
State of Wisconsin
Event Filing #2017-15
Dated October 18, 2017

This Event Filing concerns an event described in Securities and Exchange Act Rule 15c2-12, as amended. The State of Wisconsin provides this information as it may be material to financial evaluation of one or more obligations of the State of Wisconsin.

Issuer: State of Wisconsin
Master Lease Certificates of Participation

CUSIP Numbers: 977087 Prefix (All)

Type of Information: Event Filing; Rating Change

Kroll Bond Rating Agency has upgraded the State's Master Lease Certificates of Participation from AA- to AA, with a "stable" outlook. Attached is a [release issued by Kroll Bond Rating Agency](#).

The State of Wisconsin is providing this Additional/Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This Additional/Voluntary Filing is also available on the State of Wisconsin Capital Finance Office web site at:

doa.wi.gov/capitalfinance

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing additional/voluntary filings, annual reports, and Event Filings pursuant to the State's Master Agreement on Continuing Disclosure (Amended and Restated December 1, 2010), and is authorized to distribute this information publicly.

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KBRA Upgrades State of Wisconsin’s Outstanding GO Bonds and Master Lease COPs and Assigns AA+/Stable to the State’s GO Refunding Bonds of 2017, Series 2

NEW YORK, NY (October 18, 2017) – Kroll Bond Rating Agency (KBRA) has assigned a AA+ long-term rating and Stable Outlook to the State of Wisconsin’s General Obligation Refunding Bonds of 2017, Series 2 (the “Bonds”). Concurrently, KBRA has taken the following rating actions to the State’s various debt obligations.

Ratings				
Issuer	Series/Bond	Rating	Outlook	Action
State of Wisconsin	General Obligation Refunding Bonds of 2017, Series 2 (“the 2017 Series 2 Bonds”) • \$273 million	AA+	Stable	Assigned
	General Obligation Bonds • \$5.3 billion	AA+	Stable	Upgraded
	Master Lease Certificates of Participation (COPs) • \$116.2 million	AA	Stable	Upgraded
	GO Commercial Paper (CP) Program	K1+		Affirmed
	GO Extendible Municipal Commercial Paper (EMCP) Program • \$507 Million (CP & EMCP Combined)	K1+		Affirmed

In preparing this report, KBRA has spoken to State officials about their plans for new debt; reviewed the State’s Annual Financial report which was released on October 16, 2017; reviewed the State’s most recent Audit of the Wisconsin Retirement System which was released on September 28, 2017; and also reviewed the State’s 2017-2019 Biennium budget which was adopted on September 21, 2017.

KBRA’s rating reflects, among other observations, that in recent years Wisconsin has consistently and accurately budgeted within its means and has prioritized a combination of tax, spending, and debt restraints that have improved the State’s reserves and liquidity. The State has also simultaneously pursued policies to stabilize and reduce historically high tax burdens. Meanwhile, the economy as measured by employment and income indicators, continues to grow at a healthy pace. These factors combined with the State’s large and fully funded pension system (which increasingly makes Wisconsin a positive relative outlier on the landscape of states and other large municipalities) have improved the State’s operational and financial flexibility. Wisconsin recently adopted a 2017-19 biennium budget that reflects this improved flexibility. In this budget the State has chosen to make sizable but affordable increased investments in transportation, education, and other policy priorities while also prioritizing financial reserves and holding the line on taxes.

The long-term rating on the State’s general obligation bonds is based on KBRA’s [U.S. State General Obligation Rating Methodology](#).

The short-term ratings on the State’s CP and EMCP programs are derived from the State’s long-term general obligation rating and also reflects the State’s strong liquidity, history of market access, and prior authorization to retire all CP and EMCP Notes with long term bonds. For mapping of the long-term rating to the short-term rating, please refer to the short-term [KBRA Rating Scale](#).

The Master Lease COPs rating is based on the State's long-term general obligation rating and evaluation of the factors discussed in KBRA's [U.S. State Annual Appropriation Obligation Rating Methodology](#).

A full report will be published shortly

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About Kroll Bond Rating Agency

KBRA is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (NRSRO). In addition, KBRA is recognized by the National Association of Insurance Commissioners (NAIC) as a Credit Rating Provider (CRP).

