

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.

\$220,640,000

**STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2019, SERIES A**

Dated: Date of Delivery

Due: May 1, as shown below

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 individuals— <i>See pages 7-8.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 8.</i>
Redemption	The Bonds maturing on or after May 1, 2027 are callable at par on May 1, 2026 or any date thereafter— <i>See page 2.</i>
Security Purpose	General obligations of the State of Wisconsin— <i>See page 2.</i> Bond proceeds are being used for various general governmental purposes— <i>See page 3.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2019
Denominations	Multiples of \$5,000
Closing/Settlement	On or about August 7, 2019
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— <i>See pages 3-4.</i>
2018 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2018.

The Bonds were sold at competitive sale on July 16, 2019. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	First Optional	Call Price
				Call Date (May 1)	
97705M MQ5	2021	\$ 8,345,000	5.00%	Not Callable	-
97705M MR3	2022	8,365,000	5.00	Not Callable	-
97705M MS1	2023	8,515,000	5.00	Not Callable	-
97705M MT9	2024	8,700,000	5.00	Not Callable	-
97705M MU6	2025	8,950,000	5.00	Not Callable	-
97705M MV4	2026	9,200,000	5.00	Not Callable	-
97705M MW2	2027	10,235,000	4.00	2026	100%
97705M MX0	2028	10,800,000	4.00	2026	100
97705M MY8	2029	11,405,000	4.00	2026	100
97705M MZ5	2030	11,340,000	5.00	2026	100
97705M NA9	2031	9,450,000	5.00	2026	100
97705M NB7	2032	9,950,000	5.00	2026	100
97705M NC5	2033	10,475,000	5.00	2026	100
97705M ND3	2034	11,020,000	5.00	2026	100
97705M NE1	2035	11,600,000	5.00	2026	100
97705M NF8	2036	12,195,000	5.00	2026	100
97705M NG6	2037	12,825,000	5.00	2026	100
97705M NH4	2038	13,480,000	5.00	2026	100
97705M NJ0	2039	14,170,000	5.00	2026	100
97705M NK7	2040	19,620,000	5.00	2026	100

Purchase Price: \$259,487,346.06

July 16, 2019

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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. 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.

The Bonds will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Official Statement.

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members

	Term of Office Expires
Governor Tony Evers, Chairperson	January 9, 2023
Representative Rob Swearingen, Vice Chairperson	January 4, 2021
Senator Jerry Petrowski	January 4, 2021
Senator Janis Ringhand	January 4, 2021
Senator Patrick Testin	January 4, 2021
Representative Mark Born	January 4, 2021
Representative Jill Billings	January 4, 2021
Ms. Summer Strand, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

Mr. Kevin Trinastic, State Ranking Architect Department of Administration	_____
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Building Commission Secretary

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

Mr. Joshua L. Kaul State Attorney General	January 9, 2023
Mr. Joel T. Brennan, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, FLR 10
Madison, WI 53707-7864
Telefax (608) 266-7645
DOACapitalFinanceOffice@wisconsin.gov

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

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

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

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 2019, Series A
Principal Amount:	\$220,640,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about August 7, 2019)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2019
Maturities:	May 1, 2021-2040— <i>See front cover.</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2027 are callable at par on May 1, 2026 or any date thereafter— <i>See page 2.</i>
Form:	Book-entry-only— <i>See pages 3-4.</i>
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of June 15, 2019, general obligations of the State were outstanding in the principal amount of \$7,171,465,957.
Additional General Obligation Debt:	The State may issue additional general obligation debt — <i>See pages 4-5.</i>
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals— <i>See pages 7-8.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 8.</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1.</i>
2018 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2018.

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OFFICIAL STATEMENT
\$220,640,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2019, SERIES A
INTRODUCTION

This Official Statement provides information about the \$220,640,000 General Obligation Bonds of 2019, Series A (**Bonds**), which are being issued by the State of Wisconsin (**State**). This Official Statement incorporates by reference, and makes updates and additions to, **Parts II and III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2018 (**2018 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to an authorizing resolution that the State of Wisconsin Building Commission (**Commission**) adopted on May 9, 2019.

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 2018 Annual Report. **APPENDIX A** also makes updates and additions to Parts II and III of the 2018 Annual Report, including but not limited to:

- Estimated General Fund condition statement for the 2018-19 fiscal year and estimated General Fund tax collections for the 2018-19, 2019-20, and 2020-21 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on May 15, 2019 (**May 2019 LFB Report**).
- Estimated General Fund condition statement for the 2018-19 fiscal year and estimated General Fund tax collections for the 2018-19, 2019-20, and 2020-21 fiscal years, as included in a report provided by LFB on January 30, 2019 (**January 2019 LFB Report**).
- General Fund information for the 2018-19 fiscal year through May 31, 2019, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2018-19 fiscal year and the 2019-20 fiscal year, which is presented on a cash basis.
- Information about the budget for the 2019-21 biennium, including the enacted biennial budget bill (2019 Wisconsin Act 9).

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

Contact: State of Wisconsin Capital Finance Office
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: doa.wi.gov/capitalfinance

THE BONDS

General

The **front cover of this Official Statement** sets forth the maturity dates, principal amounts, interest rates, and redemption provisions 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 The Depository Trust Company, New York, New York (DTC), as the securities depository for the Bonds. See **“THE BONDS; Book-Entry-Only Form”**.

The Bonds will be dated their date of delivery (expected to be August 7, 2019) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on November 1, 2019.

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 May 1, 2027 may be redeemed on May 1, 2026 or any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem the Bonds, and the Capital Finance Director of the State may direct the amounts and maturities of any Bonds to be redeemed.

Selection of Bonds

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

Notice of Redemption

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

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

Registration and Payment of Bonds

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

Ratings

The following ratings have been assigned to the Bonds:

<u>Rating</u>	<u>Rating Organization</u>
AA+	Kroll Bond Rating Agency, Inc. ⁽¹⁾
Aa1	Moody's Investors Service, Inc.
AA	S&P Global Ratings

⁽¹⁾ On July 12, 2019, Kroll Bond Rating Agency, Inc. changed the rating outlook to positive from stable.

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.

Application of Bond Proceeds

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

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

Book-Entry-Only Form

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

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

Payment

The State will make all payments of principal of, and interest 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 from the descriptions above.

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

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

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is \$4,121,495,186, and the cumulative debt limit is \$27,476,634,575. Funding or refunding obligations are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of June 15, 2019, general obligations of the State were outstanding in the principal amount of \$7,171,465,957. 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 2019

General Obligations

The Bonds will be the second series of general obligations to be issued in this calendar year. The State has previously issued one series of general obligation variable rate demand obligation notes in this calendar year in the principal amount of \$54 million for general governmental purposes.

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

- Up to \$495 million of 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 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, extendible municipal commercial paper notes, and variable rate demand obligation notes, which were outstanding in the amount of \$375 million as of June 15, 2019. 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 one series of transportation revenue obligations in calendar year 2019 in the principal amount of \$155 million for funding outstanding commercial paper notes and financing certain State transportation facilities and highway projects. The Commission has authorized up to \$300 million of transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

The State has issued one series of general fund annual appropriation refunding bonds in this calendar year in the principal amount of \$360 million for the refunding of outstanding general fund annual appropriation bonds. The State may sell and issue additional general fund annual appropriation refunding bonds in this calendar year. The amount and timing of any additional issuances of general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State may sell and issue master lease certificates of participation in this calendar year. 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 any environmental improvement fund revenue bonds in this calendar year or to issue operating notes for the 2019-20 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on July 16, 2019 by the following account (**Underwriters**): J.P. Morgan Securities LLC (book-running manager); Academy Securities, Inc.; Estrada Hinojosa & Company; and UMB Bank, N.A.

The Underwriters paid \$259,487,346.06, and their bid resulted in a true-interest-cost rate to the State of 3.097461%.

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.

\$220,640,000
State of Wisconsin
General Obligation Bonds of 2019, Series A

Dated Date: Date of Delivery

First Interest Date: November 1, 2019

Delivery/Settlement Date: On or about August 7, 2019

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705M MQ5	2021	\$ 8,345,000	5.00%	1.15%	106.586%	Not Callable	-
97705M MR3	2022	8,365,000	5.00	1.17	110.271	Not Callable	-
97705M MS1	2023	8,515,000	5.00	1.18	113.909	Not Callable	-
97705M MT9	2024	8,700,000	5.00	1.20	117.432	Not Callable	-
97705M MU6	2025	8,950,000	5.00	1.29	120.437	Not Callable	-
97705M MV4	2026	9,200,000	5.00	1.38	123.198	Not Callable	-
97705M MW2	2027	10,235,000	4.00	1.50	115.952	^(a) 2026	100%
97705M MX0	2028	10,800,000	4.00	1.60	115.260	^(a) 2026	100
97705M MY8	2029	11,405,000	4.00	1.70	114.572	^(a) 2026	100
97705M MZ5	2030	11,340,000	5.00	1.69	120.979	^(a) 2026	100
97705M NA9	2031	9,450,000	5.00	1.76	120.485	^(a) 2026	100
97705M NB7	2032	9,950,000	5.00	1.82	120.063	^(a) 2026	100
97705M NC5	2033	10,475,000	5.00	1.87	119.713	^(a) 2026	100
97705M ND3	2034	11,020,000	5.00	1.92	119.364	^(a) 2026	100
97705M NE1	2035	11,600,000	5.00	1.97	119.016	^(a) 2026	100
97705M NF8	2036	12,195,000	5.00	2.00	118.808	^(a) 2026	100
97705M NG6	2037	12,825,000	5.00	2.03	118.600	^(a) 2026	100
97705M NH4	2038	13,480,000	5.00	2.06	118.393	^(a) 2026	100
97705M NJ0	2039	14,170,000	5.00	2.09	118.186	^(a) 2026	100
97705M NK7	2040	19,620,000	5.00	2.12	117.979	^(a) 2026	100

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

Legal Investment

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

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

Legal Opinions

Bond Opinion

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. 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 individuals. 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 to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (**Rule 15c2-12**). In the undertaking, the State has agreed, 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 has agreed to file the Annual Report with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. The State has also agreed to provide to the MSRB notices of the occurrence of certain events specified in the undertaking.

The undertaking is included in **APPENDIX D**, which includes the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), which has been amended in response to the recent addition of two events of which notice is required pursuant to Rule 15c2-12, the Addendum Describing Annual Report for General Obligations, and the form of Supplemental Agreement that applies the Master Agreement and Addendum to the Bonds.

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
doa.wi.gov/capitalfinance

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the MSRB. In the last five years, the State has not failed to comply in any material respect with this, or any similar, undertaking.

Dated: July 16, 2019

STATE OF WISCONSIN

/s/ TONY EVERS

Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

/s/ JOEL T. BRENNAN

Joel T. Brennan, Secretary
State of Wisconsin Department of Administration

/s/ NAOMI DE MERS

Naomi De Mers, Secretary
State of Wisconsin Building Commission

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APPENDIX A

CERTAIN INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin (**State**), contained in [Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 21, 2018 \(2018 Annual Report\)](#), which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Parts II and III of the 2018 Annual Report, including, but not limited to:

- Estimated General Fund condition statement for the 2018-19 fiscal year and estimated General Fund tax collections for the 2018-19, 2019-20, and 2020-21 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (LFB) on May 15, 2019 (**May 2019 LFB Report**).
- Estimated General Fund condition statement for the 2018-19 fiscal year and estimated General Fund tax collections for the 2018-19, 2019-20, and 2020-21 fiscal years, as included in a report provided by LFB on January 30, 2019 (**January 2019 LFB Report**).
- General Fund information for the 2018-19 fiscal year through May 31, 2019, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2018-19 fiscal year and the 2019-20 fiscal year, which is presented on a cash basis.
- Information about the budget bill the 2019-21 biennium, included the enacted biennial budget bill (**2019 Wisconsin Act 9**).

[Part II of the 2018 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 the 2017-18 fiscal year and projections for the 2018-19 fiscal year)
- 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 and independent auditor's report provided by the State Auditor for the fiscal year ended June 30, 2018, prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Governmental Accounting Standards Board, are included as Appendix A to Part II of the 2018 Annual Report.

[Part III of the 2018 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 2018 Annual Report was filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. The 2018 Annual Report and the Comprehensive Annual Financial Report (**CAFR**) for the fiscal year ended June 30, 2018 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:

Copies of the 2018 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 has independently provided monthly or periodic reports on general fund financial information. 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 also 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 2018 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2018 Annual Report, certain changes or events have occurred that affect items discussed in the 2018 Annual Report. Listed below, by reference to particular sections of Parts II and III of the 2018 Annual Report, are changes or additions to the information 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 (July 2, 2019). These changes or additions are identified accordingly.

State Budget; Budget for the 2018-19 Fiscal Year (Part II, Pages 36-37). Update with the following information:

May 2019 LFB Report – General Fund Condition Statement

The May 2019 LFB Report includes an estimated General Fund condition statement for the 2018-19 fiscal year. The table on the following page includes this estimated General Fund condition statement for the 2018-19 fiscal year and shows a projected ending net balance of \$929 million. The table also includes, for comparison, the actual fiscal year 2017-18 General Fund condition statement as reported in the Annual Fiscal Report, and the fiscal year 2018-19 General Fund condition statement estimates from the 2017-19 biennial budget (**2017 Wisconsin Act 59**) and the January 2019 LFB Report.

The May 2019 LFB Report includes an estimated 2018-19 fiscal year deposit of \$291 million into the Budget Stabilization Fund, reflecting revenue estimates for the 2018-19 fiscal year that are higher than estimated in 2017 Wisconsin Act 59 and taking into account provisions of 2017 Wisconsin Act 368 (which offsets increased sales tax collections for remote sales tax resulting from the U.S. Supreme Court ruling in *South Dakota v. Wayfair, Inc.* by reductions in individual income taxes).

A complete copy of the May 2019 LFB Report is included at the end of this Appendix A. In addition, the State has filed the May 2019 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages **A-1 and A-2**.

ESTIMATED GENERAL FUND CONDITION STATEMENT
2018-19 FISCAL YEAR
(in Millions)

	2017-18 Annual Fiscal Report	2018-19 Fiscal Year		
		2017 Wisconsin Act 59	January 2019 LFB Report	May 2019 LFB Report
Revenues				
Opening Balance	\$ 579.0	\$ 554.7	\$ 588.5	\$ 588.5
Prior Year Continuing Bal.	52.1	0	0	0
Taxes	16,144.2	16,650.9	16,673.9	17,265.9
Department Revenues				
Tribal Gaming	27.7	26.1	26.1	26.1
Other	<u>528.7</u>	<u>443.2</u>	<u>473.7</u>	<u>483.8</u>
Total Available	\$17,331.6	\$ 17,674.8	\$17,762.2	\$18,364.3
Appropriations				
Gross Appropriations	\$17,138.8	\$ 17,690.1	\$17,829.8	\$17,829.8
Current Session Bills	0	10.2	0	0
Transfers	73.3	41.6	41.6	334.3
Sum Sufficient Reestimates	0	0	(146.3)	(162.7)
Biennial Appropriation Adj.	0	0	(1.1)	(1.1)
Compensation Reserves	0.3	52.1	52.1	52.1
Less: Lapses	<u>(469.3)</u>	<u>(441.8)</u>	<u>(705.4)</u>	<u>(691.8)</u>
Net Appropriations	\$16,743.1	\$ 17,352.1	\$17,070.7	\$17,360.6
Balances				
Gross Balance	\$ 588.5	\$ 322.7	\$ 691.5	\$ 1,003.7
Less: Req. Statutory Balance	<u>n/a</u>	<u>(75.0)</u>	<u>(75.0)</u>	<u>(75.0)</u>
Net Balance, June 30	\$ 588.5	\$ 247.7	\$ 616.5	\$ 928.7

January 2019 LFB Report – General Fund Condition Statement

The January 2019 LFB Report included an estimated General Fund condition statement for the 2018-19 fiscal year that had a projected ending net balance of \$617 million. The State has filed the January 2019 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages [A-1](#) and [A-2](#).

State Budget; Revenue Projections for the 2018-19 Fiscal Year (Part II, Pages 36-37). Update with the following information:

May 2019 LFB Report – General Fund Tax Collections

The May 2019 LFB Report also includes projected General Fund tax collections for the 2018-19 fiscal year of \$17.266 billion, or an increase of \$1.122 billion (6.9%) from collections for the 2017-18 fiscal year, and an increase of \$592 million from the projections in the January 2019 LFB Report.

The following table provides a summary of estimated General Fund tax collections for the 2018-19 fiscal year. For comparison purposes, the table also includes actual 2017-18 fiscal year General Fund tax collections as reported in the Annual Fiscal Report, and the estimated collections from 2017 Wisconsin Act 59 and the January 2019 LFB Report.

A complete copy of the May 2019 LFB Report is included at the end of this Appendix A. In addition, the State has filed the May 2019 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages [A-1](#) and [A-2](#).

**PROJECTED GENERAL FUND TAX
COLLECTIONS
2018-19 FISCAL YEAR
(in Millions)**

	2018-19 Fiscal Year			
	2017-18 Annual <u>Fiscal Report</u>	2017 Wisconsin <u>Act 59</u>	January 2019 <u>LFB Report</u>	May 2019 <u>LFB Report</u>
Individual Income	\$ 8,479.2	\$ 8,720.0	\$ 8,640.0	\$ 8,950.0
Sales and Use	5,448.1	5,593.1	5,715.0	5,650.0
Corp. Inc. & Franch.	893.9	962.4	990.0	1,355.0
Public Utility	365.3	378.2	368.0	353.0
Excise				
Cigarettes	538.9	560.4	532.0	523.0
Tobacco Products	80.2	88.0	86.0	86.0
Liquor & Wine	52.0	53.0	54.0	54.0
Beer	8.9	8.8	8.9	8.9
Insurance Company	186.3	197.0	189.0	195.0
Miscellaneous Taxes	<u>91.4</u>	<u>90.0</u>	<u>91.0</u>	<u>91.0</u>
TOTAL	\$16,144.2	\$16,650.9	\$16,673.9	\$17,265.9

January 2019 LFB Report – General Fund Tax Collections

The January 2019 LFB Report also includes estimates of General Fund tax collections for the 2018-19 fiscal year, which were \$16.674 billion, or an increase of \$530 million (or 3.3%) from collections for the 2017-18 fiscal year, and a decrease of \$142 million from the estimate in a report released by the Department of Administration on November 20, 2018 (**November 2018 DOA Report**).

State Budget; Budget for the 2019-21 Biennium (Part II; Page 38). Update with the following information. Some of this information became available after the date of the Preliminary Official Statement (July 2, 2019).

Enacted 2019-21 Budget

The Governor signed the 2019-21 biennial budget bill on July 3, 2019 with some vetoes (2019 Wisconsin Act 9). Based on 2019 Wisconsin Act 9, the General Fund condition statement's net ending balances, taking into account the statutory required reserve, are estimated to be \$712 million in 2019-20 and \$29 million in 2020-21. At this time a detailed summary of 2019 Wisconsin Act 9 is not available, but the following is a link to 2019 Wisconsin Act 9:

<https://docs.legis.wisconsin.gov/2019/related/acts/9.pdf>

Other summary information for 2019 Wisconsin Act 9 that is expected after the date of this Official Statement will be available at the following website:

http://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/

The web sites identified above are for the convenience of the reader only and are not incorporated by reference into this Official Statement. In addition, certain information on 2019 Wisconsin Act 9 has been filed, and additional summary information on 2019 Wisconsin Act 9 is expected to be filed, with the MSRB through its EMMA system and is or is expected to be available from the State as provided on pages **A-1 and A-2**.

The following table includes the estimated General Fund condition statement for the 2019-20 and 2020-21 fiscal years from 2019 Wisconsin Act 9, and also includes, for comparison, the estimated General Fund condition statement for the 2019-20 and 2020-21 fiscal years from the Governor's executive budget.

ESTIMATED GENERAL FUND CONDITION STATEMENT
2019-20 AND 2020-21 FISCAL YEARS
(in Millions)

	<u>2019-20 Fiscal Year</u>		<u>2020-21 Fiscal Year</u>	
	2019		2019	
	<u>Executive Budget</u>	<u>Wisconsin Act 9</u>	<u>Executive Budget</u>	<u>Wisconsin Act 9</u>
Revenues				
Opening Balance	\$ 691.5	\$ 947.7	\$ 937.9	\$ 792.3
Taxes	17,794.3	17,303.6	18,115.5	17,654.8
Department Revenues				
Tribal Gaming	27.4	23.8	28.3	24.9
Other	<u>497.6</u>	<u>540.5</u>	<u>521.5</u>	<u>530.8</u>
Total Available	\$19,010.8	\$18,815.6	\$19,603.2	\$19,002.7
Appropriations				
Gross Appropriations	\$18,453.5	\$18,386.9	\$19,821.2	\$19,201.8
Compensation Reserves	24.9	13.4	94.4	94.5
Transfers	10.0	43.3	0	44.1
Less: Lapses	<u>(415.5)</u>	<u>(420.2)</u>	<u>(417.6)</u>	<u>(451.8)</u>
Net Appropriations	\$18,072.9	\$18,023.4	\$19,497.9	\$18,888.6
Balances				
Gross Balance	\$ 937.9	\$ 792.3	\$ 105.3	\$ 114.2
Less: Req. Statutory Balance	<u>(80.0)</u>	<u>(80.0)</u>	<u>(85.0)</u>	<u>(85.0)</u>
Net Balance, June 30	\$ 857.9	\$ 712.3	\$ 20.3	\$ 29.2

Joint Committee on Finance and Legislative Actions; 2019-21 Budget

On June 26, 2019, the Legislature approved its version of the biennial budget bill, which included some amendments to the biennial budget bill that the Joint Committee on Finance (JCF) approved on June 13, 2019. Both detailed and summary information about the JCF-approved budget bill for the 2019-21 biennium can be obtained from the following web site:

http://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/

The web site identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. In addition, information on the JCF-approved biennial budget for the 2019-21 biennium has been filed with the MSRB through its EMMA system, and is also available from the State as provided on pages [A-1](#) and [A-2](#).

2019-21 Executive Budget

The Governor's executive budget for the 2019-21 biennium was released on February 28, 2019. The Governor's executive budget bill was introduced in both houses of the Legislature and referred to the JCF for review. Both detailed and summary information about the Governor's executive budget for the 2019-21 biennium can be obtained from the following web sites:

<https://doa.wi.gov/Pages/StateFinances/2019-21-Executive-Budget.aspx>

http://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/

The web sites identified above are for the convenience of the reader only and are not incorporated by reference into this Official Statement. In addition, information on the Governor's executive budget for the 2019-21 biennium has been filed with the MSRB through its EMMA system, and additional information about the executive budget is available from the State as provided on pages [A-1](#) and [A-2](#).

May 2019 LFB Report– General Fund Tax Collections

The May 2019 LFB Report includes estimates of the General Fund tax collections for the 2019-20 and 2020-21 fiscal years. For the 2019-20 fiscal year, the May 2019 LFB Report anticipates General Fund tax collections of \$17.435 billion, or an increase of \$169 million (or 1.0%) from the 2018-19 fiscal year projections. The May 2019 LFB Report also anticipates General Fund tax collections of \$17.853 billion in the 2020-21 fiscal year, an increase of \$418 million (or 2.4%) from its projection for the 2019-20 fiscal year.

The following table provides the estimated General Fund tax collections for the 2019-20 and 2020-21 fiscal years from the May 2019 LFB Report. For comparison purposes the table also provides the estimated collections from the January 2019 LFB Report and the November 2018 DOA Report.

**ESTIMATED GENERAL FUND TAX
REVENUE COLLECTIONS
2019-20 AND 2020-21 FISCAL YEARS
(in Millions)**

	2019-20 Fiscal Year			2020-21 Fiscal Year		
	DOA	LFB	LFB	DOA	LFB	LFB
	<u>November 2018</u>	<u>January 2019</u>	<u>May 2019</u>	<u>November 2018</u>	<u>January 2019</u>	<u>May 2019</u>
Individual Income	\$ 9,184.5	\$ 9,020.0	\$ 9,090.0	\$ 9,579.0	\$ 9,330.0	\$ 9,410.0
Sales and Use	5,913.4	5,955.0	5,845.0	5,922.0	6,000.0	5,895.0
Corp. Income & Franchise	974.9	1,050.0	1,165.0	1,000.6	1,075.0	1,205.0
Public Utility	364.4	369.0	366.0	363.2	371.0	364.0
Excise						
Cigarettes	533.1	527.0	515.0	531.7	523.0	507.0
Tobacco Products	85.3	90.0	90.0	87.7	94.0	94.0
Liquor & Wine	53.3	55.0	55.0	54.4	56.0	56.0
Beer	8.9	8.9	8.9	8.9	8.9	8.9
Insurance Company	195.7	195.0	203.0	205.1	200.0	211.0
Miscellaneous Taxes	<u>98.6</u>	<u>97.0</u>	<u>97.0</u>	<u>102.0</u>	<u>102.0</u>	<u>102.0</u>
TOTAL	\$17,412.1	\$17,366.9	\$17,434.9	\$17,854.6	\$17,759.9	\$17,852.9

A complete copy of the May 2019 LFB Report is included at the end of this Appendix A. In addition, the State has filed the May 2019 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages [A-1](#) and [A-2](#).

January 2019 LFB Report– General Fund Tax Collections

The January 2019 LFB Report also included estimates of the General Fund tax collections for the 2019-20 and 2020-21 fiscal years. For the 2019-20 fiscal year, the January 2019 LFB Report anticipated General Fund tax collections of \$17.367 billion, or an increase of \$693 million (or 4.2%) from the 2018-19 fiscal year projections. The January 2019 LFB Report also anticipated General Fund tax collections of \$17.760 billion in the 2020-21 fiscal year, an increase of \$393 million (or 2.3%) from the 2019-20 fiscal year projection.

General Fund Information; General Fund Cash Flow (Part II; Pages 44-57). The following tables provide updates and additions to various tables containing General Fund information for the 2018-19 fiscal year through May 31, 2018, which are presented on either a cash basis or an agency-recorded basis. The following tables also include projections and estimates for the remainder of the 2018-19 fiscal year and the 2019-20 fiscal year. The projections for the remainder of the 2018-19 fiscal year reflect the budget bill for the 2017-19 biennium (2017 Wisconsin Act 59) and the estimated General Fund tax revenues in the LFB report dated January 17, 2018 (**January 2018 LFB Report**), the LFB paper dated June 14, 2018 (**June 2018 LFB Paper**), the November 2018 DOA Report, and the January 2019 LFB Report. The projections and estimates for the 2019-20 fiscal year reflect the Governor’s executive budget for the 2019-21 biennium. None of the following tables reflect 2019 Wisconsin Act 9 or the projections and estimates in the May 2019 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 and defer certain payments.

Table II-11; General Fund Cash Flow (Part II; Page 48). Replace with the following updated tables.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2018 TO MAY 31, 2019^{(a) (b)}
PROJECTED GENERAL FUND CASH FLOW; JUNE 1, 2019 TO JUNE 30, 2019^{(a) (b)}
(Cash Basis)
(Amounts in Thousands)

	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
BALANCES^{(a)(b)}												
Beginning Balance	\$ 1,526,729	\$ 750,443	\$ 1,070,418	\$ 1,854,217	\$ 2,932,693	\$ 2,669,847	\$ 2,047,954	\$ 3,273,059	\$ 3,107,030	\$ 1,698,800	\$ 2,871,849	\$ 3,143,721
Ending Balance ^(c)	750,443	1,070,418	1,854,217	2,932,693	2,669,847	2,047,954	3,273,059	3,107,030	1,698,800	2,871,849	3,143,721	2,583,932
Lowest Daily Balance ^(c)	464,426	291,854	1,025,879	1,816,162	2,356,951	1,226,265	1,937,847	2,741,171	1,698,800	1,677,467	2,358,642	2,055,779
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 946,437	\$ 623,662	\$ 764,292	\$ 965,392	\$ 657,839	\$ 738,171	\$ 1,158,823	\$ 750,844	\$ 569,222	\$ 1,968,463	\$ 658,414	\$ 697,143
Sales & Use	563,067	535,268	530,238	545,064	513,684	482,228	575,691	419,587	400,161	519,110	491,889	548,359
Corporate Income	48,355	29,882	227,431	38,563	24,704	202,951	55,580	44,549	299,828	269,694	34,604	207,934
Public Utility	23	21	112	30,449	189,081	54	61	1	32	5,858	188,509	62
Excise	64,654	62,967	65,157	52,872	58,249	55,517	52,901	53,985	45,971	45,582	56,980	64,458
Insurance	210	3,979	40,143	366	2,457	41,536	2,701	24,798	14,251	42,386	3,774	40,127
Subtotal Tax Receipts	\$ 1,622,746	\$ 1,255,779	\$ 1,627,373	\$ 1,632,706	\$ 1,446,014	\$ 1,520,457	\$ 1,845,757	\$ 1,293,764	\$ 1,329,465	\$ 2,851,093	\$ 1,434,170	\$ 1,558,083
NON-TAX RECEIPTS												
Federal	\$ 889,356	\$ 938,015	\$ 1,063,793	\$ 788,053	\$ 831,957	\$ 705,921	\$ 864,250	\$ 825,535	\$ 926,562	\$ 778,682	\$ 863,013	\$ 741,476
Other & Transfers	496,251	349,670	700,462	602,067	324,345	341,322	606,172	624,059	458,383	786,381	380,574	582,228
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,385,607	\$ 1,287,685	\$ 1,764,255	\$ 1,390,120	\$ 1,156,302	\$ 1,047,243	\$ 1,470,422	\$ 1,449,594	\$ 1,384,945	\$ 1,565,063	\$ 1,243,587	\$ 1,323,704
TOTAL RECEIPTS	\$ 3,008,353	\$ 2,543,464	\$ 3,391,628	\$ 3,022,826	\$ 2,602,316	\$ 2,567,700	\$ 3,316,179	\$ 2,743,358	\$ 2,714,410	\$ 4,416,156	\$ 2,677,757	\$ 2,881,787
DISBURSEMENTS												
Local Aids	\$ 1,535,819	\$ 131,890	\$ 867,332	\$ 94,199	\$ 891,443	\$ 1,272,529	\$ 176,239	\$ 662,861	\$ 1,799,560	\$ 132,782	\$ 245,717	\$ 1,987,409
Income Maintenance	1,035,825	809,475	790,309	734,697	818,952	899,604	805,039	778,701	844,668	835,963	867,090	357,528
Payroll and Related	363,142	525,119	333,522	421,793	552,874	260,324	551,110	446,201	449,574	457,912	598,408	414,618
Tax Refunds	122,592	115,625	79,356	127,622	140,395	204,581	116,582	493,256	529,841	552,407	186,910	143,478
Debt Service	175,927	-	-	136,268	999	-	-	-	-	557,256	44,238	-
Miscellaneous	551,334	641,380	537,310	429,771	460,499	552,555	442,104	528,368	498,997	706,787	463,522	538,543
TOTAL DISBURSEMENTS	\$ 3,784,639	\$ 2,223,489	\$ 2,607,829	\$ 1,944,350	\$ 2,865,162	\$ 3,189,593	\$ 2,091,074	\$ 2,909,387	\$ 4,122,640	\$ 3,243,107	\$ 2,405,885	\$ 3,441,576

(a) The results, projections, or estimates in this table reflect the enacted budget for the 2017-19 biennium (2017 Wisconsin Act 59) along with agency reestimates, and the estimated General Fund tax revenues included in the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report, and the January 2019 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 \$1.8 billion during the 2016-17 and 2017-18 fiscal years, and are anticipated to range from \$1.2 billion to \$1.9 billion during the 2018-19 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 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 2018-19 fiscal year, based on the January 2019 LFB Report, are approximately \$1.605 billion and \$535 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.

Source: Wisconsin Department of Administration.

PROJECTED GENERAL FUND CASH FLOW; JULY 1, 2019 TO JUNE 30, 2020^{(a) (b)}
(Cash Basis)
(Amounts in Thousands)

	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
BALANCES^{(a)(b)}												
Beginning Balance	\$ 2,583,932	\$ 1,561,065	\$ 1,745,996	\$ 2,735,847	\$ 3,552,000	\$ 3,030,923	\$ 2,569,877	\$ 3,857,775	\$ 3,550,918	\$ 2,402,366	\$ 3,021,869	\$ 3,468,486
Ending Balance^(c)	1,561,065	1,745,996	2,735,847	3,552,000	3,030,923	2,569,877	3,857,775	3,550,918	2,402,366	3,021,869	3,468,486	2,830,386
Lowest Daily Balance^(c)	1,284,570	1,089,639	1,745,996	2,464,893	2,926,106	1,727,236	2,287,750	3,533,303	2,184,825	1,970,024	2,439,950	1,996,310
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 769,046	\$ 449,734	\$ 1,155,791	\$ 832,159	\$ 437,683	\$ 898,237	\$ 1,447,731	\$ 504,119	\$ 1,016,621	\$ 1,583,403	\$ 531,219	\$ 1,124,928
Sales & Use	575,498	559,145	547,252	565,107	519,083	502,121	603,440	446,362	425,919	523,797	501,242	566,751
Corporate Income	42,203	28,878	207,858	39,601	31,883	196,678	52,513	41,888	209,387	173,271	47,707	204,109
Public Utility	36	27	177	20,544	205,592	202	38	27	23	5,570	197,219	64
Excise	64,703	60,021	63,281	56,151	59,259	53,883	52,835	52,141	47,620	49,038	53,910	63,418
Insurance	193	4,516	41,800	273	3,085	44,349	1,944	20,470	17,223	44,184	5,061	42,521
Subtotal Tax Receipts	\$ 1,451,679	\$ 1,102,321	\$ 2,016,159	\$ 1,513,835	\$ 1,256,585	\$ 1,695,470	\$ 2,158,501	\$ 1,065,007	\$ 1,716,793	\$ 2,379,263	\$ 1,336,358	\$ 2,001,791
NON-TAX RECEIPTS												
Federal	\$ 960,847	\$ 1,003,067	\$ 1,041,681	\$ 800,274	\$ 886,401	\$ 803,874	\$ 905,659	\$ 1,051,939	\$ 1,051,560	\$ 700,109	\$ 949,391	\$ 836,646
Other & Transfers	566,463	406,770	747,312	673,787	360,619	462,470	489,168	711,678	427,341	637,023	414,746	549,880
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,527,310	\$ 1,409,837	\$ 1,788,993	\$ 1,474,061	\$ 1,247,020	\$ 1,266,344	\$ 1,394,827	\$ 1,763,617	\$ 1,478,901	\$ 1,337,132	\$ 1,364,137	\$ 1,386,526
TOTAL RECEIPTS	\$ 2,978,989	\$ 2,512,158	\$ 3,805,152	\$ 2,987,896	\$ 2,503,605	\$ 2,961,814	\$ 3,553,328	\$ 2,828,624	\$ 3,195,694	\$ 3,716,395	\$ 2,700,495	\$ 3,388,317
DISBURSEMENTS												
Local Aids	\$ 1,629,383	\$ 97,058	\$ 849,669	\$ 121,049	\$ 948,508	\$ 1,382,016	\$ 180,671	\$ 649,908	\$ 1,862,980	\$ 91,157	\$ 213,785	\$ 2,169,240
Income Maintenance	1,089,796	851,973	836,548	799,946	870,680	939,766	839,482	852,447	972,734	831,662	766,766	622,232
Payroll and Related	430,351	570,400	350,857	470,733	582,853	358,613	664,278	473,651	355,695	470,733	467,815	473,656
Tax Refunds	113,228	114,677	98,101	135,245	147,637	189,697	107,893	567,211	591,348	565,652	205,438	161,005
Debt Service	205,135	3,578	-	165,883	3,578	-	-	3,578	-	536,932	85,015	-
Miscellaneous	533,963	689,541	680,126	478,886	471,426	552,768	473,106	588,686	561,489	600,755	515,059	600,284
TOTAL DISBURSEMENTS	\$ 4,001,856	\$ 2,327,227	\$ 2,815,301	\$ 2,171,742	\$ 3,024,682	\$ 3,422,860	\$ 2,265,430	\$ 3,135,481	\$ 4,344,246	\$ 3,096,891	\$ 2,253,878	\$ 4,026,417

(a) The projections or estimates in this table reflect the Governor's executive budget for the 2019-21 biennium along with agency reestimates and the estimated General Fund tax revenues included in the January 2019 LFB Report. The projections or estimates do not reflect the May 2019 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 \$1.8 billion during the 2017-18 fiscal year, and are anticipated to range from \$1.2 billion to \$1.9 billion for the 2018-19 fiscal year and, based on the Governor's executive budget, from \$1.2 billion to \$1.9 billion during the 2019-20 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 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 for the 2019-20 fiscal year, based on the Governor's executive budget, are approximately \$1.661 billion and \$554 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.

Source: Wisconsin Department of Administration.

Table II-12; Historical General Fund Cash Flow (Part II; Page 49). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW ^{(a) (b)}
ACTUAL FISCAL YEARS 2015-16 TO 2017-18
ACTUAL AND PROJECTED FISCAL YEAR 2018-19
PROJECTED FISCAL YEAR 2019-20

	Actual 2015-16 <u>Fiscal Year</u>	Actual 2016-17 <u>Fiscal Year</u>	Actual 2017-18 <u>Fiscal Year</u>	Actual 7/1/2018 - 5/31/2019 Estimated <u>6/1/2019 - 6/30/2019</u>	Projected 2019-20 <u>Fiscal Year</u>
RECEIPTS					
Tax Receipts					
Individual Income	\$ 9,058,349	\$ 9,487,657	\$ 9,837,742	\$ 10,498,702	\$ 10,750,671
Sales	5,425,943	5,549,486	5,867,099	6,124,346	6,335,717
Corporate Income	1,173,106	1,151,868	1,070,879	1,484,075	1,275,976
Public Utility	404,820	415,784	416,406	414,263	429,519
Excise	710,742	708,762	689,653	679,293	676,260
Insurance	62,730	204,510	207,953	216,728	225,619
Total Tax Receipts	\$ 16,835,690	\$ 17,518,067	\$ 18,089,732	\$ 19,417,407	\$ 19,693,762
Non-Tax Receipts					
Federal	\$ 9,375,674	\$ 9,396,361	\$ 9,214,957	\$ 10,216,613	\$ 10,991,448
Other and Transfers	4,790,882	5,673,340	6,113,708	6,251,914	6,447,257
Total Non-Tax Receipts	\$ 14,166,556	\$ 15,069,701	\$ 15,328,665	\$ 16,468,527	\$ 17,438,705
TOTAL RECEIPTS	\$ 31,002,246	\$ 32,587,768	\$ 33,418,397	\$ 35,885,934	\$ 37,132,467
DISBURSEMENTS					
Local Aids	\$ 8,575,297	\$ 9,223,782	\$ 9,202,809	\$ 9,797,780	\$ 10,195,424
Income Maintenance	8,848,420	9,186,111	9,370,303	9,577,851	10,274,032
Payroll & Related	5,126,869	5,000,390	5,174,225	5,374,597	5,669,638
Tax Refunds	2,508,923	2,550,017	2,703,269	2,812,645	2,997,132
Debt Service	952,280	891,234	908,172	914,688	1,003,699
Miscellaneous	5,300,700	5,427,066	5,902,369	6,351,170	6,746,089
TOTAL DISBURSEMENTS	\$ 31,312,489	\$ 32,278,600	\$ 33,261,147	\$ 34,828,731	\$ 36,886,014
NET CASH FLOW	\$ (310,243)	\$ 309,168	\$ 157,250	\$ 1,057,203	\$ 246,453

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The results, projections and estimates for the 2018-19 fiscal year reflect the enacted budget for the 2017-19 biennium (2017 Wisconsin Act 59) and the estimated General Fund tax revenues included in the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report and the January 2019 LFB Report. The projections and estimates do not reflect the May 2019 LFB Report. The projections and estimates for the 2019-20 fiscal year reflect the Governor's executive budget for the 2019-21 biennium.

Source: Wisconsin Department of Administration.

Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 51). Replace with the following updated table.

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR ^(a)**

**(Cash Basis)
As of May 31, 2019
(Amounts in Thousands)**

	2017-18 Fiscal Year through May 31, 2018		2018-19 Fiscal Year through May 31, 2019			Difference FY18 Actual to FY19 Actual
	Actual	Actual	Estimate ^(b)	Variance	Adjusted Variance ^(c)	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 9,144,597	\$ 9,801,559	\$ 9,462,253	\$ 339,306	\$ 339,306	\$ 656,962
Sales	5,328,739	5,575,987	5,550,590	25,397	25,397	247,248
Corporate Income	870,915	1,276,141	941,610	334,531	334,531	405,226
Public Utility	416,300	414,201	420,233	(6,032)	(6,032)	(2,099)
Excise	626,023	614,835	626,451	(11,616)	(11,616)	(11,188)
Insurance	169,195	176,601	171,845	4,756	4,756	7,406
Total Tax Receipts	\$ 16,555,769	\$ 17,859,324	\$ 17,172,982	\$ 686,342	\$ 686,342	\$ 1,303,555
Non-Tax Receipts						
Federal	\$ 8,719,004	\$ 9,475,137	\$ 8,826,705	\$ 648,432	\$ 648,432	\$ 756,133
Other and Transfers	5,626,017	5,669,686	5,761,950	(92,264)	(92,264)	43,669
Total Non-Tax Receipts	\$ 14,345,021	\$ 15,144,823	\$ 14,588,655	\$ 556,168	\$ 556,168	\$ 799,802
TOTAL RECEIPTS	\$ 30,900,790	\$ 33,004,147	\$ 31,761,637	\$ 1,242,510	\$ 1,242,510	\$ 2,103,357
DISBURSEMENTS						
Local Aids	\$ 7,348,268	\$ 7,810,371	\$ 7,807,389	\$ (2,982)	\$ (2,982)	\$ 462,103
Income Maintenance	8,796,667	9,220,323	10,016,061	795,738	795,738	423,656
Payroll & Related	4,702,589	4,959,979	4,810,474	(149,505)	(149,505)	257,390
Tax Refunds	2,543,096	2,669,167	2,565,687	(103,480)	(103,480)	126,071
Debt Service	908,172	914,688	960,990	46,302	46,302	6,516
Miscellaneous	5,364,790	5,812,627	5,537,078	(275,549)	(275,549)	447,837
TOTAL DISBURSEMENTS	\$ 29,663,582	\$ 31,387,155	\$ 31,697,679	\$ 310,524	\$ 310,524	\$ 1,723,573
2018-19 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$ 1,553,034	\$ 1,553,034	

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The results, projections, and estimates for the 2018-19 fiscal year reflect the enacted budget for the 2017-19 biennium (2017 Wisconsin Act 59), the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report, and the January 2019 LFB Report. The projections and estimates do not reflect the May 2019 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-14; General Fund Monthly Cash Position (Part II; Page 52). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION ^(a)
July 1, 2017 through May 31, 2019 – Actual
June 1, 2019 through June 30, 2020 – Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(c)</u>	<u>Disbursements^(c)</u>	
2017	July.....	1,369,479	2,817,598	3,503,499	
	August.....	683,578 ^(d)	2,213,505	2,122,310	
	September.....	774,773	3,066,043	2,709,334	
	October.....	1,131,482	3,015,806	1,894,354	
	November.....	2,252,934	2,447,851	2,621,739	
	December.....	2,079,046	2,643,697	3,169,822	
	2018	January.....	1,552,921	3,275,821	1,883,523
		February.....	2,945,219	2,867,326	2,880,688
		March.....	2,931,857	2,419,631	4,221,851
		April.....	1,129,637	3,381,659	2,728,707
		May.....	1,782,589	2,751,853	1,927,755
		June.....	2,606,687	2,517,607	3,597,565
July.....		1,526,729	3,008,353	3,784,639	
August.....		750,443	2,543,464	2,223,489	
September.....		1,070,418	3,391,628	2,607,829	
October.....		1,854,217	3,022,826	1,944,350	
November.....		2,932,693	2,602,316	2,865,162	
December.....		2,669,847	2,567,700	3,189,593	
2019	January.....	2,047,954	3,316,179	2,091,074	
	February.....	3,273,059	2,743,358	2,909,387	
	March.....	3,107,030	2,714,410	4,122,640	
	April.....	1,698,800	4,416,156	3,243,107	
	May.....	2,871,849	2,677,757	2,405,885	
	June.....	3,143,721	2,881,787	3,441,576	
	July.....	2,583,932	2,978,989	4,001,856	
	August.....	1,561,065	2,512,158	2,327,227	
	September.....	1,745,996	3,805,152	2,815,301	
	October.....	2,735,846	2,987,896	2,171,742	
	November.....	3,552,000	2,503,605	3,024,682	
	December.....	3,030,923	2,961,814	3,422,860	
2020	January.....	2,569,876	3,553,328	2,265,430	
	February.....	3,857,775	2,828,624	3,135,481	
	March.....	3,550,917	3,195,694	4,344,246	
	April.....	2,402,365	3,716,395	3,096,891	
	May.....	3,021,869	2,700,495	2,253,878	
	June.....	3,468,486	3,388,317	4,026,417	

- (a) The General Fund balances presented in this table are not based on generally accepted accounting principles (GAAP).
- (b) The results, projections, and estimates for the 2018-19 fiscal year reflect the enacted budget for the 2017-19 biennium (2017 Wisconsin Act 59) and the estimated General Fund tax revenues included in the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report, and the January 2019 LFB Report. The projections and estimates do not reflect the May 2019 LFB Report. The projections and estimates for the 2019-20 fiscal year reflect the Governor’s executive budget for the 2019-21 biennium along with agency reestimates and the estimated General Fund tax revenues included in the January 2019 LFB Report, but do not reflect the May 2019 LFB Report.
- (c) Operating notes were not issued for the 2017-18 or 2018-19 fiscal years and are not anticipated for the 2019-20 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 \$1.605 billion in the 2018-19 fiscal year and \$1.661 billion in the 2019-20 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 \$535 million in the 2018-19 fiscal year and \$554 million in the 2019-20 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-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 53).
 Replace with the following updated table.

**CASH BALANCES IN FUNDS AVAILABLE FOR
 TEMPORARY REALLOCATION** ^{(a) (b)}
July 31, 2017 to May 31, 2019 — Actual
June 30, 2019 to June 30, 2020 — 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 \$2.19 billion during November 2014 to a high of \$3.98 billion during August 2018. 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.

<u>Available Balances; Does Not Include Balances in the LGIP</u>				
<u>Month (Last Day)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
January		\$1,548	\$1,622	\$1,185
February		1,620	1,742	1,208
March		1,633	1,795	1,633
April		1,681	1,795	1,681
May		1,403	1,684	1,403
June.....		1,507	1,507	1,507
July	\$1,388	1,383	1,062	
August	1,464	1,429	1,134	
September.....	1,625	1,524	1,719	
October	1,532	1,304	1,826	
November	1,444	1,448	1,176	
December	1,592	1,667	1,286	
<u>Available Balances; Includes Balances in the LGIP</u>				
<u>Month (Last Day)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
January.....		\$5,205	\$5,641	\$5,205
February.....		5,457	5,991	5,457
March.....		5,699	6,317	5,699
April.....		5,462	5,982	5,462
May.....		4,906	5,554	4,906
June.....		5,028	5,028	5,028
July	\$5,461	5,781	5,461	
August.....	4,762	5,058	4,762	
September.....	4,865	4,670	4,865	
October	4,624	4,103	4,624	
November	4,256	4,527	4,256	
December	4,761	5,141	4,761	

- (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 and projections for the 2018-19 fiscal year reflect the enacted budget for the 2017-19 biennium (2017 Wisconsin Act 59), the estimated General Fund tax revenues included in the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report, and the January 2019 LFB Report. The projections do not reflect the May 2019 LFB Report.

Source: Wisconsin Department of Administration.

Table II-16; General Fund Recorded Revenues (Part II; Page 55). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2018 to May 31, 2019 Compared With Previous Year

	Annual Fiscal Report Revenues <u>2017-18 Fiscal Year</u>^(b)	Projected Revenues <u>2018-19 Fiscal Year</u>^(c)	Recorded Revenues July 1, 2017 to <u>May 31, 2018</u>^(d)	Recorded Revenues July 1, 2018 to <u>May 31, 2019</u>^(e)
Individual Income Tax	\$ 8,479,150,000	\$ 8,719,966,000	\$ 7,055,179,691	\$ 7,493,478,200
General Sales and Use Tax	5,448,118,000	5,593,136,900	4,387,428,396	4,623,925,978
Corporate Franchise and Income Tax	893,892,000	961,795,000	605,746,691	997,007,681
Public Utility Taxes	365,343,000	378,200,000	385,398,079	388,829,200
Excise Taxes	679,979,000	710,200,000	558,263,512	552,138,147
Inheritance Taxes	(33,000)	-	(33,188)	5,614
Insurance Company Taxes	186,273,000	197,000,000	169,044,276	176,125,008
Miscellaneous Taxes	91,445,000	90,000,000	304,948,326	304,966,686
SUBTOTAL.....	<u>\$ 16,144,167,000</u>	<u>\$ 16,650,297,900</u>	<u>\$ 13,465,975,783</u>	<u>\$ 14,536,476,516</u>
Federal and Other Inter- Governmental Revenues ^(f)	10,121,722,000	11,001,150,100	9,397,205,886	10,076,339,929
Dedicated and Other Revenues ^(g)	<u>6,584,552,000</u>	<u>7,122,266,500</u>	<u>6,012,323,679</u>	<u>6,261,422,817</u>
TOTAL.....	<u>\$ 32,850,441,000</u>	<u>\$ 34,773,714,500</u>	<u>\$ 28,875,505,348</u>	<u>\$ 30,874,239,263</u>

- (a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2017-18 fiscal year dated October 15, 2018.
- (c) The projections for the 2018-19 fiscal year (cash basis) reflect the 2017-19 biennial budget (2017 Wisconsin Act 59), but do not reflect the estimated General Fund tax revenues included in the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report, the January 2019 LFB Report, or the May 2019 LFB Report.
- (d) The amounts shown are the 2017-18 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.
- (e) The amounts shown are the 2018-19 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.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration.

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 57). Replace with the following updated table.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2018 to May 31, 2019 Compared With Previous Year**

	<u>Annual Fiscal Report Expenditures 2017-18 Fiscal Year^(b)</u>	<u>Appropriations 2018-19 Fiscal Year^(c)</u>	<u>Recorded Expenditures July 1, 2017 to May 31, 2018^(d)</u>	<u>Recorded Expenditures July 1, 2018 to May 31, 2019^(e)</u>
Commerce.....	\$ 204,677,000	\$ 216,013,900	\$ 154,056,951	\$ 178,428,590
Education.....	13,568,444,000	14,045,685,600	11,453,453,771	11,838,301,352
Environmental Resources.....	333,501,000	329,414,100	286,051,488	291,467,639
Human Relations & Resources	14,770,671,000	14,955,387,100	13,747,735,222	14,500,079,810
General Executive.....	1,002,844,000	1,278,283,400	954,636,906	1,004,403,530
Judicial.....	140,080,000	144,334,000	124,990,509	129,351,488
Legislative.....	68,767,000	76,530,300	59,752,738	62,460,721
General Appropriations.....	2,596,485,000	2,775,383,400	2,402,517,109	2,560,790,732
TOTAL.....	\$ 32,685,469,000	\$ 33,821,031,800	\$ 29,183,194,694	\$ 30,565,283,862

- (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 2017-18 fiscal year dated October 15, 2018.
- (c) The estimates for the 2018-19 fiscal year (cash basis) reflect the 2017-19 biennial budget (2017 Wisconsin Act 59), but do not reflect the January 2018 LFB Report, the June 2018 LFB Paper, the November 2018 DOA Report, the January 2019 LFB Report, or the May 2019 LFB Report.
- (d) The amounts shown are 2017-18 fiscal year expenditures as recorded by State agencies.
- (e) The amounts shown are 2018-19 fiscal year expenditures as recorded by State agencies.

Source: Wisconsin Department of Administration.

Table II-40; Unemployment Rate Comparison (Part II; Page 92). Replace with the following updated table.

Table II-40
UNEMPLOYMENT RATE COMPARISON ^{(a)(b)(c)}
2014 To 2019

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
	<u>Wis.</u>	<u>U.S.</u>										
January	3.5	4.4	3.4	4.5	4.2	5.1	4.7	5.3	5.5	6.1	6.5	7.0
February	3.3	4.1	3.8	4.4	4.4	4.9	5.0	5.2	5.7	5.8	6.9	7.0
March	3.3	3.9	3.6	4.1	3.9	4.6	4.8	5.1	5.3	5.6	6.6	6.8
April	2.7	3.3	3.0	3.7	3.2	4.1	4.2	4.7	4.6	5.1	5.5	5.9
May	2.7	3.4	2.7	3.6	3.0	4.1	3.7	4.5	4.5	5.3	5.3	6.1
June			3.5	4.2	3.6	4.5	4.4	5.1	4.9	5.5	5.7	6.3
July			3.2	4.1	3.4	4.6	4.0	5.1	4.5	5.6	5.4	6.5
August			2.9	3.9	3.3	4.5	3.8	5.0	4.1	5.2	5.1	6.3
September			2.4	3.6	2.7	4.1	3.4	4.8	3.7	4.9	4.4	5.7
October			2.4	3.5	2.5	3.9	3.3	4.7	3.7	4.8	4.3	5.5
November			2.5	3.5	2.6	3.9	3.3	4.4	4.0	4.8	4.5	5.5
December			<u>2.8</u>	<u>3.7</u>	<u>2.7</u>	<u>3.9</u>	<u>3.4</u>	<u>4.5</u>	<u>4.0</u>	<u>4.8</u>	<u>4.5</u>	<u>5.4</u>
Annual Average			3.0	3.9	3.3	4.4	4.0	4.9	4.6	5.3	5.4	6.2

^(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).

^(c) The Bureau of Labor Statistics no longer reports prior year quarterly data; this table will now only reflect actual monthly data for the current year and the prior five years.

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

Debt Information (Part III; Pages 103-108). Update with the following information.

On June 13, 2019 the State entered into a Defeasance Escrow Agreement pursuant to which it used State cash to purchase securities and deposit funds to defease \$56 million of State general obligation bonds. The State has filed a copy of the Defeasance Escrow Agreement with the MSRB through its EMMA system as a listed event.

Table III-4; Per Capita State General Obligation Debt (Part III; Page 108). Replace with the following corrected table.

Table III-4

PER CAPITA STATE GENERAL OBLIGATION DEBT

<u>Year</u> <u>(January 1)</u>	<u>Outstanding</u> <u>Indebtedness</u> <u>(Amounts in Thousands)</u>	<u>Debt</u> <u>Per Capita</u>	<u>Debt Per Capita</u> <u>as % of Per</u> <u>Capita Income</u>
2008	\$5,893,590	\$1,047.19	2.69%
2009	6,146,978	1,087.00	2.85
2010	6,481,078	1,139.03	2.95
2011	7,407,431	1,298.18	3.18
2012	7,878,628	1,377.14	3.23
2013	8,385,972	1,461.73	3.42
2014	8,344,531	1,450.97	3.27
2015	8,134,099	1,412.17	3.07
2016	8,238,758	1,427.12	3.05
2017	8,389,197	1,447.66	2.96

Sources: Legislative Audit Bureau
Tables II-31 and II-34 in Part II of the 2018 Annual Report

Table III-8; Comparison of Outstanding Indebtedness to Equalized Valuation of Property (Part III; Page 111). Replace with the following corrected table.

Table III-8
COMPARISON OF OUTSTANDING
INDEBTEDNESS TO EQUALIZED VALUATION
OF PROPERTY

<u>Calendar Year</u>	<u>Value of Taxable</u> <u>Property^(a)</u> <u>(Amounts in Thousands)</u>	<u>Outstanding</u> <u>Indebtedness^(b)</u> <u>(Amounts in Thousands)</u>	<u>Debt as</u> <u>Percentage of</u> <u>Equalized Value</u>
2009	\$511,911,983	\$6,146,978	1.20 %
2010	495,904,192	6,481,078	1.31
2011	486,864,233	7,407,431	1.52
2012	471,092,529	7,878,628	1.67
2013	467,502,564	8,385,972	1.79
2014	479,479,969	8,344,531	1.74
2015	490,602,544	8,134,099	1.66
2016	505,124,328	8,238,758	1.63
2017	525,984,545	8,389,197	1.59
2018	549,532,691	8,155,029	1.48

^(a) As of August 15.

^(b) As of January 1.

Sources: Department of Revenue and Wisconsin Legislative Audit Bureau

Legislative Fiscal Bureau

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May 15, 2019

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:

Last January, this office prepared estimates of general fund tax collections for 2018-19 and the two years of the 2019-21 biennium. These projections were incorporated into the Governor's 2019-21 biennial budget bill.

Recently, tax collections data for April became available and IHS Markit released its May, 2019, forecast of the national economy. The collections data show significant strength in individual income tax and corporate income/franchise tax collections, compared to the January estimates, as well as strength in insurance premiums tax collections. However, weaker than estimated collections data for sales and use taxes, public utility taxes, and cigarette taxes partly offset this growth.

IHS Markit's May economic forecast is similar to the January forecast, which was used in preparing the earlier tax revenue estimates. Growth in home sales, personal consumption expenditures (PCE), personal income, and nominal gross domestic product (GDP) is expected to be somewhat lower in 2019 compared to the January forecast. However, the May forecast expects this slower growth to be offset by improved growth for personal income, PCE, real GDP, and employment in 2020 and 2021. The forecast for growth in corporate and economic profits has been revised slightly higher in 2019, but slightly lower in 2020 and 2021 compared to the January forecast.

Based on our review of collections data and the economic forecast, we now believe that general fund taxes will be higher than the previous estimates by \$592 million in 2018-19, \$68 million in 2019-20, and \$93 million in 2020-21. The three-year increase is \$753 million, or 1.5%.

Over the three-year forecast period, the individual income tax estimates have been increased by \$460 million, the corporate income/franchise tax estimates have been increased by \$610 million, and taxes on insurance companies have been increased by \$25 million. The sales and use tax estimates have been reduced by \$280 million, the cigarette tax estimates have been reduced by \$37 million, and public utility taxes have been reduced by \$25 million over the three-year forecast period. The estimates for other general fund taxes have not been revised because collections are consistent with the January figures.

As noted, the primary factor in the increased estimates is unexpected strength in individual income tax collections and corporate income/franchise tax collections. At the time the January estimates were prepared, growth in income tax collections through December, 2018, equaled 5.6%. However, December collections decreased 19.8%, compared to December, 2017, due to lower estimated payments and pass-through withholding. Preliminary data from the Department of Revenue (DOR) indicated that this decrease would likely also occur in January 2019. In January, the decrease in estimated payments and pass-through withholding was attributed to the following four factors: (a) taxpayers accelerating payments in December, 2017, and January, 2018, in response to the federal Tax Cuts and Jobs Act of 2017 (TCJA); (b) pass-through entities whose owners were previously subject to the individual income tax changing their filing status in 2018 to C corporations to take advantage of certain federal tax treatments enacted under the TCJA; (c) pass-through entities previously subject to the state individual income tax electing to be taxed under the entity-level tax created under 2017 Wisconsin Act 368; and (d) diminished capital gains following the stock market "correction" in the last quarter of tax year 2018. These factors were expected to add volatility to final payments and refunds during the 2018 tax filing season.

The expected decrease in collections did occur in January, as overall individual income tax collections declined by 13.2% compared to the prior January. However, this collection pattern reversed itself beginning in February. Individual income tax collections grew by 22.2% from February through April compared to the three-month period in the prior year, primarily based on stronger than expected collections for estimated and final payments. Individual income tax collections are now anticipated to grow by 5.5% over the remainder of 2018-19, as compared to the prior year.

In anticipation that Congress would enact legislation to allow states to collect sales tax from out-of-state retailers, 2013 Wisconsin Act 20 established a procedure to proportionally reduce individual income tax rates in the taxable year following the 12-month period after a change in federal law to allow Wisconsin to collect sales tax from remote sellers. Following the 2018 U.S. Supreme Court decision under *South Dakota v. Wayfair, Inc.*, Act 368 modified the Act 20 provision to: (a) accelerate the individual rate reductions to take effect in tax year 2019; and (b) specify that the U.S. Supreme Court decision, rather than an act of Congress, triggered the income tax rate reduction.

At the time Act 368 was enacted, the rate reduction was expected to reduce tax rates on an ongoing basis. However, after reviewing the language of Act 368, it was determined that the rate reductions would be applicable only to tax year 2019, and then revert to the pre-Act 368 levels. As a result, individual income tax revenues have been reestimated higher in 2020-21 by \$60 million to

reflect the one-time nature of the Act 368 rate reductions, compared to the January estimate. If the Act 368 provision is modified to maintain the lower rates on an ongoing basis, as assumed in 2013 Act 20, the tax estimate for 2020-21 will need to be reduced by approximately \$60 million.

At the time of the January estimates, corporate income/franchise tax collections had grown by 23.1% through December, compared to collections through the same period in the prior year. This higher year-to-date growth was attributed to corporate taxpayers shifting taxable income from tax year 2017 to tax year 2018 by accelerating deductible expenses in response to the TCJA (the federal tax rate for C corporations was reduced from 35% to 21% beginning in tax year 2018). Corporate collections were expected to moderate over the remainder of 2018-19 as the income shifting effects of the TCJA grew more distant and the revenue reductions associated with certain tax law changes, such as the expansion of Section 179 expensing provisions, were expected to reduce corporate collections. Over the 2019-21 biennium, the January forecast anticipated continued growth in corporate tax collections attributable, in part, to pass-through entities. First, some pass-through entities were expected to change their filing status to C corporations in response to the TCJA. Second, other pass-through entities were expected to pay state taxes at the entity level under Act 368. DOR indicated it would report entity-level tax paid by S corporations and partnerships under the corporate income/franchise tax, rather than the individual income tax. Although S corporations could elect to pay the entity level tax retroactively for tax year 2018, Act 368 was not expected to significantly shift the composition of corporate and individual income taxes in 2018-19.

Following the January estimates, corporate tax collections did not moderate as expected from January through April. Instead, collections grew by \$330 million compared to the same four-month period in 2017-18. Excluding pass-through withholding (which is reconciled by DOR at the end of each fiscal year), year-to-date collections for 2018-19 are now more than 70% above the comparable period in the prior year. The higher collections are partly attributed to the continued one-time effects of corporations shifting deductible expenses and taxable income between tax years 2017 and 2018 in response to the TCJA. In addition, preliminary data from DOR suggest that S corporations remitted over \$115 million to-date, significantly higher than previously estimated, attributable to those entities electing to be taxed at the entity level under Act 368 for tax year 2018 (partnerships were not eligible to elect entity-level taxation in 2018). The higher amount of tax being remitted under the entity-level tax is expected to shift additional revenue that previously would have been reported under the individual income tax to the corporate income/franchise tax and is expected to add volatility in estimated payments, refunds, and final payments under the two taxes over the next few years.

Table 1 outlines the May, 2019, economic forecast by IHS Markit. Table 2 shows the revised general fund tax collection estimates for 2018-19 and the two years of the next biennium. It should be noted that the revenue estimates reflect current state and federal law and do not incorporate any of the tax law changes proposed by the Governor in his 2019-21 budget recommendations.

TABLE 1

**Summary of National Economic Indicators
IHS Markit Baseline Forecast May, 2019
(\$ in Billions)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Nominal Gross Domestic Product	\$20,494.1	\$21,404.8	\$22,374.3	\$23,337.5
Percent Change	5.2%	4.4%	4.5%	4.3%
Real Gross Domestic Product	\$18,566.4	\$19,061.3	\$19,467.6	\$19,813.0
Percent Change	2.9%	2.7%	2.1%	1.8%
Consumer Prices (Percent Change)	2.4%	2.2%	2.2%	2.3%
Personal Income	\$17,582.4	\$18,290.7	\$19,183.6	\$20,088.3
Percent Change	4.5%	4.0%	4.9%	4.7%
Nominal Personal Consumption Expenditures	\$13,948.5	\$14,536.4	\$15,250.6	\$16,015.5
Percent Change	4.7%	4.2%	4.9%	5.0%
Economic Profits	\$2,262.8	\$2,406.2	\$2,455.1	\$2,485.4
Percent Change	7.8%	6.3%	2.0%	1.2%
Unemployment Rate	3.9%	3.6%	3.5%	3.6%
Total Nonfarm Payrolls (Millions)	149.1	151.4	153.2	154.3
Percent Change	1.7%	1.6%	1.2%	0.7%
Light Vehicle Sales (Millions of Units)	17.19	16.80	16.63	16.48
Percent Change	0.3%	-2.3%	-1.0%	-0.9%
Sales of New and Existing Homes (Millions of Units)	5.958	5.959	6.176	6.316
Percent Change	-3.1%	0.0%	3.6%	2.3%
Housing Starts (Millions of Units)	1.249	1.199	1.274	1.324
Percent Change	3.4%	-4.0%	6.2%	4.0%

TABLE 2

**Projected General Fund Tax Collections
Under Current Law
(\$ in Millions)**

	2017-19 Biennium		2019-21 Biennium	
	2017-18	2018-19	2019-20	2020-21
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Individual Income	\$8,479.2	\$8,950.0	\$9,090.0	\$9,410.0
General Sales and Use	5,448.1	5,650.0	5,845.0	5,895.0
Corporate Income/Franchise	893.9	1,355.0	1,165.0	1,205.0
Public Utility	365.3	353.0	366.0	364.0
Excise				
Cigarette	538.9	523.0	515.0	507.0
Tobacco Products	80.2	86.0	90.0	94.0
Liquor and Wine	52.0	54.0	55.0	56.0
Beer	8.9	8.9	8.9	8.9
Insurance Company	186.3	195.0	203.0	211.0
Miscellaneous Taxes	<u>91.4</u>	<u>91.0</u>	<u>97.0</u>	<u>102.0</u>
 Total	 \$16,144.2	 \$17,265.9	 \$17,434.9	 \$17,852.9
 Change from Prior Year		\$1,121.7	\$169.0	\$418.0
Percent Change		6.9%	1.0%	2.4%

The following sections present information on the individual taxes that are modified under this analysis.

Individual Income Tax. Individual income tax receipts are estimated at \$8,950.0 million in 2018-19, \$9,090.0 million in 2019-20, and \$9,410.0 million in 2020-21. These revised amounts represent increases relative to the previous estimates of \$310.0 million in 2018-19, \$70.0 million in 2019-20, and \$80.0 million in 2020-21. These increases total \$460.0 million.

The reestimate for 2018-19 is influenced by one-time effects. At the end of 2017 (2017-18), there was a surge in estimated payments and pass-through withholding payments that was likely related to the TCJA and the federal limitation on state and local tax deductions beginning in tax year 2018. While a correction was expected in December, 2018, estimated payments and pass-through withholding payments decreased by a greater margin than anticipated. Because these payments reflect taxpayers' actual tax liabilities, the payments were expected to increase in 2019-20, when the collection pattern would normalize. However, this normalization appears to have occurred in March and April of this year. This collection pattern has been experienced by a number of other states.

In addition to realizing the additional estimated payments and pass-through withholding payments, the 2018-19 reestimate incorporates a somewhat higher rate of increase in withholding payments and growth in final payments. These factors result in a 2018-19 growth rate in individual income tax collections of 5.6%, compared to a 1.9% rate of growth assumed in January. This increase is followed by a smaller estimated increase of 1.6% in 2019-20, which is influenced by the implementation of the entity-level tax authorized under 2017 Act 368, resulting in some payments that had been previously recorded under the individual income tax to be reflected under the corporate income/franchise tax instead. For 2020-21, the payments under the individual income tax are estimated to increase by 3.5%.

General Sales and Use Tax. State sales and use tax revenues are estimated at \$5,650.0 million in 2018-19, which represents growth of 3.7% over the prior year. Sales tax revenues are estimated at \$5,845.0 million in 2019-20 and \$5,895.0 million in 2020-21, reflecting growth of 3.5% and 0.9%, respectively. The estimates have been reduced by \$65.0 million in 2018-19, \$110.0 million in 2019-20, and \$105.0 million in 2020-21, relative to the January estimates.

In January, this office estimated year-over-year growth in sales tax revenues of 4.9% in 2018-19 based, in part, on year-to-date growth of 5.0% through December. Through April, year-to-date collections growth is 3.9%. Collections in January and February were considerably weaker than anticipated compared to the same months in the prior year, with year-over-year growth in that period of only 0.1%. January has historically experienced some of the highest sales tax revenues of the year, and the unexpectedly low growth in that month has contributed to the reduced estimate for 2018-19. Moreover, the May forecast for taxable PCE over calendar year 2019 is 1.2 percentage points lower than in the January forecast, which has contributed to the reduction in estimated sales tax revenues for fiscal years 2018-19 and 2019-20, relative to January. While the projected growth in taxable PCE in the May forecast for 2020-21 exhibits a similar trend to the January forecast, estimated revenues in that year have been reduced based on the lower estimated amounts in the preceding year.

Corporate Income/Franchise Tax. Corporate income/franchise tax revenues are now projected to be \$1,355.0 million in 2018-19, \$1,165.0 million in 2019-20, and \$1,205.0 million in 2020-21, which reflects annual growth in collections of 51.6% in 2018-19, reduced annual collections of 14.0% in 2019-20, and growth of 3.4% in 2020-21. Compared to the previous estimates, the reestimates represent increased revenues of \$365.0 million in 2018-19, \$115.0 million in 2019-20, and \$130.0 million in 2020-21. The new estimates reflect year-to-date corporate tax collections, which, as noted above, have grown by over 70% compared to the same period through April of last year.

As noted, higher than expected entity-level tax payments and shifting of income from tax year 2017 to tax year 2018 in response to the TCJA contributed to higher than expected year-to-date collections. In addition, compared to the January forecast, IHS Markit's May forecast of 2019 growth in economic profits increased by 1.6 percentage points to 6.3%. For tax year 2019, S corporations and partnerships choosing to pay at the entity level are required to make quarterly payments, resulting in a one-time higher fiscal effect from S corporations remitting two estimated payments for tax year

2019 and full-year tax payments for tax year 2018. Previously, for tax purposes, such entities would have passed through their income to their owners, most of whom would have filed under the individual income tax. As a result, collections data suggest that a sizable amount of payments will now be made under the corporate income/franchise tax on a continuing basis. Due to the factors described above, this forecast anticipates growth in corporate tax collections of 51.6% in 2018-19. For context, the highest annual growth rate in corporate tax collections over the last 40 years occurred following the 2008-09 recession, with growth of 32.6% in 2009-10 compared to 2008-09.

Collections in 2019-20 and 2020-21 are estimated to be lower than in 2018-19 for three reasons. First, as discussed above, the effect of tax planning for the TCJA is expected to be a one-time shift that would not have a similar effect on revenues in the 2019-21 biennium. Second, entity-level tax collections are expected to be lower over the next two fiscal years after accounting for the one-time increase in collections described above. In addition, it is anticipated that collections under the entity-level tax may stabilize at a lower annual amount going forward if refunds are owed once entity-level tax forms are released by DOR and S corporations can accurately calculate their final payments for tax year 2018 later this year. Finally, IHS Markit forecasts that the growth in economic profits in 2021 (1.2%) will be 1.1 percentage points lower than previously forecast in January.

Public Utility Taxes. Relative to the January estimates, public utility tax collections are estimated to be lower by \$15.0 million in 2018-19, \$3.0 million in 2019-20, and \$7.0 million in 2020-21. Through May 10, 2019, collections are lower than anticipated from both the gross revenue tax group and the ad valorem tax group. On a year-to-year basis, the reestimates assume a reduction of 3.4% in 2018-19, an increase of 3.7% in 2019-20, and a decrease of 0.5% in 2020-21.

Cigarette Tax. Cigarette tax revenues are estimated at \$523.0 million in 2018-19, \$515.0 million in 2019-20, and \$507.0 million in 2020-21, and are lower than the previous estimates by \$9.0 million in 2018-19, \$12.0 million in 2019-20, and \$16.0 million in 2020-21. When cigarette tax revenues were estimated in January, it was assumed that the decline in cigarette tax collections of 4.5% in 2017-18 compared to the prior year might be overstating ongoing declines in cigarette consumption compared to the average decline of 0.8% in the preceding five years. At that time, collections to-date were 1.8% lower than the comparable period in the previous year. Over the last four months, cigarette revenues are 5.6% lower than comparable collections in the prior year. The reestimates reflect the more recent trend of declining cigarette consumption.

Taxes on Insurance Companies. Insurance premiums taxes are now projected to be \$195.0 million in 2018-19, \$203.0 million in 2019-20, and \$211.0 million in 2020-21. Compared to the previous estimates, the revised estimates represent increased insurance premiums tax revenues of \$6.0 million in 2018-19, \$8.0 million in 2019-20, and \$11.0 million in 2020-21. The new estimates reflect year-to-date collections, which are higher than previously forecast and have grown by 5.0% compared to the same period through April of last year.

2018-19 Deposit to Budget Stabilization Fund

Pursuant to s. 16.518 of the statutes, whenever actual general fund tax collections in any year exceed the estimated amount of collections as shown in the biennial budget act, one-half of the excess is deposited into the budget stabilization fund. 2017 Act 368 directed that the amount of sales and use taxes collected in 2018-19 under the *Wayfair* decision be excluded from the calculation.

Under these provisions, it is estimated that for 2018-19, \$291.1 million would be transferred to the budget stabilization fund. That calculation is shown below.

TABLE 3

**2018-19 Deposit to the Budget Stabilization Fund
(in Millions)**

Current Tax Collections Estimate	\$17,265.9
Estimated Collections under <i>Wayfair</i>	<u>-45.0</u>
Subtotal	\$17,220.9
2017 Act 59 Tax Estimate	<u>-16,638.8</u>
Difference	\$582.1
Difference ÷ 2 for Deposit to the Budget Stabilization Fund	\$291.1

The budget stabilization fund currently has a balance of \$325.4 million. With the transfer shown here, that balance would increase to \$616.5 million, plus whatever interest accrues to the fund.

Impact on the 2018-19 General Fund Balance

In our January estimate, it was projected that the gross general fund balance for 2018-19 would be \$691.5 million. That balance is now projected to increase by \$312.2 million to \$1,003.7 million. The \$312.2 million is the net result of increased taxes of \$592 million, increased departmental revenues of \$10.1 million, reduced expenditures of \$2.7 million, an increased transfer of \$1.5 million to the transportation fund, and the \$291.1 million transfer to the budget stabilization fund ($\$592 + \$10.1 + \$2.7 - \$1.5 - \$291.1 = \312.2)

The 2018-19 general fund condition statement is shown in Table 4.

TABLE 4

Estimated 2018-19 General Fund Condition Statement

	<u>2018-19</u>
Revenues	
Opening Balance, July 1	\$588,472,000
Taxes	17,265,900,000
Departmental Revenues	
Tribal Gaming	26,139,600
Other	<u>483,783,500</u>
Total Available	\$18,364,295,100
 Appropriations, Transfers, and Revenues	
Gross Appropriations	\$17,829,835,700
Sum Sufficient Reestimates	-162,687,400
Biennial Appropriation Adjustment	-1,100,000
Transfers to:	
Transportation Fund	43,164,800
Budget Stabilization Fund	291,100,000
Compensation Reserves	52,081,600
Less Lapses	<u>-691,750,500</u>
Net Appropriations	\$17,360,644,200
 Balances	
Gross Balance	\$1,003,650,900
Less Required Statutory Balance	<u>-75,000,000</u>
Net Balance, June 30	\$928,650,900

This office will continue to review revenue and expenditure estimates as well as tax collection data and economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

Sincerely,



Robert Wm. Lang
Director

RWL/sas

cc: Members, Wisconsin Legislature

Appendix B

General Obligation Issuance Status Report

June 15, 2019

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O. Bonds of 2019, Series A ^(b)	Total Authorized Unissued Debt
			Interest Earnings ^(a)	Premium ^(a)		
University of Wisconsin; academic facilities.....	\$ 2,552,521,100	\$ 2,119,003,038	\$ 13,084,724	\$ 65,409,659	\$ 59,999,387	\$ 295,024,292
University of Wisconsin; self-amortizing facilities.....	2,740,855,400	2,328,787,263	2,967,557	63,556,082	55,231,736	290,312,762
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,046,250,000	860,915,650	410,794	25,655,162	21,361,282	137,907,112
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818			139,438
Clean water fund program.....	646,283,200	651,996,843		3,967,798		
Safe drinking water loan program.....	71,400,000	69,215,595	123	2,183,403		879
Natural resources; nonpoint source grants.....	94,310,400	93,954,702	190,043	165,649		6
Natural resources; nonpoint source	44,050,000	29,099,339	2,498	2,509,913	1,738,282	10,699,968
Natural resources; environmental repair.....	57,000,000	49,097,663	203,945	274,644		7,423,748
Natural resources; urban nonpoint source cost-sharing.....	53,600,000	43,060,127	31,189	1,609,413	298,397	8,600,874
Natural resources; contaminated sediment removal.....	32,000,000	24,549,247		1,211,035	974,990	5,264,728
Natural resources; environmental segregated fund supported administrative facilities.....	19,969,200	10,655,566	161	144,257		9,169,216
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	92,179,481	93,544	3,930,728		11,967,347

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
JUNE 15, 2019

<u>Program Purpose</u>	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O. Bonds of 2019, Series A ^(b)	Total Authorized Unissued Debt
			Interest Earnings ^(a)	Premium ^(a)		
Natural resources; general fund supported administrative facilities.....	\$ 16,514,100	\$ 11,317,787	\$ 21,753	\$ 9,001		\$ 5,165,559
Natural resources; ice age trail.....	750,000	750,000				
Natural resources; dam safety projects.....	25,500,000	17,869,109	51,291	1,306,963	\$ 1,426,185	4,846,452
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	1,306,879	132,869		317,030
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	213,025,705	64	31,974,231		
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	1,215,275,976	3,018,078	97,882,005		12,373,941
Transportation; state highway rehabilitation projects, southeast megaprojects.....	820,063,700	781,604,780	1,182,897	37,275,422		601
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.....	305,227,664	233,421,404	141,819	39,871,103		31,793,338
Transportation; southeast Wisconsin freeway megaprojects subject to contingency.....	252,400,000	89,659,553	94,291	10,163,039		152,483,117
Transportation; harbor improvements.....	120,000,000	94,466,191	234,581	5,057,346	11,104,887	9,136,995
Transportation; rail acquisitions and improvements.....	250,300,000	177,138,670	5,187	15,181,051	20,489,791	37,485,301
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000				
Corrections; correctional facilities.....	951,679,900	849,455,058	11,468,918	5,535,522	6,999,929	78,220,473

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
JUNE 15, 2019

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Bonds of 2019, Series A^(b)</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
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
Corrections; juvenile correctional grant program.....	40,000,000					40,000,000
Health services; mental health and secure treatment facilities.....	223,646,200	174,197,207	895,996	1,937,211	\$ 1,749,982	44,865,804
Agriculture; soil and water.....	68,075,000	62,718,133	9,110	3,203,656	1,999,980	144,121
Agriculture; conservation reserve enhancement.....	28,000,000	20,171,396	3,160	988,947	1,299,987	5,536,510
Administration; Black Point Estate.....	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund.....	220,000,000	161,544,290		10,406,397	7,999,918	40,049,395
Building commission; previous lease rental authority.....	143,071,600	143,068,654				2,946
Building commission; refunding tax-supported general obligation debt.....	2,102,086,430	2,102,086,530				
Building commission; refunding self-amortizing general obligation debt.....	272,863,033	272,863,033				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005.....	250,000,000	250,000,000				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2011.....	474,000,000	473,651,084				348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013.....	264,200,000	263,420,000				780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	6,785,000,000	4,976,873,916				1,808,126,084
Building commission; housing state departments and agencies.....	917,767,100	748,599,314	2,356,097	37,184,403	7,499,923	122,127,363
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479			
Building commission; project contingencies.....	47,961,200	46,889,488	64,761	102,627	124,999	779,325
Building commission; capital equipment acquisition.....	125,660,000	123,153,806	740,327	234,156	149,998	1,381,713
Building commission; discount sale of debt.....	90,000,000	73,045,307				16,954,693
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(c)				11,167
Building commission; other public purposes.....	2,677,933,400	2,336,249,900	8,728,268	51,733,817	46,317,923	234,903,492

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
JUNE 15, 2019

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Bonds of 2019, Series A^(b)</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
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	1,725,394		274,522		84
HR Academy, Inc.....	1,500,000	1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator.....	35,000,000	33,820,484		910,977		268,539
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	5,178,449	3,011	495,259		1,707,581
Family justice center.....	10,625,000	9,109,385		1,515,566		49
Marquette University; dental clinic and education facility.....	25,000,000	23,806,733	\$ 818	1,032,347	\$ 159,998	104
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	4,383,263		616,673		64
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	476,628		83,327		45
Carroll University.....	3,000,000	2,393,760		403,102		203,138
Wisconsin Agricultural Education Center, Inc...	5,000,000	3,828,578		353,681	814,992	2,749
Eau Claire Confluence Arts, Inc.....	15,000,000	12,014,058		1,280,371	1,704,983	588
Administration; school educational technology infrastructure financial assistance.....	71,911,300	71,480,216	431,066			18
Myrick Hixon EcoPark, Inc.....	500,000	500,000				
Madison Children's Museum.....	250,000	250,000				
Administration; public library educational technology infrastructure financial assistance.....	269,000	268,918	42			40
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				4,999,949	51
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			

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
JUNE 15, 2019

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Bonds of 2019, Series A^(b)</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
Historical society; historic records.....	\$ 26,650,000	\$ 22,316,371	137	\$ 3,169,487	\$ 999,990	\$ 164,015
Historical society; historic sites.....	9,591,800	9,064,652	847	291,312	2,900	232,089
Historical society; museum facility.....	4,384,400	4,362,469				21,931
Historical society; Wisconsin history center.....	16,000,000	8,685,127	457	1,360,316	106,999	5,847,101
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	43,205,312	198,829	2,078,102		11,008,557
Veterans affairs; veterans facilities.....	15,018,700	9,405,485	50,593		99,999	5,462,622
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	27,589,066	2,427	1,127,943	3,829,961	45,445,703
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.....	\$ 33,176,959,452	\$ 28,529,625,381	\$ 74,220,811	\$546,406,713	\$ 259,487,347	\$ 3,776,904,493

^(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) Amounts include aggregate of par amount of Bonds being issued and purchase premium expected to be received from the sale of the Bonds and credited to the Capital Improvement Fund.

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

Source: Department of Administration.

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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

Subject:

\$220,640,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2019, SERIES A

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$220,640,000 General Obligation Bonds of 2019, Series A, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on May 9, 2019 (**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 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 individuals. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. We express no opinion about other federal tax law consequences regarding the Bonds.

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

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated July 16, 2019 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
STATE CONTINUING DISCLOSURE UNDERTAKING

**MASTER AGREEMENT ON CONTINUING DISCLOSURE
(AMENDED AND RESTATED MARCH 1, 2019)**

This Master Agreement on Continuing Disclosure (**Disclosure Agreement**) is executed and delivered by the State of Wisconsin (**Issuer**), a municipal securities issuer and a sovereign government. The Issuer covenants and agrees as follows:

SECTION 1. Definitions. The following capitalized terms shall have the following meanings:

“**Addendum Describing Annual Report**” shall mean an addendum, substantially in the form of Exhibit A hereto, that describes the contents of an Annual Report for a particular type of obligation.

“**Annual Report**” shall mean any report provided by the Issuer pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

“**Bonds**” shall mean any issue of the Issuer’s securities to which this Disclosure Agreement applies.

“**Bondholders**” shall mean the beneficial owners from time to time of the Bonds.

“**Commission**” shall mean the U.S. Securities and Exchange Commission.

“**Disclosure Agreement**” shall mean this agreement.

“**EMMA**” shall mean the Electronic Municipal Market Access system for municipal securities disclosure, a Commission-approved electronic database established and operated by the MSRB to accommodate the collection and availability of required filings of secondary market disclosures under the Rule.

“**Event Notice**” shall mean a notice of an occurrence of a Listed Event provided under Section 6(b) hereof or a notice provided under Sections 4(c), 6(c), or 8.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended from time to time.

“**financial obligation**” shall mean (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of a debt obligation or such a derivative instrument. The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Issuer**” shall mean the securities issuer described above, namely, the State of Wisconsin.

“**Listed Event**” shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Participating Underwriter**” shall mean any broker, dealer, or municipal securities dealer that is required to comply with the Rule when acting as an underwriter in connection with a primary offering of an issue of Bonds.

“**Resolution**” shall mean the resolution or resolutions of the State of Wisconsin Building Commission or the trust indenture entered into by the Issuer, pursuant to which the Bonds are issued.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Exchange Act.

“**Supplemental Agreement**” shall mean an agreement, substantially in the form of Exhibit B hereto, that either (i) determines that the Disclosure Agreement and a specific Addendum Describing Annual Report shall apply to a specific issue of Bonds or (ii) determines that the Disclosure Agreement (other than Sections 4 or 5, which concern Annual Reports) shall apply to a specific issue of Bonds.

SECTION 2. Purpose of the Disclosure Agreement. The purpose of this Disclosure Agreement is to assist Participating Underwriters in complying with the Rule in connection with a primary offering of an issue of Bonds.

SECTION 3. Application of the Disclosure Agreement. This Disclosure Agreement shall apply to an issue of Bonds when the Issuer executes and delivers a Supplemental Agreement. This Disclosure Agreement may apply in whole or in part, as specified by the Supplemental Agreement. This Disclosure Agreement may apply to more than one issue of Bonds but shall be construed as a separate agreement for each issue of Bonds. The purpose of having this Disclosure Agreement apply to more than one issue of Bonds is to promote uniformity of the Issuer’s obligations with respect to all issues of Bonds.

SECTION 4. Provision of Annual Reports.

(a) The Issuer shall, not later than 180 days following the close of the Issuer’s fiscal year, provide to the MSRB an Annual Report that is consistent with the requirements of Section 5 of this Disclosure Agreement.

(b) If Issuer’s audited financial statements are not publicly available at the time the Annual Report is submitted, the Issuer shall submit them to the MSRB within ten business days after the statements are publicly available.

(c) If the Issuer fails to provide an Annual Report to the MSRB by the date required in subsection (a), the Issuer shall send an Event Notice to the MSRB.

SECTION 5. Content and Submission of Annual Reports.

(a) The Annual Report shall be provided for each obligated person described in the Addendum Describing Annual Report, and it shall contain, or

incorporate by reference, the financial statements and operating data, and use the accounting principles, described in the Addendum Describing Annual Report.

(b) The Annual Report shall be submitted to the MSRB in an electronic format, and accompanied by identifying information, as prescribed by the MSRB. As of the date of this Disclosure Agreement, the MSRB prescribes that all submissions of secondary disclosure be made through EMMA. The Annual Report may be submitted as a single document or as a package comprising separate documents. All, or any of, the items constituting the Annual Report may be incorporated by reference from other documents available to the public on the MSRB's Internet Web site or filed with the Commission. The Issuer shall clearly identify each document so incorporated by reference.

(c) Each time the Issuer submits information to the MSRB in accordance with this Disclosure Agreement, it shall confirm, in the manner it deems appropriate, the MSRB's prescriptions concerning the electronic format and accompanying identifying information. As of the date of this Disclosure Agreement, information on the MSRB's required electronic format and submission procedures through EMMA can be found on the MSRB's Internet Web site at www.emma.msrb.org.

(d) To allow for uniformity of the contents of Annual Reports with respect to obligations that are similar in character, the Issuer may from time to time describe the contents in an Addendum Describing Annual Report and shall incorporate a description by reference in a Supplemental Agreement.

SECTION 6. Reporting of Significant Events.

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of an obligated person (for the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all the assets or business of the obligated person).
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an obligated person, any of which affect Bondholders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the MSRB not in excess of ten business days after the occurrence of the event.

(c) Similarly, if the Issuer determines that it failed to give notice of an occurrence as required by this section, it shall promptly file an Event Notice with respect to such occurrence to the MSRB.

(d) Notwithstanding (b) above, the Issuer shall not be required to file notice of the occurrence of the items listed in number 15 and 16 above for Bonds issued prior to February 27, 2019. For items listed in number 16 above, the financial obligation to which the notice relates may have been issued or entered into prior to or after February 27, 2019.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement with respect to an issue of Bonds shall terminate upon the legal defeasance, prior redemption, or payment in full of all Bonds of the issue or if the Rule shall be revoked or rescinded by the Commission or declared invalid by a final decision of a court of competent jurisdiction.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement if the following conditions are met:

(a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or an obligated person, or the type of business conducted; and

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Bondholders, as determined by an opinion of nationally recognized bond counsel, a certificate from an indenture trustee for the Bonds, or an approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment.

In the event this Disclosure Agreement is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it files after such event shall explain the reasons for the amendment or waiver and the impact, if any, of the change in the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, the Issuer agrees that it will give an Event Notice and that the next Annual Report it files after such event will present a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. The Issuer may from time to time choose to disseminate other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or include other information in any Annual Report or Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or Event Notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or Event Notice.

SECTION 10. Default. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, and the sole remedy of a Bondholder under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action or lawsuit to compel performance. The Issuer reserves any defense it may have to any such action or lawsuit including that this Disclosure Agreement violates sovereign rights or that no funds have been appropriated for performance.

SECTION 11. Beneficiaries. The Issuer intends to be contractually bound by this Disclosure Agreement. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Participating Underwriters, and Bondholders and shall create no rights in any other person or entity.

SECTION 12. Responsible Officer. Pursuant to a resolution adopted by the State of Wisconsin Building Commission on August 9, 1995, the Capital Finance Director has been authorized to execute this Disclosure Agreement on behalf of the Issuer, and the Capital Finance Office has been designated as the office of the Issuer responsible for providing Annual Reports and giving notice of Listed Events, to the extent required hereunder. Any inquiries regarding this Disclosure Agreement should be directed to the Capital Finance Office, Department of Administration, Division of Executive Budget and Finance, 101 East Wilson Street, Madison, Wisconsin 53702, Phone: (608) 267-0374, Email: DOACapitalFinanceOffice@wisconsin.gov or such other address, telephone number, fax number, or email address as the Issuer may from time to time provide by an addendum hereto.

SECTION 13. Satisfaction of Conditions. This Disclosure Agreement amends and restates the Master Agreement on Continuing Disclosure (Amended and Restated December 1, 2010) (**Prior Agreement**), executed and delivered by the Issuer and dated December 1, 2010. The Issuer finds and determines that the conditions stated under Section 8 of the Prior Agreement for amendment of the Prior Agreement have been satisfied and, more particularly:

- (a) The amendments are being made in connection with a change in circumstances that arises from a change in legal requirements or a change in law (namely, amendments to the Rule);
- (b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account the amendments to the Rule; and

(c) The amendments do not materially impair the interests of the Bondholders, as determined by an opinion of nationally recognized bond counsel.

IN WITNESS WHEREOF, the Issuer has caused this Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019) to be executed by its duly authorized officer.

Date: March 1, 2019

STATE OF WISCONSIN
Issuer

By: /s/ DAVID R. ERDMAN
David R. Erdman
Capital Finance Director

EXHIBIT A

FORM OF ADDENDUM DESCRIBING ANNUAL REPORT

ADDENDUM DESCRIBING ANNUAL REPORT
FOR [TYPE OF OBLIGATIONS]

This Addendum Describing Annual Report for [Type of Obligation] (**Addendum**) is delivered by the State of Wisconsin (**Issuer**) pursuant to the Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019)] (as may be further amended from time to time in accordance with the terms thereof, **Disclosure Agreement**), executed and delivered by the Issuer and dated _____, 20__]. This Addendum describes the content of an Annual Report prepared with respect to [type of obligation]. Capitalized terms that are not defined in this Addendum have the meanings set forth in the Disclosure Agreement.

Issuer. The Issuer is an obligated person, as is any entity described below as an Additional Obligated Person, and no other entity is an obligated person.

Additional Obligated Person(s): [None] [Each of the entity named or described by objective criteria below is an obligated person: _____]

Content of Annual Report for Issuer. Accounting Principles. The following accounting principles shall be used for the financial statements: _____.

Financial Statements. The financial statements shall present the following information: _____.

Operating Data. In addition to the financial statements, operating data about the following matters shall be presented: _____.

Content of Annual Report for Additional Obligated Person(s). Accounting Principles. The following accounting principles shall be used for the financial statements: _____.

Financial Statements. The financial statements shall present the following information: _____.

Operating Data. In addition to the financial statements, operating data about the following matters shall be presented: _____.

IN WITNESS WHEREOF, the Issuer has caused this Addendum to be executed by its duly authorized officer.

Date: _____, 20____

STATE OF WISCONSIN
Issuer

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement is executed and delivered by the State of Wisconsin (**Issuer**) to supplement the Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019) (as may be further amended from time to time in accordance with the provisions thereof, **Disclosure Agreement**), executed and delivered by the Issuer and dated _____, 20___. Pursuant to the provisions of the Disclosure Agreement, the Issuer hereby [determines that the Disclosure Agreement and the Addendum Describing Annual Report for [Type of Obligation] shall apply to the following issue of obligations] [determines that the Disclosure Agreement (other than Sections 4 and 5, which concern Annual Reports) shall apply to the following issue of obligations]:

Name of Obligations:

Date of Issue: _____, _____

CUSIPs _____

IN WITNESS WHEREOF, the Issuer has caused this Supplemental Agreement to be executed by its duly authorized officer.

Date: _____, 20__

STATE OF WISCONSIN
Issuer

By: _____
Name: _____
Title: _____

ADDENDUM DESCRIBING ANNUAL REPORT FOR GENERAL OBLIGATIONS

This Addendum Describing Annual Report for General Obligations (**Addendum**) is delivered by the State of Wisconsin (**Issuer**) pursuant to the Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), as it may be further amended from time to time in accordance with the terms thereof (**Disclosure Agreement**), executed and delivered by the Issuer and dated March 1, 2019. This Addendum describes the content of an Annual Report prepared with respect to general obligations. Capitalized terms that are not defined in this Addendum have the meanings set forth in the Disclosure Agreement.

Issuer. The Issuer is an obligated person, as is any entity described below as an Additional Obligated Person, and no other entity is an obligated person.

Additional Obligated Person(s): None

Content of Annual Report for Issuer.

Accounting Principles. The following accounting principles shall be used for the financial statements: Generally Accepted Accounting Principles.

Financial Statements. The financial statements shall present the following information: General Purpose External Financial Statements section of the Comprehensive Annual Financial Report.

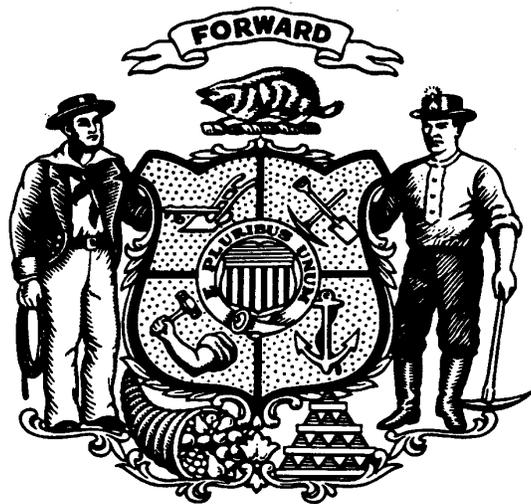
Operating Data. In addition to the financial statements, unaudited operating data about the following matters shall be presented: (i) revenues received by the State, (ii) expenditures made by the State, (iii) budgets, (iv) selected financial data concerning the General Fund, (v) information concerning temporary reallocation, (vi) pertinent information on significant pending litigation, (vii) balances of outstanding State obligations, and (viii) statistical information on the State's economic condition and Wisconsin Retirement System.

IN WITNESS WHEREOF, the Issuer has caused this Addendum to be executed by its duly authorized officer.

Date: March 1, 2019

STATE OF WISCONSIN
Issuer

By: /s DAVID R. ERDMAN
Name: David R. Erdman
Title: Capital Finance Director



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