

OFFICIAL STATEMENT

New Issue

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

\$138,260,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2011, SERIES C

Dated: Date of Delivery

Due: May 1, as shown below

Ratings	AA Fitch Ratings Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Ratings Services
Tax Exemption	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers— <i>See pages 7-9.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 8.</i>
Redemption	The Bonds are callable at par on May 1, 2021 or any date thereafter— <i>See page 2.</i>
Security	General obligations of the State of Wisconsin— <i>See page 2.</i>
Purpose	Proceeds from the Bonds are being used for various governmental purposes— <i>See page 3.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 2012
Denominations	Multiples of \$5,000
Closing/Settlement	On or about December 22, 2011
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company— <i>See pages 3-4.</i>
2010 Annual Report	This Official Statement incorporates by reference, and includes updated information and makes changes or additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2010.

The Bonds were sold at competitive sale on December 6, 2011. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705L Q34	2023	\$ 10,705,000	5.00%	2021	100%
97705L Q42	2024	11,235,000	5.00	2021	100
97705L Q59	2025	11,800,000	5.00	2021	100
97705L Q67	2026	12,385,000	4.00	2021	100
97705L Q75	2027	12,885,000	3.50	2021	100
97705L Q83	2028	13,530,000	4.00	2021	100
97705L Q91	2029	14,140,000	4.50	2021	100
97705L R25	2030	14,845,000	4.50	2021	100
97705L R33	2031	15,585,000	4.00	2021	100
97705L R41	2032	21,150,000	4.00	2021	100

Purchase Price: \$146,422,613.69

December 6, 2011

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

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

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

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

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

TABLE OF CONTENTS

	PAGE		PAGE
STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS	ii	OTHER INFORMATION	4
SUMMARY DESCRIPTION OF BONDS	iii	Limitations on Issuance of General Obligations	4
INTRODUCTION	1	Borrowing Plans.....	4
THE STATE	1	Underwriting	6
THE BONDS	2	Reference Information About Bonds.....	6
General	2	Legal Investment.....	6
Security.....	2	Legal Opinions.....	7
Redemption Provisions	2	Tax Exemption.....	7
Registration and Payment of Bonds.....	3	CONTINUING DISCLOSURE	9
Ratings.....	3	Appendix A—INFORMATION ABOUT THE STATE.....	A-1
Application of Bond Proceeds	3	Appendix B—GENERAL OBLIGATION ISSUANCE STATUS REPORT	B-1
Book-Entry-Only Form.....	3	Appendix C—EXPECTED FORM OF BOND COUNSEL OPINION	C-1

STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF THE BONDS

BUILDING COMMISSION MEMBERS*

Voting Members

	Term of Office Expires
Governor Scott Walker, Chairperson	January 5, 2015
Representative Dean Kaufert, Vice-Chairperson	January 7, 2013
Senator Robert Cowles	January 7, 2013
Senator Fred Risser	January 7, 2013
Senator Dale Schultz	January 5, 2015
Representative Joan Ballweg	January 7, 2013
Representative Gordon Hintz	January 7, 2013
Mr. Robert Brandherm, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

Mr. Gil Funk, State Chief Engineer Department of Administration	_____
Mr. Daniel J. Stephans, State Chief Architect Department of Administration	_____

Building Commission Interim Secretary

Ms. Summer R. Shannon-Bradley, Interim 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 5, 2015
Mr. Mike Huebsch, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

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

DOACapitalFinanceOffice@wisconsin.gov

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

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

* The Building Commission is composed of eight members. The Governor serves as the chairperson. Each house of the Wisconsin State Legislature appoints three members. One citizen member is appointed by the Governor and serves at the Governor's pleasure. State law provides for the two major political parties to be represented in the membership from each house.

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 2011, Series C
Principal Amount:	\$138,260,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about December 22, 2011)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2012
Maturities:	May 1, 2023-2032— <i>See front cover</i>
Redemption:	<i>Optional</i> —The Bonds are callable at par on May 1, 2021 or any date thereafter— <i>See page 2</i>
Form:	Book-entry-only— <i>See pages 3-4</i>
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of November 15, 2011, general obligations of the State were outstanding in the principal amount of \$7,378,610,318.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers— <i>See pages 7-9</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 8</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1</i>

OFFICIAL STATEMENT
\$138,260,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2011, SERIES C

INTRODUCTION

This Official Statement provides information about the \$138,260,000 General Obligation Bonds of 2011, Series C (**Bonds**), which are being issued by the State of Wisconsin (**State**). This Official Statement incorporates by reference, and includes updated information or makes changes or additions to, **Parts I, II, and III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2010 (**2010 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to an authorizing resolution that the State of Wisconsin Building Commission (**Commission**) adopted on November 16, 2011.

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

The Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 25th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, its financial condition, and its general obligation debt is included as **APPENDIX A**, which incorporates by reference Parts II and III of the 2010 Annual Report. **APPENDIX A** also includes updated information, or makes changes or additions, to Parts II and III of the 2010 Annual Report, including, but not limited to, the following items:

- Projected and actual General Fund cash flows as of October 31, 2011.
- Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year, including summary of actual General Fund tax collections for the 2010-11 fiscal year.
- Summary information about the enacted budget for the 2011-13 biennium (2011 Wisconsin Act 32), which generally took effect on July 1, 2011.
- Budget adjustment legislation for the 2010-11 fiscal year (2011 Wisconsin Acts 10, 13, and 27).
- Estimated General Fund tax revenues for the 2011-13 biennium, as included in a memorandum provided by the Legislative Fiscal Bureau (**LFB**) on May 11, 2011.

Pursuant to its undertakings, the State is required to provide by December 27, 2011 a Continuing Disclosure Annual Report for the 2010-11 fiscal year. See "**Continuing Disclosure**" and **APPENDIX A**.

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

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

THE BONDS

General

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

The Bonds will be dated their date of delivery (expected to be December 22, 2011) and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 2012.

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

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

Security

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

Redemption Provisions

Optional Redemption

The Bonds may be redeemed on May 1, 2021 or any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem Bonds, and the Capital Finance Director may direct the amounts and maturities of any Bonds to be redeemed.

Selection of Bonds

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

Notice of Redemption

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

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

Registration and Payment of Bonds

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

Ratings

The following ratings have been assigned to the Bonds:

<u>Rating</u>	<u>Rating Organization</u>
AA	Fitch Ratings
Aa2	Moody's Investors Service, Inc.
AA	Standard & Poor's Ratings Services

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

Application of Bond Proceeds

The Wisconsin Legislature has established the borrowing purposes and amounts for which public debt may be issued. **APPENDIX B** presents a summary of the borrowing purposes and the amounts both authorized for, and previously attributed to, each borrowing purpose from the proceeds of general obligations (including in some cases purchase premium and interest earnings). **APPENDIX B** also presents the borrowing purposes and amounts for which the Bonds are being issued.

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

Book-Entry-Only Form

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

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

Payment

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

Notices and Voting Rights

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

Redemption

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

Discontinued Service

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

Further Information

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

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

Redemption and Payment if Bonds Are Not in Book-Entry-Only Form

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

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

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

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is \$3,651,481,746, and the cumulative debt limit is \$24,343,211,640. Funding or refunding obligations are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of November 15, 2011, general obligations of the State were outstanding in the principal amount of \$7,378,610,318. The issuance of the Bonds will not cause the State to exceed its annual debt limit.

Borrowing Plans

General Obligations

The Bonds are the sixth series of general obligations to be issued in this calendar year 2011. The State previously issued the following general obligations in this calendar year:

- Two series of general obligation bonds in the aggregate par amount of \$758 million for various governmental purposes.
- One series of general obligation refunding notes in the par amount of \$225 million to refund general obligation bonds maturing on May 1, 2011 or May 1, 2012 that were previously issued for various governmental purposes.
- Two series of general obligation refunding bonds in the aggregate par amount of \$591 million to refund the aforementioned notes, to refund general obligation bonds maturing on November 1, 2011 previously issued for various governmental purposes, and to advance refund certain other general obligation bonds also previously issued for various governmental purposes.

In addition, the Commission has authorized the issuance of the following general obligations:

- Up to \$129 million of general obligations for general governmental purposes. The State intends to place these general obligations in the form of extendible municipal commercial paper in the first quarter of calendar year 2012.
- Up to \$219 million of general obligation refunding obligations to refund general obligation bonds previously issued for general governmental purposes. These refunding obligations must be issued by June 30, 2013 and will provide for structural refunding of general obligation bonds scheduled to mature during the 2011-13 biennium. The State expects to issue these refunding obligations, up to the amount of remaining authority, between February 1, 2012 and May 1, 2012.
- Up to \$152 million of general obligation refunding obligations to refund general obligation bonds previously issued for general governmental purposes. These refunding obligations can only be issued if there is a reduction in the true interest cost to the State, and the amount and timing of any additional issuance of these refunding obligations depend on market conditions.
- Up to \$30 million of general obligation subsidy bonds to be purchased by the Environmental Improvement Fund for the Clean Water Fund Program. The amount and timing of any issuance of general obligation subsidy bonds for this purpose depend on various factors, including the amount and timing of loan disbursements from the Clean Water Fund Program.
- Up to \$102 million of general obligations for the veterans housing loan program, which may be in the form of bonds, commercial paper notes, or extendible municipal commercial paper. The amount and timing of any issuance of general obligations for this purpose depend on originations of veterans housing loans and market conditions.
- Up to \$90 million of general obligation refunding bonds to refund general obligation bonds previously issued for the veterans housing loan program. The amount and timing of any issuance of general obligation refunding bonds for this purpose depend on market conditions and other factors relating to the veterans housing loan program.
- General obligations for the funding of the State's outstanding general obligation commercial paper notes and extendible municipal commercial paper, which were outstanding in the amount of \$593 million as of November 15, 2011. The amount and timing of any issuance of general obligations for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates either with a different form of variable-rate obligation or with bonds bearing a fixed interest rate.

Other Obligations

The Commission has authorized up to \$200 million of transportation revenue obligations to fund projects in the transportation revenue obligation program. The State expects to issue these obligations in the first quarter of calendar year 2012. In addition, the Commission has authorized up to \$250 million of transportation revenue refunding bonds to refund previously issued transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend on market conditions.

The Commission has authorized up to \$150 million of clean water revenue refunding bonds to refund previously issued clean water revenue bonds. The amount and timing of any issuance of clean water revenue refunding bonds depend on market conditions.

On July 19, 2011, the State issued operating notes in the par amount of \$800 million for the 2011-12 fiscal year, which mature on June 15, 2012.

Underwriting

The Bonds were purchased through competitive bidding on December 6, 2011 by the following account (**Underwriters**): J.P. Morgan Securities LLC, book-running manager, Drexel Hamilton, LLC, Estrada Hinojosa & Company, Inc., and KeyBanc Capital Markets. The Underwriters paid \$146,422,613.69, and their bid resulted in a true-interest-cost rate to the State of 3.776684%.

Reference Information About Bonds

Information about the Bonds is provided for reference in both the following table and the [table on the front cover](#). The CUSIP number for each maturity has been obtained from sources the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices with respect to the series of Bonds the Underwriters purchased. The yield shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

\$138,260,000
State of Wisconsin
General Obligation Bonds of 2011, Series C

Dated Date: Date of Delivery

First Interest Date: May 1, 2012

Delivery/Settlement Date: On or about December 22, 2011

CUSIP	Year (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional	
						Call Date (May 1)	Call Price
97705L Q34	2023	\$ 10,705,000	5.00%	2.57%	120.095%	^(a) 2021	100%
97705L Q42	2024	11,235,000	5.00	2.74	118.541	^(a) 2021	100
97705L Q59	2025	11,800,000	5.00	2.92	116.921	^(a) 2021	100
97705L Q67	2026	12,385,000	4.00	3.40	104.771	^(a) 2021	100
97705L Q75	2027	12,885,000	3.50	3.60	98.824	2021	100
97705L Q83	2028	13,530,000	4.00	3.65	102.749	^(a) 2021	100
97705L Q91	2029	14,140,000	4.50	3.55	107.504	^(a) 2021	100
97705L R25	2030	14,845,000	4.50	3.68	106.438	^(a) 2021	100
97705L R33	2031	15,585,000	4.00	3.95	100.384	^(a) 2021	100
97705L R41	2032	21,150,000	4.00	4.05	99.307	2021	100

^(a) These Bonds are priced to the May 1, 2021 first optional call date.

Legal Investment

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

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

Legal Opinions

Bond Opinion

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

Attorney General

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the Bonds, (2) the validity of the Bonds or any of the proceedings taken with respect to the issuance, sale, execution, or delivery of the Bonds, or (3) the pledge or application of any moneys or security provided for the payment of the Bonds.

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

Tax Exemption

Federal Income Tax

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

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

Current and future legislative proposals, if enacted into law, may cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Bonds from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration recently announced a legislative proposal that, for tax years beginning on or after January 1, 2013, would to some extent limit the exclusion from gross income of interest on obligations like the Bonds (regardless on when they were issued) for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other legislative proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals may also

affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any current or future federal legislative proposals.

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

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

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

State of Wisconsin Income and Franchise Taxes

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

Original Issue Discount Bonds

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each Bond maturing in the years 2027 and 2032 (**Original Issue Discount Bond**), to the extent properly allocable to the owner of an Original Issue Discount Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Original Issue Discount Bond is, or would be, excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of an Original Issue Discount Bond over the issue price of that Bond. The issue price of a maturity of Bonds generally is the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such maturity of Bonds were first sold (**Issue Price**).

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of an Original Issue Discount Bond during any accrual period generally equals:

- The Issue Price of the Original Issue Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, *multiplied by* the yield to maturity of the Original Issue Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period),
- *Less* any interest payable on the Original Issue Discount Bond during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in the Original Issue Discount Bond. The adjusted tax basis in an Original Issue Discount Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the Original Issue Discount Bond.

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

Owners of Original Issue Discount Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning Original Issue Discount Bonds. It is possible that under the applicable provisions governing the determination of state and local taxes, accrued original issue discount on the Original Issue Discount Bonds may be deemed to be received in the year of accrual, even though there will not be a corresponding cash payment until a later year.

Premium Bonds

Each Bond maturing in the years 2023 through 2026 and 2028 through 2031 (**Premium Bond**) has an Issue Price that is greater than the amount payable at the maturity of the Bond.

Any Premium Bond purchased in the initial offering at the Issue Price will have “amortizable bond premium” within the meaning of Section 171 of the Code. An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in the Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the owner owned the Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the Premium Bond.

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

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By December 27 of each year, the State will send the Annual Report to the Municipal Securities Rulemaking Board (**MSRB**). The State will also provide to the MSRB notices of the occurrence of certain events specified in the undertaking. [Part I of the 2010 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 MSRB. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: December 6, 2011

STATE OF WISCONSIN

/S/ SCOTT WALKER

Governor Scott Walker, Chairperson
State of Wisconsin Building Commission

/S/ MIKE HUEBSCH

Mike Huebsch, Secretary
State of Wisconsin Department of Administration

/S/ SUMMER R. SHANNON-BRADLEY

Summer R. Shannon-Bradley, Interim Secretary
State of Wisconsin Building Commission

APPENDIX A

INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin (**State**) and its general obligations, contained in [Part II](#) and [Part III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2010 \(2010 Annual Report\)](#), which can be obtained as described below. This Appendix also includes updated information or makes changes or additions to the information presented in Parts II and III of the 2010 Annual Report, including, but not limited to, the following items:

- Projected and actual General Fund cash flows as of October 31, 2011.
- Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year, including summary of actual General Fund tax collections for the 2010-11 fiscal year.
- Summary information about the enacted budget for the 2011-13 biennium (2011 Wisconsin Act 32), which was initially introduced on March 1, 2011 as the executive budget for the 2011-13 biennium (2011 Assembly Bill 40 and 2011 Senate Bill 27), adopted with some changes by the Legislature on June 16, 2011, signed into law by the Governor on June 26, 2011, and generally took effect on July 1, 2011.
- Budget adjustment legislation for the 2010-11 fiscal year (2011 Wisconsin Acts 10, 13, and 27).
- Estimated General Fund tax revenues for the 2011-13 biennium, as included in a memorandum provided by the Legislative Fiscal Bureau (**LFB**) on May 11, 2011 (**May 11, 2011 LFB Memorandum**).

[Part II of the 2010 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 2009-10
- State budget
- Potential effects of litigation
- Obligations of the State
- Employee pension funds and other post-employment benefits
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as APPENDIX A to [Part II of the 2010 Annual Report](#) are the audited general purpose external financial statements for the fiscal year ending June 30, 2010, prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Government Accounting Standards Board, and the independent auditor's report provided by the State Auditor.

[Part III of the 2010 Annual Report](#) contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2010 Annual Report was filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system, and also is 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 2010 Annual Report may also be obtained from:

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

Pursuant to its undertakings, the State is required to provide by December 27, 2011 a Continuing Disclosure Annual Report for the 2010-11 fiscal year (**2011 Annual Report**). See “**Continuing Disclosure**” in this Official Statement. When the 2011 Annual Report is available, the State will file it with the MSRB through its EMMA system and also make it 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” at the web site included above.

The State has independently provided, since July 2001, monthly reports on general fund financial information. These monthly reports are not required by any of the State’s undertakings provided to permit compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. These monthly reports are available on the State’s Capital Finance Office web site that is listed above and have been filed as informational notices with each nationally recognized municipal securities information repository or as additional voluntary information with the MSRB; however, such reports are not incorporated by reference into this Official Statement or Part II of the 2010 Annual Report, and the State is not obligated to continue providing such monthly reports in the future.

After publication and filing of the 2010 Annual Report, certain changes or events have occurred that affect items discussed in the 2010 Annual Report. Listed below, by reference to particular sections of Part II and Part III of the 2010 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 MSRB. However, the State has filed, and expects to continue to file, informational notices with the MSRB, some of which may be notices that are not required to be filed under the State’s undertakings.

Budgeting Process and Fiscal Controls; Budget Stabilization Fund (Part II; Page 29). Update with the following information.

The General Fund tax revenues for the 2010-11 fiscal year were in excess of tax collections estimated at the time of publication of the 2009-11 biennial budget. As a result, Wisconsin Statutes require a transfer of \$14 million from the General Fund to the Budget Stabilization Fund. This transfer has been made, and is reflected in the ending statutory and undesignated balance for the 2010-11 fiscal year.

State Budget; 2010-11 Fiscal Year Revenue Projections (Part II; Page 33). Update with the following information.

Results of 2010-11 Fiscal Year

The State’s Annual Fiscal Report included the ending general fund balance for the 2010-11 fiscal year (unaudited, budgetary basis) and was released on October 15, 2011. The Annual Fiscal Report also included final GPR tax revenue collections for the 2010-11 fiscal year. These GPR tax revenue collections, on a budgetary basis, were \$12.912 billion compared to \$12.132 billion for the 2009-10 fiscal year. This is an increase of approximately \$780 million, or 6.4%, above collections in the 2009-10 fiscal year, but about \$13 million, or 0.1%, less than the projections for the 2010-11 fiscal year previously made in the May 11, 2011 LFB Memorandum.

The following table includes a summary of the final GPR tax revenue collections for the 2010-11 fiscal year and also provides, for comparison, the final GPR tax revenue collections for the 2009-10 fiscal year, estimates shown in a memorandum provided by LFB on January 27, 2010, estimates provided by the

Wisconsin Department of Revenue (**Department of Revenue** or **DOR**) in December, 2010, and estimates shown in the May 11, 2011 LFB Memorandum.

GENERAL FUND TAX REVENUE COLLECTIONS
FINAL AND PRIOR ESTIMATES
2010-11 FISCAL YEAR
(in Millions)

	2009-10 Fiscal Year (Final)	2010-11 Fiscal Year			Annual Fiscal Report (Final)
		LFB Estimate Jan. 2010	DOR Estimate Dec. 2010	LFB Estimate May 2011	
Individual Income	\$ 6,089.2	\$ 6,505.0	\$ 6,324.8	\$ 6,690.0	\$ 6,700.7
Sales and Use	3,944.2	4,235.0	4,177.0	4,090.0	4,109.0
Corp. Income & Franchise	834.5	800.0	924.6	880.0	852.9
Public Utility	319.4	327.2	346.7	339.5	341.3
Excise					
Cigarettes	644.2	630.0	629.1	620.0	604.8
Liquor & Wine	44.2	44.7	44.2	46.0	45.8
Tobacco Products	59.9	62.6	63.9	61.6	60.9
Beer	9.6	9.7	9.6	9.5	9.3
Insurance Company	130.7	135.0	135.3	139.5	140.0
Miscellaneous Taxes	<u>54.9</u>	<u>52.0</u>	<u>49.1</u>	<u>48.6</u>	<u>47.3</u>
TOTAL	\$12,131.7	\$12,801.2	\$12,704.3	\$12,924.7	\$12,911.9

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

Preliminary General Fund Tax Collections

On September 2, 2011, LFB provided a memorandum that included preliminary data on General Fund tax collections for the 2010-11 fiscal year. Based on information provided by DOR, preliminary General Fund tax collections in the 2010-11 fiscal year at that time were estimated to total \$12.912 billion, or an increase of \$780 million (or 6.4%) from collections in the 2009-10 fiscal year.

May 2011 LFB Memorandum

On May 11, 2011, LFB provided a memorandum that included estimates of General Fund tax revenues for the 2010-11 fiscal year, which at that time were \$12.925 billion, or an increase of \$793 million (or 6.5%) from collections in the 2009-10 fiscal year and an increase of \$233 million from projections in a memorandum provided by LFB on January 31, 2011 (**January 31, 2011 LFB Memorandum**).

A complete copy of the May 11, 2011 LFB Memorandum is included on pages [A-11 through A-16](#) of this Official Statement.

January 2011 LFB Memorandum

The January 31, 2011 LFB Memorandum included estimates of General Fund tax collections for the 2010-11 fiscal year, which at that time were \$12.691 billion, or an increase of \$560 million (or 4.6%) from collections in the 2009-10 fiscal year and a decrease of \$13 million from projections provided by the Department of Revenue in December 2010.

December 2010 Updated Revenue Projections

On December 27, 2010, the Wisconsin Department of Administration (**Department of Administration** or **DOA**) reported that the Department of Revenue had provided updated projections of general purpose tax revenues for the 2010-11 fiscal year and the 2011-13 biennium, which reflected the projected national economic impact from the then-recent enactment of federal legislation that included an extension of unemployment benefits and a reduction of payroll taxes.

State Budget; 2010-11 Fiscal Year General Fund Condition Statement Projections (Part II; Pages 31-33). Update with the following information.

Results of 2010-11 Fiscal Year

The 2010-11 fiscal year ended June 30, 2011 and the Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year was published on October 15, 2011. It reports the State ended the 2010-11 fiscal year on a statutory and unaudited basis with an undesignated balance of \$85.6 million. This amount is only \$680,000 less than the projected ending balance that reflected provisions of budget adjustment legislation contained in 2011 Wisconsin Acts 13 and 27 and the updated General Fund tax revenue estimates contained in the May 11, 2011 LFB Memorandum. See “[State Budget; 2010-11 Fiscal Year General Fund Condition Statement Projections; June Budget Adjustment Legislation](#)”, “[State Budget; 2010-11 Fiscal Year General Fund Condition Statement Projections; March Budget Adjustment Legislation](#)”, and “[State Budget; 2010-11 Fiscal Year Revenue Projections; May 2011 LFB Memorandum](#)” in this Appendix A. The State did issue operating notes during the 2010-11 fiscal year.

The following table includes the final General Fund condition statement for the 2010-11 fiscal year. The following table also includes, for comparison, the estimated General Fund condition statement for the 2010-11 fiscal year from the budget for the 2009-11 biennium (2009 Wisconsin Act 28), as included in the November 19, 2010 report from the Department of Administration, and as included in the January 31, 2011 LFB Memorandum.

**GENERAL FUND CONDITION STATEMENT
FINAL AND PRIOR ESTIMATES
2010-11 FISCAL YEAR
(in Millions)**

	2009 Act 28 (June 2009)	DOA Report (November 2010)	LFB Memorandum (January 2011)	Annual Fiscal Report -Final
Opening Balance	\$ 368.9	\$ 71.1	\$ 25.7 ^(a)	\$ 25.7
Prior Year Designation				78.5
Revenues				
Taxes	12,882.3	12,646.9	12,691.4	12,911.9
Department Revenues				
Tribal Gaming	22.6	23.4	22.3	24.7
Other	<u>790.4</u>	<u>812.0</u>	<u>833.7</u>	<u>632.4</u>
Total Available	14,064.2	13,553.4	13,573.3	13,673.1
Appropriations				
Gross Appropriations	14,104.8	13,814.5	14,109.3	14,128.1
Compensation Reserves	96.0	96.0	96.0	96.0
Sum Sufficient Reestimates			(121.6)	
Transfers				14.8
Less: Lapses	<u>(411.8)</u>	<u>(367.2)</u>	<u>(389.1)</u>	<u>(651.3)</u>
Net Appropriations	13,789.0	13,543.3	13,451.8	13,587.5
Balances				
Gross Balance	275.1	10.1	121.3	85.6
Less: Req'd. Statutory Balance	<u>(65.0)</u>	<u>(65.0)</u>	<u>(65.0)</u>	<u>n/a</u>
Net Balance, June 30	\$ 210.1	\$ (54.9)	\$ 56.4	\$ 85.6

^(a) The opening balance reported in the January 31, 2011 LFB Memorandum is \$45 million lower than the opening balance in the November 29, 2010 DOA Report to reflect a report from the Legislative Audit Bureau that certain 2009-10 fiscal year transfers and expenditures were incorrectly reported.

The complete Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year is available from the addresses shown on [pages A-1 and A-2](#) of this Official Statement, and the State has filed the Annual Fiscal Report with the MSRB through its EMMA system.

June Budget Adjustment Legislation

Certain budget adjustment legislation for the 2010-11 fiscal year, the provisions of which also affect the 2011-13 biennium (2011 Wisconsin Act 27), took effect on June 30, 2011. The fiscal impacts of this act on the 2010-11 fiscal year are included in the above table, and the fiscal impacts on the 2011-13 biennium are included in the estimated General Fund Condition for the 2011-13 biennium. See “**Budget for 2011-13 Biennium; 2011 Wisconsin Act 32**” in this Appendix A. One significant expenditure authorized by this act was the payment from the General Fund to the Injured Patients and Families Compensation Fund, pursuant to determination made by the Wisconsin Supreme Court in July 2010, to replace a \$200 million transfer previously made in the 2007-09 biennium from the Injured Patients and Families Compensation Fund to the Medical Assistance Trust Fund.

March Budget Adjustment Legislation

Certain budget adjustment legislation for the 2010-11 fiscal year was adopted by the Legislature on March 10, 2011 and signed into law by the Governor on March 11, 2011 (2011 Wisconsin Act 10). Provisions of this act include:

- Increases in employee health and retirement contributions, which increased General Fund revenues by approximately \$28 million.
- Minor decreases to certain appropriations and increases in certain lapse assumptions, which decreased General Fund appropriations by approximately \$6 million.
- Modifications to the collective bargaining rights of public employees in the State (except for certain protective occupation employees under the Wisconsin Retirement System or under the City of Milwaukee or Milwaukee County retirement systems).

2011 Wisconsin Act 10 did not take effect until June 29, 2011. Delay in the effective date resulted from relief granted by the Dane County circuit court in a case filed by the Dane County District Attorney based on allegations that the State’s open meeting laws were violated by a legislative committee that referred the related bill to both houses of the Legislature; however, on June 14, 2011, the Wisconsin Supreme Court vacated and declared void all orders and judgments of the Dane County Circuit Court with respect to the case.

On June 15, 2011, various unions primarily representing municipal employees filed a lawsuit in the United States District Court for the Western District of Wisconsin, asking, among other things, that a declaratory judgment be entered on the basis that certain provisions of 2011 Wisconsin Act 10 deny public employees their right to collectively bargain and violate the First and Fourteenth Amendments of the U.S. Constitution and that preliminary and permanent orders be entered to enjoin the implementation and enforcement of 2011 Wisconsin Act 10. The district court has neither granted nor denied the plaintiffs’ motion for a temporary restraining order or preliminary injunction. On July 6, 2011, two other unions representing municipal employees filed suit in the same federal court, before the same judge, and on the same claims; however, plaintiffs filed no motion for any temporary restraining order or preliminary injunction.

Another case concerning 2011 Wisconsin Act 10 is pending in the Dane County Circuit Court. This case was filed on August 18, 2011 by unions representing teachers for the City of Madison and public works employees for the City of Milwaukee. Claims in this case include, but are not limited to, 2011 Wisconsin Act 10 being unconstitutional since it does not accomplish “budget repair” as required by the Governor’s purpose for calling the special legislative session during which it was passed. Plaintiffs filed no motion for any temporary restraining order or preliminary injunction.

Other budget adjustment legislation (2011 Wisconsin Act 13) took effect on April 8, 2011. The provisions of this legislation include the following:

- Reductions in required transfers and lapses to the General Fund, which decreased General Fund revenues by approximately \$79 million.

- Increase of General Fund appropriations by \$159 million, which addresses shortfalls previously identified for Medical Assistance and the Department of Corrections.
- Increase of transfers or lapses to the General Fund of \$163 million, which primarily reflected an assumed \$165 million of debt restructuring in the 2010-11 fiscal year (which was subsequently completed in April 2011).

State Budget; Budget for 2011-13 Biennium (Part II; Pages 33-34). Update with the following information.

2011-13 Biennial Budget – 2011 Wisconsin Act 32

The budget for the 2011-13 biennium was initially introduced on March 1, 2011 as the executive budget for the 2011-13 biennium (2011 Assembly Bill 40 and 2011 Senate Bill 27), adopted with some changes by the Legislature on June 16, 2011, signed into law, with partial vetoes, by the Governor on June 26, 2011 (2011 Wisconsin Act 32), and became effective on July 1, 2011 (except as otherwise provided in the act).

The following table includes the estimated General Fund condition statement for the 2011-12 and 2012-13 fiscal years.

**ESTIMATED GENERAL FUND CONDITION STATEMENT
2011-12 AND 2012-13 FISCAL YEARS
(in Millions)**

	<u>Enacted Budget 2011-12 Fiscal Year</u>	<u>Enacted Budget 2012-13 Fiscal Year</u>
Revenues		
Opening Balance ^(a)	\$ 86.2	\$ 73.4
Taxes	13,297.2	13,779.2
Department Revenues		
Tribal Gaming	26.5	28.1
Other	<u>647.9</u>	<u>584.6</u>
Total Available	14,057.9	14,465.3
Appropriations		
Gross Appropriations	13,996.2	14,765.5
Transfers to Other Funds	262.5	137.6
Compensation Reserves	28.8	81.9
Less: Lapses	<u>(303.0)</u>	<u>(594.2)</u>
Net Appropriations	13,984.5	14,390.9
Balances		
Gross Balance	73.4	74.4
Less: Required Statutory Balance	<u>(65.0)</u>	<u>(65.0)</u>
Net Balance, June 30	\$ 8.4	\$ 9.4

(a) Reflects the estimated ending balance for the 2010-11 fiscal year at the time 2011 Wisconsin Act 32 was enacted. The actual gross undesignated balance for the 2010-11 fiscal year is \$85.6 million.

Detailed information and summary tables and charts concerning the budget for the 2011-13 biennium may be obtained from the following addresses (neither the following LFB website nor the summary available at such website is incorporated by reference into this Official Statement):

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

DOACapitalFinanceOffice@wisconsin.gov

legis.wisconsin.gov/lfb/2011-13%20Budget/2011_07_05%20tables%20and%20charts.pdf

In addition, the following is a summary of certain provisions of the budget for the 2011-13 biennium (2011 Wisconsin Act 32):

- Total General Fund spending for the biennium increases by \$697 million, or 2.50%, over the base year (the 2010-11 fiscal year, which is doubled for this biennium-to-fiscal-year comparison). This biennial increase reflects a \$1.240 billion increase in funding for Medicaid (to replace one-time federal funding in the 2009-11 biennium) and a \$543 million decrease in other General Fund appropriations.
- Provides General Fund spending of \$160 million for the new Wisconsin Economic Development Corporation (which replaces economic development functions performed by the Wisconsin Department of Commerce), makes changes to capital gains taxes for long-term investments in State businesses, and makes changes to combined reporting requirements applicable to controlled groups of corporations.
- Reduces school aids by \$793 million over the biennium and lowers school district revenue limits so that the reduction in school aids does not result in local property tax increases. Pursuant to provisions of budget adjustment legislation (2011 Wisconsin Act 10), it is expected that this reduction in school aid will be offset by savings resulting from school district employee contributions toward their pension and health insurance benefits.
- Numerous actions to address the rapid growth in health care costs including, but not limited to, increased health care premium contributions from State employees, increased copayments and deductibles, flexibility for the Department of Health Services to pursue cost-control approaches, and consolidation of eligibility determinations.

The following is a summary of how the budget for the 2011-13 biennium (2011 Wisconsin Act 32) was balanced taking into account the structural deficit from the prior biennium, agency requests for the 2011-13 biennium, and the increased estimates of General Fund tax collections, pursuant to the May 2011 LFB Memorandum:

- \$2.604 billion in spending changes, which include General Fund spending reductions, items requested by agencies and not included in the biennial budget, along with other cuts and lapses, Medicaid reestimates and efficiencies, and other General Fund spending increases.
- \$425 million of other measures, which include \$339 million of general obligation debt restructuring expected to be completed in the 2011-12 fiscal year through issuance of general obligation refunding bonds (such as the Bonds) for a current refunding of general obligations maturing in the 2011-12 fiscal year and establishing a revised amortization schedule with no principal reduction in the 2011-12 fiscal year for outstanding general obligation commercial paper notes and extendible municipal commercial paper.
- \$208 million reduction in revenues resulting from various changes relating to capital gains exclusion for Wisconsin-based investments for State income tax purposes, treatment of Wisconsin Retirement System contributions by employees as pre-tax for State income tax purposes, and transfer of motor vehicle-related sales tax to the Transportation Fund.

State Budget; Revenue Projections For 2011-13 Biennium (Part II; Pages 33-34). Establish this new section with the following information.

2011-13 Biennial Budget – 2011 Wisconsin Act 32

The budget for the 2011-13 biennium (2011 Wisconsin Act 32) includes estimated General Fund tax collections of \$13.297 billion for the 2011-12 fiscal year and \$13.779 billion for the 2012-13 fiscal year. The estimated General Fund tax collections reflect provisions of 2011 Wisconsin Act 32 and estimates provided in the May 11, 2011 LFB Memorandum.

The following table includes a summary of the estimated General Fund tax collections for the 2011-13 biennium and also provides, for comparison, the projections provided by the Department of Revenue in December, 2010 and projections in the January 31, 2011 LFB Memorandum.

**ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2011-12 AND 2012-13 FISCAL YEARS
(in Millions)**

	2011-12 Fiscal Year			2012-13 Fiscal Year		
	DOR Projection <u>Dec. 2010</u>	LFB Projection <u>Jan. 2011</u>	2011-13 Biennial <u>Budget</u>	DOR Projection <u>Dec. 2010</u>	LFB Projection <u>Jan. 2011</u>	2011-13 Biennial <u>Budget</u>
Individual Income	\$ 6,727.6	\$ 6,650.0	\$ 6,868.2	\$ 6,976.3	\$ 7,000.0	\$ 7,222.0
Sales and Use	4,360.8	4,350.0	4,269.8	4,500.7	4,485.0	4,387.1
Corp. Income & Franchise	914.9	900.0	880.8	943.9	925.0	877.1
Public Utility	365.2	344.6	344.6	374.9	352.6	352.6
Excise						
Cigarettes	634.2	615.0	615.0	631.7	610.0	610.0
Liquor & Wine	44.8	46.4	47.1	45.0	47.5	48.2
Tobacco Products	67.6	66.5	63.6	70.5	69.0	65.7
Beer	9.5	9.5	9.5	9.4	9.5	9.5
Insurance Company	126.4	133.3	147.0	133.0	134.6	150.0
Miscellaneous Taxes	<u>53.0</u>	<u>49.0</u>	<u>51.6</u>	<u>55.0</u>	<u>57.0</u>	<u>57.0</u>
TOTAL	\$13,304.0	\$13,164.3	\$13,297.2	\$13,740.4	\$13,690.2	\$13,779.2

May 2011 LFB Memorandum

The May 11, 2011 LFB Memorandum included estimates of General Fund tax collections for the 2011-13 biennium. These estimates included a total of \$13.368 billion for the 2011-12 fiscal year and a total of \$13.888 billion for the 2012-13 fiscal year. A complete copy of the May 11, 2011 LFB Memorandum is included on pages [A-11 through A-16](#) of this Official Statement.

January 2011 LFB Memorandum

The January 31, 2011 LFB Memorandum included estimates of General Fund tax collections for the 2011-13 biennium. At that time, more than half of the lower estimates were due to the impact of recent legislation from a special session addressing health savings accounts, tax deductions and credits for relocated businesses, and tax exclusions for new employees.

December 2010 Updated Revenue Projections

On December 27, 2010, the Department of Administration reported that the Department of Revenue had provided updated projections of general purpose tax revenues for the 2011-13, which reflected the projected national economic impact from the then-recent enactment of federal legislation that included an extension of unemployment benefits and a reduction of payroll taxes. The same federal legislation also reinstated a modified federal estate tax to allow for a deduction for state estate taxes, which under current State law results in the continued elimination of State estate taxes for deaths occurring on or after January 1, 2008.

State Budget; Potential Effect of Litigation; Litigation Regarding Transfer from Injured Patients and Family Compensation Fund (Part II; Page 35). Update with the following information:

On August 2, 2011, the State repaid \$200 million (plus \$33 million of lost earnings and interest) from the General Fund to the State’s Injured Patients and Families Compensation Fund. This repayment was made in response to the July 2010 Wisconsin Supreme Court ruling and pursuant to provisions of 2011 Wisconsin Act 27.

State Obligations; Employee Pension Funds (Part II; Pages 62-64). Update with the following information:

Provisions of 2011 Wisconsin Act 10, as amended by 2011 Wisconsin Act 32, will make the following changes to the Wisconsin Retirement System (WRS) required contributions; these changes are generally effective for the payroll to be paid on August 25, 2011 for employees of the State, and a payroll close to that date for other participants of the WRS (depending on the status of respective existing collective bargaining agreement):

- The total retirement contribution must be split equally between the employee required contribution and the employer required contribution for general employees and for elected officials and judges.
- The employee required contribution for protective occupations with Social Security and for protective occupations without Social Security is the same as for general employees. The employer required contribution for these groups is the difference between the total required contribution and the employee required contribution.
- The benefit adjustment contribution is eliminated.
- All new participants after July 1, 2011 are subject to a five-year vesting requirement. Participants terminating before fully vesting are not eligible for a retirement benefit, but can receive a separation benefit of member contributions and interest.
- The eligibility requirements for participation in the WRS are increased from being expected to work 33% of full-time employment to 67% of full-time employment.
- Employee required contributions may not be paid by the employer on behalf of the employee.
- Employee paid contributions are treated as pretax contributions under section 414(h)(2) of the Internal Revenue Code.
- The new WRS contribution rates for employees and employers are as follows:

**WISCONSIN RETIREMENT SYSTEM
STATE EMPLOYER AND EMPLOYEE CONTRIBUTIONS**

<u>Employee Classification</u>	<u>Employee Required</u>	<u>Employer Required</u>
General employees (including teachers)	5.80%	5.80%
Elected officials, judges, and state executives	6.65	6.65
Protective occupations with Social Security	5.80	8.90
Protective occupations without Social Security	5.80	11.20

Statistical Information; Table II-28 – State Assessment (Equalized Value) of Taxable Property (Part II; Page 75). Replace with the updated table that appears on the following page.

**STATE ASSESSMENT (EQUALIZED VALUE)
OF TAXABLE PROPERTY**

<u>Calendar Year</u>	<u>Value of Taxable Property</u>	<u>Rate of Increase (Decrease)</u>
2002.....	\$335,326,478,700	—
2003.....	360,710,211,300	7.6%
2004.....	391,187,814,700	8.4
2005.....	427,933,562,000	9.4
2006.....	468,983,199,800	9.6
2007.....	497,920,348,700	6.2
2008.....	514,393,963,700	3.3
2009.....	511,911,983,100	(0.5)
2010.....	495,904,192,300	(3.1)
2011.....	486,864,232,800	(1.8)

Source: Department of Revenue

Statistical Information; Table II-39 – Unemployment Rate Comparison (Part II; Page 80). Replace with the following updated table.

**UNEMPLOYMENT RATE COMPARISON^(a)
By Month 2006 to 2011
By Quarter 2002 to 2005**

	<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>		<u>2006</u>	
	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>
January.....	8.2	9.8	10.0	10.6	7.7	8.5	5.0	5.4	5.5	5.0	5.1	5.1
February.....	8.5	9.5	10.3	10.4	8.8	8.9	5.2	5.2	5.8	4.9	5.7	5.1
March.....	8.1	9.2	10.1	10.2	9.4	9.0	5.0	5.2	5.5	4.5	5.5	4.8
April.....	7.4	8.7	8.7	9.5	8.8	8.6	4.2	4.8	5.1	4.3	4.8	4.5
May.....	7.4	8.7	8.2	9.3	8.7	9.1	4.2	5.2	4.5	4.3	4.4	4.4
June.....	8.1	9.3	8.4	9.6	9.1	9.7	4.7	5.7	5.0	4.7	4.9	4.8
July.....	7.7	9.3	8.1	9.7	8.8	9.7	4.6	6.0	4.7	4.9	4.7	5.0
August.....	7.3	9.1	7.8	9.5	8.6	9.6	4.7	6.1	4.5	4.6	4.4	4.6
September..	7.0	8.8	7.1	9.2	8.0	9.5	4.3	6.0	4.2	4.5	4.1	4.4
October.....	6.8	8.5	7.0	9.0	7.9	9.5	4.5	6.1	3.9	4.4	3.9	4.1
November..			7.2	9.3	8.0	9.4	5.2	6.5	4.1	4.5	4.3	4.3
December...			<u>7.1</u>	<u>9.1</u>	<u>8.3</u>	<u>9.7</u>	<u>5.9</u>	<u>7.1</u>	<u>4.3</u>	<u>4.8</u>	<u>4.5</u>	<u>4.3</u>
Annual Average....			8.3	9.6	8.5	9.3	4.8	5.8	4.8	4.6	4.7	4.6

<u>2005 Quarters</u>		<u>Wis.</u>	<u>U.S.</u>	<u>2004 Quarters</u>		<u>Wis.</u>	<u>U.S.</u>
I		5.7	5.6	I		6.1	6.1
II		4.8	5.0	II		5.1	5.5
III		4.4	5.0	III		4.6	5.4
IV		4.3	4.7	IV		4.3	5.1

<u>2003 Quarters</u>		<u>Wis.</u>	<u>U.S.</u>	<u>2002 Quarters</u>		<u>Wis.</u>	<u>U.S.</u>
I		6.5	6.3	I		6.2	6.2
II		5.9	6.1	II		5.4	5.7
III		5.3	6.0	III		4.8	5.7
IV		4.8	5.5	IV		4.7	5.6

^(a) Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.

Source: Department of Workforce Development and U.S. Bureau of Labor Standards

Legislative Fiscal Bureau

Robert Wm. Lang, Director



State of Wisconsin

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

May 11, 2011

Senator Alberta Darling, Senate Chair
Representative Robin Vos, Assembly Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

Last January, this office released estimates of general fund tax revenues for 2010-11 and the two years of the 2011-13 biennium. Those figures, which included the effects of tax legislation enacted during the January, 2011 Special Session (Act 1, relating to health savings accounts; Act 3, creating a tax deduction/credit for businesses that relocate to Wisconsin; and Act 5, creating a tax deduction for businesses that add employees in Wisconsin), were incorporated into the Governor's 2011-13 biennial budget bill.

Recently, tax collections data for April became available and IHS Global Insight, Inc. (Global Insight) released its May, 2011, forecast of the U.S. economy. The collections data shows considerable strength in the individual income tax, but lower than expected revenues from the sales tax and the corporate income and franchise tax. However, the strength in income tax collections significantly exceeds the weakness in the other two major taxes.

The May economic forecast shows some improvement over the January forecast for a number of economic indicators, including nominal (current dollar) gross domestic product (GDP), personal consumption, personal income, home sales, and corporate profits. But total employment, light vehicle sales, housing starts, and real (inflation-adjusted) GDP are expected to be somewhat lower in 2011 through 2013 than was projected in January. Also, Global Insight assigns a higher probability to its pessimistic alternative in the new forecast (20% in April versus 15% in January). Compared to the January forecast, the U.S. unemployment rate is expected to be about 0.5% lower in 2011 and 2012; however, this is due to reduced labor force participation rather than an increase in employment. Consumer prices are expected to be somewhat higher relative to the January forecast, primarily due to increased inflation in 2011. Crude oil prices are expected to be 10% to 15% higher than forecast in January. Although there are a number of differences between the two forecasts, in terms of magnitude, most of the major economic indicators in the current forecast do

not vary significantly from the January figures. Both forecasts project a continued slow recovery over the next several years, with nominal GDP growth of 4% to 5% each year and 1% to 2% annual employment growth.

Based on our review of the collections data and the new economic forecast, we now believe that general fund tax revenues will be higher than the previous estimates by \$233 million in 2010-11, \$204 million in 2011-12, and \$199 million in 2012-13. The three-year increase is \$636 million, or 1.6%. Over the three-year period, the income tax estimates have been increased by \$910 million, and the sales tax and corporate tax projections have been reduced by \$240 million and \$68 million, respectively. Smaller revisions have been made to the estimates for other taxes.

As noted, the primary factor in the revised estimates is unanticipated strength in individual income tax collections since the January figures were released. When those estimates were prepared, total income tax collections through December, 2010, were 3.7% above the year-to-date collections for the prior year. Quarterly estimated payments of income taxes on business, investment, and retirement income were relatively strong (10.3% growth), but withholding payments showed only 2.8% year-to-date growth. Based on Global Insight's January forecast of taxable components of personal income, it was estimated that the second half of the fiscal year would see slightly better growth rates, and that total income tax revenues in 2010-11 would be 4.3% higher than the 2009-10 amount.

In the months since the January estimates were released, total income tax collections have increased by approximately 28% over the same four-month period last year, and year-to-date growth through April has improved to 12.3%. The main source of strength has been in amounts collected with income tax returns filed this spring for the 2010 tax year. In the last four months, payments remitted with returns have increased by almost 35% compared to last year, and refunds are 7.3% lower. Together, this has resulted in additional revenues of \$228 million over the amount collected during the same period last year. The most likely reasons for this strength are the large gains in the stock market since early 2009 and improved business profits of pass-through entities (partnerships, limited liability companies, and subchapter S corporations) that are taxed under the individual income tax.

In addition, withholding taxes have increased substantially in recent months. Monthly growth in April was 13.3%, and year-to-date growth has improved to 5.5%. Growth in estimated taxes has tapered off somewhat, but is still at 7.6% year-to-date through April. Many other states have also reported strong personal income tax collections this spring.

An offsetting factor that could affect future income tax collections involves the changes to local government employee retirement contributions included in 2009 Act 10. When Act 10 was passed by the Legislature, it was understood that the increased retirement contributions by state and local employees would be made from the employee's after-tax income, and that the employee's liability for federal payroll (FICA) taxes and federal and state income taxes would not be impacted. This office has recently learned that it will be possible for local governing bodies to implement the retirement contributions in a way that allows them to be made from the employee's pre-tax income for federal and state income tax purposes. Structuring the contributions this way would result in the local employees paying lower federal and state income taxes, but would not affect federal payroll

taxes. If this option were used by all local units of government in Wisconsin, state income taxes would be reduced by an estimated \$40 million annually beginning in 2011-12. A similar payment structure could be implemented for retirement contributions by state employees, but additional legislative action would be needed.

However, the Dane County Circuit Court has issued a temporary restraining order prohibiting implementation of Act 10 until litigation regarding passage of the bill has been resolved. Also, it has been reported that some local units of government have entered into contracts that do not require employees to make the retirement contributions specified in Act 10. In addition, if the Act 10 provisions take effect, it is unclear how many other local government units would implement the retirement contributions in a way that allows them to be made from the employee's pre-tax income. Because of this uncertainty, the revised income tax estimates do not include an adjustment to reflect this factor. However, the estimates may have to be reduced in the future if the Act 10 provisions take effect and local governments elect to structure the retirement contributions as described above.

Table 1 shows the revised general fund tax estimates and Table 2 outlines the May, 2011, economic forecast by Global Insight. The tax revenue estimates in Table 1 reflect all legislation passed to date, but do not include any of the tax law changes recommended by the Governor in the biennial budget bill. The sections following the tables present additional information about the new revenue estimates.

TABLE 1
Projected General Fund Tax Collections
Current Law Through 2011 Act 15
(\$ in Millions)

	<u>2009-11 Biennium</u>		<u>2011-13 Biennium</u>	
	<u>2009-10</u> <u>Actual</u>	<u>2010-11</u> <u>Estimated</u>	<u>2011-12</u> <u>Estimated</u>	<u>2012-13</u> <u>Estimated</u>
Individual Income	\$6,089.2	\$6,690.0	\$6,930.0	\$7,290.0
General Sales and Use	3,944.2	4,090.0	4,270.0	4,385.0
Corporate Income and Franchise	834.5	880.0	890.0	920.0
Public Utility	319.4	339.5	344.6	352.6
Excise				
Cigarette	644.3	620.0	615.0	610.0
Tobacco Products	59.9	61.6	63.6	65.7
Liquor and Wine	44.2	46.0	47.1	48.2
Beer	9.6	9.5	9.5	9.5
Insurance Company	130.7	139.5	147.0	150.0
Miscellaneous taxes	<u>55.8</u>	<u>48.6</u>	<u>51.6</u>	<u>57.0</u>
Total	\$12,131.7	\$12,924.7	\$13,368.4	\$13,888.0
Change from Prior Year		\$793.0	\$443.7	\$519.6
Percent Change		6.5%	3.4%	3.9%

TABLE 2

**Summary of National Economic Indicators
IHS Global Insight, Inc., May, 2011
(\$ in Billions)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Nominal Gross Domestic Product	\$14,660.4	\$15,315.7	\$15,994.1	\$16,709.0
% Change	3.8%	4.5%	4.4%	4.5%
Real Gross Domestic Product	\$13,248.2	\$13,605.7	\$14,002.9	\$14,388.8
% Change	2.9%	2.7%	2.9%	2.8%
Consumer Prices (Percent Change)	1.6%	3.0%	1.8%	2.0%
Personal Income	\$12,546.7	\$13,207.6	\$13,693.4	\$14,318.9
% Change	3.1%	5.3%	3.7%	4.6%
Personal Consumption Expenditures	\$10,349.0	\$10,879.9	\$11,326.3	\$11,740.5
% Change	3.5%	5.1%	4.1%	3.7%
Economic Profits	\$1,624.8	\$1,708.7	\$1,734.7	\$1,776.2
% Change	29.2%	5.2%	1.5%	2.4%
Unemployment rate	9.6%	8.8%	8.3%	7.8%
Total Nonfarm Payrolls (millions)	129.8	131.4	133.7	136.2
% Change	-0.7%	1.2%	1.8%	1.8%
Light Vehicle Sales (millions)	11.5	12.7	14.6	15.8
% Change	11.0%	10.1%	14.6%	8.4%
Housing Starts (millions)	0.585	0.630	1.021	1.418
% Change	5.6%	7.6%	62.0%	38.9%

Individual Income Tax. Individual income tax receipts are estimated at \$6,690 million in 2010-11, \$6,930 in 2011-12, and \$7,290 million in 2012-13. The revised figures represent increases relative to the previous projections of \$340 million in 2010-11, \$280 million in 2011-12, and \$290 million in 2012-13. These increases total \$910 million.

In January, income tax collections for 2010-11 were estimated to increase by 4.3% compared to collections in 2009-10, based on the economic forecast and collections data at the time. The reestimate is based on year-to-date tax collections that are 12.3% above the collections total for the same period last year. The estimates for the 2011-13 biennium have also been increased to reflect the estimated increase in base year collections.

Sales Tax. Through April, 2011, total year-to-date sales tax collections were 4.1% higher than in April, 2010. If the impact of the *Menasha Corporation* decision and other factors are

accounted for, the adjusted year-to-date growth rate is 2.9%. Sales tax revenue estimates have been reduced by \$60 million in 2010-11, \$80 million in 2011-12, and \$100 million in 2012-13. In January, this office estimated total year-over-year growth for 2010-11 at 5.2% based, in part, on year-over-year growth in collections of 5.1% through December. Since that time, sales tax collections have weakened as compared to forecasted growth in taxable personal consumption, and the downward revision primarily reflects this lower-than-expected growth. The revised estimates are \$4,090 million in 2010-11, \$4,270 million in 2011-12, and \$4,385 million in 2012-13.

Corporate Income and Franchise Tax. Corporate income and franchise tax revenues are now projected to be \$880 million in 2010-11, \$890 million in 2011-12, and \$920 million in 2012-13. Compared to the previous estimates, the revised estimates represent decreased corporate income and franchise tax revenues of \$55 million in 2010-11, \$10 million in 2011-12, and \$3.4 million in 2012-13.

The new estimates reflect year-to-date corporate income and franchise tax collections. The monthly rate of growth of corporate collections has slowed substantially in the past three months, and estimated payments are lower than last year. The 2010-11 estimate includes two one-time tax settlement amounts. The May, Global Insight forecast includes projections of slightly higher corporate profits than in January, so that corporate income and franchise tax collections are expected to increase each year of the 2011-13 biennium. Both sets of estimates have been adjusted to reflect the impact of corporate income/franchise tax law changes enacted during the 2009-11 biennium, including combined reporting, use of 100% of throwback sales in the apportionment formula, repeal of the domestic production activities income deduction, and enactment of a number of tax credits, such as the economic development and super research and development tax credits. The estimates also reflect tax law changes enacted in the January, 2011 Special Session, including the relocated business tax credit, and income exclusion for increased employment.

Excise Taxes. Excise tax revenues are reestimated at \$737.1 million in 2010-11, \$735.2 million in 2011-12, and \$733.4 million in 2012-13, and are lower than the previous estimates by \$1.8 million, \$2.2 million, and \$2.6 million, respectively. The reduction is primarily due to lower than expected year-to-date growth in tobacco products tax collections. The reduction in tobacco products revenue is partially offset by higher than expected liquor tax collections.

Insurance Premiums Tax. Insurance premiums taxes are projected to be \$139.5 million in 2010-11, \$147 million in 2011-12, and \$150 million in 2012-13. These projections represent increases from the previous estimates of \$7.5 million in 2010-11, \$13.7 million in 2011-12, and \$15.4 million in 2012-13. The new estimates reflect premiums tax collections, which are 6.7% higher than collections through April, 2010. Insurance premiums taxes are projected to increase in each year of the biennium, as the economy continues its gradual expansion.

Miscellaneous Taxes. Estimated revenues from miscellaneous taxes have been increased by \$2.6 million in 2010-11 and 2011-12. The projected increase in revenue is primarily due to better than anticipated real estate transfer fee collections. Although the current estimate is higher than the January projection, real estate transfer fee collections are still estimated to be 15.1% below the 2009-10 amount. As with the January estimates, growth is expected to resume in 2011-12. Total

miscellaneous tax revenues are estimated at \$48.6 million in 2010-11, \$51.6 million in 2011-12, and \$57.0 million in 2012-13.

Other Taxes. The estimates for public utility taxes, the cigarette tax and the beer tax, have not been revised.

Impact on General Fund Balance

Based upon the tax collection estimates of this analysis, the net balance in the general fund at the end of the 2010-11 fiscal year is projected to be \$214.6 million, and the net balance at the end of the 2011-13 biennium is estimated at \$659.9 million. These general fund balance projections are based upon: (1) the provisions of 2011 SB 27/AB 40, as modified, to date, by the Joint Committee on Finance; (2) bills enacted to date in the current legislative session; and (3) the current law tax collection estimates of this analysis.

It should be noted that the balance figures noted above do not include the effect of 2011 Act 10, which is pending resolution by the courts.

The balance estimates do not take into consideration any revenue or appropriation modifications that may occur over the remainder of the Finance Committee's work on SB 27/AB 40.

This office will continue to review the revenue and expenditure estimates used in SB 27/AB 40, as well as tax collections data and new economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

Sincerely,



Robert Wm. Lang
Director

RWL/sas

cc: Members, Wisconsin Legislature

General Fund Information; General Fund Cash Flow (Part II; Pages 41-50).

The following tables provide updates and additions to various tables containing General Fund information for the 2010-11 and 2011-12 fiscal years, which are presented on either a cash basis or an agency-recorded basis. Unless otherwise noted, these tables contain information through October 31, 2011.

The results, projections, and estimates in the following tables for the 2010-11 fiscal year reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of \$762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund (\$511 million for medical assistance programs, \$194 million for education aids, and \$57 million for other various purposes), \$800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, structural refunding authority of \$165 million included in budget adjustment legislation (more specifically, in 2011 Wisconsin Act 13), and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum. The federal economic stimulus money discussed above is only a portion of such funds that the State has received or expected to receive in the General Fund.

The results, projections, and estimates in the following tables for the 2011-12 fiscal year reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32), \$800 million of operating note receipts received on July 19, 2011 and the resulting impoundment payments due in February, March, April, and May 2012, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.

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 State can have a negative cash balance at the end of a fiscal year. The Wisconsin Statutes provide certain administrative remedies, such as temporary reallocation, to deal with periods when the balance, on a cash basis, is negative. If the amount of temporary reallocation available to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

Table II-10; General Fund Cash Flow (Part II; Page 45). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2010 TO JUNE 30, 2011^(a)

(Amounts in Thousands)

	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
BALANCES^{(a)(b)}												
Beginning Balance	\$ 383,306	\$ (84,448)	\$ 497,619	\$ 919,992	\$ 1,439,908	\$ 1,426,253	\$ (108,976)	\$ 1,750,979	\$ 1,727,093	\$ 614,211	\$ 971,165	\$ 1,453,134
Ending Balance ^(c)	(84,448)	497,619	919,992	1,439,908	1,426,253	(108,976)	1,750,979	1,727,093	614,211	971,165	1,453,134	303,777
Lowest Daily Balance ^(c)	(122,974)	(90,410)	297,835	709,092	962,221	(213,810)	(123,219)	1,651,343	533,357	531,962	971,165	243,610
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 483,412	\$ 627,258	\$ 671,124	\$ 535,724	\$ 636,984	\$ 598,745	\$ 1,041,402	\$ 495,200	\$ 621,935	\$ 1,096,334	\$ 581,508	\$ 761,237
Sales & Use	385,326	387,798	382,658	374,812	368,633	344,533	416,955	316,745	296,266	344,239	341,210	374,874
Corporate Income	43,130	25,350	173,894	43,590	43,933	153,785	70,049	25,002	183,010	76,976	28,579	169,179
Public Utility	-	63	62	2,428	175,062	213	-	1	12	4,921	163,640	41
Excise	70,623	68,097	67,433	62,432	54,637	68,316	65,540	45,804	51,090	65,273	49,863	61,255
Insurance	1,531	1,182	31,965	376	1,366	33,335	937	32,385	19,800	19,489	1,136	14,974
Subtotal Tax Receipts	\$ 984,022	\$ 1,109,748	\$ 1,327,136	\$ 1,019,362	\$ 1,280,615	\$ 1,198,927	\$ 1,594,883	\$ 915,137	\$ 1,172,113	\$ 1,607,232	\$ 1,165,936	\$ 1,381,560
NON-TAX RECEIPTS												
Federal	\$ 809,284	\$ 822,212	\$ 926,039	\$ 710,540	\$ 752,733	\$ 603,077	\$ 1,374,583	\$ 624,735	\$ 700,308	\$ 516,832	\$ 739,894	\$ 927,890
Other & Transfers	436,955	288,640	608,849	397,638	442,147	311,520	485,864	719,897	466,592	394,350	310,525	440,282
Note Proceeds ^(d)	803,408	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 2,049,647	\$ 1,110,852	\$ 1,534,888	\$ 1,108,178	\$ 1,194,880	\$ 914,597	\$ 1,860,447	\$ 1,344,632	\$ 1,166,900	\$ 911,182	\$ 1,050,419	\$ 1,368,172
TOTAL RECEIPTS	\$ 3,033,669	\$ 2,220,600	\$ 2,862,024	\$ 2,127,540	\$ 2,475,495	\$ 2,113,524	\$ 3,455,330	\$ 2,259,769	\$ 2,339,013	\$ 2,518,414	\$ 2,216,355	\$ 2,749,732
DISBURSEMENTS												
Local Aids	\$ 1,429,366	\$ 202,649	\$ 860,448	\$ 119,341	\$ 1,033,776	\$ 1,309,475	\$ 221,063	\$ 270,789	\$ 1,326,605	\$ 81,828	\$ 180,604	\$ 1,948,828
Income Maintenance	795,141	602,501	615,203	620,435	677,923	1,361,190	324,938	493,827	434,516	439,584	521,744	793,321
Payroll and Related	539,995	304,252	341,331	429,142	395,512	480,524	463,313	404,790	506,333	475,354	289,803	477,749
Tax Refunds	58,790	56,259	53,503	89,888	95,080	119,659	117,635	542,888	572,238	448,974	134,964	112,771
Debt Service	214,486	-	167,832	408	-	39	263	262	-	163,165	-	-
Miscellaneous	452,237	472,872	401,334	348,410	286,859	377,866	468,163	382,054	408,381	348,743	403,449	566,420
Note Repayment ^(d)	11,408	-	-	-	-	-	-	189,045	203,822	203,812	203,822	-
TOTAL DISBURSEMENTS	\$ 3,501,423	\$ 1,638,533	\$ 2,439,651	\$ 1,607,624	\$ 2,489,150	\$ 3,648,753	\$ 1,595,375	\$ 2,283,655	\$ 3,451,895	\$ 2,161,460	\$ 1,734,386	\$ 3,899,089

(a) Results in this table reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of \$762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund (\$511 million for medical assistance programs, \$194 million for education aids, and \$57 million for other various purposes), \$800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, \$165 million of structural refunding authority included in 2011 Wisconsin Act 13, and the estimated General Fund tax revenue collections for the 2010-11 fiscal year shown in the May 11, 2011 LFB Memorandum. This table does not include any temporary reallocations of cash.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds were expected to range from \$200 to \$400 million during the 2010-11 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately \$10 million during the 2010-11 fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. For the 2010-11 fiscal year, the Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 7% of the total general-purpose revenue appropriations then in effect with an additional 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2010-11 fiscal year were approximately \$986 million and \$422 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

(d) Includes proceeds of \$800 million of operating notes issued on July 1, 2010 and impoundment payments made in February, March, April, and May 2011. The February 2011 impoundment payment reflected the premium received on July 1, 2010 and deposited into the Operating Note Redemption Fund.

Table II-10; General Fund Cash Flow (Part II; Page 45). Add the following table for the 2011-12 fiscal year.

**ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2011 TO OCTOBER 31, 2011
PROJECTED GENERAL FUND CASH FLOW; NOVEMBER 1, 2011 TO JUNE 30, 2012^(a)**

(Amounts in Thousands)

	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012
BALANCES^{(a)(b)}												
Beginning Balance	\$ 303,777	\$ 68,536	\$ 331,967	\$ 694,160	\$ 1,542,231	\$ 1,375,106	\$ 542,889	\$ 1,654,576	\$ 1,494,833	\$ 108,127	\$ 685,448	\$ 1,161,361
Ending Balance^(c)	68,536	331,967	694,160	1,542,231	1,375,106	542,889	1,654,576	1,494,833	108,127	685,448	1,161,361	382,568
Lowest Daily Balance^(c)	(106,671)	(193,350)	160,234	694,160	1,280,372	(110,790)	542,889	1,143,210	108,127	(58,244)	424,307	72,864
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 493,305	\$ 681,394	\$ 712,034	\$ 687,765	\$ 539,367	\$ 538,969	\$ 1,157,958	\$ 559,112	\$ 484,108	\$ 1,394,063	\$ 567,637	\$ 637,168
Sales & Use	409,609	404,000	401,378	392,580	360,226	332,472	400,888	310,541	294,693	338,875	338,677	376,088
Corporate Income	37,126	39,496	174,950	36,185	35,520	148,588	35,694	23,236	183,591	46,063	27,287	148,852
Public Utility	28	43	42	7,675	169,268	207	-	-	-	4,755	167,372	517
Excise	67,793	66,226	68,097	58,065	60,065	63,072	65,273	52,805	50,238	64,539	56,252	61,239
Insurance	2	600	12,374	11	1,116	27,242	766	26,466	16,835	21,084	981	23,863
Subtotal Tax Receipts	\$ 1,007,863	\$ 1,191,759	\$ 1,368,875	\$ 1,182,281	\$ 1,165,562	\$ 1,110,550	\$ 1,660,579	\$ 972,160	\$ 1,029,465	\$ 1,869,379	\$ 1,158,206	\$ 1,247,727
NON-TAX RECEIPTS												
Federal ^(d)	\$ 492,597	\$ 698,242	\$ 928,719	\$ 658,109	\$ 697,140	\$ 637,459	\$ 791,340	\$ 729,773	\$ 725,313	\$ 626,428	\$ 841,211	\$ 658,128
Other & Transfers	590,592	263,237	583,397	677,134	366,490	305,333	606,255	664,835	365,005	411,445	367,989	500,893
Note Proceeds ^(e)	804,894	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,888,083	\$ 961,479	\$ 1,512,116	\$ 1,335,243	\$ 1,063,630	\$ 942,792	\$ 1,397,595	\$ 1,394,608	\$ 1,090,318	\$ 1,037,873	\$ 1,209,200	\$ 1,159,021
TOTAL RECEIPTS	\$ 2,895,946	\$ 2,153,238	\$ 2,880,991	\$ 2,517,524	\$ 2,229,192	\$ 2,053,342	\$ 3,058,174	\$ 2,366,768	\$ 2,119,783	\$ 2,907,252	\$ 2,367,406	\$ 2,406,748
DISBURSEMENTS												
Local Aids	\$ 1,499,562	\$ 171,288	\$ 839,981	\$ 108,662	\$ 960,363	\$ 1,174,813	\$ 214,693	\$ 250,067	\$ 1,222,142	\$ 123,076	\$ 156,701	\$ 1,807,111
Income Maintenance	494,447	641,061	666,896	638,141	572,963	680,543	618,089	577,518	625,280	595,320	484,201	276,964
Payroll and Related	347,575	350,128	402,141	303,497	383,304	458,327	426,288	389,436	481,391	319,001	444,884	451,693
Tax Refunds	119,879	71,956	60,865	104,942	118,307	192,635	128,852	603,368	560,932	459,342	145,055	77,671
Debt Service	230,057	-	-	123,914	258	-	6,936	-	-	240,899	-	-
Miscellaneous ^(f)	426,773	655,374	548,915	390,297	361,122	379,241	551,629	515,394	413,122	388,671	457,030	572,102
Note Repayment ^(e)	12,894	-	-	-	-	-	-	190,728	203,622	203,622	203,622	-
TOTAL DISBURSEMENTS	\$ 3,131,187	\$ 1,889,807	\$ 2,518,798	\$ 1,669,453	\$ 2,396,317	\$ 2,885,559	\$ 1,946,487	\$ 2,526,511	\$ 3,506,489	\$ 2,329,931	\$ 1,891,493	\$ 3,185,541

(a) The results, projections, or estimates in this table reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32) and the estimated General Fund tax revenue collections for the 2011-12 fiscal year shown in the May 11, 2011 LFB Memorandum. This table does not include any temporary reallocations of cash.

(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 \$500 million to \$1.2 billion during the 2011-12 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 \$60 million during the 2011-12 fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. For the 2011-12 fiscal year, the Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the total general-purpose revenue appropriations then in effect with an additional 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2011-12 fiscal year are approximately \$1.275 billion and \$425 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

(d) The July 2011 Federal receipts estimate was reduced by approximately \$271 million and re-categorized as Other & Transfers to be received throughout the fiscal year. These revisions reflect a change in the projected timing and estimated disbursements for the Medicaid program.

(e) Includes proceeds of \$800 million of operating notes issued on July 19, 2011 and impoundment payments to be made in February, March, April, and May 2012. The February 2012 impoundment payment reflects the premium received on July 19, 2011 and deposited into the Operating Note Redemption Fund.

(f) Reflects \$234 million paid to the Injured Patients and Families Compensation Fund on August 2, 2011.

Table II-11; General Fund Cash Receipts and Disbursements Year-to-Date; Compared to Estimates and Previous Fiscal Year (Part II; Page 46). Replace with the following updated table.

**2010-11 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)
(Cash Basis)
As of June 30, 2011
(Amounts in Thousands)**

	FY10 through June 2010		FY11 through June 2011			Difference FY10 Actual to FY11 Actual
	Actual	Actual ^(b)	Estimate ^(b)	Variance	Adjusted Variance ^(c)	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 7,682,024	\$ 8,150,863	\$ 7,996,467	\$ 154,396	\$ 154,396	\$ 468,839
Sales	4,206,167	4,334,049	4,383,628	(49,579)	(49,579)	127,882
Corporate Income	1,024,705	1,036,477	989,468	47,009	47,009	11,772
Public Utility	324,064	346,443	344,300	2,143	2,143	22,379
Excise	755,546	730,363	764,883	(34,520)	(34,520)	(25,183)
Insurance	150,460	158,476	164,600	(6,124)	(6,124)	8,016
Inheritance	7,225	-	-	-	-	(7,225)
Total Tax Receipts	\$ 14,150,191	\$ 14,756,671	\$ 14,643,346	\$ 113,325	\$ 113,325	\$ 606,480
Non-Tax Receipts						
Federal	\$ 9,140,857	\$ 9,508,127	\$ 8,820,622	\$ 687,505	\$ 687,505	\$ 367,270
Other and Transfers	5,601,078	5,303,259	5,199,047	104,212	104,212	(297,819)
Note Proceeds	807,585	803,408	803,408	-	-	(4,177)
Total Non-Tax Receipts	\$ 15,549,520	\$ 15,614,794	\$ 14,823,077	\$ 791,717	\$ 791,717	\$ 65,274
TOTAL RECEIPTS	\$ 29,699,711	\$ 30,371,465	\$ 29,466,423	\$ 905,042	\$ 905,042	\$ 671,754
DISBURSEMENTS						
Local Aids	\$ 8,898,232	\$ 8,984,772	\$ 8,951,573	\$ (33,199)	\$ (33,199)	\$ 86,540
Income Maintenance	7,116,933	7,680,323	7,491,211	(189,112)	(189,112)	563,390
Payroll & Related	4,841,818	5,108,098	4,991,658	(116,440)	(116,440)	266,280
Tax Refunds	2,571,901	2,402,649	2,541,400	138,751	138,751	(169,252)
Debt Service	452,285	546,455	574,234	27,779	27,779	94,170
Miscellaneous	4,469,020	4,916,788	4,883,369	(33,419)	(33,419)	447,768
Note Repayment	818,864	811,909	815,288	3,379	3,379	(6,955)
TOTAL DISBURSEMENTS	\$ 29,169,053	\$ 30,450,994	\$ 30,248,733	\$ (202,261)	\$ (202,261)	\$ 1,281,941
2010-11 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$ 702,781	\$ 702,781	

- (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 results, projections, or estimates in this table for the 2010-11 fiscal year reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of \$762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund (\$511 million for medical assistance programs, \$194 million for education aids, and \$57 million for other various purposes), \$800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, \$165 million of structural refunding authority included in 2011 Wisconsin Act 13, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.
- (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, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration

Table II-11; General Fund Cash Receipts and Disbursements Year-to-Date; Compared to Estimates and Previous Fiscal Year (Part II; Page 46). Add the following table for the 2011-12 fiscal year.

**2011-12 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)
(Cash Basis)
As of October 31, 2011
(Amounts in Thousands)**

	FY11 through October 2010		FY12 through October 2011			Adjusted Variance ^(c)	Difference FY11 Actual to FY12 Actual
	Actual		Actual ^(b)	Estimate ^(b)	Variance		
RECEIPTS							
Tax Receipts							
Individual Income	\$ 2,317,518		\$ 2,574,498	\$ 2,592,618	\$ (18,120)	\$ (18,120)	\$ 256,980
Sales	1,530,594		1,607,567	1,517,345	90,222	90,222	76,973
Corporate Income	285,964		287,757	241,169	46,588	46,588	1,793
Public Utility	2,553		7,788	2,481	5,307	5,307	5,235
Excise	268,585		260,181	259,917	264	264	(8,404)
Insurance	35,054		12,987	28,647	(15,660)	(15,660)	(22,067)
Total Tax Receipts	\$ 4,440,268		\$ 4,750,778	\$ 4,642,177	\$ 108,601	\$ 108,601	\$ 310,510
Non-Tax Receipts							
Federal	\$ 3,268,075		\$ 2,777,667	\$ 2,614,190	\$ 163,477	\$ 163,477	\$ (490,408)
Other and Transfers	1,732,082		2,114,360	1,954,473	159,887	159,887	382,278
Note Proceeds	803,408		804,894	804,894	-	-	1,486
Total Non-Tax Receipts	\$ 5,803,565		\$ 5,696,921	\$ 5,373,557	\$ 323,364	\$ 323,364	\$ (106,644)
TOTAL RECEIPTS	\$ 10,243,833		\$ 10,447,699	\$ 10,015,734	\$ 431,965	\$ 431,965	\$ 203,866
DISBURSEMENTS							
Local Aids	\$ 2,611,804		\$ 2,619,493	\$ 2,598,331	\$ (21,162)	\$ (21,162)	\$ 7,689
Income Maintenance	2,633,280		2,440,545	2,232,408	(208,137)	(208,137)	(192,735)
Payroll & Related	1,614,720		1,403,341	1,421,298	17,957	17,957	(211,379)
Tax Refunds	258,440		357,642	345,457	(12,185)	(12,185)	99,202
Debt Service	382,726		353,971	422,284	68,313	68,313	(28,755)
Miscellaneous	1,674,853		2,021,359	1,999,787	(21,572)	(21,572)	346,506
Note Repayment	11,408		12,894	12,894	-	-	1,486
TOTAL DISBURSEMENTS	\$ 9,187,231		\$ 9,209,245	\$ 9,032,459	\$ (176,786)	\$ (176,786)	\$ 22,014
2011-12 FISCAL YEAR VARIANCE YEAR-TO-DATE					\$ 255,179	\$ 255,179	

- (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 results, projections, and estimates in this table for the 2011-12 fiscal year reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32), \$800 million of operating note receipts received on July 19, 2011 and the resulting impoundment payments due in February, March, April, and May 2012, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.
- (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, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration

Table II-12; General Fund Monthly Cash Position (Part II; Page 47). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2009 through October 31, 2011 – Actual
November 1, 2011 through June 30, 2012 – Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(c)</u>	<u>Disbursements^(c)</u>	
2009	July.....	(147,352) ^(d)	3,267,937	3,330,367	
	August.....	(209,782) ^(d)	1,941,326	1,471,235	
	September.....	260,309	2,627,956	2,390,978	
	October.....	497,287	2,386,405	1,666,418	
	November.....	1,217,274	2,354,892	2,341,164	
	December.....	1,231,002	2,325,925	2,865,881	
2010	January.....	691,046	2,564,759	1,778,662	
	February.....	1,477,143	2,304,526	2,344,553	
	March.....	1,437,116 ^(d)	2,402,735	3,512,073	
	April.....	327,778 ^(d)	2,642,788	2,356,146	
	May.....	614,420	1,964,818	1,762,622	
	June.....	816,616 ^(d)	2,915,644	3,348,954	
	July.....	383,306 ^(d)	3,033,669	3,501,423	
	August.....	(84,448) ^(d)	2,220,600	1,638,533	
	September.....	497,619	2,862,024	2,439,651	
	October.....	919,992	2,127,540	1,607,624	
	November.....	1,439,908	2,475,495	2,489,150	
	December.....	1,426,253 ^(d)	2,113,524	3,648,753	
2011	January.....	(108,976) ^(d)	3,455,330	1,595,375	
	February.....	1,750,979	2,259,769	2,283,655	
	March.....	1,727,093	2,339,013	3,451,895	
	April.....	614,211	2,518,414	2,161,460	
	May.....	971,165	2,216,355	1,734,386	
	June.....	1,453,134	2,749,732	3,899,089	
	July.....	303,777 ^(d)	2,895,946	3,131,187	
	August.....	68,536 ^(d)	2,153,238	1,889,807	
	September.....	331,967	2,880,991	2,518,798	
	October.....	694,160	2,517,524	1,669,453	
	November.....	1,542,231	2,229,192	2,396,317	
	December.....	1,375,106	2,053,342	2,885,559	
	2012	January.....	542,889	3,058,174	1,946,487
		February.....	1,654,576	2,366,768	2,526,511
March.....		1,494,833	2,119,783	3,506,489	
April.....		108,127 ^(d)	2,907,252	2,329,931	
May.....		685,448	2,367,406	1,891,493	
June.....		1,161,361	2,406,748	3,185,541	

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

^(b) The results, projections, or estimates in this table for the 2010-11 fiscal year reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28), subsequent actions by the Wisconsin State Legislature and its Joint Committee on Finance, certain federal economic stimulus money in the amount of \$762 million that the State expected to receive in the 2010-11 fiscal year in the General Fund (\$511 million for medical assistance programs, \$194 million for education aids, and \$57 million for other various purposes), \$800 million of operating note receipts received on July 1, 2010 and the resulting impoundment payments due in February, March, April, and May 2011, structural refunding authority in the amount of \$165 million included in 2011 Wisconsin Act 13, and the estimated General Fund tax revenue collections shown in the May 11, 2011 LFB Memorandum. The results, projections, or estimates in this table for the 2011-12 fiscal year reflect the budget bill for the 2011-13 biennium (2011 Wisconsin Act 32), \$800 million of operating note receipts received on July 19, 2011 and the resulting impoundment payments due in February, March, April, and May 2012, and the General Fund tax revenue collection estimates included in the May 11, 2011 LFB Memorandum.

^(c) Operating notes were issued for the 2009-10, 2010-11, and 2011-12 fiscal years.

^(d) At some period during this month, the General Fund was in a negative cash position. The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. For the 2010-11 fiscal year, the Secretary of Administration could temporarily reallocate cash in other funds to the General Fund up to 7% of the general purpose revenue appropriations then in effect (approximately \$986 million for the 2010-11 fiscal year). In addition, the Secretary of Administration could also temporarily reallocate an additional amount of up to 3% of the general-purpose revenue appropriations then in effect (approximately \$422 million for the 2010-11 fiscal year) for a period of up to 30 days. For the 2011-12 fiscal year, the 7% increases to 9%. This results in amounts for the 2011-12 fiscal year of \$1.275 billion and \$425 million, respectively. If the amount available for temporary reallocation to the General Fund is insufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration

Table II-13; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 48). Replace with the following updated table.

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION^(a)
July 31, 2009 to October 31, 2011 – Actual
November 30 to June 30, 2012 – Estimated
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (LGIP), and the second table does include such balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$2.265 billion during October 2011 to a high of \$4.347 billion in February 2009. The Secretary of Administration may not exercise the authority to make temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which the temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

<u>Month (Last Day)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
January		\$ 1,042	\$ 1,197	\$ 1,042
February		955	1,416	955
March		935	1,548	935
April		1,209	1,654	1,209
May		1,289	1,657	1,289
June		1,427	1,625	1,427
July	\$ 981	1,188	1,402	
August	1,064	1,246	1,586	
September	1,233	1,335	1,542	
October	1,035	1,283	<u>1,321</u>	
November	1,118	1,242	1,242	
December	1,073	1,185	1,073	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
January		\$ 4,100	\$ 4,389	\$ 4,100
February		4,133	4,482	4,133
March		4,130	4,745	4,130
April		4,089	4,511	4,089
May		3,842	4,243	3,842
June		4,035	4,091	4,035
July	\$ 5,102	4,469	4,648	
August	4,189	3,883	4,229	
September	4,076	3,833	3,905	
October	3,438	3,495	<u>3,421</u>	
November	3,500	3,585	3,585	
December	3,666	3,974	3,666	

^(a) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.

Source: Wisconsin Department of Administration

Table II-14; General Fund Recorded Revenues (Part II; Page 49). Replace with the following updated tables.

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2010 to June 30, 2011 Compared With Previous Year (FINAL)

	Annual Fiscal Report Revenues <u>2009-10 FY^(b)</u>	Projected Revenues <u>2010-11 FY^(c)</u>	Recorded Revenues July 1, 2009 to <u>June 30, 2010^(d)</u>	Recorded Revenues July 1, 2010 to <u>June 30, 2011^(e)</u>
Individual Income Tax	\$ 6,089,170,000	\$ 6,505,000,000	\$ 6,089,371,577	\$ 6,728,461,728
General Sales and Use Tax	3,944,187,000	4,235,000,000	3,944,260,371	4,109,018,615
Corporate Franchise and Income Tax	834,479,000	800,000,000	834,983,402	825,047,331
Public Utility Taxes	319,377,000	327,200,000	319,376,774	341,344,433
Excise Taxes	757,947,000	747,000,000	757,947,035	720,846,518
Inheritance Taxes	871,000	-	871,188	(127,683)
Insurance Company Taxes	130,718,000	135,000,000	130,718,048	139,951,072
Miscellaneous Taxes	54,910,000	52,000,000	79,311,536	72,667,424
SUBTOTAL.....	<u>12,131,659,000</u>	<u>12,801,200,000</u>	<u>12,156,839,930</u>	<u>12,937,209,440</u>
Federal and Other Inter- Governmental Revenues ^(f)	10,144,453,000	7,943,651,700	10,144,346,382	11,175,503,599
Dedicated and Other Revenues ^(g)	<u>4,641,967,000</u>	<u>5,370,540,300</u>	<u>17,268,517,594</u>	<u>18,140,625,503</u>
TOTAL.....	<u>\$ 26,918,079,000</u>	<u>\$ 26,115,392,000</u>	<u>27,412,863,976</u>	<u>29,316,129,102</u>

- (a) This table includes final 2010-11 fiscal year revenues as recorded by state agencies; the revenues are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2009-10 fiscal year, dated October 15, 2010.
- (c) The projections or estimates in this table on an agency recorded basis reflect the 2009-11 biennial budget (2009 Wisconsin Act 28), \$762 million of certain federal economic stimulus money the State received in the 2010-11 fiscal year, and the General Fund tax revenue estimates released by LFB on January 27, 2010. The projections or estimates do not reflect updated General Fund tax revenue collection estimates provided by DOR on November 19, 2010 (as modified on December 27, 2010), the estimated General Fund tax collections provided by LFB on January 31, 2011 and May 11, 2011, or provisions of any actions of the Legislature and Legislature's Joint Committee on Finance subsequent to 2009 Act 28.
- (d) The amounts shown are 2009-10 fiscal year general purpose revenues and program revenue taxes as recorded by state agencies. There may be differences between the tax revenues shown in this report and those that may be reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report (i) only includes general purpose revenues or taxes that are actually collected by the Department of Revenue and (ii) may include accruals or other adjustments that may not be recorded by state agencies until a subsequent month.
- (e) The amounts shown are 2010-11 fiscal year general purpose revenues and program revenue taxes as recorded by state agencies. There may be differences between the tax revenues shown in this report and those that may be reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report (i) only includes general purpose revenues or taxes that are actually collected by the Department of Revenue and (ii) may include accruals or other adjustments that may not be recorded by state agencies until a subsequent month.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.
- (g) Certain transfers between general fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2011 to October 31, 2011 Compared With Previous Year

	Annual Fiscal Report Revenues <u>2010-11 FY^(b)</u>	Projected Revenues <u>2011-12 FY^(c)</u>	Recorded Revenues July 1, 2009 to <u>October 31, 2010^(d)</u>	Recorded Revenues July 1, 2010 to <u>October 31, 2011^(e)</u>
Individual Income Tax	\$ 6,700,647,000	\$ 6,868,230,000	\$ 1,894,396,933	\$ 2,136,183,201
General Sales and Use Tax	4,109,019,000	4,269,805,000	1,054,319,556	1,104,685,182
Corporate Franchise and Income Tax	852,863,000	880,800,000	224,518,703	227,647,504
Public Utility Taxes	341,344,000	344,600,000	(2,646,298)	7,576,488
Excise Taxes	720,846,000	735,200,000	199,195,862	192,711,702
Inheritance Taxes	(128,000)	-	(145,799)	194,136
Insurance Company Taxes	139,951,000	147,000,000	2,474,050	34,354,166
Miscellaneous Taxes	47,323,000	51,600,000	16,564,469	17,159,561
SUBTOTAL.....	<u>12,911,865,000</u>	<u>13,297,235,000</u>	<u>3,388,677,477</u>	<u>3,720,511,941</u>
Federal and Other Inter- Governmental Revenues ^(f)	11,170,454,000	8,635,594,800	3,484,620,770	3,100,801,680
Dedicated and Other Revenues ^(g)	<u>4,844,199,000</u>	<u>5,187,165,700</u>	<u>1,790,052,828</u>	<u>1,929,943,127</u>
TOTAL.....	<u>\$ 28,926,518,000</u>	<u>\$ 27,119,995,500</u>	<u>\$ 8,663,351,075</u>	<u>\$ 8,751,256,748</u>

- (a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year, dated October 15, 2011.
- (c) The projections or estimates included in this table on an agency-recorded basis reflect the 2011-13 biennial budget (2011 Wisconsin Act 32) and the General Fund tax revenue estimates released by LFB on May 11, 2011.
- (d) The amounts shown are 2010-11 fiscal year revenues as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by the Department of Revenue from time to time in its monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.
- (e) The amounts shown are 2011-12 fiscal year 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 its monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration

Table II-15; General Fund Recorded Expenditures by Function (Part II; Page 50). Replace with the following updated tables.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2010 to June 30, 2011 Compared With Previous Year (FINAL)

	Annual Fiscal Report Expenditures 2009-10 FY^(b)	Appropriations 2010-11 FY^(c)	Recorded Expenditures July 1, 2009 to June 30, 2010^(d)	Recorded Expenditures July 1, 2010 to June 30, 2011^(e)
Commerce.....	\$ 377,721,000	\$ 297,108,800	\$ 303,822,382	\$ 393,115,656
Education.....	11,250,162,000	11,546,524,800	11,217,389,771	12,238,342,270
Environmental Resources.....	169,701,000	322,957,900	169,044,492	207,411,763
Human Relations & Resources	11,561,658,000	10,471,976,600	11,539,869,522	12,426,892,372
General Executive.....	1,090,559,000	1,126,878,500	1,030,802,601	1,141,625,697
Judicial.....	130,653,000	136,817,700	130,341,465	134,551,985
Legislative.....	65,930,000	73,917,600	65,929,776	66,198,679
General Appropriations.....	2,286,961,000	2,389,332,200	2,291,776,665	2,272,267,078
TOTAL.....	\$ 26,933,345,000	\$ 26,365,514,100	\$ 26,748,976,674	\$ 28,880,405,499

^(a) This table includes final 2010-11 fiscal year expenditures as recorded by state agencies; the expenditures are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

^(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2009-10 fiscal year, dated October 15, 2010.

^(c) The estimates in this table reflect the 2009-11 biennial budget (2009 Wisconsin Act 28). The estimates do not reflect provisions of any budget adjustment legislation for the 2010-11 fiscal year.

^(d) The amounts shown are 2009-10 fiscal year expenditures as recorded by state agencies.

^(e) The amounts shown are 2010-11 fiscal year expenditures as recorded by state agencies.

Source: Wisconsin Department of Administration

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2011 to October 31, 2011 Compared With Previous Year

	Annual Fiscal Report Expenditures 2010-11 FY ^(b)	Appropriations 2011-12 FY ^(c)	Recorded Expenditures July 1, 2010 to October 31, 2010 ^(d)	Recorded Expenditures July 1, 2011 to October 31, 2011 ^(e)
Commerce.....	\$ 375,405,000	\$ 256,405,500	\$ 112,948,631	\$ 71,465,930
Education.....	12,227,699,000	11,618,349,000	3,214,485,262	3,166,325,889
Environmental Resources.....	207,892,000	246,148,500	76,174,065	49,955,438
Human Relations & Resources	12,462,717,000	11,177,683,100	4,135,242,981	4,015,899,544
General Executive.....	1,190,324,000	1,150,243,700	499,836,079	498,931,107
Judicial.....	134,965,000	138,688,000	50,621,977	39,551,071
Legislative.....	66,263,000	75,226,800	17,684,204	15,679,523
General Appropriations.....	2,286,559,000	2,470,053,300	1,167,846,239	1,251,203,701
TOTAL.....	<u>\$ 28,951,824,000</u>	<u>\$ 27,132,797,900</u>	<u>\$ 9,274,839,439</u>	<u>\$ 9,109,012,202</u>

- (a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. *None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.*
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2010-11 fiscal year, dated October 15, 2011.
- (c) The estimates in this table reflect the 2011-13 biennial budget (2011 Wisconsin Act 32).
- (d) The amounts shown are 2010-11 fiscal year expenditures as recorded by all State agencies.
- (e) The amounts shown are 2011-12 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration

Security Provisions for General Obligations; Security (Part III; Pages 83-84). Update with the following information:

Effective November 24, 2011, Wisconsin law was changed to provide that, with certain exceptions, the venue for all actions in which the sole defendant is the State, any State board or commission, or any State officer, employee, or agent in an official capacity shall be the county designated by the plaintiff unless another venue is specifically authorized by law. Previously, Wisconsin law had provided that the venue for all such actions would be Dane County. The exceptions concern actions relating to the validity or invalidity of a rule and actions commenced by a prisoner.

APPENDIX B

GENERAL OBLIGATION ISSUANCE STATUS REPORT NOVEMBER 15, 2011

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O. Bonds of 2011, Series C	Total Authorized Unissued Debt
			Interest Earnings ^(a)	Premium ^(a)		
University of Wisconsin; academic facilities.....	\$ 2,016,636,300	\$ 1,523,516,744	\$ 13,072,507	\$ 2,654,869	\$ 30,108,349	\$ 447,283,831
University of Wisconsin; self-amortizing facilities.....	2,342,774,900	1,612,086,661	2,911,822	3,795,001	27,512,461	696,468,955
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,198,000,000	614,097,262	405,319	1,274,802	9,032,505	573,190,112
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818			139,438
Clean water fund program.....	783,743,200	580,349,053		108,689	4,817,336	198,468,122
Safe drinking water loan program.....	54,800,000	45,399,520			2,221,996	7,178,484
Natural resources; nonpoint source grants.....	94,310,400	93,044,918	190,043	72,587		1,002,852
Natural resources; nonpoint source	25,000,000	13,655,000	1,454	156,670		11,186,876
Natural resources; environmental repair.....	57,000,000	47,712,102	203,594	34,982		9,049,322
Natural resources; urban nonpoint source cost-sharing.....	41,900,000	31,878,640	30,671	185,248		9,805,441
Natural resources; contaminated sediment removal.....	27,000,000	7,334,592		4,997	3,010,835	16,649,576
Natural resources; environmental segregated fund supported administrative facilities.....	11,535,200	8,197,686	143	15,103	346,246	2,976,022
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	6,214,779	617	1,087	6,022	377,496
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	145,060,325	145,010,325	50,000			
Natural resources; pollution abatement and sewage collection facilities.....	893,493,400	874,927,239	18,513,077			53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,312,599	6,287,401			
Natural resources; recreation projects.....	56,055,000	56,053,994	1,006			
Natural resources; local parks land acquisition and development.....	2,490,000	2,447,741	42,259			
Natural resources; recreation development.....	23,061,500	22,918,510	141,325			1,665
Natural resources; land acquisition.....	45,608,600	45,116,929	491,671			
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,445,793	17,174			37,033
Natural resources; segregated revenue supported facilities.....	90,100,500	62,612,692	93,544	55,311	1,083,901	26,255,053

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 15, 2011

<u>Program Purpose</u>	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O. Bonds of 2011, Series C	Total Authorized Unissued Debt
			Interest Earnings ^(a)	Premium ^(a)		
Natural resources; general fund supported administrative facilities.....	\$ 11,410,200	\$ 11,261,102	\$ 21,753			\$ 127,345
Natural resources; ice age trail.....	750,000	750,000				
Natural resources; dam safety projects.....	13,500,000	6,290,148	49,701	\$ 19,990	\$ 361,300	6,778,861
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	228,020,644	1,306,849	4,997	156,563	1,510,947
Transportation; administrative facilities.....	8,890,400	8,759,479	33,943			96,978
Transportation; accelerated bridge improvements.....	46,849,800	46,849,800				
Transportation; major interstate bridge construction.....	225,000,000					225,000,000
Transportation; rail passenger route development.....	122,000,000	49,029,513	3,016	584,531		72,382,940
Transportation; accelerated highway improvements.....	185,000,000	185,000,000				
Transportation; connecting highway improvements.....	15,000,000	15,000,000				
Transportation; federally aided highway facilities.....	10,000,000	10,000,000				
Transportation; highway projects.....	41,000,000	41,000,000				
Transportation; major highway and rehabilitation projects.....	565,480,400	565,480,400				
Transportation; Marquette interchange, zoo interchange, southeast megaprojects, and I 94 north-south corridor reconstruction projects.....	704,750,000	493,746,000	3,018,078	1,655,216		206,330,706
Transportation; state highway rehabilitation projects.....	620,063,700	501,257,103	1,182,897	2,267,241		115,356,459
Transportation; major highway projects.....	100,000,000	49,780,000		217,378		50,002,622
Transportation; state highway rehabilitation, certain projects.....	141,000,000	59,770,000		226,777		81,003,223
Transportation; harbor improvements.....	76,800,000	49,726,500	234,581	136,154	993,576	25,709,189
Transportation; rail acquisitions and improvements.....	156,500,000	64,825,092	5,187	54,975	3,423,319	88,191,427
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000	-			-
Corrections; correctional facilities.....	840,602,600	800,765,337	11,467,562	221,637	1,806,501	26,341,563
Corrections; self-amortizing facilities and equipment.....	7,337,000	2,115,438	99			5,221,463

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 15, 2011

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Bonds of 2011, Series C</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
Corrections; juvenile correctional facilities.....	\$ 28,984,500	\$ 28,533,551	\$ 108,861	\$ 326		\$ 341,762
Health services; mental health and secure treatment facilities.....	174,395,800	158,820,268	895,124	315,547	\$ 903,250	13,461,611
Agriculture; soil and water.....	47,075,000	38,022,960	3,025	181,030	421,517	8,446,468
Agriculture; conservation reserve enhancement.....	28,000,000	12,094,500		4,997	240,867	15,659,636
Administration; Black Point Estate.....	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund.....	180,000,000	40,235,000		367,302	21,075,844	118,321,854
Building commission; previous lease rental authority.....	143,071,600	143,068,654				2,946
Building commission; refunding tax-supported general obligation debt.....	2,102,086,430	2,102,086,530				
Building commission; refunding self-amortizing general obligation debt.....	272,863,033	272,863,033				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005.....	250,000,000	250,000,000				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2011.....	474,000,000	473,651,084				348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013.....	264,200,000	45,395,000				218,805,000
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	1,775,000,000	1,622,668,916				152,331,084
Building commission; housing state departments and agencies.....	623,237,800	480,183,306	2,356,097	873,280	4,215,169	135,609,948
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479			
Building commission; project contingencies.....	47,961,200	45,359,610	64,761	5,106	234,845	2,296,878
Building commission; capital equipment acquisition.....	126,335,000	120,953,761	740,327	44,428		4,596,484
Building commission; discount sale of debt.....	90,000,000	72,869,266				17,130,734
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(b)				11,167
Building commission; other public purposes.....	2,298,171,700	1,848,709,418	8,728,268	3,835,791	24,086,679	412,811,544
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities.....	10,000,000	10,000,000				

**GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 15, 2011**

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O. Bonds of 2011, Series C	Total Authorized Unissued Debt
			Interest Earnings ^(a)	Premium ^(a)		
Bond Health Center.....	\$ 1,000,000					\$ 1,000,000
HR Academy, Inc.....	1,500,000	\$ 1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator.....	35,000,000	25,000,000				10,000,000
AIDS Resource Center of Wisconsin, Inc.....	800,000	800,000				
Bradley Center Sports and Entertainment Corporation.....	5,000,000	4,315,000		\$ 99,322		585,678
Lac du Flambeau Indian Tribal Center....	250,000					250,000
Marquette University; dental clinic and education facility.....	23,000,000	14,999,182	\$ 818			8,000,000
Civil War exhibit at the Kenosha Public Museums.....	500,000	500,000				
AIDS Network, Inc.....	300,000	300,000				
Swiss cultural center.....	1,000,000					1,000,000
Hmong cultural centers.....	2,250,000	250,000				2,000,000
Milwaukee Police Athletic League; youth activities center.....	1,000,000	1,000,000				
Children's research institute.....	10,000,000	10,000,000				
Administration; school educational technology infrastructure financial assistance.....	71,911,300	71,480,216	431,066			18
Myrick Hixon EcoPark, Inc.....	500,000	500,000				
Madison Children's Museum.....	250,000	250,000				
Marshfield Clinic.....	10,000,000					10,000,000
Administration; public library educational technology infrastructure financial assistance.....	269,000	268,918	42			40
Educational communications board; educational communications facilities.....	24,503,200	23,752,389	38,515	2,174		710,122
Grand Opera House in Oshkosh.....	500,000	-	-		301,083	198,917
Aldo Leopold climate change classroom and interactive laboratory.....	500,000	485,000	-	14,992		8
Historical society; self-amortizing facilities.....	1,157,000	1,029,156	3,896			123,948
Historical society; historic records.....	26,650,000	1,335,000	-	34,982	63,228	25,216,790
Historical society; historic sites.....	10,067,800	3,088,756	847		602,167	6,376,030
Historical society; museum facility.....	14,384,400	4,362,469				10,021,931
Historical society; Wisconsin history center.....	20,000,000					20,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 15, 2011

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Bonds of 2011, Series C</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
Public instruction; state school, state center and library facilities.....	\$ 12,350,600	\$ 7,330,612	\$ 32,509			\$ 4,987,479
Military affairs; armories and military facilities.....	42,667,900	28,412,447	195,308	\$ 6,301	\$ 361,300	13,692,544
Veterans affairs; veterans facilities.....	10,090,100	9,405,485	50,593			634,022
Veterans affairs; self-amortizing mortgage loans.....	2,400,840,000	2,122,542,395				278,297,605
Veterans affairs; refunding bonds.....	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities.....	43,840,800	15,192,450	1,613	6,847	873,142	27,766,748
State fair park board; board facilities.....	14,787,100	14,769,363	1			17,736
State fair park board; housing facilities.....	11,000,000	10,999,985	15			
State fair park board; self-amortizing facilities.....	53,437,100	52,385,915	22,401	6,521		1,022,263
Total.....	<u>\$25,173,891,788</u>	<u>\$20,262,534,927</u>	<u>\$73,888,122</u>	<u>\$19,547,188</u>	<u>\$138,260,000</u>	<u>\$4,679,661,651</u>

^(a) Amounts credited to the Capital Improvement Fund (which include interest earnings and may include sale proceeds representing purchase premium) reduce issuance authority by the same amount.

^(b) Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the statutory authority to issue debt.

Source: Department of Administration.

APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

State of Wisconsin Building Commission
101 East Wilson Street — 7th Floor
Madison, Wisconsin 53703

Subject:

\$138,260,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2011, SERIES C

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$138,260,000 General Obligation Bonds of 2011, Series C, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on November 16, 2011 (**Resolution**).

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

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

1. The Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. We express no opinion about other federal tax law consequences regarding the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors'

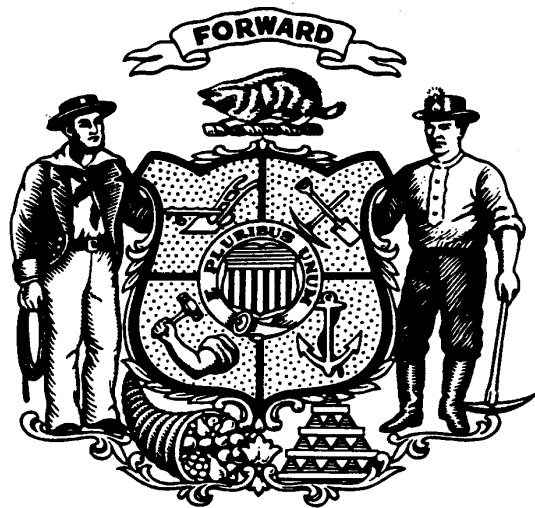
rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

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

Very truly yours,

FOLEY & LARDNER LLP



Printed on
Recycled Paper