OFFERING MEMORANDUM

This Offering Memorandum provides information about the Notes. 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 Offering Memorandum.

STATE OF WISCONSIN
GENERAL OBLIGATION COMMERCIAL PAPER NOTES

Note Ratings	Ratings on the Notes have been provided, as of the date of this Offering Memorandum, by the following rating organizations–*See page 4.* F1+ Fitch Ratings K1+ Kroll Bond Rating Agency, Inc. P-1 Moody's Investors Service, Inc. A-1+ S&P Global Ratings
Tax Exemption	Interest on the Notes is excluded from gross income and is not an item of tax preference for federal income tax purposes. Interest on the Notes is not excluded from State of Wisconsin income and franchise taxes–*See pages 9-10.*
Prepayment	The Notes are not subject to prepayment prior to maturity.
Security	The Notes are general obligations of the State of Wisconsin–*See pages 3-4.*
Line of Credit	The Liquidity Facility required by the Program Resolution is a Credit Agreement provided by BMO Harris Bank N.A., which, subject to certain conditions, is obligated to advance amounts from a line of credit when a draw is made to pay only the principal of maturing Notes–*See pages 5-8.*
Purpose	Proceeds of the Notes are used for various governmental purposes and the funding obligations previously issued for governmental purposes–*See page 3.*
Denominations	$100,000 and $1,000 increments above $100,000
Dealers	Goldman, Sachs & Co. J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner & Smith Incorporated
Bond Counsels	Foley & Lardner LLP Quarles & Brady LLP
Issuing and Paying Agent	U.S. Bank National Association
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry Form	The Depository Trust Company–*See page 5.*
Annual Report	This Offering Memorandum incorporates by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report dated December 23, 2015 and any subsequent notice provided pursuant to the State's continuing disclosure undertaking. At such time as the State publishes a new Annual Report, this Offering Memorandum incorporates by reference the corresponding parts of that Annual Report.

September 15, 2016

This document is the only document the State has authorized for providing information about the Notes. This document is not an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Notes by any person in any jurisdiction where it is unlawful for the person to make the offer, solicitation, or sale. 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 Notes, 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 Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Dealers do not guarantee the accuracy or completeness of such information.

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 aspects of the offering but not others. For example, financial staff may have been asked to assist with quantitative financial information, and legal counsel with specific documents or legal issues.

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

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STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE NOTES

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

OFFERING MEMORANDUM

STATE OF WISCONSIN

GENERAL OBLIGATION COMMERCIAL PAPER NOTES

INTRODUCTION

This Offering Memorandum provides information about the General Obligation Commercial Paper Notes **(Notes)** issued by the State of Wisconsin **(State)**. The Notes are designated by series, based upon the dates of their initial issuance; however, the Notes may be offered to investors without reference to a series designation.

The Notes are authorized by the Wisconsin Constitution and Wisconsin Statutes and are issued pursuant to both a Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes that the State of Wisconsin Building Commission **(Commission)** adopted on March 20, 1997, as amended on April 16, 1998 and July 30, 2003 **(Program Resolution)**, and specific **Supplemental Resolutions** adopted by the Commission.

Through initial issuances in calendar years 2005, 2006, and 2013, the State has previously issued Notes designated as the **2005 Series A Notes,** the **2006 Series A Notes,** and the **2013 Series A Notes.** On September 19, 2016 the State expects to issue Notes designated as the **2016 Series A Notes.** The proceeds of the 2016 Series A Notes will fund a portion of the State's outstanding General Obligation Extendible Municipal Commercial Paper **(EMCP)** Notes.

With respect to Notes issued after the date of this Offering Memorandum (including roll-over Notes) and until such time as the State publishes a more current offering memorandum, the reader should also review the State of Wisconsin Continuing Disclosure Annual Report **(Annual Report)** published pursuant to the State's continuing disclosure undertaking that is, at the time, the one most recently published. This Offering Memorandum incorporates by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report dated December 23, 2015 **(2015 Annual Report)** and any subsequent notice provided pursuant to the State's continuing disclosure undertaking. At such time as the State publishes a new Annual Report, this Offering Memorandum then incorporates by reference the corresponding parts of that Annual Report and any subsequent notice provided pursuant to the State's continuing disclosure undertaking.

The Commission 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 Offering Memorandum. This Offering Memorandum contains information furnished by the State or obtained from the sources indicated. Certain documents are expressly incorporated into this Offering Memorandum by reference; however, all web sites listed in this Offering Memorandum are provided for informational purposes only and are not incorporated by reference into this Offering Memorandum.

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 includes any changes or additions to Parts II and III 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 June 30, 2016, which is presented on either a cash basis or an agency-recorded basis and projected General Fund information for the 2016-17 fiscal year, which is presented on a cash basis.
- Preliminary General Purpose Revenue **(GPR)** tax collections for the 2015-16 fiscal year, as released on September 1, 2016 by the State Department of Revenue **(DOR)**.

At such time as the State publishes a new Annual Report, this Offering Memorandum incorporates by reference the corresponding parts of that Annual Report.

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

Contact:	State of Wisconsin Department of Administration Capital Finance Office
Phone:	(608) 267-0374
Mail:	101 East Wilson Street, FLR 10 P.O. Box 7864 Madison, WI 53707-7864
E-mail:	DOACapitalFinanceOffice@wisconsin.gov
Web site:	www.doa.wi.gov/capitalfinance

THE PROGRAM

This Offering Memorandum describes the Notes issued under the State of Wisconsin's General Obligation Commercial Paper Note Program **(Program)**.

The State has appointed Goldman, Sachs & Co., J.P. Morgan Securities LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated to serve as **Dealers** for the Notes. Inquiries to the Dealers may be directed to the following:

Goldman, Sachs & Co. Municipal Money Market Sales and Trading 200 West Street New York, NY 10282 (212) 902-6633	J.P. Morgan Securities LLC 383 Madison Avenue, FLR 8 New York, NY 10179 (212) 834-7224	Merrill Lynch, Pierce, Fenner & Smith Incorporated One Bryant Park, FLR 9 New York, NY 10036 (212) 449-5101

The State has appointed U.S. Bank National Association, as successor to Deutsche Bank Trust Company Americas, to serve as **Issuing and Paying Agent** for the Notes. Inquiries to the Issuing and Paying Agent may be directed to:

U.S. Bank National Association
100 Wall Street, FLR 16
New York, NY 10005
(212) 951-6993
beverly.freeney@usbank.com

The Depository Trust Company **(DTC)** serves as securities depository **(Depository)** for the Notes.

The Liquidity Facility required by the Program Resolution is provided by BMO Harris Bank N.A. (**Liquidity Facility Provider)** pursuant to a Credit Agreement, dated as of March 15, 2016 (**Credit Agreement)**. Subject to conditions set forth in the Credit Agreement, the Liquidity Facility Provider is obligated to advance amounts from a line of credit when a draw is made on it by the Issuing and Paying Agent.

Authorized Notes

As of September 1, 2016, there are three series of Notes outstanding. On September 19, 2016, the State expects to issue the 2016 Series A Notes in the aggregate principal amount of approximately $136 million. The issuance of the 2016 Series A Notes will be pursuant to authority in a Supplemental Resolution adopted by the Commission on September 26, 2012.

The following table provides information concerning each series of Notes which are currently outstanding:

Series Designation of Notes	Initial Principal Amount	Outstanding Principal Amount	Date of Supplemental Resolution	Date of Initial Issuance
2005 Series A	$100,350,000	$ 21,543,000	December 7, 2005	December 14, 2005
2006 Series A	123,510,000	57,936,000	June 28, 2006	August 2, 2006
2013 Series A	58,825,000	58,825,000	February 19, 2013	December 10, 2013
		$138,304,000		

The State expects to issue roll-over Notes to provide payment of the principal of maturing Notes. The State is obligated to pay the interest on maturing Notes when due. Under the Program Resolution, the Commission also may adopt additional Supplemental Resolutions providing for the initial issuance of additional Notes.

The State expects to amortize, according to a schedule, the amount of outstanding Notes by using money available for such purpose and deposited in the Note Fund. All series of Notes have identical terms and provisions, except for amount, maturity, and interest rate, which are established in connection with both the initial issuance of the Notes and the issuance of roll-over Notes.

Application of Proceeds

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

At the time of an initial issuance, Note proceeds are deposited in the State's Capital Improvement Fund and are spent as the State incurs costs for the various borrowing purposes or issuance purposes. Proceeds of the 2016 Series A Notes will also be deposited into the Capital Improvement Fund and be used within 90 days of their initial issuance for the funding of a like amount of outstanding State EMCP notes when due. Until spent, the proceeds are invested by the State of Wisconsin Investment Board. See APPENDIX A.

THE NOTES

Security

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

The State expects to periodically deposit money into the Note Fund held by the Issuing and Paying Agent to pay interest on the Notes; payment of interest on the Notes cannot be made from the line of credit established by the Credit Agreement. See "NOTE FUND".

Although the Notes are general obligations of the State, it is expected that the principal of the Notes will be paid from one or more of the following sources:

- Proceeds of roll-over Notes that are issued to provide payment of previously issued and maturing Notes.
- Proceeds of State general obligation bonds. The Supplemental Resolutions authorize general obligation bonds for the purpose of funding the Notes. *Such general obligation bonds are issued at the discretion of the State; no assurance is given whether or when the State will issue general obligation bonds to fund any Notes.*
- Any other money made available by the State and deposited into the Note Fund for this purpose. The State expects to amortize the principal amount of each series of Notes based on the customary amortization policies of the State.

If payment of principal is not made when due, then the Program Resolution requires the Issuing and Paying Agent to make a draw on the line of credit established by the Credit Agreement to provide money for such payment of principal only. The obligation of the Liquidity Facility Provider to make advances when a draw is made is subject to certain conditions. *See "LIQUIDITY FACILITY".*

Description of the Notes

Each Note will be dated the date it is issued. It will be issued as an interest-bearing obligation in a denomination of $100,000 or increments of $1,000 above $100,000. Each Note will be issued through the book-entry system of the Depository. Interest is computed on the basis of a year having 365 or 366 days and the actual number of days elapsed (actual/actual basis). Payment of the principal of, and interest on, each Note will be made to the Depository and then distributed by the Depository.

Each Note will mature from 1 to 270 days after its issue date. No Note may be issued with a maturity date later than the expiration date of the Liquidity Facility.

Each Note will bear interest from its date of issuance, at a rate determined at the date of issuance, payable at maturity.

Prepayment of Notes

The Notes are not subject to prepayment prior to maturity.

Ratings

Several rating organizations have rated the Notes:

Rating	Rating Agency
F1+	Fitch Ratings
K1+	Kroll Bond Rating Agency, Inc.
P-1	Moody's Investors Service, Inc.
A-1+	S&P Global Ratings

Several rating organizations have rated the State's long-term general obligations. As of the date of this Offering Memorandum, the following ratings have been assigned to the State's general obligation bonds:

Rating	Rating Agency
AA	Fitch Ratings
AA	Kroll Bond Rating Agency, Inc.
Aa2	Moody's Investors Service, Inc.
AA	S&P Global Ratings

Any explanation of the significance of a rating may only be obtained from the rating organization giving the rating. No one can offer any assurance that a rating given to the Notes will be maintained for any period of time; a rating organization may lower or withdraw the rating if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Notes. The State may elect not to continue requesting ratings on the Notes from any particular rating organization or may elect to request ratings on the Notes from a different rating organization.

Book-Entry Form

The Notes will initially be issued in book-entry-only form. The State and the Issuing and Paying Agent have entered into an agreement with DTC to make the Notes eligible for deposit with DTC. Purchasers of the Notes will not receive note certificates but instead will have their ownership in the Notes recorded in the book-entry system. Ownership of the Notes 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 Notes must be made, directly or indirectly, through DTC Participants.

Payment

The State will make all payments of the principal of, and interest on, the Notes to the Issuing and Paying Agent, which will make payment to DTC. Owners of the Notes will receive payments through the DTC Participants.

Notices and Voting Rights

The State and the Issuing and Paying Agent will provide notices and other communications about the Notes to DTC. Owners of the Notes 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.

Discontinued Service

In the event that participation in DTC's book-entry system were to be discontinued and a successor securities depository were not obtained, Note 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. Neither the State nor the Issuing and Paying Agent is responsible for any information available on DTC's web site. That information may be subject to change without notice.

Neither the State nor the Issuing and Paying Agent is responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the Notes or to follow the procedures established by DTC for its book-entry system.

LIQUIDITY FACILITY

General

The Program Resolution requires the State to arrange for a Liquidity Facility to be provided to the Issuing and Paying Agent in order to provide liquidity for the payment of the principal of maturing Notes. The Liquidity Facility is the Credit Agreement and a copy of the Credit Agreement may be obtained from the State at the address provided on page 2 of this Offering Memorandum, and a copy of the Credit Agreement has been filed as a substitute Liquidity Facility with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access (**EMMA**) system.

Advances

Pursuant to the Credit Agreement, the Liquidity Facility Provider is obligated, subject to certain conditions, to make advances **(Advances)** from a line of credit from time to time on any business day during the term of the Credit Agreement, only for providing funds to pay solely the principal of the Notes on the maturity date thereof to the extent that proceeds of other Notes or other moneys on deposit in the Note Fund for the Notes are not available. The aggregate principal amount of all Advances made on any date may not exceed the outstanding commitment amount under the Credit Agreement (which is currently $275,000,000), as such amount may change from time to time. The Program Resolution requires that the commitment amount cannot be less than the sum of the issued Notes plus the aggregate principal amount of all outstanding Advances provided by the Liquidity Facility Provider.

The Credit Agreement is currently scheduled to terminate on March 15, 2019. The Credit Agreement provides that the termination date may be extended, if the parties agree.

The State has delivered a promissory note to the Liquidity Facility Provider, evidencing its obligation to repay all Advances **(Promissory Note)**. The Promissory Note is a general obligation of the State.

Conditions to Advances

Event of Termination

If an **Event of Default** under the Credit Agreement occurs that is further specified as an **Event of Termination** under the Credit Agreement, the Liquidity Facility Provider's obligation to make Advances for payment of principal of the Notes is automatically terminated and all Advances shall immediately become due and payable. Events of Termination arise under the following circumstances:

a) The Wisconsin Legislature or a governmental authority of competent jurisdiction imposes a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of, or interest on, any general obligation public debt of the State issued pursuant to subchapter I of Chapter 18, Wisconsin Statutes **(Bonded Debt)**, in the form of bonds, notes, or similar obligations.

b) The State shall fail to pay any amount of the principal of, or interest on, any Advance within three (3) Business Days of the date the same shall become due and payable pursuant to the Credit Agreement or the Promissory Note, or the State shall fail to pay interest on any Note when the same shall become due and payable other than by reason of the failure of the Bank to honor a properly presented and conforming Advance Notice;

c) The Credit Agreement or the Program Resolution (or, in each case, any material provision thereof relating to payment of principal of, or interest on, the Notes or the security thereof) at any time after its execution and delivery, or the Promissory Note or any Note shall, for any reason, cease to be valid and binding on the State or in full force and effect or shall be declared to be null and void, in each case, pursuant to a final administrative determination or judicial decision from which there shall not exist any further right of appeal or against which a timely appeal shall not have been filed by the State; or the validity or enforceability of the Credit Agreement, the Promissory Note, the Program Resolution, or any Note (or, in each case, any material provision thereof relating to payment of principal or interest on the Notes or the security thereof) shall be contested by the State or (ii) by any governmental agency or authority having jurisdiction over the State unless with respect to clause (ii) above, the same is being contested by the State in good faith and by appropriate proceedings, or (iii) the State shall deny that it has any or further liability or obligation under the Credit Agreement, the Promissory Note, the Program Resolution, or any Note (or, in each case, any material provision thereof relating to payment of the principal of, or interest on, the Notes or the security thereof);

d) The State shall fail to pay, within three (3) Business Days of the date the same shall be due and payable (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) any Bonded Debt in the form of bonds, notes, or similar obligations;

e) Each rating agency then rating the Notes shall have downgraded any Bonded Debt of the State to below BBB- in the case of Fitch Ratings, below Baa3 in the case of Moody's Investors Service, Inc., and below BBB- in the case of S&P Global Ratings or withdrawn or suspended its rating on any Bonded Debt of the State due to credit considerations; or

f) The State shall (i) have entered involuntarily against it an order for relief under any law relating to bankruptcy, insolvency or reorganization or relief of debtors as amended, (ii) become insolvent or shall not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under any law relating to bankruptcy, insolvency or reorganization or relief of debtors to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, or (vi) take any action in furtherance of any matter described in parts (i) through (v) above, or (vii) any proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the State (or any action shall be authorized or taken to effect the institution by it of any of the foregoing), provided that such proceeding shall be a non-frivolous proceeding brought in an appropriate court by appropriate filings, and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days.

Event of Suspension

In addition, if any of the below **Defaults** under the Credit Agreement occurs, the Liquidity Facility Provider's obligation to make Advances to pay the principal of maturing Notes is immediately and automatically suspended, without notice, and the Liquidity Facility Provider shall be under no further obligation to advance such funds until the Event of Suspension is no longer in effect and the obligation of the Liquidity Facility Provider to make Advances to pay the principal of maturing Notes is reinstated in accordance with the terms and conditions of the Credit Agreement, or the obligation of the Liquidity Facility Provider to make Advances to pay the principal of maturing Notes terminates without notice or demand in accordance with the terms and conditions of the Credit Agreement if such Defaults are not cured or other events occur all as described in the Credit Agreement. These suspension events arise upon the occurrence of a Default (as defined in the Credit Agreement) under "Event of Termination" above at (b), (c)(ii), (d) and (f)(vii).

Event of Default

In addition, if certain other **Events of Default** as set forth in the Credit Agreement occur, the Liquidity Facility Provider may deliver a notice to the State and the Issuing and Paying Agent that requires the State to stop issuing Notes (including roll-over Notes). The Liquidity Facility Provider must nevertheless make Advances with respect to Notes issued before the State receives the notice. Furthermore, the Liquidity Facility Provider may deliver notice to the State and the Issuing and Paying Agent that the commitment under the Credit Agreement be terminated automatically by the date set forth in such notice (which date shall be the latest maturity date of any outstanding Notes as of the date of such notice). The Liquidity Facility Provider may, by delivering notice to the State, declare the Advances, all interest thereon and all other obligations under the Credit Agreement and under the Promissory Note to be due and payable forthwith, whereupon the same shall immediately become due and payable.

Substitute Liquidity Facility

The Program Resolution permits the State to replace the Credit Agreement with a substitute Liquidity Facility with any other provider so long as the substitute Liquidity Facility meets all the qualifications set forth in the Program Resolution. These include written evidence from each rating agency (two at a minimum) which, at the State's request, is then rating the Notes to the effect that the substitution of the Liquidity Facility will not by itself result in a withdrawal, suspension, or reduction of its ratings of the Notes. Any substitute Liquidity Facility may have covenants, events of default, conditions to borrowing, and other provisions different from the current Credit Agreement. The State will notify the Dealers of any change in the Credit Agreement or provider of the Liquidity Facility. The State also will provide notice of any change in the Credit Agreement or provider of the Liquidity Facility to the MSRB through its EMMA system. See "CONTINUING DISCLOSURE".

Notice Requirements

The Issuing and Paying Agency Agreement, as amended, between the State and the Issuing and Paying Agent, requires the Issuing and Paying Agent to provide notice to each owner of the Notes (DTC for Notes in book-entry form) if the State provides for a substitute Liquidity Facility, and such notice must be provided at least 15 days before the substitute Liquidity Facility goes into effect.

DESCRIPTION OF THE LIQUIDITY FACILITY PROVIDER

The following information concerning BMO Harris Bank, N.A. **(Bank)** has been provided by representatives of the Bank and has not been independently confirmed or verified by the State. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

BMO Harris Bank N.A.

BMO Harris Bank N.A. (formerly known as Harris N.A.), with executive offices in Chicago, Illinois, is a wholly-owned subsidiary and the principal asset of BMO Bankcorp, Inc., a Delaware corporation (**BBI**). BBI is a wholly-owned indirect subsidiary of the Bank of Montreal. The Bank is a commercial bank offering a wide range of banking and trust services to its customers throughout the United States and around the world.

Each quarter, the Bank files quarterly reports called "Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices" (**Call Reports**). Each Call Report may be obtained from the FDIC on its website at http://www.fdic.gov, or by a written request directed to: BMO Harris Bank N.A., 111 West Monroe Street, P.O. Box 755, Chicago, Illinois 60690, Attention: Public Relations Department. The above website is not incorporated by reference into this Offering Memorandum.

NOTE FUND

The Program Resolution creates a **Note Fund** held by the Issuing and Paying Agent. The State may make periodic deposits into this Note Fund for payment of the principal of, or interest on, the Notes. Moneys held in the Note Fund may be invested in **Permitted Investments,** which include direct obligations of the United States government or a money market fund consisting solely of direct obligations of the United States government. Amounts deposited in the Note Fund will be spent within a thirteen-month period beginning on the date of deposit, and amounts received from investments of moneys held in the Note Fund will be spent within a one-year period beginning on the date of receipt. The State will have no legal or equitable interest in the amounts on deposit in the Note Fund or in any proceeds of any investment of the Note Fund, except as provided in the Program Resolution.

LIMITATIONS ON 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 $3,788,432,462 and the cumulative debt limit is $25,256,216,413. Funding or refunding obligations, such as the 2016 Series A Notes, 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 September 1, 2016, general obligations of the State were outstanding in the principal amount of $7,806,369,493.

LEGAL OPINIONS

On the dates of the initial issuances of the 2005 Series A Notes, the 2006 Series A Notes, and the 2013 Series A Notes, Foley & Lardner LLP, as bond counsel for such initial issuances, delivered approving opinions with respect to the validity and enforceability of the respective series of Notes. On the date of the initial issuance of the 2016 Series A Notes, Quarles & Brady LLP, as bond counsel, is expected to delivery an approving opinion with respect to the validity and enforceability of the 2016 Series A Notes. See APPENDIX C.

As required by law, the Attorney General examined a certified copy of all proceedings leading to the initial issuances of the 2005 Series A Notes, 2006 Series A Notes, and 2013 Series A Notes. The Attorney General previously delivered on the dates of the initial issuances of the respective series of those Notes opinions on the regularity and validity of the respective proceedings. The Attorney General will examine a certified copy of all proceedings leading to the initial issuance of the 2016 Series A Notes and is expected to deliver on the date of the initial issuance of the 2016 Series A Notes a similar opinion.

At the time of execution and delivery of the Credit Agreement, Quarles & Brady LLP delivered an opinion with respect to the delivery of the Credit Agreement as a substitute Liquidity Facility for the Notes. In addition, Chapman & Cutler LLP, as counsel to the Liquidity Facility Provider, provided an opinion as to the enforceability of the Credit Agreement with respect to the Liquidity Facility Provider.

TAX EXEMPTION

Federal Income Tax

Each series of Notes is covered by a separate opinion of bond counsel. Each opinion speaks only as of the date of the opinion. In each case, the date of the opinion is the date of the initial issuance of the Notes of the respective series. The following discussion aggregates the opinions of bond counsel set forth in the separate opinions for each series.

In the opinion of bond counsel, under existing law at the time of the initial issuances of each series of Notes, interest on such series of Notes 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 Notes of that series is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. As to questions of fact material to bond counsel's opinion, bond counsel relied upon certified proceedings and certifications of public officials without independently undertaking to verify them. Moreover, the State must comply with all requirements of the Internal Revenue Code of 1986, as amended (**Code**), that must be satisfied after any series of Notes are issued for interest on the Notes of that series to be, or continue to be, excluded from gross income for federal income tax purposes. The State has promised to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Notes of one or more series to be included in gross income for federal income tax purposes, perhaps even starting from the initial issuance date of the respective series of Notes. Bond counsel has expressed no opinion about other federal tax consequences arising regarding the Notes. The proceedings authorizing the Notes do not provide for an increase in interest rates or a prepayment of the Notes in the event interest on the Notes ceases to be excluded from gross income.

Certain requirements and procedures contained or referred to in the Program Resolution, the Supplemental Resolutions, and other relevant documents may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. Bond counsel does not express any opinion as to any Note or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than the bond counsel providing the opinion.

Current and future legislative proposals, if enacted into law, may cause the interest on the Notes to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Notes from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any current or future federal legislative proposals.

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

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

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

State of Wisconsin Income and Franchise Taxes

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

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Notes, to provide an Annual Report presenting certain financial information and operating data about the State. By about December 27 of each year, the State will send the Annual Report to the MSRB. The State will also provide to the MSRB notices of the occurrence of certain events specified in the undertaking. Part I of the Annual Report, which contains information on the undertaking, is incorporated by reference as part of this Offering Memorandum.

Copies of the 2015 Annual Report, any other Annual Report, and notices may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
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.

Certain provisions of the Program Resolution have been summarized in this Offering Memorandum. Reference should be made to the complete Program Resolution for a full and complete statement of the provisions of the Program Resolution. *A copy of the Program Resolution and Supplemental Resolutions may be obtained by contacting the State at the* *address provided on page 2* *of this Offering Memorandum.*

Dated: September 15, 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 June 30, 2016, which is presented on either a cash basis, or an agency-recorded basis and projected General Fund information for the 2016-17 fiscal year, which is presented on a cash basis.
- Preliminary General Purpose Revenue **(GPR)** tax collections for the 2015-16 fiscal year, as released on September 1, 2016 by the State Department of Revenue **(DOR)**.

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:

Fiscal Year 2015-16 Results

The 2015-16 fiscal year ended on June 30, 2016. The Annual Fiscal Report (budgetary basis) for the 2015-16 fiscal year is expected to 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.

Preliminary GPR Tax Collections; Fiscal Year 2015-16

On September 1, 2016, DOR released preliminary GPR tax collections for the 2015-16 fiscal year, which on a budgetary basis are about $15.1 billion, or $634.4 million more than collections in the 2014-15 fiscal year (or up 3.8%), but approximately $85 million less than the projected tax revenues included in the January 2016 LFB Report. Preliminary GPR tax collections are provided by the DOR and are subject to final review prior to publication of the Annual Fiscal Report (budgetary basis) for the 2015-16 fiscal year.

The following table includes a summary of DOR's preliminary GPR tax collections for the 2015-16 fiscal year, and also includes, for comparison, the actual General Fund tax collections for the 2014-15 fiscal year and the projected General Fund tax revenues for each fiscal year of the 2015-17 biennium as included in the January 2016 LFB Report and 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	DOR Sept. 2016	2015-17 Biennial Budget	LFB Jan. 2016
Individual Income	$ 7,325.8	$ 7,858.6	$ 7,810.0	$ 7,740.8	$ 8,238.4	$ 8,050.0
Sales and Use	4,892.1	5,054.1	5,050.9	5,058.8	5,224.0	5,217.5
Corp. Income & Franchise	1,004.9	994.0	990.0	963.0	1,015.7	1,045.0
Public Utility	381.8	366.8	370.8	360.6	373.4	382.4
Excise						
Cigarettes	569.6	551.0	571.0	573.4	545.5	565.5
Tobacco Products	71.9	71.4	76.4	76.1	73.6	79.6
Liquor & Wine	48.8	48.5	50.0	50.2	49.4	51.0
Beer	8.8	8.6	9.0	9.0	8.4	9.0
Insurance Company	165.5	181.0	168.0	177.3	187.0	172.0
Miscellaneous Taxes	72.0	73.9	79.5	81.4	76.3	83.7
TOTAL	$14,541.2	$15,207.9	$15,175.6	$15,090.5	$15,791.6	$15,655.7

June 2016 LFB Update; Chapter 20 Tables

On June 13, 2016, the Legislature's Joint Committee on Finance approved General Fund Summary Tables for purposes of publishing Chapter 20 of the Wisconsin Statutes. The revised General Fund condition statements approved at that time included projected ending net balances of $326 million and $174 million in the 2015-16 and 2016-17 fiscal years, respectively. These amounts are approximately $107 million and $104 million more, respectively, then the projected ending net balances included in the January 2016 LFB Report.

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 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.

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).

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

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 June 30, 2016. The following tables also provide estimated General Fund information on a cash basis for the 2016-17 fiscal year.

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 JUNE 30, 2016

(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	$ 1,947,731
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	1,947,731	1,060,311
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	1,088,634	715,996
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	$ 652,276	$ 961,295
Sales & Use	489,113	482,535	465,150	474,261	467,462	410,578	515,068	392,797	377,792	424,373	446,906	479,908
Corporate Income	92,451	39,285	213,589	28,566	21,600	204,579	29,461	29,030	228,456	52,730	30,653	202,706
Public Utility	26	23	202	10,969	206,709	2,397	25	510	134	6,276	177,186	363
Excise	65,577	60,991	63,906	60,550	59,908	61,016	59,381	41,528	57,488	58,042	55,869	66,486
Insurance	96	1,430	12,756	1	1	3	344	6,645	4,160	70	-	37,224
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	$ 1,362,890	$ 1,747,982
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	$ 1,070,593	$ 612,968
Other & Transfers	504,970	147,192	583,051	597,118	78,081	723,458	102,919	673,252	363,523	653,653	21,054	342,611
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	$ 1,091,647	$ 955,579
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	$ 2,454,537	$ 2,703,561
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	$ 185,910	$ 1,791,022
Income Maintenance	993,857	653,300	664,523	754,435	716,932	814,285	688,948	752,339	809,106	732,802	704,536	563,357
Payroll and Related	427,901	344,133	423,358	515,823	316,263	366,986	446,827	392,812	457,368	703,479	287,244	444,675
Tax Refunds	94,031	95,212	99,015	99,116	80,819	175,511	93,212	550,617	490,668	460,180	149,058	121,484
Debt Service	252,542	-	-	178,708	-	-	-	-	-	517,777	3,253	-
Miscellaneous	435,395	451,139	556,732	307,741	439,097	377,149	489,484	572,484	361,768	373,829	265,439	670,443
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	$ 1,595,440	$ 3,590,981

(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	$ 1,060,311	$ (137,426)	$ 365,000	$ 876,656	$ 1,621,548	$ 1,379,283	$ 695,683	$ 1,872,454	$ 1,780,375	$ 438,461	$ 770,810	$ 1,299,162
Ending Balance[(c)]	(137,426)	365,000	876,656	1,621,548	1,379,283	695,683	1,872,454	1,780,375	438,461	770,810	1,299,162	962,498
Lowest Daily Balance [(c)]	(249,972)	(195,084)	242,580	781,200	1,372,369	(18,392)	695,683	1,646,655	438,461	359,413	460,360	648,118
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 June 30, 2016
(Amounts in Thousands)

	2014-15 Fiscal Year through June 30, 2015	2015-16 Fiscal Year through June 30, 2016				
	Actual	Actual [b]	Estimate[b]	Variance	Adjusted Variance[c]	Difference FY15 Actual to FY16 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 8,834,854	$ 9,058,349	$ 9,273,088	$ (214,739)	$ (214,739)	$ 223,495
Sales	5,149,353	5,425,943	5,332,957	92,986	92,986	276,590
Corporate Income	1,167,126	1,173,106	1,238,683	(65,577)	(65,577)	5,980
Public Utility	373,082	404,820	363,929	40,891	40,891	31,738
Excise	705,796	710,742	711,899	(1,157)	(1,157)	4,946
Insurance	97,612	62,730	89,703	(26,973)	(26,973)	(34,882)
Inheritance	-	-	-	-	-	-
Total Tax Receipts	$ 16,327,823	$ 16,835,690	$ 17,010,259	$ (174,569)	$ (174,569)	$ 507,867
Non-Tax Receipts						
Federal	$ 9,195,173	$ 9,375,674	$ 9,825,689	$ (450,015)	$ (450,015)	$ 180,501
Other and Transfers	5,468,954	4,790,882	5,849,128	(1,058,246)	(1,058,246)	(678,072)
Note Proceeds	-	-	-	-	-	-
Total Non-Tax Receipts	$ 14,664,127	$ 14,166,556	$ 15,674,817	$ (1,508,261)	$ (1,508,261)	$ (497,571)
TOTAL RECEIPTS	$ 30,991,950	$ 31,002,246	$ 32,685,076	$ (1,682,830)	$ (1,682,830)	$ 10,296
DISBURSEMENTS						
Local Aids	$ 8,796,013	$ 8,575,297	$ 8,956,892	$ 381,595	$ 381,595	$ (220,716)
Income Maintenance	8,319,192	8,848,420	9,283,321	434,901	434,901	529,228
Payroll & Related	5,088,048	5,126,869	5,167,579	40,710	40,710	38,821
Tax Refunds	2,562,911	2,508,923	2,336,881	(172,042)	(172,042)	(53,988)
Debt Service	899,619	952,280	1,102,798	150,518	150,518	52,661
Miscellaneous	5,456,211	5,300,700	5,891,072	590,372	590,372	(155,511)
Note Repayment	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 31,121,994	$ 31,312,489	$ 32,738,543	$ 1,426,054	$ 1,426,054	$ 190,495
2015-16 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ (256,776)	$ (256,776)	

(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 June 30, 2016 – Actual
July 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	2,454,537	1,595,440
	June....................	1,947,731	2,703,561	3,590,981
	July....................	1,060,311 [(d)]	2,518,500	3,716,237
	August...............	(137,426) [(d)]	2,299,404	1,796,978
	September.........	365,000	3,288,388	2,776,732
	October..............	876,656	2,535,629	1,790,736
	November..........	1,621,549	2,386,889	2,629,154
	December...........	1,379,284 [(d)]	2,339,992	3,023,592
2017	January..............	695,684	3,255,329	2,078,559
	February............	1,872,454	2,772,332	2,864,411
	March.................	1,780,375	2,573,495	3,915,409
	April...................	438,461	2,985,367	2,653,018
	May....................	770,810	2,607,495	2,079,143
	June....................	1,299,162	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 the month, the General Fund was in a negative cash position. The Wisconsin Statues 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 total general purpose revenue appropriation then in effect. For the 2015-16 fiscal year this amount was $1.430 billion and for the 2016-17 fiscal year the amount is projected to be $1.533 billion. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of total general purpose revenue appropriations for a period of up to 30 days. For the 2015-16 fiscal year, this amount was $477 million, and for the 2016-17 fiscal year this amount is projected to be $511 million. If the amount available for temporary reallocation to the General Fund is insufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration

Table II-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 June 30, 2016 – Actual
July 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 $3.88 billion during August 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	1,517	1,620
June		1,481	1,752	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	4,756	4,173
June		4,222	4,905	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. Please note that other information for the 2015-16 fiscal year that appears in this appendix is through June 30, 2016, but this table includes data only through May 31, 2016.

GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2015 to May 31, 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 May 31, 2015[(d)]	Recorded Revenues July 1, 2015 to May 31, 2016[(e)]
Individual Income Tax	$ 7,325,817,000	$ 7,858,620,000	$ 6,136,052,084	$6,522,988,604
General Sales and Use Tax	4,892,126,000	5,054,130,000	$3,992,589,045	4,123,994,271
Corporate Franchise and Income Tax	1,004,926,000	994,020,000	727,536,691	716,883,192
Public Utility Taxes	381,819,000	366,800,000	380,814,530	381,284,062
Excise Taxes	699,060,000	679,475,000	575,008,569	581,002,287
Inheritance Taxes	(112,000)	-	-113,267	-
Insurance Company Taxes	165,448,000	181,000,000	127,562,768	140,274,068
Miscellaneous Taxes	72,117,000	73,900,000	85,915,317	252,701,858
SUBTOTAL........................	14,541,201,000	15,207,945,000	12,025,365,736	12,719,128,342
Federal and Other Inter-Governmental Revenues[(f)]	10,216,151,000	10,603,138,400	9,343,452,877	8,841,805,977
Dedicated and Other Revenues[(g)]	5,865,052,000	5,258,827,500	5,370,753,486	5,292,847,931
TOTAL..............................	$ 30,622,404,000	$ 31,069,910,900	$ 26,739,572,100	$ 26,853,782,250

(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. Please note that other information for the 2015-16 fiscal year that appears in this appendix is through June 30, 2016, but this table includes data only through May 31, 2016.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[a]
(Agency-Recorded Basis)
July 1, 2015 to May 31, 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 May 31, 2015[d]	Recorded Expenditures July 1, 2015 to May 31, 2016[e]
Commerce	$ 231,274,000	$ 200,900,000	$ 185,258,255	$ 153,340,452
Education	12,965,215,000	13,042,874,200	10,953,867,445	10,562,822,342
Environmental Resources	331,465,000	348,785,900	315,009,853	288,324,310
Human Relations & Resources	13,881,927,000	13,729,644,600	12,914,084,797	13,645,511,352
General Executive	987,071,000	1,170,397,600	938,108,942	949,684,837
Judicial	130,748,000	137,494,300	115,333,298	114,970,147
Legislative	65,596,000	75,781,100	54,816,189	56,099,540
General Appropriations	2,267,905,000	2,364,033,200	2,268,459,808	2,320,134,771
TOTAL	$ 30,861,201,000	$ 31,069,910,900	$ 27,744,938,587	$ 28,090,887,751

(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-28; State Assessment (Equalized Value) of Taxable Property (Part II; Page 81). Replace with the following updated table.

STATE ASSESSMENT
(EQUALIZED VALUE)
OF TAXABLE PROPERTY

Calendar Year	Value of Taxable Property	Rate of Increase (Decrease)
2007	$497,920,348,7	6.2
2008	514,393,963,70	3.3
2009	511,911,983,10	(0.5)
2010	495,904,192,30	(3.1)
2011	486,864,232,80	(1.8)
2012	471,092,529,20	(3.2)
2013	467,502,564,00	(0.8)
2014	479,479,968,80	2.6
2015	490,602,544,05	2.3
2016	505,124,328,25	3.0

Source: Department of Revenue

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
Septembe			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
Novembe			4.2	4.8	4.5	5.5	6.0	6.6	6.2	7.4	6.7	8.2
Decembe			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
II	8.1	9.5	III	8.5	9.6
I	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
II	4.6	6.0	III	4.6	4.7
I	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

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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 SEPTEMBER 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Commerical Paper Notes of 2016, Series A	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	$ 2,341,609,100	$ 1,936,335,806	$ 13,072,507	$ 42,731,856		$ 349,468,931
University of Wisconsin; self-amortizing facilities	2,709,353,100	2,085,568,968	2,911,822	36,894,340		583,977,970
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,046,250,000	798,297,379	405,319	18,202,785		229,344,517
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	20,170,314	1,454	966,568		16,761,664
Natural resources; environmental repair	57,000,000	48,877,656	203,594	244,091		7,674,659
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	23,838,803		1,112,200		7,048,997
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	10,655,566	143	144,257		9,169,234
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	73,064,956	93,544	1,280,793		27,926,007

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium [(a)]	G.O. Commerical Paper Notes of 2016, Series A	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities....................................	$ 16,514,100	$ 11,307,269	$ 21,753	$ 7,540		$ 5,177,538
Natural resources; ice age trail...	750,000	750,000				
Natural resources; dam safety projects................................	21,500,000	13,275,049	49,701	683,755		7,491,495
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	208,612,599		31,275,099		5,112,302
Transportation; rail passenger route development.................	79,000,000	66,084,243	3,016	1,342,987		11,569,754
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	995,599,580	3,018,078	65,986,420		263,945,922
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	77,835,306		15,467,763		256,696,931
Transportation; harbor improvements..	105,900,000	78,612,979	234,581	3,147,646		23,904,794
Transportation; rail acquisitions and improvements...	238,300,000	146,973,102	5,187	11,126,982		80,194,729
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
SEPTEMBER 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Commerical Paper Notes of 2016, Series A	Total Authorized Unissued Debt
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	49,749,519	3,025	1,382,703		9,939,753
Agriculture; conservation reserve enhancement	28,000,000	13,760,437		167,263		14,072,300
Administration; Black Point Estate	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund	200,000,000	137,215,106		7,024,921		55,759,973
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	4,248,918,916				1,036,081,084
Building commission; housing state departments and agencies	820,767,100	530,038,268	2,356,097	4,011,876		284,360,859
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			
Building commission; project contingencies	47,961,200	46,837,250	64,761	96,201		962,988
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	72,908,307				17,091,693
Building commission; discount sale of debt (higher education bonds)	100,000,000	99,988,833 [b]				11,167
Building commission; other public purposes	2,491,765,400	2,243,095,857	8,728,268	38,934,628		201,006,647
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
SEPTEMBER 1, 2016

			Credit to Capital Improvement Fund		G.O. Commerical	
Program Purpose	**Legislative Authorization**	**General Obligations Issued to Date**	**Interest Earnings[(a)]**	**Premium [(a)]**	**Paper Notes of 2016, Series A**	**Total Authorized Unissued Debt**
Dane County; livestock facilities………………	$ 9,000,000	$ 7,577,838		$ 1,422,134		$ 28
K I Convention Center…………………………	2,000,000	1,414,670		220,961		364,369
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		898,096		389,779
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	5,879,612		1,017,206		3,728,182
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	2,516,252		146,142		23,987,606
Historical society; historic sites...............................………………	9,591,800	9,049,163	847	289,816		251,974
Historical society; museum facility..........................………………	4,384,400	4,362,469				21,931
Historical society; Wisconsin history center………………………	16,000,000	86,964		17,313		15,895,723

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 1, 2016

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Commerical Paper Notes of 2016, Series A	Total Authorized Unissued Debt
Public instruction; state school, state center and library facilities	$ 12,350,600	$ 11,845,468	$ 32,509	$ 467,826		$ 4,797
Military affairs; armories and military facilities	46,272,700	34,420,664	195,308	876,667		10,780,061
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	26,027,099	1,613	935,699		42,984,289
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	13,596		951,768
Funding of general obligation extendible municipal commercial paper notes	N/a	N/a			$ 136,050,000	N/a
Total	$30,994,328,588	$26,262,063,832	$73,888,124	$342,771,553	$ 136,050,000	$4,315,608,932

[a] 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.

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

Source: Department of Administration.

APPENDIX C

FORMS OF BOND COUNSEL OPINIONS

Upon delivery of the 2005 Series A Notes, 2006 Series A Notes, and 2013 Series A Notes, Foley & Lardner LLP provided legal opinions in substantially the following respective forms:

(Letterhead of Foley & Lardner LLP)

STATE OF WISCONSIN
GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 2005, SERIES A

We have served as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its General Obligation Commercial Paper Notes of 2005, Series A to an amount not to exceed $100,350,000 (**Notes**). The Notes are authorized to be issued and sold from time to time pursuant to the provisions of Chapters 18 and 20, Wisconsin Statutes, and a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on March 20, 1997 entitled "Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes", as amended by resolutions adopted by the Commission on April 16, 1998 and July 30, 2003 (**Program Resolution**), and supplemented by a resolution adopted by the Commission on December 7, 2005 (**Supplemental Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Notes, and certifications of public officials and others. We also reviewed the Credit Agreement, dated April 3, 1997, among the State, acting through the Commission, The Bank of Nova Scotia, New York Agency, and Commerzbank AG, New York Branch, as amended by letters dates February 9, 1998, January 26, 1999, February 7, 2000, March 30, 2001, March 29, 2002, March 28, 2003, March 27, 2004, March 26, 2005, and December 8, 2005 (**Liquidity Facility Agreement**) and the promissory note dated even herewith issued pursuant to the Liquidity Facility Agreement (**Promissory Note**), the Issuing and Paying Agency Agreement, dated April 3, 1997 between the State and Bankers Trust Company, as amended by the Amendment to Issuing and Paying Agency Agreement, dated August 15, 1998, and the Second Amendment to Issuing and Paying Agency Agreement, dated December 14, 2005 (**Issuing and Paying Agency Agreement**), and separate Dealer Agreements, each dated April 3, 1997, between the State and Goldman, Sachs & Co., Merrill Lynch & Co., Lehman Brothers Inc., and Bear, Stearns & Co. Inc., respectively (each, a **Dealer Agreement**). As to questions of fact material to our opinion, we relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation. 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 the foregoing, we are of the opinion that, under existing law:

1. The Program 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 Program Resolution.

2. The Supplemental 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 Supplemental Resolution.

3. The Notes have been duly and validly authorized and, when duly executed in the form and manner provided in the Program Resolution and the Supplemental Resolution, duly authenticated by the Issuing and Paying Agent, and delivered and paid for, will constitute valid and binding general obligations of the State.

4. The Promissory Note has been duly and validly authorized, executed, and delivered, and to the extent an advance is made pursuant to the Liquidity Facility Agreement, will constitute a valid and binding general obligation of the State.

5. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of and interest on the Notes and the Promissory Note and they 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.

6. The interest on the Notes is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), however, interest on the Notes is taken into account in determining adjusted current earnings. The State must comply with all requirements of the Internal Revenue Code that must be satisfied after the Notes are issued for interest 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 the interest on the Notes to be included in gross income for federal income tax purposes, in some cases retroactive to the date the Notes were issued. This letter expresses no opinion about other federal tax law consequences regarding the Notes.

7. The offer and sale of the Notes are not subject to registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and the Program Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended. We have not passed upon any matters pertaining to compliance with the Blue Sky laws of any state in connection with the offering and sale of the Notes.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Offering Memorandum, dated December 8, 2005, or other offering material relating to the Notes (except to the extent, if any, stated in the Offering Memorandum), and we express no opinion relating thereto (except only the matters set forth as our opinion in the Offering Memorandum). However, in serving as bond counsel, nothing has come to our attention that would lead us to believe that the Offering Memorandum (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Notes, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law; however, unless otherwise notified by us, you may continue to rely on this opinion to the extent that (i) there is no change in pertinent existing state or federal law, (ii) the Program Resolution and the Supplemental Resolution, in the respective forms in effect on the date hereof, remain in full force and effect, (iii) the representations, warranties, and covenants of the parties contained in the Liquidity Facility Agreement, Issuing and Paying Agent Agreement, each Dealer Agreement, and certain certificates dated the date hereof and delivered by authorized officers of the State remain true and accurate and are complied with in all material respects, and (iv) no litigation affecting the issuance or validity of the Notes is pending or threatened at the time of delivery of any such Notes.

Very truly yours,

(Letterhead of Foley & Lardner LLP)

STATE OF WISCONSIN
GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 2006, SERIES A

We have served as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its General Obligation Commercial Paper Notes of 2006, Series A in an amount not to exceed $123,510,000 (**Notes**). The Notes are authorized to be issued and sold from time to time pursuant to the provisions of Chapters 18 and 20, Wisconsin Statutes, and a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on March 20, 1997 entitled "Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes", as amended by resolutions adopted by the Commission on April 16, 1998 and July 30, 2003 (as amended, **Program Resolution**) and supplemented by a resolution adopted by the Commission on June 28, 2006 (**Supplemental Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Notes, and certifications of public officials and others. We also reviewed the Credit Agreement, dated as of March 1, 2006, as amended by a First Amendment to Credit Agreement, dated August 2, 2006, among the State, acting through the Commission, State Street Bank and Trust Company, and California State Teachers' Retirement System (as amended, **Liquidity Facility Agreement**) and the promissory notes dated even herewith issued pursuant to the Liquidity Facility Agreement (**Promissory Notes**), the Issuing and Paying Agency Agreement, dated April 3, 1997, as amended by the Amendment to Issuing and Paying Agency Agreement, dated August 15, 1998, between the State and Bankers Trust Company, and as further amended by the Second Amendment to Issuing and Paying Agency Agreement, dated December 14, 2005, between the State and Deutsche Bank Trust Company Americas, as successor to Bankers Trust Company (as amended, **Issuing and Paying Agency Agreement**), and separate Dealer Agreements, each dated April 3, 1997, between the State and Goldman, Sachs & Co., Merrill Lynch & Co., Lehman Brothers Inc., and Bear, Stearns & Co. Inc., respectively (each, a **Dealer Agreement**). As to questions of fact material to our opinion, we relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation. 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 the foregoing, we are of the opinion that, under existing law:

8. The Program 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 Program Resolution.

9. The Supplemental 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 Supplemental Resolution.

10. The Notes have been duly and validly authorized and, when duly executed in the form and manner provided in the Program Resolution and the Supplemental Resolution, duly authenticated by the Issuing and Paying Agent, and delivered and paid for, will constitute valid and binding general obligations of the State.

11. Each of the Promissory Notes has been duly and validly authorized, executed, and delivered, and to the extent an advance is made pursuant to the Liquidity Facility Agreement, will constitute a valid and binding general obligation of the State.

12. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of and interest on the Notes and the Promissory Notes as they 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.

13. The interest on the Notes is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), however, interest on the Notes is taken into account in determining adjusted current earnings. The State must comply with all requirements of the Internal Revenue Code that must be satisfied after the Notes are issued for interest 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 the interest on the Notes to be included in gross income for federal income tax purposes, in some cases retroactive to the date the Notes were issued. This letter expresses no opinion about other federal tax law consequences regarding the Notes.

14. The offer and sale of the Notes are not subject to registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and the Program Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended. We have not passed upon any matters pertaining to compliance with the Blue Sky laws of any state in connection with the offering and sale of the Notes.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Offering Memorandum, dated July 31, 2006, or other offering material relating to the Notes (except to the extent, if any, stated in the Offering Memorandum), and we express no opinion relating thereto (except only the matters set forth as our opinion in the Offering Memorandum). However, in serving as bond counsel, nothing has come to our attention that would lead us to believe that the Offering Memorandum (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Notes, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law; however, unless otherwise notified by us, you may continue to rely on this opinion to the extent that (i) there is no change in pertinent existing state or federal law, (ii) the Program Resolution and the Supplemental Resolution, in the respective forms in effect on the date hereof, remain in full force and effect, (iii) the representations, warranties, and covenants of the parties contained in the Liquidity Facility Agreement, Issuing and Paying Agent Agreement, each Dealer Agreement, and certain certificates dated the date hereof and delivered by authorized officers of the State remain true and accurate and are complied with in all material respects, and (iv) no litigation affecting the issuance or validity of the Notes is pending or threatened at the time of delivery of any such Notes.

Very truly yours,

(Letterhead of Foley & Lardner LLP)

STATE OF WISCONSIN
GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 2013, SERIES A

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "**State**") of its General Obligation Commercial Paper Notes of 2013, Series A in an amount not to exceed $58,825,000 (the "**2013-A Notes**"). The 2013-A Notes are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 of the Wisconsin Statutes, and are being issued from time to time pursuant to a resolution adopted by the State of Wisconsin Building Commission (the "**Building Commission**") on March 20, 1997 entitled "Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes", as amended by resolutions adopted by the Commission on April 16, 1998 and July 30, 2003 (as so amended, the "**Program Resolution**") and supplemented by a resolution adopted by the Building Commission on February 19, 2013 entitled "Authorizing Resolution for Not to Exceed $527,350,000 State of Wisconsin General Obligations" (the "**Supplemental Resolution**").

We examined the law, a certified copy of the proceedings relating to the issuance of the 2013-A Notes, 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 the foregoing, we are of the opinion that, under existing law:

1. The 2013-A Notes have been duly and validly authorized and, when issued and paid for, will constitute valid and binding general obligations of the State.

2. The Program Resolution has been duly adopted by the Building Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Program Resolution.

3. The Supplemental Resolution has been duly adopted by the Building Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Program Resolution.

4. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and interest on, the 2013-A Notes as the 2013-A Notes 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.

5. Interest on the 2013-A Notes is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the 2013-A Notes is taken into account in determining adjusted current earnings for the purpose 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 2013-A Notes are issued for interest 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 the interest on the 2013-A Notes to be included in gross income for federal income tax purposes, in some cases retroactively to the date the 2013-A Notes were issued. We express no opinion about other federal tax law consequences regarding the 2013-A Notes.

6. The offer and sale of the 2013-A Notes are not subject to registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and the Program Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended. We have

not passed upon any matters pertaining to compliance with the Blue Sky laws of any state in connection with the offering and sale of the 2013-A Notes.

7. The rights of the owners of the 2013-A Notes and the enforceability of the 2013-A Notes 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). We express 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 Offering Memorandum dated December 5, 2013 or other offering material relating to the State of Wisconsin General Obligation Commercial Paper Notes (except to the extent, if any, stated in the Offering Memorandum), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Offering Memorandum).

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; however, unless otherwise notified by us, you may continue to rely on this opinion to the extent that (i) there is no change in pertinent existing state or federal law, (ii) the Program Resolution and the Supplemental Resolution, in the respective forms in effect on the date hereof, remain in full force and effect, (iii) the representations, warranties, and covenants of the parties contained in the Liquidity Facility Agreement, Issuing and Paying Agent Agreement, and each Dealer Agreement (as respectively defined in the Program Resolution) and certain certificates dated the date hereof and delivered by authorized officers of the State remain true and accurate and are complied with in all material respects, and (iv) no litigation affecting the issuance or validity of the 2013-A Notes is pending or threatened at the time of delivery of any such 2013-A Notes. In acting as bond counsel, we have established an attorney-client relationship solely with the State.

Very truly yours,

Upon delivery of the 2016 Series A Notes, Quarles & Brady LLP is expected to provide a legal opinion in substantially the following form.

(Letterhead of Quarles & Brady LLP)

STATE OF WISCONSIN
GENERAL OBLIGATION COMMERCIAL PAPER NOTES OF 2016, SERIES A

We have acted as bond counsel to the State of Wisconsin **(State)** in connection with the issuance by the State of its General Obligation Commercial Paper Notes of 2016, Series A in an amount not to exceed $ (the "**2016-A Notes**"). The 2016-A Notes are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued from time to time pursuant to a resolution adopted by the State of Wisconsin Building Commission (the "**Building Commission**") on March 20, 1997 entitled "Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes", as amended by resolutions adopted by the Commission on April 16, 1998 and July 30, 2003 (as so amended, the "**Program Resolution**") and supplemented by a resolution adopted by the Building Commission on September 26, 2012 entitled "Authorizing Resolution for Not to Exceed $483,065,000 State of Wisconsin General Obligations" (the "**Supplemental Resolution**").

We examined the law, a certified copy of the proceedings relating to the issuance of the 201-A Notes, and certifications of public officials and others. As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The 2016-A Notes have been duly and validly authorized and, when issued and paid for, will constitute valid and binding general obligations of the State.

2. The Program Resolution has been duly adopted by the Building Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Program Resolution.

3. The Supplemental Resolution has been duly adopted by the Building Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Supplemental Resolution.

4. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and interest on, the 2016-A Notes as they 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.

5. The interest on the 2016-A Notes is excludable for federal income tax purposes from the gross income of the owners of the 2016-A Notes. The interest on the 2016-A Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (**Code**) on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the 2016-A Notes is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the 2016-A Notes in order for interest on the 2016-A Notes to be or continue to be excludable from gross income for

federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the 2016-A Notes to be included in gross income retroactively to the date of issuance of the 2016-A Notes. The State has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the State comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the 2016-A Notes.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Offering Memorandum or other offering material relating to the 2016-A Notes. Further, we express no opinion regarding tax consequences arising with respect to the 2016-A Notes other than as expressly set forth herein.

The rights of the owners of the 2016-A Notes and the enforceability of the 2016-A Notes and the Program Resolution and the Supplemental Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights and may be also subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

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

Very truly yours,

Quarles & Brady LLP

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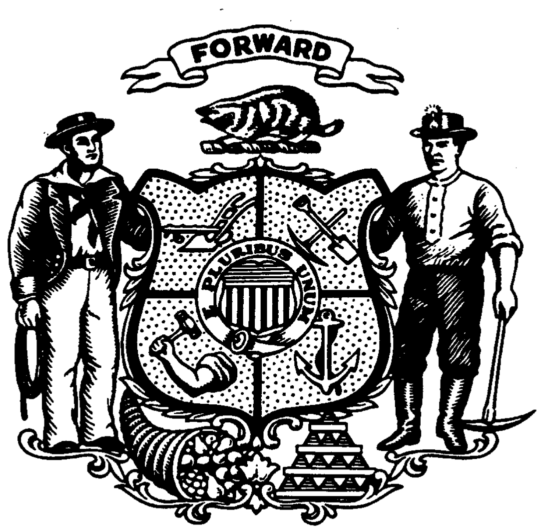

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