel tax collections, which are the other major component of transportation fund revenues, appear, through the first six months of the biennium, to be close to budget projections.

The Joint Committee on Finance may have two opportunities in the coming months to address any projected transportation fund deficit. First, under current law, the Department of Transportation is required to submit a plan to the Co-Chairs to allocate additional federal highway aid among its appropriations if the amount of aid received in a given federal fiscal year is greater than the amounts estimated in the state budget by 5% or more. Last week, the Federal Highway Administration notified the Department that the state will receive $718.3 million in federal fiscal year 2008, an amount that exceeds budget estimates by $76.2 million, or 11.9%. In addition, the state received an additional $23.4 million in federal fiscal year 2007 funds for expenditure in state fiscal year 2007-08, for a total of $99.6 million in additional funds. Under the statutory provision that requires the Department to submit a plan allocating these additional funds, the plan may adjust any DOT appropriation. Consequently, the plan could be used to reduce certain SEG appropriations to eliminate a projected deficit. In considering the Department's plan, the Committee may approve or modify and approve the adjustments, including any adjustments to the Department's SEG appropriations.

In addition to being required to submit a plan to make adjustments to allocate additional federal aid, a provision of Act 20 requires the Department to develop a plan to eliminate a projected deficit by reducing SEG appropriations whenever the deficit is projected to exceed $30 million. If the Department's spring estimate indicates that the deficit triggers this requirement, the Department will be required to submit a plan to the Committee. As with the federal funds allocation plan, the Committee may approve or modify and approve the plan.

We will continue to monitor economic forecasts, revenues, and expenditures and keep you informed of any modifications that may be necessary.

Sincerely,

Bob

Robert Wm. Lang
Director

RWL/sas
cc: Members, Wisconsin Legislature

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, as signed into law, with some vetoes, by the Governor on May 16, 2008 (2007 Wisconsin Act 226). The tables contain information through May 31, 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.

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 MAY 31, 2008
PROJECTED GENERAL FUND CASH FLOW; JUNE 1, 2008 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	42,539
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	(518,229)
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	$ 694,028
Sales & Use	414,387	413,404	401,674	396,967	385,034	345,203	421,814	323,947	310,458	358,240	353,900	372,771
Corporate Income	35,238	20,042	154,364	51,110	31,669	174,535	21,726	30,498	188,247	49,678	42,495	144,972
Public Utility	20	20	509	1,871	148,786	987	56	20	94	1,111	154,287	908
Excise	30,620	34,376	36,523	27,764	36,994	26,518	28,435	74,544	47,280	51,023	53,713	61,596
Insurance	584	1,777	33,083	489	1,004	31,518	2,096	23,510	26,594	33,065	1,627	34,686
Inheritance	12,784	17,121	14,108	14,117	15,580	10,886	4,291	11,192	18,117	10,360	12,993	12,896
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	$ 1,321,857
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	$ 586,100
Other & Transfers	397,510	231,439	414,249	418,712	264,756	215,831	457,837	507,579	230,775	315,770	241,706	617,400
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	$ 1,203,500
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	$ 2,525,357
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	$ 1,962,700
Income Maintenance	554,657	462,141	430,767	475,577	408,147	473,582	425,771	484,702	438,158	484,009	356,006	228,516
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	279,832
Tax Refunds	114,634	89,140	53,251	63,034	69,419	157,306	100,895	567,085	409,708	384,057	160,371	164,100
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	432,002
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	$ 3,067,150

(a) The projections in this table for the remainder of the fiscal year reflect the updated General Fund revenues estimates released by LFB on February 13, 2008, the budget for the 2007-09 biennium (2007 Wisconsin Act 20), and the budget adjustment bill for the 2007-09 beinnium (2007 Wisconsin Act 226). The projections also reflect (i) $254 million that will be transferred from various funds to General Fund on June 12, 2008 ($229 million of this amount relates to lapses and other requirements of 2007 Wisconsin Act 226, including, but not limited to, the transfer of $57 million from the Budget Stabilization Fund), and (ii) assumption that the State will receive approximately $124 million pursuant to the amended gaming compacts with tribal governments ($72 million of this amount is an estimate of all payments due in the 2007-08 fiscal year and $52 million of this amount is an estimate of payments due in previous years from a tribal government that are expected to be made in the 2007-08 fiscal year). 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 $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 are 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 is approximately $690 million for the 2007-08 fiscal year. In addition, the Secretary of Administration may also temporarily reallocate an additional amount 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) Includes $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.

PROJECTED GENERAL FUND CASH FLOW; JULY 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[(c)]	$ 42,539	$ 210,635	$ 675,621	$ 875,117	$ 1,319,817	$ 1,007,422	$ 399,034	$ 1,210,205	$ 1,106,795	$ (286,033)	$ 168,629	$ 394,447
Ending Balance [(d)]	210,635	675,621	875,117	1,319,817	1,007,422	399,034	1,210,205	1,106,795	(286,033)	168,629	394,447	(433,465)
Lowest Daily Balance [(d)]	42,539	(38,988)	203,160	590,825	722,567	(483,660)	254,667	862,747	(286,033)	(675,758)	(103,730)	(1,086,048)
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 638,593	$ 448,835	$ 831,843	$ 652,185	$ 470,404	$ 555,940	$ 1,088,287	$ 600,673	$ 613,719	$ 1,025,393	$ 540,072	$ 688,256
Sales & Use	404,200	407,700	403,400	395,900	380,600	353,400	425,200	326,400	315,800	359,800	362,900	395,600
Corporate Income	27,000	21,600	159,700	33,700	28,300	163,800	28,600	20,300	215,400	43,200	22,300	158,600
Public Utility	100	-	200	4,100	156,900	1,600	100	1,200	200	2,900	159,400	900
Excise	58,800	55,200	55,300	54,000	53,400	49,300	51,000	47,200	41,600	47,800	51,000	54,100
Insurance	782	1,814	31,174	814	1,578	40,185	2,978	21,558	28,211	31,639	1,861	33,748
Inheritance	10,318	10,318	10,317	-	-	-	-	-	-	-	-	-
Subtotal Tax Receipts	$ 1,139,793	$ 945,467	$ 1,491,934	$ 1,140,699	$ 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	$ 599,498	$ 572,911	$ 496,032	$ 536,646	$ 576,488	$ 521,920	$ 673,625	$ 630,940	$ 507,525	$ 540,249	$ 572,436	$ 641,030
Other & Transfers	314,845	285,161	483,628	376,041	282,545	233,232	465,544	556,921	283,616	340,483	287,272	424,360
Note Proceeds[(e)]	801,840	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,716,183	$ 858,072	$ 979,660	$ 912,687	$ 859,033	$ 755,152	$ 1,139,169	$ 1,187,861	$ 791,141	$ 880,732	$ 859,708	$ 1,065,390
TOTAL RECEIPTS	$ 2,855,976	$ 1,803,539	$ 2,471,594	$ 2,053,386	$ 1,950,215	$ 1,919,377	$ 2,735,334	$ 2,205,192	$ 2,006,071	$ 2,391,464	$ 1,997,241	$ 2,396,594
DISBURSEMENTS												
Local Aids	$ 1,190,140	$ 168,144	$ 881,752	$ 155,897	$ 1,025,475	$ 1,331,112	$ 245,207	$ 282,190	$ 1,357,945	$ 111,512	$ 160,021	$ 1,969,005
Income Maintenance	589,563	426,412	463,487	499,007	403,477	450,789	443,039	418,166	410,209	448,219	338,725	229,859
Payroll and Related	467,102	355,967	353,579	511,227	384,195	358,393	522,558	395,680	286,440	436,168	386,805	384,555
Tax Refunds	31,700	54,700	43,900	42,600	52,000	122,100	130,900	549,900	473,200	395,000	156,800	166,300
Debt Service	103,176	5,720	170,526	-	3,239	-	-	1,537	327,165	-	28,837	-
Miscellaneous	296,359	327,610	358,854	399,955	394,224	265,371	582,459	465,236	338,207	340,170	494,502	474,787
Note Repayment[(e)]	9,840	-	-	-	-	-	-	195,893	205,733	205,733	205,733	-
TOTAL DISBURSEMENTS	$ 2,687,880	$ 1,338,553	$ 2,272,098	$ 1,608,686	$ 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), the 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. 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 beginning balance reflects General Fund cash balance through May 31, 2008.

(d) 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 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.

(e) 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.

2007-08 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[a]
(Cash Basis)
As of May 31, 2008
(Amounts in Thousands)

	FY07 through May 2007	FY08 through May 2008				
	Actual	Actual	Estimate[b]	Variance	Adjusted Variance[c]	Difference FY07 Actual to FY08 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 7,114,537	$ 7,380,665	$ 7,169,051	$ 211,614	$ 211,614	$ 266,128
Sales	4,106,872	4,125,028	4,051,501	73,527	73,527	18,156
Corporate Income	863,887	799,602	761,712	37,890	37,890	(64,285)
Public Utility	294,454	307,761	306,115	1,646	1,646	13,307
Excise	325,492	447,790	488,038	(40,248)	(40,248)	122,298
Insurance	143,646	155,347	157,301	(1,954)	(1,954)	11,701
Inheritance	113,797	141,549	94,233	47,316	47,316	27,752
Total Tax Receipts	$ 12,962,685	$ 13,357,742	$ 13,027,951	$ 329,791	$ 329,791	$ 395,057
Non-Tax Receipts						
Federal	$ 5,890,043	$ 6,171,856	$ 5,977,146	$ 194,710	$ 194,710	$ 281,813
Other and Transfers	3,781,809	3,696,164	4,077,288	(381,124)	(381,124)	(85,645)
Note Proceeds [d]	-	594,000	594,000	-	-	594,000
Total Non-Tax Receipts	$ 9,671,852	$ 10,462,020	$ 10,648,434	$ (186,414)	$ (186,414)	$ 790,168
TOTAL RECEIPTS	$ 22,634,537	$ 23,819,762	$ 23,676,385	$ 143,377	$ 143,377	$ 1,185,225
DISBURSEMENTS						
Local Aids	$ 6,253,536	$ 6,689,382	$ 6,694,682	$ 5,300	$ 5,300	$ 435,846
Income Maintenance	4,919,360	4,993,448	4,873,852	(119,596)	(119,596)	74,088
Payroll & Related	3,972,181	4,137,684	4,282,182	144,498	144,498	165,503
Tax Refunds	1,859,544	2,168,900	1,880,783	(288,117)	(288,117)	309,356
Debt Service	576,971	619,430	660,492	41,062	41,062	42,459
Miscellaneous	3,955,981	4,052,535	4,143,546	91,011	91,011	96,554
Note Repayment [d]	-	623,199	625,800	2,601	2,601	623,199
TOTAL DISBURSEMENTS	$ 21,537,573	$ 23,284,578	$ 23,161,337	$ (123,241)	$ (123,241)	$ 1,747,005
VARIANCE FY08 YEAR-TO-DATE				$ 20,136	$ 20,136	

(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 (i) through the month of September 2007 reflect the Governor's proposed budget for the 2007-08 fiscal year, (ii) for the period of October 2007 to January 2008 reflect the enacted budget (2007 Wisconsin Act 20), (iii) for the period of February 2008 to March 2008 reflect the enacted budget and the updated General Fund revenue estimates released by LFB on February 13, 2008, and (iv) for April 2008 and subsequent months reflect the enacted budget, the updated General Fund revenue estimates from LFB, and the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226).

(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.

(d) Operating notes were not issued for the 2006-07 fiscal year but were issued for the 2007-08 fiscal year.

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 May 31, 2008 – Actual
June 1, 2008 through June 30, 2009 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts[(c)]	Disbursements[(c)]
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)]	2,525,357	3,067,150
	July	42,540	2,855,976	2,687,880
	August	210,636 [(d)]	1,803,539	1,338,553
	September	675,622	2,471,594	2,272,098
	October	875,118	2,053,386	1,608,686
	November	1,319,818 [(d)]	1,950,215	2,262,610
	December	1,007,423	1,919,377	2,527,765
2009	January	399,035	2,735,334	1,924,163
	February	1,210,206	2,205,192	2,308,602
	March	1,106,796 [(d)]	2,006,071	3,398,899
	April	(286,032) [(d)]	2,391,464	1,936,802
	May	168,630 [(d)]	1,997,241	1,771,423
	June	394,448 [(d)]	2,396,594	3,224,506

Source: Wisconsin Department of Administration.

[(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 for the 2007-09 biennium (2007 Wisconsin Act 226).

[(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 $690 million for the 2007-08 fiscal year and $706 million for the 2008-09 fiscal year. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately $414 million for the 2007-08 fiscal year and $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 May 31, 2008 – Actual
June 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)**. 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 Secretary of Administration may not exercise the authority to complete interfund borrowing if this temporary reallocation would jeopardize the cash flow of any fund or account from which interfund borrowing would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2006	2007	2008	2009
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	1,074	1,074
July	$ 932	1,141	1,141	
August	1,052	1,204	1,204	
September	1,067	1,204	1,205	
October	925	1,110	1,110	
November	966	1,229	1,229	
December	1,019	1,244	1,244	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2006	2007	2008	2009
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	4,863	
August	3,978	4,383	4,383	
September	3,845	4,264	4,264	
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 has a negative balance and is subject to interfund borrowing.

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, 2007 to May 31, 2008 compared with previous year[(b)]

	Annual Fiscal Report Revenues 2006-07 FY[(c)]	Projected Revenues 2007-08 FY[(d)]	Recorded Revenues July 1, 2006 to May 31, 2007[(e)]	Recorded Revenues July 1, 2007 to May 31, 2008[(f)]
Individual Income Tax	$ 6,573,778,000	$ 6,758,800,000	$ 5,608,804,626	$ 5,608,854,428
General Sales and Use Tax	4,158,612,000	4,310,000,000	3,423,792,675	3,468,929,668
Corporate Franchise and Income Tax	890,056,000	887,775,000	738,466,056	685,525,188
Public Utility Taxes	284,940,000	297,200,000	284,880,051	297,552,752
Excise Taxes	365,848,000	537,300,000	300,445,413	417,468,717
Inheritance Taxes	121,114,000	95,000,000	110,084,548	138,029,595
Insurance Company Taxes	141,405,000	141,000,000	107,515,404	119,125,327
Miscellaneous Taxes	82,244,000	73,000,000	100,234,842	94,084,319
SUBTOTAL..........................	12,617,997,000	13,100,075,000	10,674,223,615	10,829,569,996
Federal and Other Inter-Governmental Revenues[(g)]	6,505,269,000	6,239,071,300	5,879,526,137	6,206,271,152
Dedicated and Other Revenues[(h)]	4,000,158,000	4,548,254,700	3,914,656,015	3,855,516,470
TOTAL..............................	$ 23,123,424,000	$ 23,887,401,000	$ 20,468,405,766	$ 20,891,357,618

(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 shown do not include revenues for the 2006-07 fiscal year that were recorded by state agencies during the months of July and August, 2007.

(c) The amounts are from the Annual Fiscal Report (budgetary basis) for 2006-07 fiscal year, dated October 15, 2007.

(d) The projections in this table reflect the projected General Fund revenues released by LFB on January 30, 2007 and the budget for the 2007-08 fiscal year (2007 Wisconsin Act 20). The projections do not reflect the updated estimates of General Fund revenues released by LFB on February 13, 2008 nor the budget adjustment bill for the 2007-08 fiscal year (2007 Wisconsin Act 226).

(e) The amounts shown are 2006-07 fiscal year revenues as recorded by all state agencies.

(f) The amounts shown are 2007-08 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.

(g) 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.

(h) 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, 2007 to May 31, 2008 compared with previous year[(b)]

	Annual Fiscal Report Expenditures 2006–07 FY[(c)]	Appropriations 2007–08 FY[(d)]	Recorded Expenditures July 1, 2006 to May 31, 2007[(e)]	Recorded Expenditures July 1, 2007 to May 31, 2008[(f)]
Commerce…………………………	$ 281,047,000	$ 294,328,200	$ 227,800,758	$ 209,646,818
Education…………………………	10,542,076,000	10,961,021,300	8,400,530,562	8,654,324,731
Environmental Resources………………	328,094,000	367,720,800	308,740,232	303,103,007
Human Relations & Resources ………	9,341,228,000	9,256,908,100	8,559,213,079	8,746,692,963
General Executive…………………	720,467,000	947,430,200	741,184,350	778,164,183
Judicial……………………………	121,332,000	127,264,900	110,410,107	114,380,959
Legislative…………………………	63,372,000	71,124,100	53,990,516	55,470,535
General Appropriations…………………	1,807,627,000	2,060,562,300	1,776,513,249	2,005,544,909
TOTAL………………………………	$ 23,205,243,000	$ 24,086,359,900	$ 20,178,382,854	$ 20,867,328,105

(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) This table does not include the expenditures for the 2006-07 fiscal year that were recorded by State agencies during the months of July and August, 2007.

(c) The amounts are from the Annual Fiscal Report (unaudited and budgetary basis) for the 2006-07 fiscal year, dated October 15, 2007.

(d) The estimates in this table reflect the budget for the 2007-08 fiscal year (2007 Wisconsin Act 20) but do not reflect the budget adjustment bill for the 2007-08 fiscal year (2007 Wisconsin Act 226).

(e) The amounts shown are 2006-07 fiscal year expenditures as recorded by state agencies.

(f) The amounts shown are 2007-08 fiscal year expenditures as recorded by all state agencies.

Source: Wisconsin Department of Administration.

APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon delivery of the 2008 Series A Bonds, Quarles & Brady LLP expects to deliver to the State a legal opinion in substantially the following form:

[Letterhead of Quarles & Brady LLP]

State of Wisconsin Building Commission
101 East Wilson Street, 7th Floor
Madison, WI 53702

RE: $185,000,000 State of Wisconsin **(State)**
Transportation Revenue Bonds, 2008 Series A
dated August 27, 2008 **(Bonds)**

We have acted as bond counsel to the State in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including a certified copy of the transcript of proceedings of record of the State of Wisconsin Building Commission **(Commission)** preliminary to and in connection with the issuance of the Bonds.

The Bonds have been authorized and issued pursuant to Subchapter II of Chapter 18 **(Revenue Obligations Act)** and Section 84.59 **(Act)** of the Wisconsin Statutes as now in force; the resolution of the Commission adopted June 26, 1986, entitled "1986 State of Wisconsin Building Commission Resolution 9, State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution" **(General Resolution)**, as amended and supplemented by certain resolutions of the Commission adopted March 19, 1998, August 9, 2000, and October 15, 2003 (collectively, **Amending Resolutions)**; and the resolution of the Commission adopted April 16, 2008 and the determinations of the Capital Finance Director made thereunder in the report to the Commission, dated August 26, 2008 (collectively, **Series Resolution)** (hereafter, the General Resolution, as amended by the Amending Resolutions, shall be referred to as the **General Resolution** and the General Resolution and the Series Resolution shall be referred to collectively as the **Resolutions**).

The Bonds are issued on a parity with certain outstanding transportation revenue bonds **(Prior Bonds)**, and are issued on a basis senior to certain outstanding transportation revenue commercial paper notes. The Bonds are issued to pay the costs of financing transportation facilities and major highway projects.

Pursuant to the Revenue Obligations Act, the Act and the General Resolution, the State, acting through the Commission, is authorized to issue transportation revenue bonds in addition to, but on a parity with the Prior Bonds and the Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We have examined a sample of the Bonds and find the same to be in proper form.

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

(1) The State has valid right and lawful authority to finance transportation facilities and major highway projects by the adoption of the Resolutions, to perform its obligations under the terms and conditions of the Resolutions, and to issue the Bonds.

(2) The Resolutions have been duly and lawfully adopted by the Commission, are in full force and effect, and constitute valid and binding obligations of the State enforceable upon the State in accordance with their terms.

(3) The Bonds are valid and binding revenue bonds of the State secured by a pledge in the manner and to the extent set forth in the General Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution on a parity with the Prior Bonds. The General Resolution creates the valid pledge which it purports to create of the Program Income (as defined in the General Resolution) and of monies and securities on deposit in any of the Funds (as defined in the General Resolution) established under the General Resolution, including the investments, if any, thereof, subject to the application thereof to the purposes and on the conditions permitted by the General Resolution.

(4) The Bonds have been lawfully authorized and issued in accordance with the Constitution and statutes of the State, including the Revenue Obligations Act and the Act and in accordance with the Resolutions.

(5) The Bonds do not constitute a debt or grant or loan of credit of the State, and the State shall not be generally liable thereon, nor shall the Bonds be payable out of any funds other than those provided therefor pursuant to the Resolutions and the Act. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or the interest on the Bonds.

(6) The interest on the Bonds (including any original issue discount properly allocable to the owners thereof) is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended **(Code)** on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The State has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the State comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolutions may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights and may be also subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP