OFFICIAL STATEMENT

New Issue

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

$382,680,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2017, SERIES 2

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

Ratings	AA+ Fitch Ratings AA+ Kroll Bond Rating Agency, Inc. Aa1 Moody's Investors Service, Inc. AA S&P Global Ratings
Tax Exemption	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers —*See pages 10-11.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10.*
Redemption	The Bonds maturing on or after November 1, 2027 are callable at par on May 1, 2027 or any date thereafter—*See page 4.*
Security	General obligations of the State of Wisconsin—*See page 4.*
Purpose	Bond proceeds are being used for the advance refunding of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes, including a crossover refunding of certain bonds—*See pages 2-3.*
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	May 1, 2018
Delivery	On or about November 15, 2017
Denominations	Multiples of $5,000
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See pages 5-6.*
2016 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2016.

The prices and yields listed below were determined on October 24, 2017 at negotiated sale.

CUSIP	Due Date (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance		First Optional Call Date (May 1)	Call Price
97705M JC0	2020	$ 8,670,000	5.00%	1.18%	111.083%		Not Callable	-
97705M JD8	2021	9,360,000	5.00	1.31	114.197		Not Callable	-
97705M JE6	2022	47,090,000	5.00	1.46	116.881		Not Callable	-
97705M JF3	2023	56,045,000	5.00	1.61	119.194		Not Callable	-
97705M JG1	2024	59,890,000	5.00	1.74	121.284		Not Callable	-
97705M JH9	2025	59,265,000	5.00	1.88	122.968		Not Callable	-
97705M JJ5	2026	84,520,000	5.00	2.00	124.499		Not Callable	-
97705M JK2	2027	50,110,000	5.00	2.08	124.959	(a)	2027	100%
97705M JL0	2028	7,730,000	5.00	2.16	124.183	(a)	2027	100

(a) These Bonds are priced to the May 1, 2027 first optional call date.

Jefferies **Loop Capital Markets**

Academy Securities **BAIRD** **Barclays** **Morgan Stanley**

October 24, 2017

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

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

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

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

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

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

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	**Term of Office Expires**
Governor Scott Walker, Chairperson	January 7, 2019
Senator Terry Moulton, Vice Chairperson	January 7, 2019
Senator Jerry Petrowski	January 7, 2019
Senator Janis Ringhand	January 7, 2019
Representative Terry Katsma	January 7, 2019
Representative Rob Swearingen	January 7, 2019
Representative Dana Wachs	January 7, 2019
Mr. Robert Brandherm, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Member	
Mr. Kevin Trinastic, State Ranking Architect Department of Administration	——
Building Commission Secretary	
Mr. John L. Klenke, Administrator Division of Facilities Development & Management 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

Ms. Katherine C. Miller
Capital Finance Officer
(608) 266-2305

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

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Refunding Bonds of 2017, Series 2
Principal Amount:	$382,680,000
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (on or about November 15, 2017)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2018
Maturities:	November 1, 2020-28—*See front cover.*
Redemption:	*Optional*—The Bonds maturing on or after November 1, 2027 are callable at par on May 1, 2027 or any date thereafter—*See page 4.*
Form:	Book-entry-only—*See pages 5-6.*
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of September 15, 2017, general obligations of the State were outstanding in the principal amount of $7,144,605,878.
Additional General Obligation Debt:	The State may issue additional general obligation debt—*See pages 7-8.*
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Bond proceeds are being used for the advance refunding of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes, including a crossover refunding of certain bonds—*See pages 2-3.*
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers—*See pages 10-11.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10.*
2016 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2016.
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP—*See APPENDIX C.*

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OFFICIAL STATEMENT

$382,680,000

STATE OF WISCONSIN

GENERAL OBLIGATION REFUNDING BONDS OF 2017, SERIES 2

INTRODUCTION

This Official Statement provides information about the $382,680,000 General Obligation Refunding Bonds of 2017, Series 2 **(Bonds)** to be issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2016 **(2016 Annual Report)**.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to an authorizing resolution that the State of Wisconsin Building Commission **(Commission)** adopted on August 9, 2017.

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

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

THE STATE

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

Information concerning the State, its financial condition, and its general obligation debt is included as APPENDIX A, which incorporates by reference Parts II and III of the 2016 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2016 Annual Report, including but not limited to:

- Actual General Fund condition statement for the 2016-17 fiscal year, as included in the Annual Fiscal Report (budget basis), dated October 15, 2017.
- Actual General Fund tax collections for the 2016-17 fiscal year, as included in the Annual Fiscal Report (budget basis) dated October 15, 2017.
- Estimated General Fund tax collections for the 2017-19 biennium, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on January 18, 2017 **(January 2017 LFB Report)** and the enacted budget for the 2017-19 biennium **(2017 Wisconsin Act 59)**.
- Information about 2017 Wisconsin Act 59.
- General Fund information for the 2016-17 fiscal year through June 30, 2017, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2017-18 fiscal year through August 31, 2017, which is presented on a cash basis.

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

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

PLAN OF REFUNDING

General

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

The Bonds are being issued for the advance refunding of general obligation bonds, or portions thereof, previously issued by the State for general governmental purposes **(Advance Refunded Bonds)**. The refunding will be structured as a crossover refunding of a portion of the Advance Refunded Bonds **(Crossover Refunding)**, and an economic defeasance of the remaining portion of the Advance Refunded Bonds **(Economic Defeasance Refunding)**.

The refunded maturities associated with the Crossover Refunding are currently outstanding in the total principal amount of $293,845,000 (**Crossover Refunded Bonds**). The refunded maturities, or portions of maturities, associated with the Defeasance Refunding are currently outstanding in the total principal amount of $135,690,000 (**Economically Defeased Bonds**).

APPENDIX D identifies, and provides information about, the Crossover Refunded Bonds and the Economically Defeased Bonds.

Crossover Refunding

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

- to pay when due the interest on the Bonds allocable to the refunding of each series of the Crossover Refunded Bonds to and including the redemption date for that series of Crossover Refunded Bonds, and
- to pay the principal portion of the redemption price of the Crossover Refunded Bonds when due on their respective redemption dates.

The Crossover Refunding will not provide for the payment of any interest coming due on the Crossover Refunded Bonds, which will continue to be payable from amounts in the State's Bond Security and Redemption Fund.

Economic Defeasance Refunding

To provide for the Economic Defeasance Refunding, a portion of the proceeds of the Bonds will be used to purchase Escrow Obligations, which together with the interest to be earned, and a beginning cash deposit, will be sufficient:

- to pay when due the interest on the Economically Defeased Bonds to and including their respective maturity or redemption dates, and

- to pay the principal or redemption price of the Economically Defeased Bonds when due on their respective maturity or redemption dates.

Refunding Escrow Agreement

The Escrow Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund **(Escrow Fund)** created by a Refunding Escrow Agreement **(Escrow Agreement)**, between the State and The Huntington National Bank **(Escrow Trustee).** The Escrow Fund is for the benefit of the owners of the Advance Refunded Bonds. Neither the Escrow Obligations, the cash on deposit, nor the interest earnings held in the Escrow Fund will serve as security for or be available for the payment of the Bonds, except to the limited extent described above under "PLAN OF REFUNDING; Crossover Refunding".

The Escrow Fund will be held by the Escrow Trustee in trust to make payments of:

- the principal or redemption price of, and interest on, the Economically Defeased Bonds,
- the principal portion of the redemption price of the Crossover Refunded Bonds, and
- the interest on the Bonds allocable to the refunding of the Crossover Refunded Bonds to and including the respective redemption dates of the Crossover Refunded Bonds.

The Escrow Fund will be held by the Escrow Trustee separate and apart from all other funds or accounts held by the Escrow Trustee. No fees or other charges of the Escrow Trustee may be paid from moneys in the Escrow Fund. Instead, the Escrow Agreement provides that the State will pay all such fees and charges to the Escrow Trustee from other available funds.

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

Use of Proceeds and Pledge

All moneys in the Escrow Fund may be expended only for the payments described above. However, notwithstanding the amounts in the Escrow Fund, there is irrevocably appropriated, as a first charge on all revenues of the State, a sum sufficient for the payment of the Advance Refunded Bonds. Both the Crossover Refunded Bonds and the Economically Defeased Bonds will remain outstanding until paid at maturity or redeemed on their respective optional redemption dates. Each year, for the purpose of determining the constitutional limit on public debt, the amounts held in the Escrow Fund for payment of principal of the Advance Refunded Bonds will be subtracted from the amount of outstanding aggregate public debt of the State.

THE BONDS

General

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

The Bonds will be dated their date of delivery (expected to be November 15, 2017) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on May 1, 2018.

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

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

Security

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

Redemption Provisions

Optional Redemption

The Bonds maturing on or after November 1, 2027 may be redeemed on May 1, 2027, or any date thereafter, in whole or in part in multiples of $5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem the Bonds, and the Capital Finance Director of the State may direct the amounts and maturities of any Bonds to be redeemed.

Selection of Bonds

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

Notice of Redemption

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

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

Registration and Payment of Bonds

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

Ratings

The following ratings have been assigned to the Bonds:

Rating	Rating Organization
AA+	Fitch Ratings [a]
AA+	Kroll Bond Rating Agency, Inc. [b]
Aa1	Moody's Investors Service, Inc. [c]
AA	S&P Global Ratings

[a] On October 19, 2017, Fitch Ratings upgraded its rating on the State's general obligations from "AA" to "AA+".

[b] On October 18, 2017, Kroll Bond Rating Agency, Inc. upgraded its rating on the State's general obligations from "AA" to "AA+".

[c] On August 4, 2017, Moody's Investors Service, Inc. upgraded its rating on the State's general obligations from "Aa2" to "Aa1".

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

Sources and Uses of Funds

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

Sources	
Principal Amount	$382,680,000.00
Original Issue Premium	82,438,103.90
TOTAL SOURCES	$465,118,103.90
Uses	
Deposit to Escrow Fund	$462,605,107.22
Underwriters' Discount	1,522,792.44
Costs of Issuance	990,204.24
TOTAL USES	$465,118,103.90

Book-Entry-Only Form

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

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

Payment

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

Notices and Voting Rights

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

Redemption

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

Discontinued Service

In the event that participation in DTC's book-entry system were to be discontinued without a successor securities depository being appointed, bond certificates would be executed and delivered to DTC Participants.

Further Information

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

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

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

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

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

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

UNDERWRITING

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

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the State at an aggregate purchase price of $463,595,311.46 reflecting an original issue premium of $82,438,103.90 and Underwriters' discount of $1,522,792.44. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the Bonds if any Bonds are purchased.

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

Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP.

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

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

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is $3,944,884,094, and the cumulative debt limit is $26,299,227,293. Funding or refunding obligations (such as the Bonds) are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of September 15, 2017, general obligations of the State were outstanding in the principal amount of $7,144,605,878. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans for Calendar Year 2017

General Obligations

The Bonds are the third series of general obligations to be issued in this calendar year. The State has previously issued one series of general obligations in calendar year 2017 in the principal amount of $335 million for general governmental purposes and one series in the principal amount of $345 million to refund several obligations previously issued for general governmental purposes.

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

- Up to $394 million of additional general obligations for general governmental purposes. The State anticipates a competitive sale in mid-November 2017 for approximately $275 million of these general obligations in the form of fixed rate bonds.
- Up to $362 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding general obligation commercial paper notes and extendible municipal commercial paper notes, which were outstanding in the amount of $507 million as of September 15, 2017. The amount and timing of any issuance of general obligations for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates either with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

Other Obligations

The State has issued $285 million of transportation revenue bonds in this calendar year, including $96 million for new money purposes and the balance for refunding purposes. The Commission has also authorized up to $375 million of additional transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any additional issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

The State has issued three series of general fund annual appropriation refunding bonds in this calendar year in the aggregate principal amount of $932 million. The amount and timing of any additional issuances of general fund annual appropriation refunding bonds depend, among other factors, on market conditions. The State has very limited authority (approximately $12 million) to issue additional general fund annual appropriation bonds for new money purposes, but the State has unlimited authority for the issuance of general fund annual appropriation refunding bonds.

The State has issued two series of environmental improvement fund revenue bonds in the aggregate amount of $291 million for both new money and refunding purposes. The Commission has also authorized up to $61 million of additional environmental improvement fund revenue bonds for new money purposes. The amount and timing of any additional issuance of environmental improvement fund revenue bonds depend on many factors, including loan activity in the State's Clean Water Fund Program and market conditions.

The State may issue master lease certificates of participation in calendar year 2017. The amount and timing of any issuance of master lease certificates of participation depend, among other factors, on market conditions and originations in the State's Master Lease Program.

The State does not currently intend to issue operating notes for the 2017-18 fiscal year.

Reference Information About the Bonds

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

$382,680,000
State of Wisconsin
General Obligation Refunding Bonds of 2017, Series 2

Dated Date: Date of Delivery
First Interest Date: May 1, 2018
Issuance Date: On or about November 15, 2017

CUSIP	Due Date (November 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705M JC0	2020	$ 8,670,000	5.00%	1.18%	111.083%	Not Callable	-
97705M JD8	2021	9,360,000	5.00	1.31	114.197	Not Callable	-
97705M JE6	2022	47,090,000	5.00	1.46	116.881	Not Callable	-
97705M JF3	2023	56,045,000	5.00	1.61	119.194	Not Callable	-
97705M JG1	2024	59,890,000	5.00	1.74	121.284	Not Callable	-
97705M JH9	2025	59,265,000	5.00	1.88	122.968	Not Callable	-
97705M JJ5	2026	84,520,000	5.00	2.00	124.499	Not Callable	-
97705M JK2	2027	50,110,000	5.00	2.08	124.959 [a]	2027	100%
97705M JL0	2028	7,730,000	5.00	2.16	124.183 [a]	2027	100

[a] These Bonds are priced to the May 1, 2027 first optional call date.

Financial Advisor

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

Verification of Mathematical Computations

The arithmetical accuracy of certain computations was independently verified by the Verification Agent. These computations, which were provided by the Underwriters, indicate that the projected receipts from the Escrow Obligations, together with an initial cash deposit, are sufficient to make all payments of:

- the principal of, and premium (if any) and interest on, the Economically Defeased Bonds to become due on or before their respective redemption or maturity dates,
- the principal portion of the redemption price of the Crossover Refunded Bonds to become due on their respective redemption dates, and
- the interest on the Bonds allocable to the refunding of the Crossover Refunded Bonds to become due on or before the respective redemption dates of the Crossover Refunded Bonds.

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

Legal Investment

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

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

Legal Opinions

Bond Opinion

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

Attorney General

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

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

Other Legal Matters

The State and its officers and employees are defendants in numerous lawsuits. The State does not expect that any pending litigation will be finally determined so as to result individually or in the aggregate in final judgments against the State that would materially affect the State's ability to pay the principal of and interest on the Bonds.

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. The State must comply with certain requirements of the Internal Revenue Code for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the Bonds are issued. No provision is made for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds is included in gross income.

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

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

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

Current and future legislative proposals, if enacted into law, may cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the marketability of the Bonds. Prospective investors should consult their own tax advisors about federal legislative proposals.

State of Wisconsin Income and Franchise Taxes

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

Premium Bonds

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, such as the Bonds, the interest on which is excluded from gross income for federal income tax purposes.

During each taxable year, an owner of Bonds with amortizable bond premium must reduce his, her, or its tax basis in the Bond by the amount of the amortizable bond premium that is allocable to the portion of that taxable year during which the owner owned the Bond. The adjusted tax basis in a Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the Bond.

Owners of Bonds purchased at a premium should consult their own tax advisors with respect to the federal tax consequences of owning such Bonds, including computation of their tax basis and the effect of any purchase of Bonds that is not made in the initial offering at the issue price. Owners of such Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning those Bonds.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State **(Annual Reports)**. By December 27 of each year, the State will file the Annual Report with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The State will also provide to the MSRB notices of the occurrence of certain events specified in the undertaking. Part I of the 2016 Annual Report, which contains information on the undertaking, is included by reference as part of this Official Statement.

Copies of the Annual Reports and notices may be obtained from:

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

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the MSRB. In the last five years, the State has not failed to comply in any material respect with this, or any similar, undertaking. During that period, rating agencies have changed their respective ratings with respect to various bond insurers. Certain obligations previously issued by the State were insured by policies issued by these bond insurers, and the State did not file notice of those rating changes. The State did not consider those rating changes to be material. On July 31, 2014, the State filed with the MSRB through its EMMA system, as a technical clarification, a written notice of those rating changes of bond insurers where the rating before the change was above the underlying rating of the respective State obligations.

Dated: October 24, 2017

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/ JOHN L. KLENKE
John L. Klenke, Secretary
State of Wisconsin Building Commission

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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, 2016 **(2016 Annual Report)**, as revised by the inclusion of the State's audited General Purpose External Financial Statements as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2016 Annual Report, including, but not limited to:

- Actual General Fund condition statement for the 2016-17 fiscal year as included in the Annual Fiscal Report (budget basis), dated October 15, 2017.
- Actual General Fund tax collections for the 2016-17 fiscal year, as included in the Annual Fiscal Report (budget basis) dated October 15, 2017.
- Estimated General Fund tax collections for the 2017-19 biennium, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on January 18, 2017 **(January 2017 LFB Report)** and the enacted budget for the 2017-19 biennium **(2017 Wisconsin Act 59)**.
- Information about 2017 Wisconsin Act 59.
- General Fund information for the 2016-17 fiscal year through June 30, 2017, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2017-18 fiscal year through August 31, 2017, which is presented on a cash basis.

Part II of the 2016 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 2015-16 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

The State's audited general purpose external financial statements for the fiscal year ended June 30, 2016 were not available as of the date of the 2016 Annual Report. On March 30, 2017, the Comprehensive Annual Financial Report **(CAFR)** and the audited General Purpose External Financial Statements section of the CAFR for the fiscal year ended June 30, 2016 were published. The State filed both documents with the Municipal Securities Rulemaking Board **(MSRB)** through its through its Electronic Municipal Market Access **(EMMA)** system on March 31, 2017. *In addition, the General Purpose External Financial Statements have been made part of APPENDIX A to Part II of the 2016 Annual Report.* No other information in Part II of the 2016 Annual Report was updated, and the revision of Part II of the 2016 Annual Report to include the audited General Purpose External Financial Statements does not create any implication that any other information in the 2016 Annual Report remains accurate at any time after its date.

Part III of the 2016 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 2016 Annual Report was filed with the MSRB through its EMMA system. The 2016 Annual Report along with the CAFR and General Purpose External Financial Statements are also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin". The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2016 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 since that time has 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 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 2016 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2016 Annual Report, certain changes or events have occurred that affect items discussed in the 2016 Annual Report. Listed below by reference to particular sections of Part II of the 2016 Annual Report, are changes or additions to the discussions contained in those particular sections. When such changes occur, the State may or may not file notices 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.

This Official Statement includes changes or additions based on information released after the date of the Preliminary Official Statement (October 9, 2017). Any such change or addition is identified accordingly.

State Budget; Budget for 2016-17 Fiscal Year (Part II, Pages 35-36). Update with the following information. Some of this information became available after the date of the Preliminary Official Statement (October 9, 2017):

Fiscal Year 2016-17 Results

The 2016-17 fiscal year ended on June 30, 2017. The Annual Fiscal Report (budgetary basis) for the 2016-17 fiscal year, dated October 15, 2017, includes the ending budgetary undesignated balance for the 2016-17 fiscal year, along with final General Fund tax collection amounts. The State filed the Annual Fiscal Report (budgetary basis) for the 2016-17 fiscal year with the MSRB through its EMMA system, and a copy is available from the State as provided above on this page.

The State ended the 2016-17 fiscal year with an undesignated balance of $579 million. This amount is $448 million more than the projected ending balance for that fiscal year in the 2015-17 biennial budget (2015 Wisconsin Act 55), $152 million more than the projected ending balance that was included in the January 2017 LFB Report, and $112 million more than the assumed beginning balance for the 2017-18 fiscal year as stated in 2017 Wisconsin Act 59.

The table below includes the General Fund condition statement for the 2016-17 fiscal year. The table also includes, for comparison, the General Fund condition statement for the 2015-16 fiscal year, the estimated General Fund condition statement included in the 2015-17 biennial budget, and the estimated General Fund condition statement included in the January 2017 LFB Report.

GENERAL FUND CONDITION STATEMENT
2016-17 FISCAL YEAR
(in Millions)

		2016-17 Fiscal Year		
	2015-16 Fiscal Year Annual Fiscal Report	2015-17 Biennial Budget	LFB January 2017	Annual Fiscal Report
Revenues				
Opening Balance	$ 135.6	$ 161.8	$ 331.0	$ 331.0
Prior-Year Designation	91.3	-	-	131.9
Taxes	15,097.5	15,791.6	15,503.6	15,517.6
Department Revenues				
Tribal Gaming	26.2	23.1	24.4	26.8
Other	491.4	513.5	518.9	520.7
Total Available	$ 15,842.0	$ 16,490.0	$ 16,377.9	$ 16,528.1
Appropriations				
Gross Appropriations	$ 15,850.9	$ 17,041.4	$ 17,015.0	$ 17,099.1
Sum Sufficient Reestimates	-	-	(55.4)	
Transfers	38.0	39.5	39.5	39.5
Biennial Approp. Adjustments	-	-	(4.7)	
Compensation Reserves	0.9	18.6	18.6	1.2
Less: Lapses	(378.9)	(740.8)	(1,062.3)	(1,190.7)
Net Appropriations	$ 15,510.9	$ 16,358.7	$ 15,950.7	$ 15,949.1
Balances				
Gross Balance	331.0	131.4	427.2	579.0
Less: Req. Statutory Balance	n/a	(65.0)	(65.0)	n/a
Net Balance, June 30	$ 331.0	$ 66.4	$ 362.2	$ 579.0

January 2017 LFB Report – General Fund Condition Statement

The January 2017 LFB Report included an estimated gross ending balance on the General Fund condition statement for the 2016-17 fiscal year of $427 million, which was $296 million higher than the projected gross ending balance included in the 2015-17 biennial budget. A complete copy of the January 2017 LFB Report, which includes a national economic forecast and its application to the State's projected tax collections at that time, is included at the end of this APPENDIX A.

State Budget; Budget for 2016-17 Fiscal Year; Revenue Projections for 2016-17 Fiscal Year (Part II, Pages 35-36). Update with the following information. Some of this information became available after the date of the Preliminary Official Statement (October 9, 2017):

Fiscal Year 2016-17 Results

The State's Annual Fiscal Report (budgetary basis) included final General Fund tax collections for the 2016-17 fiscal year. As presented in the table below, collections for fiscal year 2016-17 totaled $15.518 billion compared to $15.098 billion in fiscal year 2015-16, an increase of $420 million (2.8%). The State filed the Annual Fiscal Report (budgetary basis) for the 2016-17 fiscal year with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

The following table includes a summary of the final General Fund tax collections for the 2016-17 fiscal year. The table also includes, for comparison, the General Fund tax collections for the 2015-16 fiscal year, the projected tax collections for fiscal year 2016-17 which formed the basis for the 2015-17 biennial budget (2015 Wisconsin Act 55), and the projections as reported in the January 2017 LFB Report.

GENERAL FUND TAX REVENUE COLLECTIONS
2016-17 FISCAL YEAR
(in Millions)

	2015-16 Fiscal Year Annual Fiscal Report	2016-17 Fiscal Year: 2015-17 Biennial Budget	2016-17 Fiscal Year: LFB January 2017	2016-17 Fiscal Year: Annual Fiscal Report
Individual Income	$ 7,740.8	$ 8,238.4	$ 8,050.0	$ 8,039.5
Sales and Use	5,065.8	5,224.0	5,215.0	5,223.9
Corp. Income & Franchise	963.0	1,015.7	900.0	920.9
Public Utility	360.6	373.4	359.7	360.5
Excise				
Cigarettes	573.4	545.5	565.0	564.2
Tobacco Products	76.1	73.6	82.0	80.3
Liquor & Wine	50.0	49.4	51.0	52.1
Beer	9.0	8.4	8.9	9.1
Insurance Company	177.3	187.0	187.0	181.6
Miscellaneous Taxes	81.5	76.3	85.0	85.5
TOTAL	$15,097.5	$ 15,791.6	$ 15,503.6	$15,517.6

September 2017 LFB Report – General Fund Tax Collections

A report from the LFB dated September 8, 2017 **(September 2017 LFB Report)** provided preliminary General Fund tax collections for the 2016-17 fiscal year. These numbers are the same as the unaudited fiscal tax collections for the 2016-17 fiscal year as reported by the Department of Revenue on September 14, 2017. The preliminary estimate was $14 million, or 0.1%, higher than the January 2017 LFB Report and $420 million, or 2.8%, higher than the 2015-16 fiscal year actual General Fund tax collections.

May 2017 LFB Memorandum – General Fund Tax Collections

In May of odd-numbered years, LFB typically reviews tax collections to date and current economic forecasts to determine if adjustments to its reports typically released in January are required. LFB again completed this review, and released a memorandum on May 10, 2017 **(May 2017 LFB Report)** stating that the estimates in the January 2017 LFB Report were reasonable and should not be adjusted.

January 2017 LFB Report – General Fund Tax Collections

The January 2017 LFB Report included estimates of General Fund tax collections for the 2016-17 fiscal year, which were $15.504 billion, or an increase of $406 million (2.7%) from collections in the 2015-16 fiscal year, and an increase of $63 million (0.4%) from a statutorily required report provided by the Wisconsin Department of Administration (**DOA**) on November 21, 2016 **(November 2016 DOA Report)**.

A complete copy of the January 2017 LFB Report, which includes a national economic forecast and its application to the State's projected tax collections at that time, is included at the end of this APPENDIX A. In addition, the State has filed the January 2017 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

State Budget; Budget for the 2017-19 Biennium (Part II; Pages 36-37). Update with the following information:

The Governor's executive budget for the 2017-18 and 2018-19 fiscal years was released on February 8, 2017. The Joint Committee on Finance (**JCF**) approved its version, which amended the Governor's executive budget, on September 11, 2017. The full Legislature considered the JCF substitute amendment, adopted an amended budget, and forwarded it to the Governor for his signature on September 20, 2017. The Governor signed 2017 Wisconsin Act 59 on September 21, 2017 with some vetoes.

Based on 2017 Wisconsin Act 59 with vetoes, the General Fund's gross ending balances for the biennium are estimated to be $443 million for the 2017-18 fiscal year and $211 million for the 2018-19 fiscal year.

The Governor's executive budget along with the text of 2017 Wisconsin Act 59 can be obtained from the following website:

http://doa.wi.gov/Divisions/Budget-And-Finance/State-Budget-Office

Additionally, LFB has produced a summary document of the Governor's executive budget along with a comparative summary of the Governor's executive budget and the JCF budget for the 2017-19 biennium, which can be obtained from the following website:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2017_19_biennal_budget

The LFB website will be updated with its analysis of 2017 Wisconsin Act 59 when it becomes available.

These websites are identified for the convenience of the reader only and are not incorporated by reference into this Official Statement. In addition, information about the Governor's executive budget for the 2017-19 biennium and the LFB comparison of the Governor's executive budget to the JCF budget has been filed with the MSRB through its EMMA system. As other summary documents are prepared, they will be posted with the MSRB through its EMMA system. All of the budget information is also available from the State as provided on page A-2.

The table at the top of the following page includes the estimated General Fund condition statement for the 2017-18 and 2018-19 fiscal years, as detailed in the Governor's executive budget for the 2017-19 biennium and 2017 Wisconsin Act 59, as enacted.

In addition, the table at the bottom of the following page provides a summary of estimated General Fund tax collections for the 2017-18 and 2018-19 fiscal years as presented in 2017 Wisconsin Act 59. Based on 2017 Wisconsin Act 59, the increase in tax collections is anticipated to be $560 million (3.6%), from the 2016-17 fiscal year to the 2017-18 fiscal year and $572 million (3.6%), from the 2017-18 fiscal year to the 2018-19 fiscal year. The following table also includes, for comparison purposes, the estimated collections from the November 2016 DOA Report and the January 2017 LFB Report.

ESTIMATED GENERAL FUND CONDITION STATEMENT
2017-18 AND 2018-19 FISCAL YEARS
(in Millions)

	2017-18 Fiscal Year		2018-19 Fiscal Year	
	Governor's Executive Budget	2017 Wisconsin Act 59	Governor's Executive Budget	2017 Wisconsin Act 59
Revenues				
Opening Balance	$ 453.0	$ 467.1	$ 297.7	$ 443.3
Taxes	15,973.2	16,077.7	16,573.0	16,650.0
Department Revenues				
Tribal Gaming	25.9	26.2	25.7	26.1
Other	493.2	493.2	447.4	443.3
Total Available	$ 16,945.3	$ 17,064.2	$ 17,343.8	$ 17,562.6
Appropriations				
Gross Appropriations	$ 16,899.2	$ 16,876.5	$ 17,619.1	$ 17,690.1
Current Session Bills	-	19.7	-	10.1
Transfers	59.9	40.2	41.4	41.6
Compensation Reserves	14.4	3.1	35.3	52.1
Less: Lapses	(326.0)	(318.5)	(438.6)	(441.8)
Net Appropriations	$ 16,647.5	$ 16,620.9	$ 17,257.3	$ 17,352.0
Balances				
Gross Balance	297.7	443.3	86.6	210.6
Less: Req. Statutory Balance	(70.0)	(70.0)	(75.0)	(75.0)
Net Balance, June 30	$ 227.7	$ 373.3	$ 11.6	$ 135.6

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2017-18 AND 2018-19 FISCAL YEARS
(in Millions)

	2017-18 Fiscal Year			2018-19 Fiscal Year		
	DOA November 2016	LFB January 2017	2017 Wisconsin Act 59	DOA November 2016	LFB January 2017	2017 Wisconsin Act 59
Individual Income	$ 8,320.3	$ 8,360.0	$ 8,380.0	$ 8,655.2	$ 8,710.0	$ 8,720.0
Sales and Use	5,308.4	5,370.0	5,383.8	5,459.3	5,580.0	5,593.1
Corp. Inc. & Franch.	897.8	940.0	950.8	881.8	950.0	961.6
Public Utility	380.1	373.5	373.5	382.2	378.2	378.2
Excise						
Cigarettes	564.3	565.0	564.7	555.5	561.0	560.4
Tobacco Products	83.6	85.0	85.0	86.8	88.0	88.0
Liquor & Wine	51.8	52.0	52.0	52.7	53.0	53.0
Beer	9.1	8.9	8.9	9.1	8.8	8.8
Insurance Company	185.9	192.0	192.0	199.3	197.0	197.0
Miscellaneous Taxes	86.8	87.0	87.0	88.2	90.0	90.0
TOTAL	$15,888.1	$ 16,033.4	$ 16,077.7	$16,370.1	$ 16,616.0	$ 16,650.0

State Budget; Potential Effect of Litigation; Enforcement Provisions of Master Settlement Agreement (Part II; Page 38). Update with the following information, which includes information not included in the Preliminary Official Statement:

Enforcement Provisions of Master Settlement Agreement

The State and 22 other states that signed the Master Settlement Agreement are in litigation with the major tobacco manufacturers regarding the post-2003 diligence of the states in their enforcement of certification and escrow payment laws designed to monitor and regulate the sale of cigarettes by tobacco manufacturers that did not sign the Master Settlement Agreement.

An arbitration proceeding regarding the dispute for calendar year 2004 has begun. Wisconsin received notice from the tobacco manufacturers in June 2017 that they will contest the State's diligence. Wisconsin's hearing is scheduled to take place in April 2018. Until that time, the State will not receive approximately $15 million of Master Settlement Agreement funds that have been withheld by tobacco manufacturers.

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 2016-17 and 2017-18 fiscal years, which are presented on either a cash basis or an agency-recorded basis. Some of this information became available after the date of the Preliminary Official Statement (October 9, 2017).

Unless otherwise noted, the following tables include information through June 30, 2017 for the 2016-17 fiscal year, and through August 31, 2017 for the 2017-18 fiscal year. Please note that for tables presented on an agency-recorded basis these are not the final expenditures for the 2016-17 fiscal year, as transactions occurring during the months of July, August and September may affect the final fiscal year amounts.

For the 2016-17 fiscal year, the results, projections, and estimates in the following tables (except where noted in such tables) reflect the enacted budget for the 2015-17 biennium (2015 Wisconsin Act 55), the estimated General Fund tax revenues included in a report provided by the LFB on January 21, 2016 (**January 2016 LFB Report**), the November 2016 DOA Report, and the January 2017 LFB Report. For the 2017-18 fiscal year the projections and estimates reflect 2017 Wisconsin Act 59 and the January 2017 LFB Report.

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, 2016 TO JUNE 30, 2017[(a)(b)]
(Cash Basis)
(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	$ (146,310)	$ 818,825	$ 1,125,530	$ 1,903,622	$ 1,732,927	$ 1,276,921	$ 2,410,606	$ 2,274,361	$ 1,028,521	$ 1,269,831	$ 1,847,110
Ending Balance[(c)]	(146,310)	818,825	1,125,530	1,903,622	1,732,927	1,276,921	2,410,606	2,274,361	1,028,521	1,269,831	1,847,110	1,369,479
Lowest Daily Balance[(c)]	(217,092)	(147,381)	245,613	980,562	1,497,053	14,077	1,121,221	2,074,167	940,512	780,115	1,167,644	836,378
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 487,412	$ 798,604	$ 816,815	$ 767,801	$ 559,830	$ 664,948	$ 1,301,636	$ 596,975	$ 742,226	$ 1,144,772	$ 807,826	$ 798,812
Sales & Use	509,403	491,367	490,404	480,185	455,468	431,654	525,871	397,667	388,496	449,505	447,089	482,377
Corporate Income	31,799	28,898	190,159	41,838	32,721	191,018	53,526	55,135	197,471	84,769	59,480	185,054
Public Utility	25	26	301	16,001	204,109	131	2	51	6	5,209	189,908	15
Excise	65,149	61,593	65,727	62,193	61,036	57,047	56,544	54,403	50,740	52,210	55,362	66,758
Insurance	228	5,804	35,999	75	4,574	38,863	335	16,019	18,544	39,020	5,351	39,698
Subtotal Tax Receipts	$ 1,094,016	$ 1,386,292	$ 1,599,405	$ 1,368,093	$ 1,317,738	$ 1,383,661	$ 1,937,914	$ 1,120,250	$ 1,397,483	$ 1,775,485	$ 1,565,016	$ 1,572,714
NON-TAX RECEIPTS												
Federal	$ 755,424	$ 1,009,232	$ 852,227	$ 529,813	$ 719,421	$ 721,757	$ 620,495	$ 980,025	$ 999,511	$ 585,180	$ 666,385	$ 956,891
Other & Transfers	515,928	450,330	619,385	632,168	384,789	484,043	383,800	620,741	291,382	472,057	350,111	468,606
Subtotal Non-Tax Receipts	$ 1,271,352	$ 1,459,562	$ 1,471,612	$ 1,161,981	$ 1,104,210	$ 1,205,800	$ 1,004,295	$ 1,600,766	$ 1,290,893	$ 1,057,237	$ 1,016,496	$ 1,425,497
TOTAL RECEIPTS	$ 2,365,368	$ 2,845,854	$ 3,071,017	$ 2,530,074	$ 2,421,948	$ 2,589,461	$ 2,942,209	$ 2,721,016	$ 2,688,376	$ 2,832,722	$ 2,581,512	$ 2,998,211
DISBURSEMENTS												
Local Aids	$ 1,604,248	$ 189,043	$ 793,131	$ 100,094	$ 868,104	$ 1,250,587	$ 166,655	$ 657,933	$ 1,447,381	$ 108,524	$ 204,388	$ 1,833,694
Income Maintenance	985,172	719,310	773,713	726,744	754,110	833,525	747,048	786,840	846,860	731,964	745,043	535,782
Payroll and Related	301,415	323,227	502,723	303,117	437,896	413,804	442,970	367,815	632,966	373,713	421,173	479,571
Tax Refunds	87,392	92,922	90,360	117,565	138,543	155,781	65,727	519,877	528,330	464,497	159,372	129,651
Debt Service	250,746	-	-	116,003	-	-	-	-	-	487,726	36,759	-
Miscellaneous	343,016	556,217	604,385	388,459	393,990	391,770	386,124	524,796	478,679	424,988	437,498	497,144
TOTAL DISBURSEMENTS	$ 3,571,989	$ 1,880,719	$ 2,764,312	$ 1,751,982	$ 2,592,643	$ 3,045,467	$ 1,808,524	$ 2,857,261	$ 3,934,216	$ 2,591,412	$ 2,004,233	$ 3,475,842

(a) The results in this table reflect the budget for the 2016-17 fiscal year (2015 Wisconsin Act 55), the estimated General Fund tax revenues included in the report produced in the January 2017 LFB Report and the reconfirmed estimates provided in the May 2017 LFB Report. These do not include 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. These designated funds ranged from $1.1 billion to $2.4 billion for the 2015-16 and 2016-17 fiscal years, and are anticipated to range from $1.1 billion to $2.4 billion in the 2017-18 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged and are expected to average approximately $25 million during each 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 2016-17 fiscal year are approximately $1.531 billion and $510 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.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2017 TO AUGUST 31, 2017[(a) (b)]
PROJECTED GENERAL FUND CASH FLOW; SEPTEMBER 1, 2017 TO JUNE 30, 2018[(a) (b)]
(Cash Basis)
(Amounts in Thousands)

	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
BALANCES[(a)(b)]												
Beginning Balance	$ 1,369,479	$ 683,578	$ 774,773	$ 1,166,977	$ 2,079,242	$ 1,774,457	$ 1,127,951	$ 2,514,519	$ 2,381,056	$ 838,870	$ 1,349,220	$ 1,757,158
Ending Balance[(c)]	683,578	774,773	1,166,977	2,079,242	1,774,457	1,127,951	2,514,519	2,381,056	838,870	1,349,220	1,757,158	1,331,954
Lowest Daily Balance [(c)]	366,105	(43,568)	320,764	855,029	1,474,189	22,894	750,147	1,753,424	838,869	346,548	987,431	955,035
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 737,127	$ 582,634	$ 673,202	$ 914,923	$ 636,356	$ 540,671	$ 1,418,373	$ 694,373	$ 595,576	$ 1,502,608	$ 673,075	$ 740,367
Sales & Use	520,841	521,403	500,226	500,009	480,330	440,892	541,551	413,058	396,685	458,769	460,771	499,312
Corporate Income	42,449	25,114	212,027	38,399	25,430	202,744	41,215	41,258	227,735	65,789	42,952	208,345
Public Utility	57	31	313	16,615	211,940	136	2	53	6	5,409	197,194	15
Excise	68,987	59,845	66,217	60,871	62,225	57,164	60,657	47,257	52,816	58,661	57,093	62,226
Insurance	100	2,810	36,962	77	4,696	39,902	344	16,447	19,040	40,063	5,495	40,759
Subtotal Tax Receipts	$ 1,369,561	$ 1,191,837	$ 1,488,947	$ 1,530,894	$ 1,420,977	$ 1,281,509	$ 2,062,142	$ 1,212,446	$ 1,291,858	$ 2,131,299	$ 1,436,580	$ 1,551,024
NON-TAX RECEIPTS												
Federal	$ 875,292	$ 683,556	$ 984,681	$ 626,076	$ 678,991	$ 678,282	$ 853,315	$ 910,928	$ 806,697	$ 646,633	$ 702,080	$ 803,872
Other & Transfers	572,745	338,112	688,445	602,582	386,375	488,496	427,407	666,564	414,337	512,788	410,149	625,426
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,448,037	$ 1,021,668	$ 1,673,126	$ 1,228,658	$ 1,065,366	$ 1,166,778	$ 1,280,722	$ 1,577,492	$ 1,221,034	$ 1,159,421	$ 1,112,229	$ 1,429,298
TOTAL RECEIPTS	$ 2,817,598	$ 2,213,505	$ 3,162,073	$ 2,759,552	$ 2,486,343	$ 2,448,287	$ 3,342,864	$ 2,789,938	$ 2,512,892	$ 3,290,720	$ 2,548,809	$ 2,980,322
DISBURSEMENTS												
Local Aids	$ 1,382,827	$ 181,849	$ 803,019	$ 106,103	$ 937,804	$ 1,308,208	$ 148,454	$ 624,152	$ 1,625,217	$ 133,533	$ 106,869	$ 1,917,122
Income Maintenance	996,906	805,222	761,841	771,322	865,556	810,594	793,073	820,944	870,536	864,301	861,264	320,790
Payroll and Related	331,436	425,567	519,840	314,273	468,926	382,875	472,549	418,787	578,167	337,490	407,029	514,329
Tax Refunds	94,736	100,074	96,478	119,035	115,502	178,281	89,412	556,584	546,800	508,481	167,954	139,417
Debt Service	192,497	-	-	158,730	5,664	257	-	5,664	-	541,820	97,957	256
Miscellaneous	505,097	609,598	588,692	377,823	397,676	414,579	452,809	497,270	434,358	394,745	499,798	513,611
TOTAL DISBURSEMENTS	$ 3,503,499	$ 2,122,310	$ 2,769,869	$ 1,847,286	$ 2,791,129	$ 3,094,793	$ 1,956,297	$ 2,923,401	$ 4,055,078	$ 2,780,370	$ 2,140,871	$ 3,405,525

(a) The results, projections, or estimates in this table reflect the enacted budget for the 2017-19 biennium (2017 Wisconsin Act 59) and the estimated General Fund tax revenues included in the January 2017 LFB Report and reconfirmed estimates provided in the May 2017 LFB Report. Temporary reallocations of cash are not included.

(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. These designated funds ranged from $1.1 billion to $2.4 billion during the 2015-16 and 2016-17 fiscal years and are anticipated to range from $1.1 billion to $2.4 billion in the 2017-18 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged and are expected to continue to average approximately $25 million during each 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 2017-18 fiscal year are approximately $1.519 billion and $506 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 and additional tables.

GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR [(a)]
(Cash Basis)
As of June 30, 2017 (2016-17 Fiscal Year)
(Amounts in Thousands)

	2015-16 Fiscal Year through June 30, 2016	2016-17 Fiscal Year through June 30, 2017				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY16 Actual to FY17 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 9,058,349	$ 9,487,657	$ 9,472,648	$ 15,009	$ 15,009	$ 429,308
Sales	5,425,943	5,549,486	5,583,709	(34,223)	(34,223)	123,543
Corporate Income	1,173,106	1,151,868	1,267,083	(115,215)	(115,215)	(21,238)
Public Utility	404,820	415,784	416,367	(583)	(583)	10,964
Excise	710,742	708,762	709,109	(347)	(347)	(1,980)
Insurance	62,730	204,510	49,110	155,400	155,400	141,780
Total Tax Receipts	$ 16,835,690	$ 17,518,067	$ 17,498,025	$ 20,042	$ 20,042	$ 682,377
Non-Tax Receipts						
Federal	$ 9,375,674	$ 9,396,361	$ 9,455,291	$ (58,930)	$ (58,930)	$ 20,687
Other and Transfers	4,790,882	5,673,340	5,592,585	80,755	80,755	882,458
Total Non-Tax Receipts	$ 14,166,556	$ 15,069,701	$ 15,047,876	$ 21,825	$ 21,825	$ 903,145
TOTAL RECEIPTS	$ 31,002,246	$ 32,587,768	$ 32,545,901	$ 41,867	$ 41,867	$ 1,585,522
DISBURSEMENTS						
Local Aids	$ 8,575,297	$ 9,223,782	$ 9,216,759	$ (7,023)	$ (7,023)	$ 648,485
Income Maintenance	8,848,420	9,186,111	9,201,042	14,931	14,931	337,691
Payroll & Related	5,126,869	5,000,390	5,058,563	58,173	58,173	(126,479)
Tax Refunds	2,508,923	2,550,017	2,673,670	123,653	123,653	41,094
Debt Service	952,280	891,234	1,052,056	160,822	160,822	(61,046)
Miscellaneous	5,300,700	5,427,066	5,441,712	14,646	14,646	126,366
TOTAL DISBURSEMENTS	$ 31,312,489	$ 32,278,600	$ 32,643,802	$ 365,202	$ 365,202	$ 966,111
2016-17 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 407,069	$ 407,069	

(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 in this table reflect the budget for the 2016-17 fiscal year (2015 Wisconsin Act 55), the estimated General Fund tax revenues reported in the January 2017 LFB Report and the reconfirmed estimates provided in the May 2017 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.

GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR [(a)]
(Cash Basis)
As of August 31, 2017 (2017-18 Fiscal Year)
(Amounts in Thousands)

	2016-17 Fiscal Year through August 31, 2016	2017-18 Fiscal Year through August 31, 2017				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY16 Actual to FY17 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 1,286,016	$ 1,319,761	$ 1,314,025	$ 5,736	$ 5,736	$ 33,745
Sales	1,000,770	1,042,244	1,023,921	18,323	18,323	41,474
Corporate Income	60,697	67,563	97,168	(29,605)	(29,605)	6,866
Public Utility	51	88	53	35	35	37
Excise	126,742	128,832	127,586	1,246	1,246	2,090
Insurance	6,032	2,910	6,193	(3,283)	(3,283)	(3,122)
Total Tax Receipts	$ 2,480,308	$ 2,561,398	$ 2,568,946	$ (7,548)	$ (7,548)	$ 81,090
Non-Tax Receipts						
Federal	$ 1,764,656	$ 1,558,848	$ 1,612,325	$ (53,477)	$ (53,477)	$ (205,808)
Other and Transfers	966,258	910,857	945,738	(34,881)	(34,881)	(55,401)
Total Non-Tax Receipts	$ 2,730,914	$ 2,469,705	$ 2,558,063	$ (88,358)	$ (88,358)	$ (261,209)
TOTAL RECEIPTS	$ 5,211,222	$ 5,031,103	$ 5,127,009	$ (95,906)	$ (95,906)	$ (180,119)
DISBURSEMENTS						
Local Aids	$ 1,793,291	$ 1,564,676	$ 1,605,967	$ 41,291	$ 41,291	$ (228,615)
Income Maintenance	1,704,482	1,802,128	1,978,230	176,102	176,102	97,646
Payroll & Related	624,642	757,003	762,694	5,691	5,691	132,361
Tax Refunds	180,314	194,810	199,751	4,941	4,941	14,496
Debt Service	250,746	192,497	223,792	31,295	31,295	(58,249)
Miscellaneous	899,233	1,114,695	957,337	(157,358)	(157,358)	215,462
TOTAL DISBURSEMENTS	$ 5,452,708	$ 5,625,809	$ 5,727,771	$ 101,962	$ 101,962	$ 173,101
2017-18 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 6,056	$ 6,056	

(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. Transactions occurring during July, August and September may affect the prior year's final fiscal amounts.

(b) The estimates and projections for the 2017-18 fiscal year (cash basis) reflect 2017 Wisconsin Act 59 and the January 2017 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 and the result is a large variance. This column includes adjustments, if any, to the variances 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, 2015 through August 31, 2017 – Actual
September 1, 2017 through June 30, 2018 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts[(c)]	Disbursements[(c)]
2015	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)]	2,365,368	3,571,989
	August	(146,310) [(d)]	2,845,854	1,880,719
	September	818,825	3,071,017	2,764,312
	October	1,125,530	2,530,074	1,751,982
	November	1,903,622	2,421,948	2,592,643
	December	1,732,927	2,589,461	3,045,467
2017	January	1,276,921	2,942,209	1,808,524
	February	2,410,606	2,721,016	2,857,261
	March	2,274,361	2,688,376	3,934,216
	April	1,028,521	2,832,722	2,591,412
	May	1,269,831	2,581,512	2,004,233
	June	1,847,110	2,998,211	3,475,842
	July	1,369,479	2,817,598	3,503,499
	August	683,578 [(d)]	2,213,505	2,122,310
	September	774,773	3,162,073	2,769,869
	October	1,166,977	2,759,552	1,847,286
	November	2,079,243	2,486,343	2,791,129
	December	1,774,457	2,448,287	3,094,793
2018	January	1,127,951	3,342,864	1,956,297
	February	2,514,519	2,789,938	2,923,401
	March	2,381,056	2,512,892	4,055,078
	April	838,870	3,290,720	2,780,370
	May	1,349,220	2,548,809	2,140,871
	June	1,757,158	2,980,332	3,405,525

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

(b) The results for the 2016-17 fiscal year reflect the enacted budget for the 2015-17 biennium (2015 Wisconsin Act 55) and the estimated General Fund tax revenues included in the January 2017 LFB Report and reconfirmed estimates in the May 2017 LFB Report. The estimates and projections for the 2017-18 fiscal year reflect 2017 Wisconsin Act 59 and the January 2017 LFB Report.

(c) Operating notes have not been issued for the 2015-16 or 2016-17 fiscal years and are not anticipated for the 2017-18 fiscal year.

(d) At some period during the month, the General Fund was in a negative cash position. The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. 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 (approximately $1.531 billion in the 2016-17 fiscal year and $1.519 billion in the 2017-18 fiscal year) 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 (approximately $510 million in the 2016-17 fiscal year and $506 million in the 2017-18 fiscal year). If the amount of available to the General Fund is not sufficient, 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)] [(b)]
July 31, 2015 to August 31, 2017 — Actual
September 30, 2017 to June 30, 2018 — Projected [(c)]

(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 $2.16 billion during November 2012 to a high of $3.88 billion during August 2016. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2015	2016	2017	2018
January		$1,613	$1,442	$1,442
February		1,613	1,305	1,305
March		1,612	1,356	1,356
April		1,575	1,302	1,302
May		1,517	1,361	1,361
June		1,752	1,289	1,289
July	$1,245	1,597	1,388	
August	1,359	1,481	1,464	
September	1,674	1,622	1,622	
October	1,303	1,420	1,420	
November	1,277	1,390	1,390	
December	1,557	1,683	1,683	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2015	2016	2017	2018
January		$4,639	$5,115	$5,115
February		4,871	5,050	5,050
March		5,177	5,289	5,289
April		4,969	4,901	4,901
May		4,756	4,600	4,600
June		4,905	4,461	4,461
July	$4,642	5,803	5,461	
August	4,071	4,750	4,762	
September	4,249	4,663	4,663	
October	3,589	4,292	4,292	
November	3,621	4,120	4,120	
December	4,275	4,902	4,902	

(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 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.

(c) The results for the 2016-17 fiscal year include the enacted budget for the 2015-17 biennium (2015 Wisconsin Act 55) and the estimated General Fund tax revenues included in the January 2017 LFB Report and reconfirmed estimates in the May 2017 LFB Report. The estimates and projections for the 2017-18 fiscal year reflect 2017 Wisconsin Act 59 and the January 2017 LFB Report.

Source: Wisconsin Department of Administration.

Tables II-15 and II-16; General Fund Recorded Revenues and Expenditures by Function (Part II; Page 53-55). Replace with the following updated tables.

The following tables reflect 2016-17 fiscal year General Fund Recorded Revenues and Expenditures by Function (agency recorded basis) as of June 30, 2017. During the months of July through September, State agencies process entries to accrue revenues and expenditures to the previous fiscal year. Since the timing of these entries varies from year-to-year, the recorded revenues and expenditures as of July 31 and August 31 vary greatly between fiscal years and are not suitable for comparison. For this reason, these two tables are not updated to August 31, 2017 as other tables in this Appendix A have been.

GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2016 to June 30, 2017 Compared With Previous Year

	Annual Fiscal Report Revenues 2015-16 Fiscal Year[(b)]	Projected Revenues 2016-17 Fiscal Year[(c)]	Recorded Revenues July 1, 2015 to June 30, 2016 [(d)]	Recorded Revenues July 1, 2016 to June 30, 2017 [(e)]
Individual Income Tax	$ 7,740,825,000	$ 8,238,400,000	$ 7,742,095,770	$ 8,040,565,460
General Sales and Use Tax	5,065,762,000	5,223,960,000	5,065,762,290	5,223,935,061
Corporate Franchise and Income Tax	963,027,000	1,015,700,000	963,027,018	920,946,841
Public Utility Taxes	360,597,000	373,400,000	360,596,994	360,472,829
Excise Taxes	708,509,000	676,850,000	708,730,601	705,870,580
Inheritance Taxes	1,745,000	-	1,745,000	1,744,736
Insurance Company Taxes	177,326,000	187,000,000	177,326,291	181,584,219
Miscellaneous Taxes	79,698,000	76,300,000	119,958,510	112,560,816
SUBTOTAL............	15,097,489,000	15,791,610,000	15,139,242,474	15,547,680,542
Federal and Other Inter-Governmental Revenues[(f)]	10,009,068,000	10,668,877,300	10,058,160,495	9,992,900,762
Dedicated and Other Revenues[(g)]	6,065,629,000	6,718,222,600	6,002,265,759	6,359,933,017
TOTAL..................	$ 31,172,186,000	$ 33,178,709,900	$ 31,199,668,728	$ 31,900,514,321

(a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2015-16 fiscal year dated October 15, 2016 and subsequently restated on November 21, 2016.

(c) The estimates and projections for the 2016-17 fiscal year (cash 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, the November 2016 DOA Report, the January 2017 LFB Report or the September 2017 LFB Report.

(d) The amounts shown are the 2015-16 fiscal year general purpose revenues and program revenues taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in their monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month. Amounts as of June 30 are not the final amounts for the 2015-16 fiscal year. Transactions occurring in the months of July, August and September may affect the final year amounts.

(e) The amounts shown are the 2016-17 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month. Amounts as of June 30 are not the final amounts for the 2016-17 fiscal year. Transactions occurring in the months of July, August and September may affect the final year amounts.

(f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.

(g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[a]
(Agency-Recorded Basis)
July 1, 2016 to June 30, 2017 Compared With Previous Year

	Annual Fiscal Report Expenditures 2015-16 Fiscal Year[b]	Appropriations 2016-17 Fiscal Year[c]	Recorded Expenditures July 1, 2015 to June 30, 2016[d]	Recorded Expenditures July 1, 2016 to June 30, 2017[e]
Commerce	$ 199,200,000	$ 208,732,100	$ 315,471,355	$ 315,564,675
Education	12,795,785,000	13,475,926,900	12,787,670,879	13,468,305,996
Environmental Resources	305,488,000	321,761,500	304,565,917	321,492,290
Human Relations & Resources	14,048,751,000	14,014,356,300	14,115,447,623	14,382,577,933
General Executive	1,005,715,000	1,545,987,600	1,037,541,105	1,077,520,764
Judicial	130,937,000	137,569,900	130,929,112	139,030,432
Legislative	66,951,000	75,617,400	66,950,216	68,575,061
General Appropriations	2,299,329,000	2,514,205,700	2,347,783,905	2,378,130,916
TOTAL	$ 30,852,156,000	$ 32,294,157,400	$ 31,106,360,112	$ 32,151,198,067

(a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2015-16 fiscal year dated October 15, 2016 and subsequently restated on November 21, 2016.

(c) The estimates and projections for the 2016-17 fiscal year (cash basis) reflect the 2015-17 biennial budget (2015 Wisconsin Act 55), but do not reflect the January 2016 LFB Report, the November 2016 DOA Report, the January 2017 LFB Report or the September 2017 LFB Report.

(d) The amounts shown are 2015-16 fiscal year expenditures as recorded by State agencies. Amounts are as of June 30 and are not the final expenditures for the 2015-16 fiscal year. Transactions occurring in the months of July, August and September 2016 may affect the final fiscal year amounts.

(e) The amounts shown are 2016-17 fiscal year expenditures as recorded by State agencies. Amounts are as of June 30 and are not the final expenditures for the 2016-17 fiscal year. Transactions occurring in the months of July, August and September 2017 may affect the final fiscal year amounts.

Source: Wisconsin Department of Administration.

State Obligations; Employee Pension Funds (Part II; Pages 68-69). Update with the following information:

Annual annuity adjustments for the remainder of calendar year 2017 were announced by the Wisconsin Retirement System **(WRS)** on March 14, 2017, and include an increase of 2.0% for retirees in the WRS Core Retirement Trust.

State Obligations; Employee Pension Funds; GASB Pension Accounting Standards (Part II; Page 69). Update with the following information:

In September 2017, the Department of Employee Trust Funds released the financial statements and financial report for the WRS and the Legislative Audit Bureau released its audit of these financial statements and an audit report that provides uniform calculations of the pension expenses and liabilities for the WRS. Using the GASB pension accounting standards, the net pension liability of participating WRS employers as of December 31, 2016 was $0.8 billion. Under these standards each participating employer in the WRS is required to report its proportionate share of this net pension liability (or asset) on its financial statements, if such statements are prepared in accordance with GAAP.

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

STATE ASSESSMENT
(EQUALIZED VALUE)
OF TAXABLE PROPERTY

Calendar Year	Value of Taxable Property	Rate of Increase (Decrease)
2008	$514,393,963,700	3.3%
2009	511,911,983,100	(0.5)
2010	495,904,192,300	(3.1)
2011	486,864,232,800	(1.8)
2012	471,092,529,200	(3.2)
2013	467,502,564,000	(0.8)
2014	479,479,968,800	2.6
2015	490,602,544,050	2.3
2016	505,124,328,250	3.0
2017	525,984,545,850	4.1

Source: Department of Revenue

Table II-39; Unemployment Rate Comparison (Part II; Page 90). Replace with the following updated table.

UNEMPLOYMENT RATE COMPARISON [(a)(b)]
By Month 2012 To 2017
By Quarter 2008 To 2011

	2017		2016		2015		2014		2013		2012	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	4.2	5.1	4.7	5.3	5.4	6.1	6.4	7.0	7.9	8.5	7.9	8.8
February	4.5	4.9	4.9	5.2	5.5	5.8	6.8	7.0	7.9	8.1	8.2	8.7
March	3.7	4.6	4.7	5.1	5.3	5.6	6.6	6.8	7.6	7.6	7.9	8.4
April	3.0	4.1	4.1	4.7	4.5	5.1	5.6	5.9	7.1	7.1	7.0	7.7
May	2.8	4.1	3.8	4.5	4.6	5.3	5.3	6.1	6.5	7.3	6.9	7.9
June	3.5	4.5	4.5	5.1	4.8	5.5	5.6	6.3	7.1	7.8	7.5	8.4
July	3.4	4.6	4.2	5.1	4.6	5.6	5.5	6.5	6.7	7.7	7.3	8.6
August	3.4	4.5	4.0	5.0	4.2	5.2	5.1	6.3	6.3	7.3	6.9	8.2
September..			3.8	4.8	3.9	4.9	4.6	5.7	5.9	7.0	6.1	7.6
October......			3.7	4.7	3.9	4.8	4.4	5.5	5.9	7.0	6.0	7.5
November..			3.7	4.4	4.1	4.8	4.5	5.5	6.0	6.6	6.2	7.4
December ..			3.7	4.5	4.1	4.8	4.6	5.4	6.0	6.5	6.6	7.6
Annual Average			4.1	4.9	4.6	5.3	5.4	6.2	6.7	7.4	7.0	8.1

2011 Quarters	WI	U.S.	2010 Quarters	WI	U.S.
I	8.9	9.5	I	10.3	10.4
II	7.9	8.9	II	8.7	9.5
III	7.4	9.1	III	8.1	9.5
IV	6.8	8.3	IV	7.6	9.2

2009 Quarters	WI	U.S.	2008 Quarters	WI	U.S.
I	8.6	8.8	I	5.3	5.3
II	8.7	9.1	II	4.5	5.2
III	8.5	9.6	III	4.6	6.0
IV	8.5	9.5	IV	5.3	6.6

(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 Statistics

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State of Wisconsin

January 18, 2017

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:

Annually, this office prepares general fund revenue and expenditure projections for the Legislature prior to commencement of legislative deliberations on the state's budget.

In the odd-numbered years, our report includes estimated revenues and expenditures for the current fiscal year and tax collection projections for each year of the next biennium. This report presents the conclusions of our analysis.

Comparison with the Administration's November 21, 2016, Report

On November 21, 2016, the Departments of Administration and Revenue submitted a report to the Governor and Legislature that identified general fund revenue and expenditure projections for the 2016-17 fiscal year and the 2017-19 biennium. That report, required by statute, identifies the magnitude of state agency biennial budget requests and presents a projection of general fund tax collections.

Our analysis indicates that for the three-year period, aggregate general fund tax collections will be $454.6 million higher than those of the November 21 report ($63.4 million in 2016-17, $145.3 million in 2017-18, and $245.9 million in 2018-19).

Based upon the November 21 report, the administration's general fund condition statement for 2016-17 reflects a gross ending balance of $104.8 million and a net balance (after consideration of the $65.0 million required statutory balance) of $39.8 million.

Our analysis indicates a gross balance of $427.2 million and a net balance of $362.2 million. This is $322.4 million above that of the administration's report. The 2016-17 general fund condition statement is shown in Table 1.

TABLE 1

Estimated 2016-17 General Fund Condition Statement

	2016-17
Revenues	
Opening Balance, July 1	$331,038,000
Taxes	15,503,600,000
Departmental Revenues	
Tribal Gaming	24,385,600
Other	518,899,600
Total Available	$16,377,923,200
Appropriations	
Gross Appropriations	$17,015,005,400
Transfers to Transportation Fund	39,458,300
Compensation Reserves	18,616,800
Biennial Appropriation Adjustment	-4,665,700
Sum Sufficient Reestimates	-55,361,100
Less Lapses	-1,062,303,100
Net Appropriations	$15,950,750,600
Balances	
Gross Balance	$427,172,600
Less Required Statutory Balance	-65,000,000
Net balance, June 30	$362,172,600

The factors that cause the $322.4 million difference are as follows. First, based on economic forecasts and tax collections to date, our estimated tax collections are $63.4 million above the projections of the November 21 report. Second, departmental revenues (non-tax receipts deposited into the general fund) are projected to be $33.0 million above the administration's estimate. Third, estimated net appropriations are $226.0 million below those shown in the November 21 document.

The net appropriation reduction of $226.0 million is primarily due to sum sufficient appropriation reestimates of -$45.3 million and increased lapses (appropriated amounts that will revert to the general fund) of $176.0 million. A large portion of the lapse difference is due to projected underspending in the medical assistance (MA) program.

The updated fund condition statement reflects an estimated GPR lapse from the Department of Health Services' medical assistance appropriations of $312.5 million, which is $137.5 million more than the lapse amount included in the administration's November 21 report. The current estimate is based on the Department of Health Services' MA quarterly status report to the Joint Committee on Finance from December, 2016. According to that report, MA GPR expenditures in the 2015-17 biennium are projected to be lower than the Act 55 budget by 5.5%. The principal reasons for the lower expenditures are a lower-than-anticipated enrollment in BadgerCare Plus (particularly in the childless adult group), a higher federal matching percentage, lower managed care capitation rates, and lower utilization in certain fee-for-service categories (particularly nursing homes and personal care).

General Fund Tax Revenues

The following sections present information related to general fund tax revenues for 2016-17 and the 2017-19 biennium. The information provided includes a review of the U.S. economy in 2016, a summary of the national economic forecast for 2017 through 2019, and detailed general fund tax revenue estimates for the current fiscal year and the next biennium.

Review of the National Economy in 2016

In January, 2016, this office prepared updated revenue estimates for the 2015-17 biennium based on the IHS Markit, formerly IHS Global Insight, January, 2016, forecast for the U.S. economy. The forecast predicted real (inflation-adjusted) U.S. gross domestic product (GDP) growth of 2.7% in 2016 and 2.9% in 2017.

Going into 2016, economic growth slowed sharply in the fourth quarter of 2015 (estimated at 0.9%). The growth was largely due to momentum in residential housing and sustained growth in consumer spending. However, drags on the economy included continued weakness in the industrial sector, excessive business inventories, and a strong dollar (which made imports cheaper and U.S. exports more expensive). Notably, low energy prices resulted in capital spending on mines and wells to sharply contract in the third and fourth quarters of 2015. This caused a plunge in oil-sector earnings and contributed to a sizable drop in corporate economic profits (-22.3% in the fourth quarter). Nevertheless, IHS Markit expected that the industrial sector would improve in 2016 once businesses began to restock their inventories and energy sector capital spending rebounded. When combined with anticipated strength in consumer demand, IHS Markit expected that growth would accelerate over the course of 2016.

The January, 2016, IHS Markit forecast incorporated the following assumptions into its analysis: (a) that the average price of oil would decline from $54 per barrel in 2015 to $48 per barrel in 2016 before increasing to $58 per barrel in 2017; (b) that the Federal Reserve would increase its target for the federal funds rate at a steady, moderate pace until it reached 3.25% by the end of 2018; (c) the inflation-adjusted, trade-weighted value of the dollar would appreciate against the U.S.'s broad index of trading partners through the first half of 2016 up to 17.7% higher than its average value in the second half of 2014, and then begin a steady decline throughout the forecast period; (d) that the federal tax on high-premium insurance plans would be postponed until 2020; (e) that the accelerated depreciation allowances on equipment would be made permanent, rather than sunset after 2019; (f) that grants-in-aid to state and local government and local highway spending would increase more than previously forecast; and (g) that the federal gasoline tax would remain at the same level.

The national economy grew more slowly than forecast for 2016. Real growth in U.S. GDP is now estimated at 1.6%, which is 1.1% lower than previously estimated. GDP growth slowed in 2016 due to the continued drawdown of excessive business inventories, a continued decline in energy sector capital spending, and the continued combination of a strong dollar and weak global growth (which caused imports to grow faster than exports, thereby reducing GDP growth). Notably, manufacturing growth remained weak at 0.1% for the year.

The slow growth at the end of 2015 carried over into 2016, as real GDP grew by an estimated 0.8% in the first quarter. Despite ongoing growth in employment (1.9%) and income (1.3%), consumer spending was weaker than anticipated (1.6%), especially for automobile sales. The pace of real GDP growth increased in the second quarter to 1.4%, as personal incomes and consumer spending jumped 4.9% and 4.6%, respectively. However, excess private inventories were again a drag on GDP growth, reducing the rate of growth by an estimated 1.2 percentage points.

Real GDP growth increased sharply in the third quarter to 3.5%. Net exports contributed an estimated 0.9 percentage points of that growth, with a surge in soybean exports related to a bad harvest in South America accounting for all of the gain in exports (10.0%). Consumer spending remained strong (3.0%), especially for motor vehicle sales, which had recovered from a weak first quarter. The Dow Jones Industrial Average Index rallied to an all-time record high in July and continued to rise through the end of the year. Further, oil prices rebounded and as a result the downward trend in energy sector capital spending started to reverse course.

Real GDP growth slowed to 1.5% in the fourth quarter. Consumer spending continued to grow (2.5%) as real household net worth reached an all-time high. In addition, industrial production increased for the first time in over a year, with mining activities leading the way. However, growth was dampened by a substantial widening of the trade deficit due to downward pressure on exports from a strong dollar.

Overall, growth in consumer spending continued in 2016, with nominal (i.e., not adjusted for inflation) personal consumption expenditures (PCE) rising by 3.8%. Consumer spending was supported by low energy prices and growth in employment, real disposable income, and household net worth. Private non-farm payrolls grew slightly slower than the previous year at 1.9% in 2016, which is an average of nearly 200,000 jobs per month. Manufacturing employment lagged behind, however, shrinking by an estimated 0.3% in 2016.

Federal fiscal policy was mostly consistent with IHS Markit's assumptions last January, but Federal Reserve monetary policy was not. IHS Markit had estimated that the Federal Reserve would increase the federal funds rate to 1.5% by the end of 2016. However, due in part to low inflation and slower than predicted real GDP and employment growth in the first half of 2016, the Federal Reserve refrained from raising the federal funds rate until its December meeting. The Federal Reserve raised the federal funds rate by 25 basis points to a target range of 0.50% to 0.75%.

Oil prices declined and then sharply rose throughout the year as forecasted, but at prices lower than anticipated in the first three quarters. Brent spot prices bottomed out at $26.01 per barrel in mid-January with an average price of $33.70 per barrel over the first quarter. Average U.S. gasoline prices fell 28 cents to $1.96 per gallon. As prices remained low, the Baker Hughes count of rigs drilling for oil and natural gas fell to a historic 71-year low of 404 in May. However, oil prices rose throughout the remainder of the year, and the Baker Hughes count steadily increased to 658 rigs. In the fourth quarter, Brent spot prices increased significantly. As of January 9, 2017, the U.S. Energy Information Administration estimates that the U.S. average gasoline price had increased to $2.39 per gallon and the Brent spot price to $54.39 per barrel. A contributing factor in the rise was an agreement by the Organization of the Petroleum Exporting Countries (OPEC) and other major oil producing nations to cut supplies by 1.8 million barrels per day in the first six months of 2017.

National Economic Forecast

Under the January, 2017, forecast, IHS Markit predicts real GDP growth of 2.3% in 2017, 2.6% in 2018, and 2.3% in 2019. The main drivers of growth are expected to be consumer spending, business fixed investment, and residential investment. However, the trade deficit is forecast to increase due to an appreciating U.S. dollar and growing domestic demand for imports, thereby dampening real GDP growth.

The 2017 forecast is based on the following key assumptions. First, the forecast assumes that the new Trump administration and Congress will lower the average effective personal income tax rate from 21.0% to 19.5% and lower the statutory corporate tax rate from 35% to 20% (partially offset by reducing tax deductions and credits). Second, the forecast also assumes a $250 billion increase in federal infrastructure spending over the next ten years. Third, the 2017 forecast assumes that the Federal Reserve will increase the federal funds rate by 75 basis points in each of the next three years to 1.50% by the end of 2017, 2.25% by the end of 2018, and 3.00% by the end of 2019. Fourth, the Brent spot crude oil price is projected to average $54 per barrel in 2017 and $57 per barrel in 2018. Fifth, the inflation-adjusted, trade-weighted value of the dollar for the broad index of U.S. trading partners is expected to increase 3.3% between fourth-quarter 2016 and fourth-quarter 2017, where it will reach its peak value at 5.5% above the 2016 average, followed by a steady decline. Finally, real GDP growth of major and other important U.S. trading partners is assumed to average 1.7% annually and 3.5% annually, respectively.

The 2017 forecast is summarized in Table 2, which reflects IHS Markit's January, 2017, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

TABLE 2

Summary of National Economic Indicators
IHS Markit Baseline Forecast, January, 2017
($ in Billions)

	2016	2017	2018	2019
Nominal Gross Domestic Product	$18,564.5	$19,428.4	$20,365.3	$21,269.3
Percent Change	2.9%	4.7%	4.8%	4.4%
Real Gross Domestic Product	$16,656.1	$17,033.4	$17,482.8	$17,883.3
Percent Change	1.6%	2.3%	2.6%	2.3%
Consumer Prices (Percent Change)	1.3%	2.5%	2.1%	2.5%
Personal Income	$16,007.0	$16,736.0	$17,606.2	$18,533.9
Percent Change	3.5%	4.6%	5.2%	5.3%
Nominal Personal Consumption Expenditures	$12,751.5	$13,334.4	$13,985.5	$14,683.2
Percent Change	3.8%	4.6%	4.9%	5.0%
Economic Profits	$2,094.1	$2,261.6	$2,370.0	$2,377.6
Percent Change	0.3%	8.0%	4.8%	0.3%
Unemployment Rate	4.9%	4.6%	4.3%	4.1%
Total Nonfarm Payrolls (millions)	144.3	146.2	148.0	149.7
Percent Change	1.7%	1.3%	1.2%	1.2%
Light Vehicle Sales (millions)	17.41	17.38	17.57	17.56
Percent Change	0.0%	-0.1%	1.1%	0.0%
Sales of New and Existing Homes (millions)	6.006	6.109	6.083	6.201
Percent Change	4.7%	1.7%	-0.4%	1.9%
Housing Starts (millions)	1.162	1.223	1.320	1.387
Percent Change	4.8%	5.2%	8.0%	5.1%

Consumer Prices. The consumer price index (CPI) increased by 1.3% in 2016. IHS Markit expects the CPI to increase by 2.5% in 2017, 2.1% in 2018, and 2.5% in 2019. Although a strong dollar is expected to depress the price of imports, the CPI is nevertheless expected to slightly increase due to higher oil prices and wage inflation from a tighter labor market. Overall, the rate of core (excluding food and energy) inflation, which was 2.2% in 2016, is forecast to remain steady at 2.2% in 2017, 2.1% in 2018, and 2.2% in 2019. Food prices, which grew only by 0.3% in 2016, are expected to increase by 1.2% in 2017, 2.4% in 2018, and 3.0% in 2019. Energy prices, which fell by 6.3% in 2016, are expected to grow by 8.1% in 2017, 1.3% in 2018, and 4.0% in 2019.

Monetary Policy. The Federal Reserve raised its target range for the federal funds rate to

0.50% to 0.75% in its December meeting, and projected three 0.25 percentage point increases in each of the next three years to an upper bound of 3.00% in 2019. IHS Markit also projects the same rate increases, as it anticipates that the PCE deflator, the Federal Reserve's favored inflation indicator, would not rise to the Fed's growth target of 2.0% until 2019.

Fiscal policy, growth in prices and wages, and higher demand for loans are projected to lead to higher interest rates. In 2016, the yield on the 10-year U.S. Treasury note averaged 1.84% and the rate for a 30-year conventional fixed-rate mortgage averaged 3.62%. IHS Markit expects that average annual yields on the 10-year U.S. Treasury note will increase significantly to 2.69% in 2017, 3.16% in 2018, and 3.84% in 2019. IHS Markit also expects the average annual interest rate on 30-year conventional fixed-rate mortgages to increase to 4.26% in 2017, 5.05% in 2018, and 5.80% in 2019.

Personal Income. Personal income grew by an estimated 3.5% in 2016 and average hourly earnings rose by 2.9%. IHS Markit forecasts personal income growth to accelerate to 4.6% in 2017, 5.2% in 2018, and 5.3% in 2019. Employment gains and wage increases are expected to drive income growth, with wage gains continuing to outpace inflation. Federal tax cuts assumed to be implemented in 2017 are also projected to increase incomes. Real household net worth, supported by rising incomes and real estate prices, grew by 4.3% in 2016. Growth is forecast to slow down to 3.0% in 2017, 2.6% in 2018, and 2.1% in 2019.

Personal Consumption. As noted, nominal PCE grew by an estimated 3.8% in 2016. IHS Markit forecasts that nominal PCE will grow by 4.6% in 2017, 4.9% in 2018, and 5.0% in 2019, supported by employment growth and wage gains. Further, the forecast expects sizable increases in household spending on natural gas, electricity, and heating oil in the first quarter of 2017. Growth is expected to ramp up in 2018 due to federal fiscal policy, including tax cuts and increased spending on infrastructure, and due to a jump in growth in real disposable income (2.7% in 2017, 4.1% in 2018, and 3.0% in 2019).

Sales of consumer items generally subject to the state sales tax (such as most durable goods, clothing, restaurant meals and accommodations, and certain taxable services) grew by an estimated 3.6% in 2016, while sales of nontaxable items (such as food for home consumption, gasoline, certain medical equipment and products, and most services) grew 3.9%. Based upon the IHS Markit baseline forecast, consumption of taxable items is estimated to grow by 3.6% in 2017, 5.1% in 2018 and 4.9% in 2019. Sales of nontaxable items are estimated to grow by 5.0% in 2017, 4.8% in 2018, and 5.1% in 2019.

Corporate Profits. After falling by 5.5% in 2015, before-tax profits grew by 3.0% in 2016. IHS Markit forecasts that before-tax profits will pick up to 8.2% growth in 2017. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost and thus are not affected by federal tax laws, fell by 3.0% in 2015, grew by only 0.3% in 2016, and are forecast to jump 8.0% in 2017. The forecasted growth in 2017 and 2018 reflects IHS Markit's assumption that the statutory federal corporate tax rate will decrease in late 2017 from 35% to 20%, with many but not all tax preferences and "loopholes" being removed. This may lead to repatriation of corporate profits earned in foreign markets. Corporate profits are also estimated to increase due to recovery in the energy sector as oil prices rebound. Before-tax profits are expected to grow 3.4% in 2018 and 0.5% in 2019. Likewise, economic profits are expected to grow 4.8% in 2018 and 0.3% in 2019.

Employment. Total nonfarm payrolls rose slightly more than projected at an estimated 2.5 million new jobs in 2016, decelerating from a gain of 2.9 million in 2015. The biggest increases were in health care and professional business services. By contrast, manufacturing employment decreased by 0.26% for the first time since 2010 and the mining sector saw by far the largest job losses (-15.5%). Overall, the unemployment rate improved from 5.3% in 2015 to 4.9% in 2016. Notably, the labor force participation rate grew by 0.2% to 61.4% in 2016 for the first time since 2006.

IHS Markit forecasts that real GDP growth will lead to steady improvement in the unemployment rate to 4.6% in 2017, 4.3% in 2018, and 4.1% in 2019. IHS Markit anticipates that stimulative fiscal policy will boost job gains in 2018, which would otherwise have been forecast to decelerate. Total nonfarm payrolls are expected to continue to increase, albeit at a slower pace, by 1.9 million in 2017, 1.8 million in 2018, and 1.7 million in 2019. IHS Markit also forecasts that the labor force participation rate will continue to increase to 61.7% by the end of 2019. The largest job gains are forecast for health care and professional business services. Manufacturing employment is expecting to grow by 0.2% in 2017, 0.9% in 2018, and 1.6% in 2019.

Housing. Overall home prices have rebounded since the recession and now exceed their precession peak. In 2016, average prices of existing homes increased by 3.6% and average prices of new homes grew by 3.4%. Although housing starts (1.16 million) grew by 4.8%, sales of new homes (0.56 million) grew by 12.6%, and sales of existing homes (5.44 million) grew by 4.0% in 2016, they still have not reached their pre-recessionary peaks of 2005 (2.07 million, 1.28 million, and 7.08 million units respectively).

IHS Markit expects the housing market to continue to recover, supported by growth in employment and real incomes. Mortgage rates, although expected to rise, are forecast to remain relatively low. Sales of new homes are forecast to increase by 15.3% in 2017, 9.7% in 2018, and 3.7% in 2019. Existing home sales are forecast to remain steady, increasing by 0.3% in 2017, decreasing by 1.6% in 2018, and increasing by 1.7% in 2019. IHS Markit expects that rising prices, low inventories of unsold homes, and low rental vacancy rates will induce builders to accelerate construction activity in both 2017 and 2018, with multifamily structures accounting for approximately one-third of housing starts. Housing starts are expected to increase to 1.2 million in 2017, 1.3 million in 2018, and 1.4 million in 2019.

The forecast assumes that federal policy changes will leave the income tax deduction for mortgage interest payments and the standard deduction unchanged. Alterations to these deductions could negatively impact the housing sector (increasing the standard deduction would reduce the number of homeowners who would benefit by itemizing their deductions for mortgage interest payments).

Business Investment. Real investment in nonresidential structures declined by 2.8% in 2016, primarily due to a drastic drop of investment in mining and petroleum structures (-43.9%) in response to low energy prices. After falling to a 71-year low in May, 2016, the Baker Hughes rig count has steadily increased along with the recovery in oil prices. IHS Markit forecasts that the rebound in oil prices will support investment growth in mining and petroleum structures (growing 42.4% in 2017 and by 12.8% in 2018). As a result, overall investment in nonresidential structures is forecast to grow 6.6% in 2017, 3.3% in 2018, and 1.7% in 2019.

Real spending on equipment dropped 2.5% in 2016, dragged down by weak domestic and export demand, a strong dollar, and a correction in excess inventories. In the third quarter of 2016, investment in equipment is estimated to have decreased four quarters in a row, the first time this has occurred since at least 1947 (when quarterly record keeping began). However, equipment spending is estimated to have picked up in the fourth quarter of 2016 (9.0%), supported by solid gains in aircraft, computers, and light vehicles. This growth is forecast to carry over into 2017 (4.0%), 2018 (5.7%), and 2019 (5.2%), as foreign and domestic demand picks up and the drag from excessive inventories resolves itself.

Intellectual property investment for software, another indicator of business investment, grew by an estimated 4.9% in 2016, and is forecast to grow at a slower rate of 4.2% in 2017, 3.8% in 2018, and 3.7% in 2019.

International Trade. Real net exports were -$556.6 billion in 2016, representing an increase in the trade deficit of $16.6 billion. Real exports increased by 0.4%, whereas real imports increased by 0.9%. IHS Markit forecasts that the trade deficit will continue to widen and remain a drag on growth, with real net exports decreasing by 13.9% in 2017, 20.5% in 2018, and 11.1% in 2019.

A key factor in the trade imbalance is that the value of the dollar is expected to rise throughout 2017, bolstered by stronger domestic growth and interest rate increases, and then decline relative to U.S. trade partners in 2018 and 2019 as growth rates and interest rates rise in foreign markets. Another factor is that nominal oil imports are forecast to grow (17.4% in 2017, 6.0% in 2018, and 10.6% in 2019) as oil prices recover from their 2016 lows. The result is increasing trade deficits due to real import growth (4.4% in 2017, 6.4% in 2018, and 5.1% in 2019) outstripping export growth (1.9% in 2017, 2.3% in 2018, and 3.1% in 2019).

IHS Markit's baseline forecast does not incorporate proposed trade and immigration policies by the Trump administration. A trade war could potentially cut into long-term growth, but the short-term effects are unclear.

Alternative Scenarios. IHS Markit's 2017 forecast also includes an optimistic scenario and a pessimistic scenario. Under the pessimistic scenario, the January, 2017, forecast assigns a 20% probability of a two-quarter economic contraction in the first half of 2018 due to strained trade relations with China and Mexico. U.S. exports decline more than imports, and economic conditions worsen across the world. The U.S. dollar increases in value, further undermining export competitiveness. U.S. businesses react by postponing capital investments. The stock market declines markedly, along with consumer confidence. Meanwhile, productivity continues to decline, and thus modest demand-side growth causes inflationary pressure. OPEC oil production cuts (which are not offset by increased domestic production) and inflation prompts the Federal Reserve to raise interest rates, further constricting growth. Under this scenario, disagreements between the new Trump administration and Congress, as well as a federal government hiring freeze, prevent stimulus spending. As a result, consumer and business confidence deteriorates, leading to declines in business investment, meager growth in consumer spending, and a fall in housing starts. Real GDP growth is estimated at 1.3% in 2017, -1.1% in 2018, and 1.9% in 2019. These growth rates are lower than the baseline forecast by 1.0% in 2017, 3.7% in 2018, and 0.4% in 2019.

Under the optimistic scenario, the January, 2017, forecast assigns a 15% probability of higher real GDP growth than the baseline forecast (0.5% higher in 2017, 0.8% higher in 2018, and 1.1% higher in 2019). On the supply side under this scenario, Trump administration policies boost the economy by rolling back regulations and lowering corporate income taxes, which result in increased capital spending. Stronger business fixed investment and technological advances enhance productivity. The stock market sees strong growth as consumer and business confidence improve. The Federal Reserve takes a cautious approach to raising interest rates, with two rate increases instead of three in 2017. On the demand side, stronger consumer spending and gains in the housing sector are supported by income growth as well as low inflation, interest rates, and oil prices. Additionally, Congress decreases income taxes even lower than forecast, further supporting income and spending. Finally, global growth increases moderately in 2017 and 2018. This relieves pressure on net exports by leading the dollar to decline (which increases above the baseline only in 2019). As a result, real GDP increases by 2.8% in 2017, 3.4% in 2018, and 3.4% in 2019.

General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2016-17 and each year of the 2017-19 biennium. Over the three-year period, these estimates are $454.6 million (0.95%) higher than the projections released by the Department of Revenue (DOR) last November. By year, the new estimates are higher than DOR's projections by $63.4 million in 2016-17, $145.3 million in 2017-18, and $245.9 million in 2018-19. The estimates for all three of the state's major tax sources (the individual income tax, general sales and use tax, and corporate income and franchise tax) are greater than DOR's estimates in each year. The new estimates are based on the most recent national economic forecast and tax collections data, both of which are generally stronger than in November. The estimates also incorporate all law changes enacted to date.

TABLE 3

Projected General Fund Tax Collections
(Millions)

	2015-17 Biennium		2017-19 Biennium	
	2015-16 Actual	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Individual Income	$7,740.8	$8,050.0	$8,360.0	$8,710.0
Sales and Use	5,065.8	5,215.0	5,370.0	5,580.0
Corporate Income & Franchise	963.0	900.0	940.0	950.0
Public Utility	360.6	359.7	373.5	378.2
Excise				
Cigarettes	573.4	565.0	565.0	561.0
Tobacco Products	76.1	82.0	85.0	88.0
Liquor and Wine	50.0	51.0	52.0	53.0
Beer	9.0	8.9	8.9	8.8
Insurance Company	177.3	187.0	192.0	197.0
Miscellaneous Taxes	81.4	85.0	87.0	90.0
Total	$15,097.5	$15,503.6	$16,033.4	$16,616.0
Change from Prior Year		$406.1	$529.8	$582.6
Percent Change		2.7%	3.4%	3.6%

Individual Income Tax. Individual income tax revenues are estimated to total $8,050.0 million in 2016-17, which represents a 4.0% increase relative to income tax collections in 2015-16 of $7,740.8 million. Individual income tax revenues are estimated at $8,360.0 million in 2017-18 and $8,710.0 million in 2018-19. These amounts represent increases of 3.9% in the first year and 4.2% in the second year.

The January, 2017, IHS Markit forecast projects national personal income growth of 3.5% in 2016, 4.6% in 2017, 5.2% in 2018, and 5.3% in 2019. However, personal income includes both taxable components, such as wage and salary disbursements, and nontaxable components, such as employer contributions for employee fringe benefits and government transfer payments to individuals. The taxable components of personal income are estimated to increase by 3.5% in 2016, 4.9% in 2017, 5.4% in 2018, and 5.4% in 2019. Personal income, as measured by the U.S. Bureau of Economic Analysis, does not include income from capital gains realizations, which are subject to state and federal taxation.

Although individual income tax collections are currently 4.6% above 2015-16 collections on a year-to-date basis, collections are estimated to increase 3.5% in the rest of 2016-17 and end the year 4.0% higher than 2015-16. A lower growth rate in the second half of 2016-17 reflects some taxpayers accelerating estimated payments in December, 2016, as opposed to January, 2017, and an increase in refunds in the Spring months due to law changes. The law changes include increasing the standard deduction for married filers, federalizing exemption amounts under the alternative minimum tax, the final year phase-in of the manufacturing and agriculture credit, and the capital gains exclusion for Wisconsin assets. The capital gains provision was enacted as part of 2011 Wisconsin Act 32, but its initial impact will occur in tax year 2016 due to a five-year holding period requirement. Law changes will also affect future collections as their impact, relative to 2015-16, is expected to grow from -\$77.7 million in 2016-17 to -\$123.6 million in 2017-18 and -\$150.7 million in 2018-19. Otherwise, individual income tax collections are expected to increase over the coming biennium, reflecting the continuation of the national recovery from the 2008-2009 economic downturn.

General Sales and Use Tax. State sales and use tax revenues totaled \$5,065.8 million in 2015-16, and are estimated at \$5,215.0 million for 2016-17. The estimate represents an increase of 2.9% growth over the prior year. Sales tax revenues in the next biennium are estimated at \$5,370.0 in 2017-18 and \$5,580.0 in 2018-19, reflecting growth of 3.0% and 3.9% respectively.

Sales tax collections through December, 2016, (including an anticipated transfer of \$10.0 million from the Department of Transportation for collections related to sales of motor vehicles) are 2.8% higher than the same period in 2015. Accounting for changes in law which reduced collections, year-to-date growth is the approximately equal to 3.0%. Growth is projected to remain at 3.0% for the remainder of the 2016-17 fiscal year.

Corporate Income/Franchise Tax. Corporate income/franchise taxes are estimated to decrease from \$963.0 million in 2015-16 to \$900.0 million in 2016-17. Corporate income/franchise tax revenues are forecast to increase to \$940.0 million in 2017-18 and \$950.0 million in 2018-19. This represents a decrease in revenues of 6.5% in 2016-17, followed by increases of 4.4% in 2017-18 and 1.1% in 2018-19.

The estimate for 2016-17 reflects a 13.9% reduction from our office's January, 2016, estimate of \$1,045.0 million. The revision is based primarily on weak year-to-date corporate income/franchise collections. Through December, 2016, collections were 20.9% lower when compared to the same period in 2015-16. However, collections this year have been affected by certain large one-time refund payments. According to IHS Markit, growth in both economic profits and adjusted before-tax book profits are expected to be higher over the remainder of the state fiscal year as compared to the six-month year-to-date collection period. Similarly, IHS Markit's national measure for state and local income taxes is expected to reverse from a small year-to-date contraction to moderate growth over the next two quarters. Projected corporate income/franchise tax revenues for 2017-18 and 2018-19 reflect the forecast for adjusted before-tax book profits through the remainder of the forecast period, as well certain state tax law changes that are anticipated to have an impact on future corporate income/franchise tax revenues.

Public Utility Taxes. Public utility taxes are estimated at \$359.7 million in 2016-17, \$373.5 million in 2017-18, and \$378.2 million in 2018-19. On a year-to-year basis, these estimates represent a decrease of 0.2% in 2016-17, and increases of 3.8% in 2017-18 and 1.3% in 2018-19. The gross revenues tax group comprises almost 70% of estimated collections, and gross revenues taxes are estimated to increase 0.3% in 2016-17, 5.9% in 2017-18, and 1.7% in 2018-19. Private light, heat, and power companies are the largest taxpayer group among gross revenues taxpayers, and collections from these companies are estimated to increase 0.7% in 2016-17, 6.2% in 2017-18, and 1.6% in 2018-19. This pattern is influenced by a mild winter and low natural gas prices in 2016 and a return to more normal weather patterns and some "bounce-back" in natural gas prices beginning in 2017. Companies subject to a state ad valorem tax comprise the other group of taxpayers with public utility tax liabilities. Collections from these taxpayers are estimated to decrease 1.2% in 2016-17, and 0.4% in 2017-18, but then increase by 0.4% in 2018-19. The decreases result from falling ad valorem tax rates and the loss of tax base due to depreciation and obsolescence. The largest decreases are expected among telephone companies, while modest tax increases due to new construction are expected for pipeline companies. These companies comprise the two largest ad valorem taxpayer groups.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), tobacco products, and beer. In 2015-16, excise tax collections totaled $708.5 million. Of this amount, $573.4 million (approximately 80.9%) was from the excise tax on cigarettes. Excise tax revenues are estimated at $706.9 million in 2016-17, which represents reduced revenues of 0.2%. The estimated reduction in excise tax revenues is primarily from a decline through December, 2016, in year-to-year cigarette tax collections, which are currently 1.7% lower than collections over the same period in 2015. Excise tax revenues over the next biennium are estimated at $710.9 in 2017-18 and $710.8 in 2018-19.

Insurance Premiums Taxes. Insurance premiums taxes are projected to increase from $177.3 million in 2015-16 to $187.0 million in 2016-17, $192.0 million in 2017-18, and $197.0 million in 2018-19. The estimate for 2016-17 is based, in part, on year-to-date insurance premiums tax collection growth of 5.7%, whereas the estimates for 2017-18 and 2018-19 reflect historic growth trends. The estimates reflect annual growth in insurance premiums taxes of 5.5% in 2016-17, 2.7% in 2017-18, and 2.6% in 2018-19.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were $81.4 million in 2015-16, of which 80.0% was generated through the real estate transfer fee. Based on the economic forecast for the housing sector, as well as collections through December, 2016, miscellaneous taxes are projected to increase to $85.0 million in 2016-17, which represents a 4.4% increase from 2015-16 collections. Miscellaneous taxes are estimated to increase to $87.0 million in 2017-18 and $90.0 million in 2018-19, primarily due to an anticipated continuation of the housing recovery.

This office will continue to monitor state revenues and expenditures and new economic forecasts, and notify you and your colleagues of any further adjustments 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 15, 2017

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. Refunding Bonds of 2017, Series 2	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	$ 2,552,521,100	$ 1,985,527,903	$ 13,072,507	$ 49,968,641		$ 503,952,049
University of Wisconsin; self-amortizing facilities	2,740,855,400	2,142,341,091	2,911,822	45,685,376		549,917,111
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,046,250,000	816,321,363	405,319	20,854,343		208,668,975
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	646,283,200	635,099,039		3,863,851		7,320,310
Safe drinking water loan program	71,400,000	62,756,134		1,577,402		7,066,464
Natural resources; nonpoint source grants	94,310,400	93,954,036	190,043	165,649		672
Natural resources; nonpoint source	44,050,000	29,099,339	1,454	2,509,913		12,439,294
Natural resources; environmental repair	57,000,000	49,067,613	203,594	272,036		7,456,757
Natural resources; urban nonpoint source cost-sharing	53,600,000	41,295,076	30,671	1,449,756		10,824,497
Natural resources; contaminated sediment removal	32,000,000	24,440,990		1,200,789		6,358,221
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	108,171,100	82,716,871	93,544	2,885,209		22,475,476

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 15, 2017

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. Refunding Bonds of 2017, Series 2	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities	$ 16,514,100	$ 11,316,351	$ 21,753	$ 8,876		$ 5,167,120
Natural resources; ice age trail	750,000	750,000				
Natural resources; dam safety projects	25,500,000	15,447,296	49,701	1,059,219		8,943,784
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	212,755,464		31,950,279		294,257
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	1,169,341,096	3,018,078	93,666,306		62,524,520
Transportation; state highway rehabilitation projects, southeast megaprojects	820,063,700	781,564,566	1,182,897	37,271,932		44,305
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	213,391,119		38,132,840		98,476,041
Transportation; southeast Wisconsin freeway megaprojects subject to contingency	252,400,000					252,400,000
Transportation; harbor improvements	120,000,000	85,336,196	234,581	4,158,620		30,270,603
Transportation; rail acquisitions and improvements	250,300,000	159,750,492	5,187	13,333,066		77,211,255
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000				
Corrections; correctional facilities	926,679,900	824,473,616	11,467,562	2,961,011		87,777,711

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 15, 2017

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. Refunding Bonds of 2017, Series 2	Total Authorized Unissued Debt
Corrections; self-amortizing facilities and equipment	$ 2,116,300	$ 2,115,438	$ 99			$ 763
Corrections; juvenile correctional facilities	28,652,200	28,538,452	108,861	$ 988		3,899
Health services; mental health and secure treatment facilities	208,646,200	168,080,118	895,124	1,321,315		38,349,643
Agriculture; soil and water	68,075,000	54,308,542	3,025	2,127,866		11,635,567
Agriculture; conservation reserve enhancement	28,000,000	15,798,071		472,719		11,729,210
Administration; Black Point Estate	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund	220,000,000	153,485,507		9,506,119		57,008,374
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				(100)
Building commission; refunding self-amortizing general obligation debt	272,863,033	272,863,033				(0)
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	6,785,000,000	4,594,193,916			$ 382,680,000	1,808,126,084
Building commission; housing state departments and agencies	917,767,100	581,362,582	2,356,097	12,821,800		321,226,621
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			
Building commission; project contingencies	47,961,200	46,859,954	64,761	99,541		936,944
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	2,677,933,400	2,298,999,503	8,728,268	47,967,853		322,237,776

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 15, 2017

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. Refunding Bonds of 2017, Series 2	Total Authorized Unissued Debt
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
Dane County; livestock facilities……………….	9,000,000	7,577,838		1,422,134		28
K I Convention Center…………………………	2,000,000	1,724,808		274,471		721
HR Academy, Inc.……………………………..	1,500,000	1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator………………..………….	35,000,000	33,811,576		910,204		278,220
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	8,865,593		1,494,157		265,250
Marquette University; dental clinic and education facility…………….	25,000,000	23,492,522	$ 818	995,594		511,066
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	3,253,490		478,630		1,267,880
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		83,327		343
Carroll University……………………………	3,000,000	1,882,066		325,218		792,716
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………………	76,911,300	71,480,216	431,066			5,000,018
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
LaCrosse Center………………………………	5,000,000					5,000,000
St. Ann Center for Intergenerational Care, Inc., Bucyrus Campus…………………………	5,000,000					5,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
SEPTEMBER 15, 2017

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. Refunding Bonds of 2017, Series 2	Total Authorized Unissued Debt
Brown County innovation center……………….	$ 5,000,000					$ 5,000,000
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			(3,753)
Historical society; historic records...........................………………	26,650,000	15,356,473		2,319,853		8,973,674
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	6,425,443		1,081,207		8,493,350
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....……………….	56,490,800	37,825,440	195,308	1,465,168		17,004,884
Veterans affairs; veterans facilities..........………………………	15,018,700	9,405,485	50,593			5,562,621
Veterans affairs; self-amortizing mortgage loans....……………….	2,127,540,000	2,122,542,395				4,997,605
Veterans affairs; refunding bonds..........................………………	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities………………………..	77,995,100	26,282,457	1,613	979,837		50,731,193
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
Total...…………….	$ 33,146,731,788	$ 27,267,074,545	$ 73,888,124	$449,116,284	$ 382,680,000	$ 4,973,972,835

[(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.

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Appendix C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

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

$382,680,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2017, SERIES 2

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $382,680,000 General Obligation Refunding Bonds of 2017, Series 2, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on August 9, 2017 (**Resolution**).

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

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

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

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated October 24, 2017 or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

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

Very truly yours,

FOLEY & LARDNER LLP

Appendix D
ADVANCE REFUNDED BONDS

Series	Dated Date		Principal Amount	Interest Rate	Maturity	CUSIP[a]	Redemption Date	Redemption Price
Crossover Refunded Bonds								
2009 Series B	6/18/2009	$	5,710,000	5.15	5/1/2023	97705L WD5	5/1/2019	100%
(Taxable)			5,995,000	5.20	5/1/2024	97705L WE3	5/1/2019	100
			6,295,000	5.25	5/1/2025	97705L WF0	5/1/2019	100
			6,610,000	5.30	5/1/2026	97705L WG8	5/1/2019	100
			21,885,000 [b]	5.40	5/1/2030[b]	97705L WH6	5/1/2019	100
2009 Series D	9/3/2009	$	18,340,000	4.90	5/1/2023	97705L WK9	5/1/2020	100%
(Taxable)			19,395,000	5.00	5/1/2024	97705L WL7	5/1/2020	100
			20,515,000	5.10	5/1/2025	97705L WM5	5/1/2020	100
			21,860,000	5.20	5/1/2026	97705L WN3	5/1/2020	100
			23,300,000	5.30	5/1/2027	97705L WP8	5/1/2020	100
			24,825,000	5.40	5/1/2028	97705L WQ6	5/1/2020	100
2010 Series B	4/7/2010	$	12,475,000	4.55%	5/1/2021	97705L ZF7	5/1/2020	100%
(Taxable)			13,100,000	4.65	5/1/2022	97705L ZG5	5/1/2020	100
			13,755,000	4.85	5/1/2023	97705L ZH3	5/1/2020	100
			14,440,000	5.00	5/1/2024	97705L ZJ9	5/1/2020	100
			15,160,000	5.20	5/1/2025	97705L ZK6	5/1/2020	100
			15,920,000	5.35	5/1/2026	97705L ZL4	5/1/2020	100
			16,715,000	5.35	5/1/2027	97705L ZM2	5/1/2020	100
			17,550,000	5.45	5/1/2028	97705L ZN0	5/1/2020	100
		$	293,845,000					
Economically Defeased Bonds								
2009 Series A	6/18/2009	$	4,475,000	5.00%	5/1/2018	97705L VY0	N/A	N/A
			4,700,000	5.00	5/1/2019	97705L VZ7	N/A	N/A
2010 Series A	4/7/2010	$	5,900,000 [c]	4.00%	5/1/2018[c]	97705M GX7	N/A	N/A
			6,295,000 [c]	4.00%	5/1/2019[c]	97705L ZD2	N/A	N/A
2011 Series A	2/2/2011	$	5,520,000 [c]	5.00%	5/1/2020[c]	97705L C39	N/A	N/A
2012 Series 1	3/20/2012	$	6,405,000 [c]	5.00%	5/1/2020[c]	97705L T23	N/A	N/A
2013 Series A	5/9/2013	$	20,600,000	4.00%	5/1/2027	97705L 2H9	5/1/2022	100%
2014 Series A	2/13/2014	$	12,025,000	5.00%	5/1/2023	97705L 4J3	5/1/2022	100%
2015 Series A	2/19/2015	$	18,225,000	5.00%	5/1/2024	97705L 7X9	5/1/2023	100%
			19,295,000	5.00	5/1/2025	97705L 7Y7	5/1/2023	100
			15,695,000	5.00	5/1/2026	97705L 7Z4	5/1/2023	100
			16,555,000	5.00	5/1/2027	97705L 8A8	5/1/2023	100
		$	135,690,000					

[a] The CUSIP number for each Advance Refunded Bond has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers.

[b] This is a partial redemption of a term bond maturing May 1, 2030, and the principal amount being advanced refunded will be applied against the May 1, 2027, 2028, and 2029 mandatory sinking fund redemption payments. The CUSIP number shown is the CUSIP number currently assigned to the entire maturity

[c] Reflects only a portion of the total amount of the bonds maturing on the respective maturity date. The CUSIP number shown is the CUSIP number currently assigned to the entire maturity or the portion of the maturity that has not previously been refunded.

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