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.

$370,850,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2016, SERIES 2

Dated: Date of Delivery **Due: November 1, as shown below**

Ratings	AA Fitch Ratings AA Kroll Bond Rating Agency, Inc. Aa2 Moody's Investors Service, Inc. AA Standard & Poor's Global Ratings
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 —*See pages 9-10.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10.*
Redemption	The Bonds maturing on or after November 1, 2026 are callable at par on May 1, 2026 or any date thereafter—*See page 3.*
Security	General obligations of the State of Wisconsin—*See page 3.*
Purpose	Bond proceeds are being used for the advance refunding of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes—*See page 2.*
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2016
Delivery	On or about August 25, 2016
Denominations	Multiples of $5,000
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See pages 4-5.*
2015 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2015.

The prices and yields listed below were determined on July 28, 2016 at negotiated sale.

CUSIP	Due Date (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance		First Optional Call Date (May 1)	Call Price
97705M EJ0	2021	$ 20,120,000	5.00%	0.97%	120.322%		Not Callable	-
97705M DZ5	2022	4,900,000	1.50	1.15	102.082		Not Callable	-
97705M EK7	2022	10,000,000	4.00	1.15	116.962		Not Callable	-
97705M EP6	2022	60,425,000	5.00	1.15	122.913		Not Callable	-
97705M EG6	2023	15,860,000	5.00	1.28	125.450		Not Callable	-
97705M EA9	2024	16,815,000	5.00	1.41	127.652		Not Callable	-
97705M EQ4	2025	7,645,000	3.00	1.50	112.822		Not Callable	-
97705M EB7	2025	8,250,000	4.00	1.50	121.370		Not Callable	-
97705M EL5	2025	45,065,000	5.00	1.50	129.919		Not Callable	-
97705M EH4	2026	16,535,000	5.00	1.61	130.280	[(a)]	2026	100%
97705M EC5	2027	10,000,000	4.00	1.77	119.762	[(a)]	2026	100
97705M EM3	2027	11,865,000	5.00	1.72	129.139	[(a)]	2026	100
97705M ED3	2028	41,095,000	5.00	1.82	128.112	[(a)]	2026	100
97705M EE1	2029	43,200,000	5.00	1.89	127.399	[(a)]	2026	100
97705M EF8	2030	20,000,000	4.00	2.07	116.853	[(a)]	2026	100
97705M EN1	2030	39,075,000	5.00	1.91	127.196	[(a)]	2026	100

[(a)] These Bonds are priced to the May 1, 2026 first optional call date.

RBC Capital Markets **Siebert Brandford Shank & Co., L.L.C.**

Academy Securities **Bank of America Merrill Lynch** **J.P. Morgan** **Jefferies**

July 29, 2016

This document is called an official statement because it is the only document 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, and anything else related to the offering.

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

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 by the State 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 incorporated.

In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the front cover hereof and such public offering prices may be changed from time to time by the Underwriters.

TABLE OF CONTENTS

STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	**Term of Office Expires**
Governor Scott Walker, Chairperson	January 7, 2019
Senator Terry Moulton, Vice Chairperson	January 7, 2019
Senator Jerry Petrowski	January 7, 2019
Senator Janis Ringhand	January 7, 2019
Representative Mark Born	January 2, 2017
Representative Robb Kahl	January 2, 2017
Representative Rob Swearingen	January 2, 2017
Mr. Robert Brandherm, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Member	
Mr. Kevin Trinastic, State Ranking Architect Department of Administration	——

Acting Building Commission Secretary	
Ms. Naomi R. De Mers, Acting Administrator Division of Facilities Development Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

OTHER PARTICIPANTS

Mr. Brad D. Schimel State Attorney General	January 7, 2019
Mr. Scott A. Neitzel, 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, FLR 10
Madison, WI 53707-7864
Telefax (608) 266-7645
DOACapitalFinanceOffice@wisconsin.gov

Mr. David Erdman
Capital Finance Director
(608) 267-0374

Mr. Joseph S. Adomakoh III
Capital Finance Officer
(608) 267-7399

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

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Refunding Bonds of 2016, Series 2
Principal Amount:	$370,850,000
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (On or about August 25, 2016)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2016
Maturities:	November 1, 2021 - 2030—*See front cover.*
Redemption:	*Optional*—The Bonds maturing on or after November 1, 2026 are callable at par on May 1, 2026 or any date thereafter—*See page 3.*
Form:	Book-entry-only—*See pages 4-5.*
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 July 1, 2016, general obligations of the State were outstanding in the principal amount of $7,716,249,493.
Additional General Obligation Debt:	The State may issue additional general obligation debt—*See page 6.*
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Proceeds from the Bonds are being used for the advance refunding of general obligation bonds previously issued by the State for general governmental purposes— *See page 2.*
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—*See pages 9-10.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10.*
2015 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2015.
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP—*See APPENDIX C.*

OFFICIAL STATEMENT

$370,850,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2016, SERIES 2

INTRODUCTION

This Official Statement provides information about the $370,850,000 General Obligation Refunding Bonds of 2016, Series 2 **(Bonds)** to be issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2015 **(2015 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 May 25, 2016.

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 2015 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2015 Annual Report, including but not limited to:

- Estimated General Fund condition statement for the 2015-16 and 2016-17 fiscal years and General Fund tax collection projections for the 2015-17 biennium, as included in a memorandum provided by the Legislative Fiscal Bureau (LFB) on January 21, 2016 **(January 2016 LFB Report)**.
- General Fund information for the 2015-16 fiscal year through April 30, 2016, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2015-16 fiscal year and for the 2016-17 fiscal year, which is presented on a cash basis.

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) 267-0374
E-mail:	DOACapitalFinanceOffice@wisconsin.gov
Web site:	www.doa.wi.gov/capitalfinance

PLAN OF REFUNDING

General

The Commission is empowered by law to issue refunding bonds. The Bonds are being issued for the purposes and within the amounts authorized by the Wisconsin State Legislature **(Legislature)**. See APPENDIX B.

The Bonds are being issued for the advance refunding of general obligation bonds, or portions thereof, previously issued by the State for general governmental purposes **(Advance Refunding)**. The refunded maturities, or portions of maturities, associated with the Advance Refunding are currently outstanding in the total principal amount of $390,005,000 **(Advance Refunded Bonds)**.

APPENDIX D identifies, and provides information about, the Advance Refunded Bonds.

Advance Refunding

To provide for the Advance Refunding, proceeds of the Bonds will be used to purchase direct, noncallable general obligations of the United States or its agencies, corporations wholly owned by the United States, the Federal National Mortgage Association, or any corporation chartered by an act of Congress **(Escrow Obligations)**. The Escrow Obligations, together with the interest to be earned, and a beginning cash deposit, will be sufficient:

- to pay when due the interest on the Advance Refunded Bonds to and including their respective maturity or redemption dates, and
- to pay the principal or redemption price of the Advance Refunded Bonds when due on their respective maturity or redemption dates.

Refunding Escrow Agreement

The Escrow Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund **(Escrow Fund)** created by a Refunding Escrow Agreement **(Escrow Agreement)**, between the State and The Bank of New York Mellon Trust Company, N.A. **(Escrow Trustee),** solely for the benefit of the owners of the Advance Refunded Bonds. Neither the Escrow Obligations, the cash on deposit, nor the interest earnings held in the Escrow Fund will serve as security for or be available for the payment of the Bonds.

The Escrow Fund will be held by the Escrow Trustee in trust to make payments of the principal or redemption price of, and interest on, the Advance Refunded Bonds. The Escrow Fund will be held by the Escrow Trustee separate and apart from all other funds or accounts held by the Escrow Trustee. No fees or other charges of the Escrow Trustee may be paid from moneys in the Escrow Fund. Instead, the Escrow Agreement provides that the State will pay all such fees and charges to the Escrow Trustee from other available funds.

The arithmetical accuracy of the computations of the sufficiency of the amounts deposited into the Escrow Fund will be independently verified by Samuel Klein and Company, Certified Public Accountants **(Verification Agent)**.

Use of Proceeds and Pledge

All moneys in the Escrow Fund may be expended only for the payment of the principal or redemption price of, and interest on, the Advance Refunded Bonds. However, notwithstanding the amounts in the Escrow Fund, there is irrevocably appropriated, as a first charge on all revenues of the State, a sum sufficient for the payment of the Advance Refunded Bonds. Each year, for the purpose of determining the constitutional limit on public debt, the amounts in the State's Bond Security and Redemption Fund and the Escrow Fund will be subtracted from the amount of outstanding aggregate public debt of the State.

THE BONDS

General

The front cover of this Official Statement sets forth the maturity dates, principal amounts, interest rates, and other information 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 August 25, 2016) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on November 1, 2016.

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 bonds in principal denominations of $5,000 or multiples of $5,000.

Security

The Bonds are direct and general obligations of the State. The Wisconsin Constitution pledges the full faith, credit, and taxing power of the State to make principal and interest payments on general obligations, and requires the Legislature to provide for their payment by appropriation. The Wisconsin Statutes establish, as security for the payment of all debt service on general obligations, a first charge upon all revenues of the State. Further, a sufficient amount of those revenues is irrevocably appropriated for the payment of the principal of, and interest on, general obligations, so that no subsequent legislative action is required to release such revenues. The Bonds are secured equally with all other outstanding general obligations issued by the State.

Redemption Provisions

Optional Redemption

The Bonds maturing on or after November 1, 2026 may be redeemed on May 1, 2026, 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 the Bonds, and the Capital Finance Director of the State 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 the principal of, and interest on, the Bonds on the payment date will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration.

Ratings

The following ratings have been assigned to the Bonds:

Rating	Rating Organization
AA	Fitch Ratings
AA	Kroll Bond Rating Agency, Inc.
Aa2	Moody's Investors Service, Inc.
AA	Standard & Poor's Global Ratings

Any explanation of what a rating means may only be obtained from the rating organization giving the rating. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time. Any downgrade or withdrawal of a rating may adversely affect the market price of the Bonds. The State may elect not to continue requesting ratings on the Bonds from any particular rating organization or may elect to request ratings on the Bonds from a different rating organization.

Sources and Uses of Funds

The proceeds from the sale of the Bonds are expected to be used as follows:

Sources	
Principal Amount	$ 370,850,000.00
Original Issue Premium	92,471,274.45
TOTAL SOURCES	$ 463,321,274.45
Uses	
Deposit to Escrow Fund	$ 460,598,987.83
Underwriters' Discount	1,770,601.92
Costs of Issuance	951,684.70
TOTAL USES	$ 463,321,274.45

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 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 without a successor securities depository being 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 any 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.

UNDERWRITING

The Bonds are being purchased by the **Underwriters** listed on the front cover, for which RBC Capital Markets, LLC is acting as the representative.

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the State at an aggregate purchase price of $461,550,672.53 reflecting an original issue premium of $92,471,274.45 and Underwriters' discount of $1,770,601.92. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the Bonds if any Bonds are purchased.

The Underwriters have agreed to reoffer the Bonds at the public offering prices or yields set forth on the front cover. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such prices may be changed, from time to time, by the Underwriters. Certain of the Underwriters may have entered into retail distribution agreements with third party broker-dealers, under which the Underwriters may distribute municipal securities to retail investors through the respective financial advisors or electronic trading platforms of such third party broker-dealers. As part of these arrangements, the Underwriters may share a portion of their underwriting compensation with such third party broker-dealers.

Certain legal matters will be passed upon for the Underwriters by their counsel, Dorsey & Whitney LLP.

The Underwriters and their affiliates include full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of their various business activities, the Underwriters and their affiliates, officers, directors, and employees may purchase, sell, or hold investments and other financial instruments for their own accounts and for the accounts of their customers. Such investment and trading activities may involve assets, securities, or other instruments of the State (directly, as collateral securing other obligations, or otherwise) or of others that have relationships with the State. The Underwriters and their affiliates may also communicate independent investment recommendations, market color, or trading ideas and may publish or express independent research views in respect of any such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities, or instruments.

If an Underwriter or its affiliate is an owner of Advance Refunded Bonds, that Underwriter or affiliate would receive a portion of the proceeds from the issuance of the Bonds in connection with the redemption of those Advance Refunded Bonds.

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 $3,679,519,080, and the cumulative debt limit is $24,530,127,230. Funding or refunding obligations (such as the Bonds) 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 July 1, 2016, general obligations of the State were outstanding in the principal amount of $7,716,249,493. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans for Calendar Year 2016

General Obligations

The Bonds are expected to be the fifth series of general obligations to be issued in calendar year 2016. The State previously issued the following general obligations in calendar year 2016:

- One series of general obligation refunding bonds in the aggregate par amount of $295 million for the refunding of bonds previously issued for general governmental purposes.
- Three series of general obligation bonds in the aggregate par amount of $389 million for general governmental purposes.

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

- Up to $224 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes.
- General obligations for the funding of the State’s outstanding general obligation commercial paper notes and extendible municipal commercial paper notes, which were outstanding in the amount of $624 million as of July 1, 2016. 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 fixed interest rates.

Other Obligations

The State has not issued any transportation revenue obligations in this calendar year. The Commission has authorized $375 million of transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend on market conditions.

The State has issued one series of clean water revenue bonds in this calendar year in the aggregate par amount of $121 million for the purpose of refunding previously issued and outstanding clean water revenue bonds. The Commission has authorized up to $325 million of additional clean water revenue refunding bonds. The amount and timing of any issuance of clean water revenue refunding bonds depend on market conditions. As described in Parts VI and VII of the 2015 Annual Report, any new money bonds for the State's Clean Water Fund Program are expected be issued under a new program resolution for environmental improvement fund revenue bonds.

The State has not issued any environmental improvement fund revenue bonds in this calendar year. The amount and timing of any authorization and issuance of environmental improvement fund revenue bonds depend on loan activity in the State's Clean Water Fund Program.

Other than a very limited amount ($12 million), the State does not have authority to issue any general fund annual appropriation bonds for purposes other than refunding outstanding bonds. The State released a Preliminary Official Statement, dated July 18, 2016, for a possible sale and issuance of taxable general fund annual appropriation refunding bonds in an estimated amount of $598 million. While the sale of such obligations is expected the week of August 1, 2016, the amount and timing of any issuance of taxable general fund annual appropriation refunding bonds depend on market conditions.

The State has not issued any petroleum inspection fee revenue obligations in this calendar year. The Commission has authorized petroleum inspection fee revenue bonds for the funding of the State's outstanding petroleum inspection fee revenue extendible municipal commercial paper notes, which were outstanding in the amount of $71 million as of July 1, 2016. The amount and timing of any issuance of petroleum inspection fee revenue bonds for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates with bonds bearing fixed interest rates.

The State has issued one series of master lease certificates of participation in this calendar year in the aggregate par amount of $33 million. The amount and timing of any additional issuance of master lease certificates of participation depend on market conditions and originations in the State's Master Lease Program.

The State does not expect to issue operating notes for the 2016-17 fiscal year.

Reference Information About the Bonds

Information about the Bonds is provided for reference in both the following table and the table on the front cover of this Official Statement. The CUSIP number for each maturity has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices for the Bonds. For each of the Bonds subject to optional redemption, the yield at issuance shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

$370,850,000
State of Wisconsin
General Obligation Refunding Bonds of 2016, Series 2

Dated Date: Date of Delivery
First Interest Date: November 1, 2016
Issuance Date: On or about August 25, 2016

CUSIP	Due Date (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705M EJ0	2021	$ 20,120,000	5.00%	0.97%	120.322%	Not Callable	-
97705M DZ5	2022	4,900,000	1.50	1.15	102.082	Not Callable	-
97705M EK7	2022	10,000,000	4.00	1.15	116.962	Not Callable	-
97705M EP6	2022	60,425,000	5.00	1.15	122.913	Not Callable	-
97705M EG6	2023	15,860,000	5.00	1.28	125.450	Not Callable	-
97705M EA9	2024	16,815,000	5.00	1.41	127.652	Not Callable	-
97705M EQ4	2025	7,645,000	3.00	1.50	112.822	Not Callable	-
97705M EB7	2025	8,250,000	4.00	1.50	121.370	Not Callable	-
97705M EL5	2025	45,065,000	5.00	1.50	129.919	Not Callable	-
97705M EH4	2026	16,535,000	5.00	1.61	130.280 [(a)]	2026	100%
97705M EC5	2027	10,000,000	4.00	1.77	119.762 [(a)]	2026	100
97705M EM3	2027	11,865,000	5.00	1.72	129.139 [(a)]	2026	100
97705M ED3	2028	41,095,000	5.00	1.82	128.112 [(a)]	2026	100
97705M EE1	2029	43,200,000	5.00	1.89	127.399 [(a)]	2026	100
97705M EF8	2030	20,000,000	4.00	2.07	116.853 [(a)]	2026	100
97705M EN1	2030	39,075,000	5.00	1.91	127.196 [(a)]	2026	100

[(a)] These Bonds are priced to the May 1, 2026 first optional call date.

Financial Advisor

Public Financial Management, Inc. has been engaged by the State to perform professional services in the capacity of financial advisor **(Financial Advisor)**. The Financial Advisor has provided advice on the plan of refunding and the structure of the Bonds, reviewed certain legal and disclosure documents, including this Official Statement, for financial matters, and reviewed the pricing of the Bonds by the Underwriters.

Verification of Mathematical Computations

The arithmetical accuracy of certain computations was independently verified by the Verification Agent. These computations, which were provided by the Underwriters, indicate that the projected receipts from the Escrow Obligations, together with an initial cash deposit, are sufficient to make all payments of the principal of, and premium (if any) and interest on, the Advance Refunded Bonds to become due on or before their respective redemption or maturity dates.

In addition, the computations indicate that the composite yield of the Escrow Fund that holds cash deposited from and Escrow Obligations purchased with proceeds of the Bonds, is less than the yield on the Bonds. The Verification Agent relied upon assumptions and information supplied by the Underwriters on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Advance Refunded Bonds will be paid as described in its report.

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. When the Bonds are delivered, Bond Counsel will deliver an approving opinion 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. When the Bonds are delivered, the Attorney General will deliver an opinion on the regularity and validity of the proceedings with respect to the Bonds. 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. The State must comply with certain requirements of the Internal Revenue Code 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 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 on which the Bonds are issued. No provision is made for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds is included in gross income.

The opinion of Bond Counsel will be based on legal authorities that are current as of its date, will cover certain matters not directly addressed by those authorities, and will represent Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It will not be binding on the Internal Revenue Service (**IRS**) or the courts and will not be a guaranty of result. As to questions of fact, Bond Counsel will rely upon certified proceedings and certifications of public officials and others without independently undertaking to verify them.

Bond Counsel will express no opinion about other federal tax matters regarding the Bonds. Other federal tax law provisions may adversely affect the value of an investment in the Bonds for particular owners of those Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a Bond.

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, owners of the Bonds would have little or no right to participate in an IRS examination of the Bonds. Moreover, it may not be practicable to obtain judicial review of IRS positions with which the State disagrees. Any action of the IRS, including selection of the Bonds for examination, the conduct or conclusion of such an examination, or an examination of obligations presenting similar tax issues, may affect the marketability of the Bonds.

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. The introduction or enactment of any such legislative proposals may also affect the marketability of the Bonds. Prospective investors should consult their own tax advisors about federal legislative proposals.

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.

Premium Bonds

Under existing law, no deduction is allowed for any amortizable bond premium on the Bonds. The excess of the issue price over the principal amount of that Bond is the amortizable bond premium. The issue price of the Bonds having a common maturity date and interest rate generally is the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such maturity of the Bonds were first sold. Based on representations from the Underwriters, the State expects the issue price of each maturity of the Bonds to be the Price at Issuance set forth in the table under "OTHER INFORMATION; Reference Information About the Bonds".

During each taxable year, an owner of Bonds with amortizable bond premium must reduce his, her, or its tax basis in the Bond by the amount of the amortizable bond premium that is allocable to the portion of that taxable year during which the owner owned the Bond. The adjusted tax basis in a 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 Bond.

Owners of Bonds purchased at a premium should consult their own tax advisors with respect to the federal tax consequences of owning such Bonds, including computation of their tax basis and the effect of any purchase of Bonds that is not made in the initial offering at the issue price. Owners of such Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning those 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 file the Annual Report with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The State will also provide to the MSRB notices of the occurrence of certain events specified in the undertaking. Part I of the 2015 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 Department of Administration
Attn: Capital Finance Office
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 267-0374
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. During that period, rating agencies have changed their respective ratings with respect to various bond insurers. Certain obligations previously issued by the State were insured by policies issued by these bond insurers, and the State did not file notice of those rating changes, based on a determination that the changes were not material. On July 31, 2014, the State filed with the MSRB through its EMMA system, as a technical clarification, a written notice of those rating changes of bond insurers where the rating before the change was above the underlying rating of the respective State obligations.

Dated: July 29, 2016

STATE OF WISCONSIN

/S/ SCOTT WALKER

Governor Scott Walker, Chairperson
State of Wisconsin Building Commission

/S/ SCOTT A. NEITZEL

Scott A. Neitzel, Secretary
State of Wisconsin Department of Administration

/S/ NAOMI R. DE MERS

Naomi R. De Mers, Acting 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 Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2015 **(2015 Annual Report)**, which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2015 Annual Report, including but not limited to:

- Estimated General Fund condition statement for the 2015-16 and 2016-17 fiscal years and General Fund tax collection projections for the 2015-17 biennium, as included in a memorandum provided by the Legislative Fiscal Bureau (**LFB**) on January 21, 2016 **(January 2016 LFB Report)**.
- General Fund information for the 2015-16 fiscal year through April 30, 2016, which is presented on either a cash basis, or an agency-recorded basis and projected General Fund information for the remainder of the 2015-16 fiscal year and for the 2016-17 fiscal year, which is presented on a cash basis.

Part II of the 2015 Annual Report contains general information about the State. More specifically, that part presents information about the following matters:

- State's revenue and expenditures
- State's operations, financial procedures, accounting, and financial reporting
- Organization of, and services provided by, the State
- Budget process and fiscal controls
- State budget (including results of fiscal year 2014-15 and State budget for the 2015-17 biennium)
- Potential effects of litigation
- State obligations
- 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 2015 Annual Report are the audited general purpose external financial statements for the fiscal year ending June 30, 2015, 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 2015 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 2015 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 2015 Annual Report may also be obtained from:

State of Wisconsin Department of Administration
Capital Finance Office
101 E. Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 267-0374
DOACapitalFinanceOffice@wisconsin.gov

The State independently provided, from July 2001 to June 2013, monthly reports on general fund financial information. The State did not provide these monthly reports from June 2013 through March 2014, and the frequency of the reports provided during calendar years 2015 and 2016 have been less than monthly. These reports are not required by any of the State's undertakings to provide information concerning the State's securities. These reports are available on the State's Capital Finance Office web site that is listed above and also were filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 2015 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2015 Annual Report, certain changes or events occurred that affect items discussed in the 2015 Annual Report. Listed below, by reference to particular sections of Part II of the 2015 Annual Report, are changes or additions to the discussions 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.

State Budget; Budget for 2015-17 Biennium and **2015-17 General Fund Tax Collections** (Part II; Pages 34-36). Update with the following information:

2015-16 Fiscal Year Results

The 2015-16 fiscal year ended on June 30, 2016. The Annual Fiscal Report (budgetary basis) for the 2015-16 fiscal year will be published by October 15, 2016. This report will include the ending budgetary undesignated balance for the 2015-16 fiscal year, along with final General Fund tax collection amounts. The State intends to file the Annual Fiscal Report (budgetary basis) for the 2015-16 fiscal year, when it is available, with the MSRB through its EMMA system.

January 2016 LFB Report

On January 21, 2016, LFB released a memorandum that includes an updated General Fund condition statement and estimated General Fund tax revenues for each fiscal year of the 2015-17 biennium. The General Fund condition statement projections included in the January 2016 LFB Report show net ending balances at the end of the 2015-16 fiscal year of $219 million, and at the end of the 2016-17 fiscal year of $70 million. These amounts are both greater than the 2015-17 biennial budget estimates by $122 million for the 2015-16 fiscal year and $4 million for the 2016-17 fiscal year.

The table on the following page includes the estimated General Fund condition statement for each year of the 2015-17 biennium. The table also includes, for comparison, the estimated General Fund condition statement for each year of the 2015-17 biennium, as included in the 2015-17 biennial budget (2015 Wisconsin Act 55).

The estimated General Fund tax revenues included in the January 2016 LFB Report are $15.176 billion for the 2015-16 fiscal year, or a decrease of $32 million from the amounts included in the 2015-17 biennial budget, and $15.656 billion for the 2016-17 fiscal year, or a decrease of $136 million from the amounts included in the 2015-17 biennial budget.

PROJECTED GENERAL FUND CONDITION STATEMENT
2015-16 and 2016-17 FISCAL YEARS
(in Millions)

	2015-16 Fiscal Year		2016-17 Fiscal Year	
	2015-2017 Biennial Budget	LFB Jan. 2016	2015-2017 Biennial Budget	LFB Jan. 2016
Revenues				
Opening Balance	$ 0.3	$ 135.5	$ 161.8	$ 284.0
Taxes	15,207.9	15,175.6	15,791.6	15,655.7
Department Revenues				
Tribal Gaming	23.4	25.6	23.1	24.7
Other	516.1	518.0	513.5	514.0
Total Available	$15,747.6	$15,854.8	$16,490.0	$16,478.4
Appropriations				
Gross Appropriations	$15,886.4	$15,896.4	$17,041.4	$17,058.4
Sum Sufficient Reestimates	-	(40.3)	-	(46.9)
Transfers to Transportation Fund	38.0	38.0	39.5	39.5
Compensation Reserves	10.7	10.7	18.6	18.6
Less: Lapses	(349.2)	(334.1)	(740.8)	(726.4)
Net Appropriations	$15,585.8	$15,570.8	$16,358.7	$16,343.2
Balances				
Gross Balance	161.8	284.0	131.4	135.2
Less: Required Statutory Balance	(65.0)	(65.0)	(65.0)	(65.0)
Net Balance, June 30	$ 96.8	$ 219.0	$ 66.4	$ 70.2

The following table includes a summary of the estimated General Fund tax revenues for each fiscal year of the 2015-17 biennium as included in the January 2016 LFB Report. The table also includes, for comparison, the actual General Fund tax collections for the 2014-15 fiscal year and the estimated General Fund tax revenues as included in the 2015-17 biennial budget (2015 Wisconsin Act 55).

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2015-16 AND 2016-17 FISCAL YEARS

(in Millions)

		2015-16 Fiscal Year		2016-17 Fiscal Year	
	2014-15 Actual	2015-17 Biennial Budget	LFB Jan. 2016	2015-17 Biennial Budget	LFB Jan. 2016
Individual Income	$ 7,325.8	$ 7,858.6	$ 7,810.0	$ 8,238.4	$ 8,050.0
Sales and Use	4,892.1	5,054.1	5,050.9	5,224.0	5,217.5
Corp. Income & Franchise	1,004.9	994.0	990.0	1,015.7	1,045.0
Public Utility	381.8	366.8	370.8	373.4	382.4
Excise					
Cigarettes	569.6	551.0	571.0	545.5	565.5
Liquor & Wine	71.9	71.4	76.4	73.6	79.6
Tobacco Products	48.8	48.5	50.0	49.4	51.0
Beer	8.8	8.6	9.0	8.4	9.0
Insurance Company	165.5	181.0	168.0	187.0	172.0
Miscellaneous Taxes	72.0	73.9	79.5	76.3	83.7
TOTAL	$14,541.2	$15,207.9	$15,175.6	$15,791.6	$15,655.7

A complete copy of the January 2016 LFB Report is included as part of this Official Statement at the end of this Appendix A In addition, the State has filed the January 2016 LFB Report with the MSRB through its EMMA system, and a copy is available at the addresses included on pages A-1 and A-2.

General Fund Information; General Fund Cash Flow (Part II; Pages 43-55). The following tables provide updates and additions to various tables containing General Fund information for the 2015-16 fiscal year, which are presented on either a cash basis or an agency-recorded basis. Unless otherwise noted, these tables contain information through April 30, 2016.

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 to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect and may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect.

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 or defer certain payments.

Table II-11; General Fund Cash Flow (Part II; Page 47). Replace with the following updated tables.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2015 TO APRIL 30, 2016
PROJECTED GENERAL FUND CASH FLOW; MAY 1, 2016 TO JUNE 30, 2016[(a)]
(AMOUNTS IN THOUSANDS)

	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
BALANCES[(a)(b)]												
Beginning Balance	$ 1,370,554	$ 469,093	$ 729,166	$ 1,203,261	$ 1,557,648	$ 1,621,473	$ 1,199,444	$ 1,903,640	$ 2,030,976	$ 1,175,216	$ 1,088,634	$ 1,634,775
Ending Balance[(c)]	469,093	729,166	1,203,261	1,557,648	1,621,473	1,199,444	1,903,640	2,030,976	1,175,216	1,088,634	1,634,775	1,162,913
Lowest Daily Balance [(c)]	338,299	194,537	633,217	919,870	1,187,304	202,565	1,199,444	1,783,047	981,754	695,742	590,493	789,668
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 666,489	$ 522,178	$ 768,990	$ 478,412	$ 762,096	$ 604,664	$ 997,805	$ 840,499	$ 712,063	$ 1,091,582	$ 707,732	$ 811,660
Sales & Use	489,113	482,535	465,150	474,261	467,462	410,578	515,068	392,797	377,792	424,373	421,630	471,969
Corporate Income	92,451	39,285	213,589	28,566	21,600	204,579	29,461	29,030	228,456	52,730	34,038	212,123
Public Utility	26	23	202	10,969	206,709	2,397	25	510	134	6,276	180,503	998
Excise	65,577	60,991	63,906	60,550	59,908	61,016	59,381	41,528	57,488	58,042	58,315	63,296
Insurance	96	1,430	12,756	1	1	3	344	6,645	4,160	70	1,548	10,482
Subtotal Tax Receipts	$ 1,313,752	$ 1,106,442	$ 1,524,593	$ 1,052,759	$ 1,517,776	$ 1,283,237	$ 1,602,084	$ 1,311,009	$ 1,380,093	$ 1,633,073	$ 1,403,766	$ 1,570,528
NON-TAX RECEIPTS												
Federal	$ 803,301	$ 711,694	$ 947,952	$ 646,940	$ 844,109	$ 511,053	$ 885,584	$ 1,069,489	$ 741,764	$ 530,227	$ 773,035	$ 721,735
Other & Transfers	504,970	147,192	583,051	597,118	78,081	723,458	102,919	673,252	363,523	653,653	433,963	620,688
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,308,271	$ 858,886	$ 1,531,003	$ 1,244,058	$ 922,190	$ 1,234,511	$ 988,503	$ 1,742,741	$ 1,105,287	$ 1,183,880	$ 1,206,998	$ 1,342,423
TOTAL RECEIPTS	$ 2,622,023	$ 1,965,328	$ 3,055,596	$ 2,296,817	$ 2,439,966	$ 2,517,748	$ 2,590,587	$ 3,053,750	$ 2,485,380	$ 2,816,953	$ 2,610,764	$ 2,912,951
DISBURSEMENTS												
Local Aids	$ 1,319,758	$ 161,471	$ 837,873	$ 86,607	$ 823,030	$ 1,205,846	$ 167,920	$ 658,162	$ 1,222,230	$ 115,468	$ 149,243	$ 1,876,227
Income Maintenance	993,857	653,300	664,523	754,435	716,932	814,285	688,948	752,339	809,106	732,802	735,579	380,971
Payroll and Related	427,901	344,133	423,358	515,823	316,263	366,986	446,827	392,812	457,368	703,479	389,280	495,557
Tax Refunds	94,031	95,212	99,015	99,116	80,819	175,511	93,212	550,617	490,668	460,180	124,603	100,849
Debt Service	252,542	-	-	178,708	-	-	-	-	-	517,777	124,347	257
Miscellaneous	435,395	451,139	556,732	307,741	439,097	377,149	489,484	572,484	361,768	373,829	541,571	530,952
Note Repayment	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 3,523,484	$ 1,705,255	$ 2,581,501	$ 1,942,430	$ 2,376,141	$ 2,939,777	$ 1,886,391	$ 2,926,414	$ 3,341,140	$ 2,903,535	$ 2,064,623	$ 3,384,813

(a) The results, projections, or estimates in this table reflect the enacted budget for the 2015-17 biennium (2015 Wisconsin Act 55), the estimated General Fund tax revenues included in a memorandum from LFB, dated January 23, 2015, as further addressed in a memorandum from LFB, dated May 6, 2015, and the estimated General Fund tax revenues included in the January 2016 LFB Report, but do 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 ending monthly balances of designated funds ranged from $1.2 billion to $1.9 billion during the 2013-14 fiscal year, from $1.2 billion to $1.9 billion for the 2014-15 fiscal year, and are expected to range from $1.0 billion to $1.8 billion for the 2015-16 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 $25 million during the 2015-16 fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. 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 amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2015-16 fiscal year are approximately $1.430 billion and $477 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 or defer certain payments.

PROJECTED GENERAL FUND CASH FLOW; JULY 1, 2016 TO JUNE 30, 2017[a]

(AMOUNTS IN THOUSANDS)

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
BALANCES[a][b]												
Beginning Balance	$ 1,162,913	$ (34,824)	$ 467,602	$ 979,258	$ 1,724,150	$ 1,481,885	$ 798,285	$ 1,975,056	$ 1,882,977	$ 541,063	$ 873,412	$ 1,401,764
Ending Balance[c]	(34,824)	467,602	979,258	1,724,150	1,481,885	798,285	1,975,056	1,882,977	541,063	873,412	1,401,764	1,065,100
Lowest Daily Balance [c]	(147,370)	(92,482)	355,182	883,802	1,474,971	84,210	798,285	1,749,257	541,063	462,015	562,962	750,720
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 535,508	$ 723,636	$ 832,817	$ 707,664	$ 631,230	$ 474,836	$ 1,376,008	$ 689,051	$ 736,338	$ 1,207,584	$ 729,490	$ 828,497
Sales & Use	504,106	493,219	490,474	494,123	473,180	432,162	528,156	400,470	385,339	454,059	437,472	490,950
Corporate Income	67,159	46,044	226,765	39,090	24,818	218,386	35,572	35,255	251,371	67,181	35,149	220,362
Public Utility	27	24	208	11,312	213,176	2,472	26	526	138	1,289	186,150	1,029
Excise	63,820	63,111	65,876	60,629	61,905	56,870	60,345	47,014	52,545	58,501	57,580	60,912
Insurance	98	1,464	13,060	1	1	3	352	6,803	4,259	10,749	1,585	10,732
Subtotal Tax Receipts	$ 1,170,718	$ 1,327,498	$ 1,629,200	$ 1,312,819	$ 1,404,310	$ 1,184,729	$ 2,000,459	$ 1,179,119	$ 1,429,990	$ 1,799,363	$ 1,447,426	$ 1,612,482
NON-TAX RECEIPTS												
Federal	$ 817,184	$ 736,468	$ 1,033,544	$ 676,344	$ 732,709	$ 617,538	$ 957,811	$ 956,441	$ 732,013	$ 708,365	$ 750,023	$ 736,851
Other & Transfers	530,598	235,438	625,644	546,466	249,870	537,725	297,059	636,772	411,492	477,639	410,046	633,836
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,347,782	$ 971,906	$ 1,659,188	$ 1,222,810	$ 982,579	$ 1,155,263	$ 1,254,870	$ 1,593,213	$ 1,143,505	$ 1,186,004	$ 1,160,069	$ 1,370,687
TOTAL RECEIPTS	$ 2,518,500	$ 2,299,404	$ 3,288,388	$ 2,535,629	$ 2,386,889	$ 2,339,992	$ 3,255,329	$ 2,772,332	$ 2,573,495	$ 2,985,367	$ 2,607,495	$ 2,983,169
DISBURSEMENTS												
Local Aids	$ 1,536,287	$ 114,196	$ 805,398	$ 94,096	$ 940,392	$ 1,265,777	$ 167,818	$ 640,243	$ 1,565,458	$ 87,825	$ 174,901	$ 1,824,368
Income Maintenance	1,043,219	724,411	815,637	727,410	752,538	837,080	838,590	728,358	846,600	780,044	739,734	367,421
Payroll and Related	349,218	359,014	510,054	355,790	435,622	353,415	509,809	392,763	562,646	376,092	373,422	480,719
Tax Refunds	90,103	96,252	84,221	110,690	89,835	165,500	84,755	593,822	553,182	513,345	159,351	132,614
Debt Service	260,098	6,253	-	158,811	6,253	257	-	6,253	-	506,012	107,860	259
Miscellaneous	437,312	496,852	561,422	343,939	404,514	401,563	477,587	502,972	387,523	389,700	523,875	514,453
Note Repayment	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 3,716,237	$ 1,796,978	$ 2,776,732	$ 1,790,736	$ 2,629,154	$ 3,023,592	$ 2,078,559	$ 2,864,411	$ 3,915,409	$ 2,653,018	$ 2,079,143	$ 3,319,834

(a) The results, projections, or estimates in this table reflect the enacted budget for the 2015-17 biennium (2015 Wisconsin Act 55) and the estimated General Fund tax revenues included in the January 2016 LFB Report, but do 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 ending monthly balances of designated funds ranged from $1.1 billion to $1.9 billion for the 2014-15 fiscal year, and are expected to range from $1.0 billion to $1.8 billion for the 2015-16 and the 2016-17 fiscal years. 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 $25 million during the 2015-16 and 2016-17 fiscal years.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. 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 amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2016-17 fiscal year are approximately $1.533 billion and $511 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 or defer certain payments.

Table II-12; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 49). Replace with the following updated table.

2015-16 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[(a)]
(Cash Basis)
As of April 30, 2016
(Amounts in Thousands)

	2014-15 Fiscal Year through April, 2015	2015-16 Fiscal Year through April, 2016				
	Actual	Actual [(b)]	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY15 Actual to FY16 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 7,502,240	$ 7,444,778	$ 7,753,696	$ (308,918)	$ (308,918)	$ (57,462)
Sales	4,297,025	4,499,129	4,439,358	59,771	59,771	202,104
Corporate Income	915,585	939,747	992,522	(52,775)	(52,775)	24,162
Public Utility	187,936	227,271	182,428	44,843	44,843	39,335
Excise	587,648	588,387	590,288	(1,901)	(1,901)	739
Insurance	83,648	25,506	77,673	(52,167)	(52,167)	(58,142)
Inheritance	-	-	-	-	-	-
Total Tax Receipts	$ 13,574,082	$ 13,724,818	$ 14,035,965	$ (311,147)	$ (311,147)	$ 150,736
Non-Tax Receipts						
Federal	$ 7,832,358	$ 7,692,113	$ 8,330,919	$ (638,806)	$ (638,806)	$ (140,245)
Other and Transfers	4,416,457	4,427,217	4,794,477	(367,260)	(367,260)	10,760
Note Proceeds	-	-	-	-	-	-
Total Non-Tax Receipts	$ 12,248,815	$ 12,119,330	$ 13,125,396	$ (1,006,066)	$ (1,006,066)	$ (129,485)
TOTAL RECEIPTS	$ 25,822,897	$ 25,844,148	$ 27,161,361	$ (1,317,213)	$ (1,317,213)	$ 21,251
DISBURSEMENTS						
Local Aids	$ 6,825,931	$ 6,598,365	$ 6,931,422	$ 333,057	$ 333,057	$ (227,566)
Income Maintenance	7,185,549	7,580,527	8,166,771	586,244	586,244	394,978
Payroll & Related	4,138,560	4,394,950	4,282,742	(112,208)	(112,208)	256,390
Tax Refunds	2,260,531	2,238,381	2,111,429	(126,952)	(126,952)	(22,150)
Debt Service	899,619	949,027	978,194	29,167	29,167	49,408
Miscellaneous	4,511,688	4,364,818	4,818,549	453,731	453,731	(146,870)
Note Repayment	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 25,821,878	$ 26,126,068	$ 27,289,107	$ 1,163,039	$ 1,163,039	$ 304,190
2015-16 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ (154,174)	$ (154,174)	

(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 2015-16 fiscal year reflect the budget bill for the 2015-17 biennium (2015 Wisconsin Act 55) and the estimated General Fund tax revenues included in the January 2016 LFB Report.

(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-13; General Fund Monthly Cash Position (Part II; Page 50). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION[(a)]
July 1, 2014 through April 30, 2016 – Actual
May 1, 2016 through June 30, 2017– Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts[(c)]	Disbursements[(c)]
2014	July	$ 1,500,597	$ 2,523,202	$ 3,402,690
	August	621,109	1,925,561	1,790,500
	September	756,170	3,309,752	2,336,835
	October	1,729,087	2,397,552	2,054,160
	November	2,072,479	2,105,588	2,330,123
	December	1,847,944	2,469,466	3,115,458
2015	January	1,201,952	2,912,758	1,952,696
	February	2,162,014	2,554,751	2,832,186
	March	1,884,579	2,595,511	3,261,704
	April	1,218,386	3,028,756	2,745,526
	May	1,501,616	2,140,123	1,952,163
	June	1,689,576	3,028,930	3,347,952
	July	1,370,554	2,622,023	3,523,484
	August	469,093	1,965,328	1,705,255
	September	729,166	3,055,596	2,581,501
	October	1,203,261	2,296,817	1,942,430
	November	1,557,648	2,439,966	2,376,141
	December	1,621,473	2,517,748	2,939,777
2016	January	1,199,444	2,590,587	1,886,391
	February	1,903,640	3,053,750	2,926,414
	March	2,030,976	2,485,380	3,341,140
	April	1,175,216	2,816,953	2,903,535
	May	1,088,634	2,610,764	2,064,623
	June	1,634,775	2,912,951	3,384,813
	July	1,162,913 [(d)]	2,518,500	3,716,237
	August	(34,824) [(d)]	2,299,404	1,796,978
	September	467,602	3,288,388	2,776,732
	October	979,258	2,535,629	1,790,736
	November	1,724,151	2,386,889	2,629,154
	December	1,481,886	2,339,992	3,023,592
2017	January	798,286	3,255,329	2,078,559
	February	1,975,056	2,772,332	2,864,411
	March	1,882,977	2,573,495	3,915,409
	April	541,063	2,985,367	2,653,018
	May	873,412	2,607,495	2,079,143
	June	1,401,764	2,983,169	3,319,834

(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 2015-16 and 2016-17 fiscal years reflect the budget bill for the 2015-17 biennium and the estimated General Fund tax revenues included in the January 2016 LFB Report.

(c) Operating notes were not issued for the 2014-15 or 2015-16 fiscal years, and are not expected to be issued for the 2016-17 fiscal year.

(d) At some period during this month, the General Fund was, or is expected to be, in a negative cash position. The Wisconsin Statutes provide certain administrative remedies for periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund up to 9% of the general purpose revenue appropriations then in effect. For the 2015-16 and 2016-17 fiscal years these amounts are $1.430 billion and $1.533 billion, respectively. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of general purpose revenue appropriations for a period of up to 30 days. For the 2015-16 and 2016-17 fiscal years, these amounts are $477 million and $511 million, respectively. If the amounts 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-14; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 51). Replace with the following updated table.

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION[(a)]
July 31, 2014 to April 30, 2016 – Actual
May 31, 2016 to June 30, 2017 – 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 $2.11 billion during November 2011 to a high of $3.50 billion during April 2016. 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

Month (Last Day)	2014	2015	2016	2017
January		$1,264	$1,613	$1,613
February		1,368	1,613	1,613
March		1,406	1,612	1,612
April		1,415	1,575	1,644
May		1,430	1,620	1,620
June.................		1,481	1,533	1,533
July	$1,396	1,245	1,245	
August	1,311	1,359	1,359	
September.........	1,373	1,674	1,674	
October............	1,294	1,303	1,303	
November.........	1,266	1,277	1,276	
December	1,346	1,557	1,557	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2014	2015	2016	2017
January............		$4,198	$4,639	$4,639
February...........		4,464	4,871	4,871
March..............		4,688	5,177	5,177
April................		4,354	4,969	4,605
May.................		4,241	4,173	4,173
June.................		4,222	4,012	4,012
July	$4,588	4,642	4,642	
August.............	3,879	4,071	4,071	
September.........	3,821	4,249	4,249	
October............	3,438	3,589	3,589	
November.........	3,440	3,621	3,621	
December	3,965	4,275	4,275	

(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-15; General Fund Recorded Revenues (Part II; Page 53). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2015 to April 30, 2016 Compared With Previous Year

	Annual Fiscal Report Revenues 2014-15 Fiscal Year[(b)]	Projected Revenues 2015-16 Fiscal Year[(c)]	Recorded Revenues July 1, 2014 to April 30, 2015 [(d)]	Recorded Revenues July 1, 2015 to April 30, 2016 [(e)]
Individual Income Tax	$ 7,325,817,000	$ 7,858,620,000	$5,819,247,536	$5,755,501,478
General Sales and Use Tax	4,892,126,000	5,054,130,000	3,604,848,078	3,701,359,892
Corporate Franchise and Income Tax	1,004,926,000	994,020,000	704,793,269	702,001,612
Public Utility Taxes	381,819,000	366,800,000	196,686,848	204,266,507
Excise Taxes	699,060,000	679,475,000	520,145,164	525,304,532
Inheritance Taxes	(112,000)	-	-123,171	0
Insurance Company Taxes	165,448,000	181,000,000	133,266,972	155,845,568
Miscellaneous Taxes	72,117,000	73,900,000	64,872,495	60,672,442
SUBTOTAL	14,541,201,000	15,207,945,000	11,043,737,191	11,104,952,031
Federal and Other Inter-Governmental Revenues[(f)]	10,216,151,000	10,603,138,400	8,457,728,619	8,148,397,011
Dedicated and Other Revenues[(g)]	5,865,052,000	5,258,827,500	4,960,435,878	5,013,614,579
TOTAL	$ 30,622,404,000	$ 31,069,910,900	$ 24,461,901,688	$ 24,266,963,621

(a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table 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 2014-15 fiscal year, dated October 15, 2015.

(c) The results, projections, or estimates included in this table on an agency-recorded basis reflect the 2015-17 biennial budget (2015 Wisconsin Act 55), but do not reflect the estimated General Fund tax revenues included in the January 2016 LFB Report.

(d) The amounts shown are 2014-15 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 Wisconsin Department of Revenue **(DOR)** from time to time in its monthly general purpose revenue collections report; the DOR report only includes general purpose revenues or taxes that are actually collected by DOR.

(e) The amounts shown are 2015-16 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 DOR from time to time in its monthly general purpose revenue collections report; the DOR report only includes general purpose revenues or taxes that are actually collected by DOR.

(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-16; General Fund Recorded Expenditures by Function (Part II; Page 55). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2015 to April 30, 2016 Compared With Previous Year

	Annual Fiscal Report Expenditures 2014-15 Fiscal Year[(b)]	Appropriations 2015-16 Fiscal Year[(c)]	Recorded Expenditures July 1, 2014 to April 30, 2015[(d)]	Recorded Expenditures July 1, 2015 to April 30, 2016[(e)]
Commerce	$ 231,274,000	$ 200,900,000	$ 174,417,979	$ 141,235,864
Education	12,965,215,000	13,042,874,200	10,211,887,767	9,966,641,349
Environmental Resources	331,465,000	348,785,900	305,644,128	299,230,439
Human Relations & Resources	13,881,927,000	13,729,644,600	11,671,467,913	11,696,189,137
General Executive	987,071,000	1,170,397,600	870,564,558	864,196,859
Judicial	130,748,000	137,494,300	107,209,818	107,011,463
Legislative	65,596,000	75,781,100	49,021,792	50,864,571
General Appropriations	2,267,905,000	2,364,033,200	2,250,298,470	2,422,234,604
TOTAL	$ 30,861,201,000	$ 31,069,910,900	$ 25,640,512,425	$ 25,547,604,286

(a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table 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 2014-15 fiscal year, dated October 15, 2015.

(c) The results and estimates included in this table reflect the 2015-17 biennial budget (2015 Wisconsin Act 55).

(d) The amounts shown are 2014-15 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2015-16 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration

State Obligations; Employee Pension Funds (Part II; Pages 67-69). Update with the following information:

Annual annuity adjustments for the remainder of calendar year 2016 were announced by the Wisconsin Retirement System (**WRS**) on March 16, 2016, and include an increase of 0.5% for retirees in the WRS Core Retirement Trust.

Statistical Information; Table II-39; Unemployment Rate Comparison (Part II; Page 89). Replace with the following updated table.

UNEMPLOYMENT RATE COMPARISON[a][b]
By Month 2011 To 2016
By Quarter 2007 To 2010

	2016		**2015**		**2014**		**2013**		**2012**		**2011**	
	Wis.	**U.S.**	**Wis.**	**U.S.**	**Wis.**	**U.S.**	**Wis.**	**U.S.**	**Wis.**	**U.S.**	**Wis.**	**U.S.**
January	5.2	5.3	5.4	6.1	6.4	7.0	7.9	8.5	7.8	8.8	8.8	9.8
February	5.5	5.2	5.5	5.8	6.8	7.0	7.9	8.1	8.2	8.7	9.1	9.5
March	5.0	5.1	5.3	5.6	6.6	6.8	7.6	7.6	7.9	8.4	8.8	9.2
April	4.3	4.7	4.5	5.1	5.6	5.9	7.1	7.1	7.0	7.7	7.9	8.7
May	3.8	4.5	4.6	5.3	5.4	6.1	6.5	7.3	7.0	7.9	7.7	8.7
June			4.8	5.5	5.6	6.3	7.1	7.8	7.5	8.4	8.2	9.3
July			4.6	5.6	5.5	6.5	6.7	7.7	7.3	8.6	7.8	9.3
August			4.2	5.2	5.1	6.3	6.3	7.3	6.9	8.2	7.5	9.1
September..			4.0	4.9	4.6	5.7	5.9	7.0	6.1	7.6	7.0	8.8
October......			3.9	4.8	4.4	5.5	5.9	7.0	6.0	7.5	6.7	8.5
November..			4.2	4.8	4.5	5.5	6.0	6.6	6.2	7.4	6.7	8.2
December ..			4.2	4.8	4.5	5.4	6.0	6.5	6.6	7.6	6.9	8.3
Annual Average			4.6	5.3	5.4	6.2	6.7	7.4	7.0	8.1	7.8	8.9

2010 Quarters	**WI**	**U.S.**	**2009 Quarters**	**WI**	**U.S.**
I	10.3	10.4	I	8.6	8.8
II	8.7	9.5	II	8.7	9.1
III	8.1	9.5	III	8.5	9.6
IV	7.6	9.2	IV	8.5	9.5

2008 Quarters	**WI**	**U.S.**	**2007 Quarters**	**WI**	**U.S.**
I	5.3	5.3	I	5.7	4.8
II	4.5	5.2	II	5.0	4.4
III	4.6	6.0	III	4.6	4.7
IV	5.3	6.6	IV	4.3	4.6

[a] Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.

[b] Historical information has been adjusted due to benchmarking through the Local Area Unemployment Statistics (LAUS).

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

Legislative Fiscal Bureau

Robert Wm. Lang, Director

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

State of Wisconsin

January 21, 2016

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

Dear Representative Nygren and Senator Darling:

Early each year, this office conducts a review of the status of the state's general fund and presents its findings to the Legislature. In even-numbered years, the analysis includes an examination of economic forecasts and tax collection and expenditure data of the current fiscal year, and projections for each fiscal year of the current biennium. We have now completed that review.

Based upon our analysis, we project the closing, net general fund balance at the end of this biennium (June 30, 2017) to be $70.2 million. This is $94.3 million below the $164.5 million balance that was estimated prior to our review. The $164.5 million balance includes all bills enacted to date in this legislative session (through 2015 Act 126).

The $94.3 million reduction is the net result of: (1) a decrease of $158.2 million in estimated tax collections; (2) an increase in departmental revenues of $6.3 million; (3) a decrease of $87.1 million in sum sufficient appropriation expenditures; and (4) a $29.5 million decrease in estimated lapses to the general fund.

The following table reflects the 2015-17 general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1

2015-17 General Fund Condition Statement

	2015-16	2016-17
Revenues		
Opening Balance, July 1	$135,555,000	$283,990,800
Taxes	15,175,600,000	15,655,700,000
Departmental Revenues		
Tribal Gaming Revenues	25,605,000	24,705,800
Other	518,042,900	513,953,700
Total Available	$15,854,802,900	$16,478,350,300
Appropriations, Transfers, and Reserves		
Gross Appropriations	$15,896,434,700	$17,058,396,000
Sum Sufficient Reestimates	-40,252,300	-46,884,300
Transfer to Transportation Fund	38,009,600	39,458,300
Compensation Reserves	10,692,500	18,616,800
Less Lapses	-334,072,400	-726,425,200
Net Appropriations	$15,570,812,100	$16,343,161,600
Balances		
Gross Balance	$283,990,800	$135,188,700
Less Required Statutory Balance	-65,000,000	-65,000,000
Net Balance, June 30	$218,990,800	$70,188,700

Net appropriations are projected to decrease by $57.6 million (a decrease of $87.1 million of sum sufficient expenditures offset by a $29.5 million reduction in estimated lapses). Significant factors in this estimate include a reduction in homestead tax credits for the biennium (-$19.5 million) and earned income tax credits (-$4.9 million). In addition, debt service is projected to be $18.8 million lower than previously anticipated.

The following additional points should be noted about Table 1. First it incorporates the fiscal effects of all bills enacted to date in the current legislative session (through 2015 Act 126). Second, it does not reflect the impact of any bills that are pending before the Legislature that have not yet been enacted.

Finally, it does not reflect any changes to the appropriations for the medical assistance (MA) program, or assume any lapses of unexpended GPR from those appropriations. 2015 Act 55 (the 2015-17 budget act) allocated $5.6 billion GPR for MA benefits over the 2015-17 biennium. Statutes require the Department of Health Services to submit a quarterly report to the Joint Committee on Finance on the status of the MA budget, based on actual expenditures and updated program information. The most recent report, dated December 30, 2015, projects a biennial GPR surplus in the MA budget of $72.6 million (approximately 1.3% of the total MA

GPR budget). This is due mainly to lower-than-expected enrollment in the program over the first half of 2015-16, and an increase in the projected federal matching rate for federal fiscal year 2016-17. As the biennium progresses, projected MA expenditures will change due to fluctuations in program enrollment, average benefit costs, federal revenue, and other factors. Through the Department's quarterly reports, the Legislature will be able to monitor the fiscal status of the program and react to any modifications, if necessary, prior to the conclusion of the biennium.

General Fund Taxes

The following section presents information regarding general fund taxes for the 2015-17 biennium, including a discussion of the national economic forecast and general fund tax revenue estimates for fiscal years 2015-16 and 2016-17.

National Economic Review and Forecast. This office prepared revenue estimates for the 2015-17 biennium in January, 2015, based on IHS Global Insight, Inc.'s January, 2015, forecast for the U.S. economy. The forecast predicted accelerated economic growth in 2015, primarily due to lower gasoline prices, income gains, and positive consumer sentiment. Slower, positive growth was predicted for 2016 and 2017. Under that forecast, Global Insight assumed that the Federal Reserve would begin increasing the federal funds rate in June of 2015, and that Congress would pass legislation to increase the debt ceiling prior to mid-March. In addition, the forecast assumed that the Brent spot price for oil would average $64/barrel in 2015, reaching its lowest level during the second quarter of 2015, and that the trade-weighted value of the dollar would appreciate by 5.7% in 2015. The primary risk to the forecast was a slowdown in Chinese and European economies that could create downward pressure on growth in the U.S. economy.

In May, our office reviewed additional tax collection data and Global Insight's April economic forecast and did not revise revenue estimates for 2014-15, 2015-16, or 2016-17. Our office noted that it was possible that additional revenues would be realized in 2014-15, but that any excess collections in that year would likely be offset by reduced growth rates for personal income and personal consumption expenditures in the following two years. General fund tax collections in 2014-15 were $71.4 million above estimated amounts, which was 0.5% higher than aggregate general fund tax collection estimates for that year.

Economic growth in 2015 was somewhat slower than projected last January. Real (inflation-adjusted) growth in U.S. gross domestic product (GDP) is now estimated at 2.4% in 2015, which is lower than the projection of 3.1% for that year. The U.S. dollar appreciated faster in 2015 compared to foreign currencies, caused by expansionary monetary policy among major trading partners and lower than expected growth among emerging markets. The stronger dollar contributed to downward pressure on U.S. exports and domestic production. Global Insight expected declining oil prices (which decreased faster and for a longer period of time than forecast) to provide consumers with additional disposable income to spend on other goods and services. However, oil refinery shutdowns in California and Chicago tightened the supply of refined gasoline, causing pump prices for consumers to fall at a slower rate than the declining price of crude oil. In addition, consumers chose to save a larger portion of their reduced energy costs than Global Insight had expected, lowering the personal consumption growth rate to 3.4% in 2015 rather than the previously forecasted rate of 3.9%. In response to slower growth, the Federal Reserve did not increase the federal funds target rate until December of 2015, six months after Global Insight had projected.

Global Insight expects underlying domestic economic growth in employment, consumer spending, and housing to offset declines in manufacturing that are expected to be caused by weak international demand and an increased value of the U.S. dollar. Under the current (January, 2016) forecast, Global Insight expects real GDP growth of 2.7% in 2016 and 2.9% in 2017. The revised forecast is based on the following key assumptions. First, the outlook incorporates changes from recently enacted federal spending and tax bills and assumes that: (1) the federal tax on high-premium insurance plans will be postponed until 2020; (2) the federal gasoline tax will remain at its current level through the forecast period; (3) grants-in-aid to state and local government and local highway spending will be higher than previously forecast; and (4) accelerated depreciation allowances on equipment will be made permanent, rather than sunset after 2019. Second, the Federal Reserve will increase its target for the federal funds rate at a steady, moderate pace until it reaches 3.25% by the end of 2018. Third, real GDP growth over the next decade will average 1.8% per year among major currency partners and 3.6% among other important trading partners. Fourth, the average price of oil will decline from $54/barrel in 2015 to $48/barrel in 2016 before increasing to $58/barrel in 2017. Finally, the inflation-adjusted, trade-weighted value of the dollar is expected to continue appreciating against the U.S.'s broad index of trading partners through the first half of 2016, at which point the dollar is expected to be 17.7% higher than its average value in the second half of 2014, and then begin a steady decline over the remainder of the forecast period.

GDP. Real GDP is now projected to grow 2.7% in 2016 and 2.9% in 2017. The revised forecast maintains the same growth rate in 2016 and a slightly higher growth rate compared to the January, 2015, forecast of 2.7% in 2017. The expectations for nominal (current-dollar) GDP growth are slightly lower in 2016 and slightly higher in 2017 as compared to the prior forecast, changing from 4.6% in 2016 and 2017 to 4.4% in 2016 and 4.9% in 2017. As noted previously, both real and nominal GDP growth in 2015 were lower than had been previously forecast by 0.7 percentage points and 1.4 percentage points, respectively.

Consumer Prices. The Consumer Price Index (CPI) rose by 0.1% in 2015, which was the same as had been anticipated by Global Insight last January. CPI is expected to rise 1.2% in 2016 and 2.6% in 2017. The revised forecast is significantly lower than the prior forecast in 2016, which expected the CPI to increase by 2.3%, and slightly higher than the prior forecast of 2.4% for 2017. The previous forecast expected energy prices to increase in 2016, following declining prices in 2015. However, the current forecast expects prices for energy and commodities to continue to fall in 2016, providing a larger offset against higher prices for food and services than was previously forecast. The higher CPI growth in 2017 reflects Global Insight's expectation that energy prices will increase faster in that year than under the previous forecast.

Monetary Policy. The U.S. Federal Reserve increased its target range for the federal funds rate of 0.25% to 0.50% at its mid-December meeting. The Fed had maintained its previous target for the federal funds rate of 0% to 0.25% since December, 2008, and this was the first rate increase by the Fed since June, 2006. The Fed has expressed confidence that inflation will rise, over the medium term, to its 2% objective and that the labor market has shown considerable improvement over the course of the year. However, the Fed noted that continued low prices for energy and non-energy imports in the near term could result in a lower level of inflation.

Global Insight projects that the Fed will gradually increase rates during the forecast period, with the average federal funds rate rising from 0.13% in 2015 to 0.90% in 2016 and 1.91% in 2017. These rates are lower than Global Insight's prior forecast, which projected the average federal funds rate to rise to 0.44% in 2015, 1.56% in 2016, and 3.33% in 2017. The lower federal funds rate projections, in part, reflect that the Fed first increased rates in December instead of June, as previously forecast.

Personal Consumption. Nominal consumption expenditures rose by 3.4% in 2015, which is lower than the 3.9% projection under the prior forecast. Sales of items generally subject to the state sales tax (most durable goods, clothing, restaurant meals and accommodations, and other taxable nondurable goods and services) grew by 4.3% in 2015, led by strong growth in sales of new light trucks and motor vehicle leasing services. Sales of nontaxable items (food for home consumption, gasoline, certain medical equipment and products, and most services) grew by 3.0% in 2015, with growth in expenditures for most services offsetting the reduction in gasoline expenditures. Nominal expenditures for taxable and nontaxable goods and services were projected under the prior forecast to be 4.7% and 3.5%, respectively, in 2015. As previously noted, lower gasoline prices did not result in as much of an increase in spending on other items as was previously forecast by Global Insight, with consumers choosing to increase savings.

The forecast expects consumption growth of 4.1% in 2016 and 5.2% in 2017, which is considerably lower in 2016 and slightly higher in 2017 than the prior projection of 4.9% in both years. Growth in purchases of items subject to the sales tax is projected to be 4.3% in 2016 and 5.4% in 2017. Sales of nontaxable goods and services are projected to follow a similar growth pattern, increasing 3.9% in 2016 and 5.2% in 2017. As compared to the previous forecast, growth in purchases of nontaxable goods and services are significantly lower for 2016, primarily due to the expectation that expenditures on gasoline, natural gas, and other energy goods will continue to decline in that year rather than increase as had been previously predicted.

Personal Income. Personal income grew by 4.5% in 2015, which was slightly faster than the 4.4% growth that was previously projected. Global Insight expects personal income growth of 4.2% in 2016 and 5.2% in 2017, which is lower than the previous forecast of 5.0% in 2016 and 5.5% in 2017. The downward revision for personal income growth in 2016 reflects reduced expectations for growth in wages and salaries, personal dividend interest, personal interest income, and proprietors' farm income.

Personal income is a proxy for adjusted gross income (AGI), which is the basis for calculating individual income taxes. However, not all components of personal income are included in AGI. Wage and salary income is the largest component of both measures, and forecasted growth rates for wages and salaries are 4.2% in 2016 and 5.2% in 2017. These percentages represent downward revisions to the previous forecast, which predicted growth rates of 5.0% for 2016 and 5.5% for 2017. AGI also includes farm and nonfarm proprietors' income, rental income, personal dividend income, personal interest income, and transfer payments from businesses to individuals, and the current forecast predicts combined growth rates of 2.9% in 2016 and 5.2% in 2017 for these personal income components. These rates compare to 5.7% for 2016 and 6.9% for 2017 under the previous forecast. It should be noted that these personal income components also have a nontaxable component since personal income includes a small amount of imputed income. In addition, AGI includes certain components that are not included in personal income.

Employment. Expectations for the national unemployment rate, which is a function of both the number of jobs and the number of labor market participants, improved under Global Insight's most recent forecast. The average unemployment rate was 5.3% in 2015, which is lower than the prior forecast of 5.5%. The average unemployment rate is expected to decline to 4.9% in 2016 and remain at that level in 2017, which is lower than the previous forecast of 5.3% in 2016 and 5.2% in 2017. The labor force participation rate has declined each year from a peak of 64.6% in 2006 to 61.3% in 2015. However, this trend is expected to reverse beginning in 2016, with the labor force participation rate increasing to 61.6% in that year and to 61.8% in 2017. These rates are slightly lower than projected last January.

Total nonfarm payrolls increased by an estimated 243,000 per month in 2015, and are projected to increase by 198,000 per month in 2016 and 155,000 per month in 2017. These projections are similar to the prior forecast. Private sector payrolls are expected to grow by 1.9% in 2016 and 1.4% in 2017, and public sector payrolls are expected to grow by 0.4% in 2016 and 0.6% in 2017.

Housing. The average interest rate for a conventional 30-year fixed rate mortgage was 3.9% in 2015, and is projected to increase to 4.4% in 2016 and 4.7% in 2017. These projections are lower than Global Insight's previous forecast of 4.4% in 2015, 5.4% in 2016, and 6.1% in 2017. Compared to the previous forecast, the lowered projections reflect delayed rate increases by the Federal Reserve.

Housing starts increased 110,000 in 2015 to 1.11 million, and are expected to increase to 1.26 million in 2016 and 1.42 million in 2017. These projections are lower than Global Insight's previous projections, which expected housing starts to reach 1.50 million by 2017. Similarly, growth in sales of new and existing houses has been revised downward from the previous forecast, with estimated growth of 6.5% in 2015, 3.2% in 2016, and 3.6% in 2017. Under the prior forecast, new and existing home sales were projected to grow by 10.4% in 2015 and 7.4% in 2016, and then fall by 1.3% in 2017. Although the growth rate in 2017 has improved under the revised forecast, overall sales of new and existing homes are projected to be 165,000 units lower in that year than under the previous forecast. It should also be noted that sales of new and existing homes and the number of housing starts in 2015 remain 32% and 46% below their 2005 peak levels, respectively, and are not expected to exceed those levels over the forecast period.

Global Insight estimates that home prices contracted by 0.4% in 2015, which is lower than the 4.4% growth that had been projected in the prior forecast. Home prices are expected to recover over the forecast period, with projected growth of 4.1% in 2016 and 4.4% in 2017. The revised estimates project higher growth rates over the next two years compared to Global Insight's previous forecast, which expected growth in home prices of 2.0% in 2016 and 3.6% in 2017.

Corporate Profits. Economic profits are estimated to have declined 1.6% in 2015, but are anticipated to grow by 4.0% in 2016 and 2.8% in 2017. Global Insight had previously forecast growth of 10.6% in 2015 and 1.8% in 2016, followed by a contraction of 3.9% in 2017. Before-tax book profits grew 4.6% in 2015, which was lower than the prior growth forecast of 5.5%.

Growth in before-tax book profits is now estimated at 2.8% in 2016 and -0.2% in 2017, which is higher growth than was projected in the January, 2015, forecast of -0.1% in 2016 and -5.8% in 2017. The before-tax profits estimates are significantly affected by federal law changes regarding bonus depreciation.

Business Investment. Business investment in equipment grew at a rate of 4.5% in 2015, and is expected to grow 5.5% in 2016 and 7.2% in 2017. These estimates are lower than Global Insight's previous forecast, which anticipated growth of 7.8% in 2015 and 7.6% in 2016, but higher than the previous forecast for growth in 2017 of 5.8%. According to Global Insight, the slower near-term growth rate is primarily caused by capital spending cutbacks among companies that are exposed to foreign competition, low oil and gas prices, and falling agricultural prices.

Intellectual property investment for software, another indicator of business investment, grew by 4.9% in 2015 and is expected to grow at slower rates over the forecast period of 4.5% in 2016 and 5.0% in 2017. In the January, 2015, forecast, intellectual property investment was expected to grow by 7.2% in 2015, 7.1% in 2016, and 6.8% in 2017.

Business investment in nonresidential structures contracted 1.7% in 2015, and is expected to grow by 3.6% in 2016 and 5.6% in 2017. Under the previous forecast, growth was projected at 0.3% in 2015, 6.1% in 2016, and 11.9% in 2017. The downward revision to the forecast reflects significant reductions in investment for mining and petroleum structures, which contracted by more than twice the rate that had been previously forecast for 2015 and is expected to continue contracting by nearly 25% in 2016.

International Trade. In 2015, exports decreased by $88.4 billion (3.8%) compared to reduced imports of $93.0 billion (3.2%), which decreased the U.S. trade deficit by $4.6 billion. Weak foreign growth and a stronger dollar contributed to lower exports, but were offset by a steep decline in imports of petroleum products due to low oil prices. The trade deficit improved less than was expected in the prior forecast, which anticipated a reduction of $124.1 billion in 2015. Global Insight expects the trade deficit to decline by an additional $58.3 billion in 2016 before reversing direction in 2017, when net imports are expected to increase by $84.9 billion. The declining trade deficit in 2016 under the current forecast is primarily due to continued reductions in petroleum imports coupled with improved growth in exports of services.

According to Global Insight, weak foreign growth coupled with continued U.S. growth resulted in the trade-weighted value of the dollar appreciating against all major currency and other important trading partners (except for those pegged to the U.S. dollar) in 2015. The dollar appreciated against major currency trading partners by 19.6% and against other important trading partners by 11.5% in 2015, which is substantially higher than the prior forecast that the dollar would appreciate 10.7% against major currency trading partners and 3.8% against other important trading partners. The dollar was expected to depreciate in value against all other currencies in 2016 and 2017 under Global Insight's prior forecast. However, the current forecast expects the trade-weighted value of the dollar to continue to appreciate by 5.6% against major currency trading partners and 7.5% against other important trading partners in 2016, but then depreciate by 7.5% and 1.5%, respectively, in 2017.

The revised projections outlined above, which reflect Global Insight's baseline forecast, are summarized in Table 2.

TABLE 2

Summary of National Economic Indicators
IHS Global Insight, Inc., Baseline Forecast January, 2016
($ in Billions)

	2014	2015	2016	2017
Nominal Gross Domestic Product	$17,348.1	$17,951.1	$18,743.4	$19,668.4
Percent Change	4.1%	3.5%	4.4%	4.9%
Real Gross Domestic Product	$15,961.7	$16,346.8	$16,780.6	$17,274.5
Percent Change	2.4%	2.4%	2.7%	2.9%
Consumer Prices (Percent Change)	1.6%	0.1%	1.2%	2.6%
Personal Income	$14,694.2	$15,359.7	$15,998.1	$16,825.4
Percent Change	4.4%	4.5%	4.2%	5.2%
Personal Consumption Expenditures	$11,865.9	$12,269.8	$12,767.5	$13,435.9
Percent Change	4.2%	3.4%	4.1%	5.2%
Economic Profits	$2,072.9	$2,040.7	$2,122.8	$2,181.5
Percent Change	1.7%	-1.6%	4.0%	2.8%
Unemployment Rate	6.2%	5.3%	4.9%	4.9%
Total Nonfarm Payrolls (Millions)	139.023	141.944	144.319	146.174
Percent Change	1.9%	2.1%	1.7%	1.3%
Light Vehicle Sales (Millions of Units)	16.44	17.39	17.76	18.19
Percent Change	5.8%	5.8%	2.1%	2.4%
Sales of New and Existing Homes (Millions)	5.360	5.708	5.890	6.101
Percent Change	-2.6%	6.5%	3.2%	3.6%
Housing Starts (Millions of Units)	1.001	1.109	1.265	1.419
Percent Change	7.8%	10.9%	14.0%	12.2%

Global Insight also prepares "pessimistic" and "optimistic" scenarios. Under the pessimistic scenario, given a 20% probability of occurring, the U.S. economy enters a recession during the middle two quarters of 2016 in response to unanticipated declines in international markets. Global Insight predicts that, under this scenario, European markets decline more than anticipated and lower commodity prices cause slower growth in emerging markets, which in turn causes investors to purchase U.S. assets and further strengthen the dollar compared to other currencies. Under this scenario: (1) domestically manufactured goods become more expensive as the dollar appreciates; (2) nonresidential construction declines; (3) employers choose to hire fewer employees; and (4) the unemployment rate begins to increase. The Federal Reserve does not increase the target federal funds rate over the forecast period in response to recessionary pressures. Real GDP growth is projected to be lower than the baseline scenario by 1.8 percentage points in 2016 and 1.6 percentage points in 2017.

In the optimistic scenario, to which Global Insight assigns a 15% probability, higher productivity growth, an increase in household formation, and stronger foreign growth cause a lower trade-adjusted value of the dollar to help the U.S. economy grow at a faster rate than forecast under the baseline. Increased residential and nonresidential construction, consumer spending, and corporate profits are projected under this scenario, contributing an additional 0.7 percentage points to real GDP growth in 2016 and 1.0 percentage points in 2017. The optimistic scenario projects that oil prices average 22.9% higher than the baseline projection in 2016, the dollar strengthens against other currencies in 2017, and the Federal Reserve increases its target for the federal funds rate more rapidly, averaging 2.58% in 2017 compared to the baseline projection of 1.91%.

General Fund Tax Projections. Table 3 shows revised general fund tax revenue estimates for 2015-16 and 2016-17. The projections are based on Global Insight's January, 2016, forecast of the U.S. economy and incorporate all tax law changes enacted to date.

TABLE 3

Projected General Fund Tax Collections
($ Millions)

	2014-15	Previous Estimates		Revised Estimates January, 2016	
	Actual	2015-16	2016-17	2015-16	2016-17
Individual Income	$7,325.8	$7,858.5	$8,238.2	$7,810.0	$8,050.0
General Sales and Use	4,892.1	5,050.9	5,217.5	5,050.9	5,217.5
Corporate Income and Franchise	1,004.9	994.0	1,015.7	990.0	1,045.0
Public Utility	381.8	366.8	373.4	370.8	382.4
Excise					
Cigarette	569.6	551.0	545.5	571.0	565.5
Tobacco Products	71.9	71.4	73.6	76.4	79.6
Liquor and Wine	48.8	48.5	49.4	50.0	51.0
Beer	8.8	8.6	8.4	9.0	9.0
Insurance Company	165.5	181.0	187.0	168.0	172.0
Miscellaneous Taxes	72.0	73.9	76.3	79.5	83.7
Total	$14,541.2	$15,204.6	$15,784.9	$15,175.6	$15,655.7
Change from Prior Year		$663.3	$580.3	$634.4	$480.1
Percent Change		4.6%	3.8%	4.4%	3.2%

As shown in the table, total general fund tax revenues are estimated at $15,175.6 million in 2015-16 and $15,655.7 million in 2016-17. These amounts are lower than the previous estimates by $29.0 million in the first year and $129.2 million in the second year. The biennial decrease is $158.2 million, or 0.5%. The largest reduction is in the individual income tax, and the estimates for insurance company taxes have also been decreased. With the exception of the sales and use tax, all of the other estimates have been increased somewhat. The sales tax estimates have not been revised.

Under current law, the state automatically conforms to federal changes to Section 179 of the Internal Revenue Code, which allows taxpayers to claim an immediate deduction for the cost of acquiring certain types of business property, rather than depreciating such property over its useful life. Under our prior forecast, we assumed that Congress would continue to provide one-year extensions of the Section 179 expensing provisions as they existed in tax year 2014 (higher expense limits were extended on a temporary basis several times between tax years 2003 through 2014). Under the Protecting Americans from Tax Hikes Act of 2015, the higher expense limits were made permanent, rather than being extended for only one year, and will be indexed for inflation. In addition, the types of property that are eligible for immediate expensing were expanded to include certain air conditioning and heating units. Also, based on more recent federal data, the Department of Revenue has reestimated the fiscal impact of the one-year extension of the tax year 2014 provisions to be higher than previously estimated. Compared to our previous estimates, the Section 179 law changes are estimated to reduce state tax revenues by approximately $75 million more in the 2015-17 biennium.

The remaining decrease in the estimates ($83 million) primarily reflects the fact that the current economic forecast is less favorable than the January, 2015, forecast.

Individual Income Tax. State individual income tax revenues were $7,325.8 million in 2014-15 and are estimated at $7,810.0 million in 2015-16 and $8,050.0 million in 2016-17. Relative to the previous figures, the current estimates are lower by $48.5 million in the first year and $188.2 million in the second year. On a year-to-year basis, the current estimates represent increases of 6.6% for 2015-16 and 3.1% for 2016-17.

Based on preliminary collection information through December, 2015, individual income tax revenues for the current fiscal year are 5.1% higher than such revenues through the same period in 2014-15. A higher rate of increase (7.9%) is anticipated over the next six months largely because fewer refunds are expected for 2015 tax returns, than were processed for 2014 tax returns. A lower level of refunds will occur this year because the withholding table change that took effect in tax year 2014, affected withholding levels for nine months in the 2014 tax year, but all 12 months in the 2015 tax year. Because withholding changes do not affect individuals' tax liabilities, lower withholding levels result in lower tax refunds.

The reductions from the prior estimates primarily reflect a reduced forecast of personal income, the federal Section 179 changes, and a larger share of the manufacturing and agriculture credit (MAC) being claimed under the individual income tax instead of the corporate tax. In addition, the estimated cost of the historic rehabilitation tax credit has been increased.

General Sales and Use Tax. State sales and use tax revenues totaled $4,892.1 million in 2014-15, which was 5.7% higher than the year prior. Sales tax collections through December, 2015, are 2.3% higher than the same period in 2014 and are projected to accelerate to 3.9% for the remainder of the 2015-16 fiscal year. Sales tax revenues are estimated at $5,050.9 million in 2015-16 and $5,217.5 in 2016-17, reflecting growth of 3.2% and 3.3%, respectively. These estimates account for law changes but are otherwise unchanged from previous estimates.

Corporate Income and Franchise Tax. Corporate income/franchise taxes were $1,004.9 million in 2014-15, which was $69.9 million above the Act 55 estimate. Corporate tax revenues are projected to be $990.0 million in 2015-16 and $1,045.0 million in 2016-17. These estimates reflect a decrease of 1.5% in 2015-16 and growth of 5.6% in 2016-17. These estimates are lower than the prior estimates by $4.0 million in 2015-16 and higher by $29.3 million in 2016-17.

The new estimates reflect a significant reduction in 2015 corporate economic profits (12.2 percentage points lower than the previous growth rate), but stronger growth in profits for 2016 and 2017 compared to the prior forecast. Quarterly estimated tax payments through December are 4.2% lower compared to the same period last year. Historically, estimated payments generate between 86% and 96% of total corporate tax collections. Although actual collections exceeded the estimate by nearly $70 million last year, revenues in 2015-16 are now expected to be somewhat lower than the previous estimates due to the reduced profit forecast, weaker estimated payments through December, and increased costs of the Section 179 provisions and the historic rehabilitation credit.

The increased revenue estimate for 2016-17 primarily reflects an improved profit forecast in that year. In addition, the share of the MAC claimed by corporate filers has been reduced from the prior estimates. Overall, the estimated cost of the MAC in the 2015-17 biennium has been reduced slightly since Act 55 was enacted.

Public Utility Taxes. Public utility tax revenues were $381.8 million in 2014-15, and are currently projected at $370.8 million in 2015-16 and $382.4 million in 2016-17. Compared to the previous estimates, these amounts are higher by $4.0 million in 2015-16 and $9.0 million in 2016-17. Utility tax collections are currently expected to decrease by 2.9% in 2015-16 and increase by 3.1% in 2016-17. Private light, heat, and power companies are the largest taxpayer group, comprising 65% of estimated public utility taxes for the 2015-17 biennium. Collections from these companies totaled $243.8 million in 2014-15, and are estimated to decrease to $238.1 million (-2.3%) in 2015-16 and increase to $249.1 million (4.6%) in 2016-17. The decrease in 2015-16 reflects, in part, reduced energy prices and last year's relatively warm winter weather.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), tobacco products, and beer. In 2014-15, excise tax collections totaled $699.1 million. Of this amount, $569.6 million (approximately 81%) was from the excise tax on cigarettes.

Excise tax revenues over the next biennium are estimated at $706.4 million in 2015-16 and $705.1 million in 2016-17, which represents increased revenue of $26.9 million in the first year and $28.3 million in the second year compared to the prior estimates. Excise tax estimates have increased largely due to higher year-to-date cigarette tax collections, which are currently 2.2% higher than collections over the same period in 2014.

Insurance Premiums Taxes. Insurance premiums taxes totaled $165.5 million in 2014-15, which was $10.6 million less than had been estimated in January, 2015. Premiums tax collections are projected to be $168.0 million in 2015-16 and $172.0 million in 2016-17. The estimates are lower than prior estimates by $13.0 million in 2015-16 and $15.0 million in 2016-17. The reduced estimates in the first year are primarily caused by a lower base for tax collections following the actual collection totals in 2014-15, as well as a lower than expected adjusted year-to-date growth in tax collections of 0.35%. Although year-to-date premiums tax collections are 16.2% higher than last year, the Office of the Commissioner of Insurance reports that the strong growth rate is due to an acceleration in posting certain tax payments under the Office's new tax processing system, which will be offset by less revenue allocated to the final month of collections. The estimate for 2016-17 reflects historic tax collection growth trends.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee (RETF), municipal and circuit court-related fees, a small amount from the occupational tax on coal, and some estate tax revenue from audit activity. Miscellaneous tax revenues were $72.0 million in 2014-15. Of this amount, $57.8 million (approximately 80%) was from the RETF.

Miscellaneous tax revenues over the next biennium are estimated at $79.5 million in 2015-16 and $83.7 million in 2016-17, which represents increased revenue of $5.6 million in the first year and $7.4 million in the second year compared to the prior estimates. Miscellaneous tax estimates have increased largely due to higher year-to-date RETF collections, which are currently 15.2% above collections over the same period in 2014.

As noted above, the revised tax revenue estimates are based on Global Insight's January, 2016, baseline forecast of the U.S. economy, which projects continued economic growth for the next several years. Global Insight's pessimistic forecast foresees an economic contraction in the second and third quarters of 2016, with positive growth resuming in the fourth quarter. Global Insight assigns a 20% probability to that scenario. The January economic forecast was prepared before the recent declines in oil prices and global stock markets, which could affect future forecasts. Preparing tax revenue estimates always involves uncertainty. Final collections may be higher or lower than the estimates, depending upon the actual performance of the economy. Although we believe that the revised estimates reflect the most likely movement of the economy over the next 18 months, tax collections and economic forecasts will need to be monitored throughout the remainder of the biennium.

I will keep you apprised of any changes to the estimates that may be necessary.

Sincerely,

Bob Lang

Robert Wm. Lang
Director

RWL/sas
cc: Members, Wisconsin Legislature

Appendix B

GENERAL OBLIGATION ISSUANCE STATUS REPORT
JULY 1, 2016

			Credit to Capital Improvement Fund			
Program Purpose	Legislative Authorization	General Obligations Issued to Date[a]	Interest Earnings[b]	Premium[b]	G.O. Refunding Bonds of 2016, Series 2	Total Authorized Unissued Debt[a]
University of Wisconsin; academic facilities..	$ 2,341,609,100	$ 1,929,103,104	$ 13,072,507	$ 41,605,677		$ 357,827,812
University of Wisconsin; self-amortizing facilities....................................	2,709,353,100	2,081,919,694	2,911,822	36,326,153		588,195,431
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program....................................	1,046,250,000	794,368,789	405,319	17,591,078		233,884,814
Natural resources; municipal clean drinking water grants..	9,800,000	9,518,744	141,818			139,438
Clean water fund program..................................	686,743,200	624,296,959		2,191,602		60,254,639
Safe drinking water loan program..	65,600,000	60,283,888		1,150,739		4,165,373
Natural resources; nonpoint source grants.......................................	94,310,400	93,954,036	190,043	165,649		672
Natural resources; nonpoint source	37,900,000	20,156,488	1,454	964,416		16,777,642
Natural resources; environmental repair..	57,000,000	48,866,596	203,594	242,369		7,687,441
Natural resources; urban nonpoint source cost-sharing..	49,900,000	37,098,689	30,671	724,428		12,046,212
Natural resources; contaminated sediment removal.................	32,000,000	23,779,247		1,102,926		7,117,827
Natural resources; environmental segregated fund supported administrative facilities.............................	19,969,200	10,641,315	143	142,038		9,185,704
Natural resources; segregated revenue supported dam safety projects................................	6,600,000	6,571,582	617	27,795		6
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	22,919,742	141,325	68		364
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			37,032
Natural resources; segregated revenue supported facilities..	102,365,300	72,942,014	93,544	1,261,650		28,068,092

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JULY 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date[(a)]	Credit to Capital Improvement Fund: Interest Earnings[(b)]	Credit to Capital Improvement Fund: Premium[(b)]	G.O. Refunding Bonds of 2016, Series 2	Total Authorized Unissued Debt[(a)]
Natural resources; general fund supported administrative facilities	$ 16,514,100	$ 11,306,206	$ 21,753	$ 7,374		$ 5,178,767
Natural resources; ice age trail	750,000	750,000				
Natural resources; dam safety projects	21,500,000	13,019,807	49,701	644,012		7,786,480
Natural resources; segregated revenue supported land acquisition	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program	231,000,000	229,243,222	1,306,849	132,869		317,060
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	245,000,000	205,422,082		30,778,314		8,799,604
Transportation; rail passenger route development	79,000,000	56,388,285	3,016	1,342,987		21,265,712
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; Southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects	1,328,550,000	977,093,719	3,018,078	63,104,935		285,333,268
Transportation; state highway rehabilitation projects, southeast megaprojects	820,063,700	781,310,356	1,182,897	37,234,535		335,912
Transportation; major highway projects	100,000,000	98,948,179		1,051,814		7
Transportation; state highway rehabilitation, certain projects	141,000,000	134,924,101		6,075,854		45
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval	350,000,000	51,331,087		11,340,881		287,328,032
Transportation; harbor improvements	105,900,000	77,761,749	234,581	3,015,104		24,888,566
Transportation; rail acquisitions and improvements	238,300,000	142,612,729	5,187	10,448,043		85,234,041
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000				
Corrections; correctional facilities	882,346,900	824,473,616	11,467,562	2,961,011		43,444,711
Corrections; self-amortizing facilities and equipment	2,116,300	2,115,438	99			763

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JULY 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date[(a)]	Credit to Capital Improvement Fund: Interest Earnings[(b)]	Credit to Capital Improvement Fund: Premium[(b)]	G.O. Refunding Bonds of 2016, Series 2	Total Authorized Unissued Debt[(a)]
Corrections; juvenile correctional facilities…………………	$ 28,652,200	$ 28,538,452	$ 108,861	$ 988		$ 3,899
Health services; mental health and secure treatment facilities…………………	185,951,200	167,313,877	895,124	1,206,401		16,535,798
Agriculture; soil and water…………………	61,075,000	49,664,439	3,025	1,369,455		10,038,081
Agriculture; conservation reserve enhancement…………………	28,000,000	13,650,896		150,206		14,198,898
Administration; Black Point Estate…………………	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund…………………	200,000,000	133,811,888		6,495,017		59,693,095
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	263,420,000				780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt…………………	5,285,000,000	3,878,068,916			$ 370,850,000	1,036,081,084
Building commission; housing state departments and agencies…………………	820,767,100	529,931,917	2,356,097	3,995,319		284,483,767
Building commission; 1 West Wilson street parking ramp…………………	15,100,000	14,805,521	294,479			
Building commission; project contingencies…………………	47,961,200	46,834,570	64,761	95,784		966,085
Building commission; capital equipment acquisition…………………	125,660,000	123,144,850	740,327	233,130		1,541,693
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 [(c)]				11,167
Building commission; other public purposes…………………	2,491,765,400	2,232,288,814	8,728,268	37,251,900		213,496,418
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities…………………	10,000,000	10,000,000				
Norskedalen Nature and Heritage Center…………	1,048,300					1,048,300
Bond Health Center…………………	1,000,000	983,307		16,682		10
Lac du Flambeau Indian Tribal Cultural Center…	250,000	210,495		39,504		1

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JULY 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date[a]	Credit to Capital Improvement Fund: Interest Earnings[b]	Credit to Capital Improvement Fund: Premium[b]	G.O. Refunding Bonds of 2016, Series 2	Total Authorized Unissued Debt[a]
Dane County; livestock facilities	$ 9,000,000	$ 7,577,838		$ 1,422,134		$ 28
K I Convention Center	2,000,000	1,413,925		220,845		365,230
HR Academy, Inc.	1,500,000	1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator	35,000,000	33,712,125		894,824		393,051
AIDS Resource Center of Wisconsin, Inc.	800,000	800,000				
Bradley Center Sports and Entertainment Corporation	5,000,000	4,869,946		130,053		1
Medical College of Wisconsin; community medical education facilities	7,384,300					7,384,300
Family justice center	10,625,000	5,311,700		928,779		4,384,521
Marquette University; dental clinic and education facility	25,000,000	22,219,073	$ 818	780,107		2,000,002
Civil War exhibit at the Kenosha Public Museums	500,000	500,000				
AIDS Network, Inc.	300,000	300,000				
Wisconsin Maritime Center of Excellence	5,000,000					5,000,000
Hmong cultural centers	250,000	250,000				
Milwaukee Police Athletic League; youth activities center	1,000,000	1,000,000				
Children's research institute	10,000,000	10,000,000				
Domestic Abuse Intervention Services, Inc.	560,000	476,330		83,276		394
Carroll University	3,000,000					3,000,000
Wisconsin Agricultural Education Center, Inc.	5,000,000					5,000,000
Eau Claire Confluence Arts, Inc.	15,000,000					15,000,000
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				
Administration; public library educational technology infrastructure financial assistance	269,000	268,918	42			41
Educational communications board; educational communications facilities	24,169,000	24,112,683	38,515	11,925		5,877
Grand Opera House in Oshkosh	500,000	500,000				
Aldo Leopold climate change classroom and interactive laboratory	500,000	485,000		14,992		8
Historical society; self-amortizing facilities	1,029,300	1,029,156	3,896			
Historical society; historic records	26,650,000	2,486,963		141,582		24,021,455
Historical society; historic sites	9,591,800	9,045,485	847	289,226		256,242
Historical society; museum facility	4,384,400	4,362,469				21,931
Historical society; Wisconsin history center	16,000,000	65,608		13,988		15,920,404

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JULY 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date[a]	Credit to Capital Improvement Fund: Interest Earnings[b]	Credit to Capital Improvement Fund: Premium[b]	G.O. Refunding Bonds of 2016, Series 2	Total Authorized Unissued Debt[a]
Public instruction; state school, state center and library facilities	$ 12,350,600	$ 11,839,046	$ 32,509	$ 466,826		$ 12,219
Military affairs; armories and military facilities	46,272,700	34,327,075	195,308	862,095		10,888,222
Veterans affairs; veterans facilities	10,686,100	9,405,485	50,593			1,230,021
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	69,948,700	26,005,829	1,613	919,006		43,022,252
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	53,687,100	52,699,335	22,401	26,977		938,387
Total	$30,994,328,588	$25,797,519,953	$73,888,124	$329,695,343	$370,850,000	$4,422,379,021

(a) Amounts do not include the $93,715,000 aggregate principal amount of the State of Wisconsin General Obligation Bonds of 2016, Series B and Series C (Taxable) that were issued on July 28, 2016.

(b) Amounts previously 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.

(c) 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

$370,850,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2016, SERIES 2

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $370,850,000 General Obligation Refunding Bonds of 2016, Series 2, 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 May 25, 2016 (**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 dated July 29, 2016 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

Appendix D

ADVANCE REFUNDED BONDS

Series	Dated Date	Principal Amount	Interest Rate	Maturity	CUSIP[a]	Redemption Date	Redemption Price
2009 Series A	6/18/2009	$ 5,065,000	4.00%	5/1/2022	97705L 7F8	5/1/2019	100%
2011 Series A	2/2/2011	16,510,000	5.00	5/1/2023	97705L 7S0	5/1/2021	100
		21,565,000	5.00	5/1/2028	97705L D38	5/1/2021	100
		22,645,000	5.00	5/1/2029	97705L D46	5/1/2021	100
		23,780,000	5.00	5/1/2030	97705L D53	5/1/2021	100
		58,330,000	5.00	5/1/2031	97705L D61	5/1/2021	100
2011 Series B	8/4/2011	13,385,000	5.00	5/1/2023	97705L J99	5/1/2021	100
		15,495,000	4.00	5/1/2026	97705L K48	5/1/2021	100
		16,270,000	5.00	5/1/2027	97705L K55	5/1/2021	100
		17,935,000	5.00	5/1/2029	97705L K71	5/1/2021	100
		18,825,000	5.00	5/1/2030	97705L K89	5/1/2021	100
2011 Series C	12/22/2011	10,705,000	5.00	5/1/2023	97705L Q34	5/1/2021	100
		12,385,000	4.00	5/1/2026	97705L Q67	5/1/2021	100
2012 Series A	6/5/2012	10,435,000	5.00	5/1/2023	97705L W37	5/1/2021	100
		13,410,000	4.00	5/1/2026	97705L W60	5/1/2021	100
2012 Series B	11/1/2012	23,680,000	5.00	5/1/2023	97705L Y35	5/1/2021	100
2012 Series 1	3/20/2012	3,365,000 [b]	5.00	5/1/2017	97705L T64 [b]	N/A	
		9,155,000 [b]	5.00	5/1/2018	97705L T72 [b]	N/A	
		9,615,000 [b]	5.00	5/1/2019	97705L S99 [b]	N/A	
2013 Series A	5/9/2013	16,030,000	5.00	5/1/2024	97705L 2E6	5/1/2022	100
		16,970,000	5.00	5/1/2025	97705L 2F3	5/1/2022	100
		19,405,000	4.00	5/1/2026	97705L 2G1	5/1/2022	100
2014 Series B	7/29/2014	15,045,000	5.00	5/1/2022	97705L 5R4	5/1/2020	100
		$ 390,005,000					

[a] The CUSIP numbers have been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers.

[b] Reflects only a portion of the total amount of this bond maturing on the respective maturity date. The CUSIP number shown is the CUSIP number currently assigned to the entire maturity.

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