THIS PRELIMINARY OFFICIAL STATEMENT, which is in a form " deemed final" by the State as of this date except for the omission of information described in Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, IS SUBJECT TO REVISION, AMENDMENT, AND COMPLETION IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 18, 2020

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.

$271,210,000*
STATE OF WISCONSIN
$153,890,000* GENERAL OBLIGATION REFUNDING BONDS OF 2020, SERIES 3 (TAXABLE)
$117,320,000* GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 1 (FORWARD DELIVERY)

Dated: Date of Delivery **Due: May 1, as shown on inside front cover**

Ratings	Kroll Bond Rating Agency, Inc. Moody's Investors Service, Inc. S&P Global Ratings
Tax Matters	Interest on the 2020 Series 3 Bonds is included in gross income for federal income tax purposes —*See pages 15-18.* Interest on the 2021 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals —*See pages 18-19.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 20.*
Redemption*	The 2020 Series 3 Bonds maturing on or after May 1, are callable at par on May 1, or any date thereafter—*See page 4.* The 2020 Series 3 Bonds are subject to redemption at any time at the make-whole redemption price—*See page 4.* The 2021 Series 1 Bonds maturing on or after May 1, are callable at par on May 1, or any date thereafter—*See page 4.* The Series Bonds maturing on May 1, are subject to mandatory sinking fund redemption at par—*See page 5.*
Security	General obligations of the State of Wisconsin—*See page 4.*
Purpose	Proceeds from the 2020 Series 3 Bonds are being used for the advance refunding, and proceeds from the 2021 Series 1 Bonds are being used for the current refunding, of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes—*See pages 2-3.*
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2020 for the 2020 Series 3 Bonds and , 2021 for the 2021 Series 1 Bonds
Delivery	On or about , 2020 for the 2020 Series 3 Bonds
Forward Delivery	On or about , 2021 for the 2021 Series 1 Bonds. The forward delivery date for the 2021 Series 1 Bonds and certain conditions to the Underwriters' obligation to purchase the 2021 Series 1 Bonds on the settlement date give rise to certain risks to investors—*See pages 8-11.* The Representative will require investors purchasing the 2021 Series 1 Bonds to execute and deliver a Delayed Delivery Contract, the form of which is attached hereto as APPENDIX E.
Denominations	Multiples of $5,000
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See pages 6-8.*
2019 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2019.

The prices and yields listed on the inside front cover were determined on , 2020 at negotiated sale.

J.P. Morgan **Ramirez & Co., Inc.**

BNY Mellon Capital Markets **BAIRD** **Goldman Sachs & Co. LLC**

PNC Capital Markets LLC **RBC Capital Markets**

, 2020

* Preliminary; subject to change.

CUSIP NUMBERS, MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND OTHER INFORMATION

$271,210,000*
STATE OF WISCONSIN

$153,890,000* GENERAL OBLIGATION REFUNDING BONDS OF 2020, SERIES 3 (TAXABLE)

CUSIP	ISIN	Euroclear and Clearstream Common Code	Due (May 1)*	Principal Amount*	Interest Rate	Price at Issuance	First Optional Call Date*	Call Price*
			2021	$ 2,360,000				
			2022	29,760,000				
			2023	550,000				
			2024	550,000				
			2025	555,000				
			2026	560,000				
			2027	570,000				
			2028	575,000				
			2029	585,000				
			2030	595,000				
			2031	605,000				
			2032	26,390,000				
			2033	55,615,000				
			2034	3,295,000				
			2035	3,420,000				
			2036	3,545,000				
			2037	3,685,000				
			2038	3,825,000				
			2039	3,975,000				
			2040	4,125,000				
			2041	4,290,000				
			2042	4,460,000				

$117,320,000* GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 1 (FORWARD DELIVERY)

CUSIP	Due (May 1)*	Principal Amount*	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date*	Call Price*
	2026	$ 14,705,000					
	2027	29,790,000					
	2028	16,175,000					
	2029	17,485,000					
	2030	18,880,000					
	2031	20,285,000					

* Preliminary; subject to change.

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

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

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

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

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

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

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INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

THE INFORMATION UNDER THIS CAPTION HAS BEEN FURNISHED BY THE UNDERWRITERS, AND THE STATE OF WISCONSIN (REFERRED TO IN THESE LEGENDS AS THE **STATE** OR **ISSUER**) MAKES NO REPRESENTATION AS TO THE ACCURACY OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION. REFERENCES UNDER THIS CAPTION TO "2020 SERIES 3 BONDS" OR "SECURITIES" MEAN THE 2020 SERIES 3 BONDS OFFERED HEREBY.

MINIMUM UNIT SALES

THE 2020 SERIES 3 BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 2020 SERIES 3 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (EEA) OR THE UNITED KINGDOM

THE 2020 SERIES 3 BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM. FOR THESE PURPOSES, A **RETAIL INVESTOR** MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, **MIFID II**); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (AS AMENDED OR SUPERSEDED, THE **INSURANCE DISTRIBUTION DIRECTIVE**), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE **PROSPECTUS REGULATION**). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION NO. 1286/2014/EU (AS AMENDED, THE **PRIIPS REGULATION**) FOR OFFERING OR SELLING THE 2020 SERIES 3 BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE 2020 SERIES 3 BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE 2020 SERIES 3 BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS REGULATION FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE 2020 SERIES 3 BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE 2020 SERIES 3 BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF 2020 SERIES 3 BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS.

THE OFFER OF ANY 2020 SERIES 3 BONDS WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A **QUALIFIED INVESTOR** AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER OR THE ISSUER FOR ANY SUCH OFFER; OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION; PROVIDED THAT NO SUCH OFFER OF THE 2020 SERIES 3 BONDS SHALL REQUIRE THE ISSUER OR ANY UNDERWRITER TO PUBLISH A PROSPECTUS PURSUANT TO

ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE 2020 SERIES 3 BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE 2020 SERIES 3 BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE FOR THE 2020 SERIES 3 BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE 2020 SERIES 3 BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (**FSMA**) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (**FINANCIAL PROMOTION ORDER**), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR SOLICITATION TO PURCHASE OR INVEST IN THE 2020 SERIES 3 BONDS. THE 2020 SERIES 3 BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (**FINSA**) AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE 2020 SERIES 3 BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2020 SERIES 3 BONDS CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2020 SERIES 3 BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

THE 2020 SERIES 3 BONDS DO NOT CONSTITUTE COLLECTIVE INVESTMENTS WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (**CISA**). ACCORDINGLY, HOLDERS OF THE 2020 SERIES 3 BONDS DO NOT BENEFIT FROM PROTECTION UNDER THE CISA OR FROM THE SUPERVISION OF THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY. INVESTORS ARE EXPOSED TO THE DEFAULT RISK OF THE ISSUER.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE 2020 SERIES 3 BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32 OF THE LAWS OF HONG KONG)) IN HONG KONG (THE **C(WUMP)O**) NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) (THE **SFO**). ACCORDINGLY, THE 2020 SERIES 3 BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT, AND THIS OFFICIAL STATEMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN (A) TO **PROFESSIONAL INVESTORS** AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT BEING A **PROSPECTUS** AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE 2020 SERIES 3 BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO THE 2020 SERIES 3 BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO PROFESSIONAL INVESTORS.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE 2020 SERIES 3 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE **FIEA**). NEITHER THE 2020 SERIES 3 BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE 2020 SERIES 3 BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE 2020 SERIES 3 BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (**QIIS**) IN RELIANCE ON THE QIIS-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE 2020 SERIES 3 BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE 2020 SERIES 3 BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE 2020 SERIES 3 BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE 2020 SERIES 3 BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT

REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE 2020 SERIES 3 BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY. ANY SUBSCRIPTIONS OF 2020 SERIES 3 BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE 2020 SERIES 3 BONDS SIGNED BY THE INVESTORS.

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	——

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

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. Aaron Heintz
Deputy Capital Finance Director
(608) 267-1836

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

Mr. Juan Gomez
Capital Finance Officer
(608) 267-2734

* 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.

Principal Amount:	$271,210,000*
Description:	$153,890,000* State of Wisconsin General Obligation Refunding Bonds of 2020, Series 3 (Taxable) $117,320,000* State of Wisconsin General Obligation Refunding Bonds of 2021, Series 1 (Forward Delivery)
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery; On or about , 2020 for the 2020 Series 3 Bonds and on or about , 2021 for the 2021 Series 1 Bonds
Forward Delivery:	The forward delivery date and certain conditions to the Underwriters' obligation to purchase the 2021 Series 1 Bonds on the settlement date give rise to certain risks to investors—*See pages 8-11.* The Representative will require investors purchasing the 2021 Series 1 Bonds to execute and deliver a Delayed Delivery Contract, the form of which is attached hereto as APPENDIX E.
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2020 for the 2020 Series 3 Bonds and , 2021 for the 2021 Series 1 Bonds
Maturities:	2020 Series 3 Bonds; May 1, 2021-2042* 2021 Series 1 Bonds; May 1, 2026-2031* —*See inside front cover.*
Redemption*:	*Optional*—The 2020 Series 3 Bonds maturing on or after May 1, are callable at par on May 1, or any date thereafter—*See page 4.* The 2020 Series 3 Bonds are subject to optional redemption at any time at the make-whole redemption price— *See page 4.* The 2021 Series 1 Bonds maturing on or after May 1, are callable at par on May 1, or any date thereafter—*See page 4.* *Sinking Fund*—The Series Bonds maturing on May 1, are subject to mandatory sinking fund redemption at par—*See page 5.*
Form:	Book-entry-only—*See pages 6-8.*
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 1, 2020, general obligations of the State were outstanding in the principal amount of $7,107,914,888.
Additional General Obligation Debt:	The State may issue additional general obligation debt—*See page 12.*
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	The 2020 Series 3 Bond proceeds are being used for the advance refunding, and the 2021 Series 1 Bond proceeds are being used for the current refunding, of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes—*See pages 2-3.*
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies,

	bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Status:	Interest on the 2020 Series 3 Bonds is included in gross income for federal income tax purposes—*See pages 15-18.* Interest on the 2021 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 18-19.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 20.*
2019 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2019.
Legal Opinion:	Validity opinion on the Bonds and tax opinion on the 2021 Series 1 Bonds to be provided by Foley & Lardner LLP—*See APPENDIX C.*

* Preliminary; subject to change.

OFFICIAL STATEMENT

$271,210,000*

STATE OF WISCONSIN

$153,890,000* GENERAL OBLIGATION REFUNDING BONDS OF 2020, SERIES 3 (TAXABLE)

$117,320,000* GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 1 (FORWARD DELIVERY)

INTRODUCTION

This Official Statement provides information about the $153,890,000* General Obligation Refunding Bonds of 2020, Series 3 (Taxable) **(2020 Series 3 Bonds)** and $117,320,000* General Obligation Refunding Bonds of 2021, Series 1 (Forward Delivery) **(2021 Series 1 Bonds)** (collectively, the 2020 Series 3 Bonds and the 2021 Series 1 Bonds are called the **Bonds**), which are being issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2019 **(2019 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 February 27, 2020.

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 2019 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2019 Annual Report, including but not limited to:

- The COVID-19 pandemic and the State's response to such pandemic. At this time, neither the Wisconsin Department of Revenue **(DOR)** nor the Legislative Fiscal Bureau **(LFB)** has released any projections of changes in General Fund tax collections or the General Fund condition statement.

- Estimated General Fund condition statement for the 2019-21 biennium and General Fund tax revenue estimates for the 2019-20 and 2020-21 fiscal years, as included in a report provided by LFB on January 23, 2020 (**January 2020 LFB Report**).

* Preliminary; subject to change.

- General Fund information for the 2019-20 fiscal year through March 31, 2020, which is presented on either a cash basis or an agency-record basis, and projected General Fund information for the remainder of the 2019-20 fiscal year, which is presented on a cash basis.

The estimates and projections included in the January 2020 LFB Report and the March 31, 2020 General Fund information are provided for historical context only; they do not reflect developments related to the COVID-19 pandemic and do not represent the State's current expectations as to fiscal year 2019-20 or 2020-21 results.

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

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

PLAN OF REFUNDING

General

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

The 2020 Series 3 Bonds are being issued for the advance refunding of certain maturities of general obligation bonds, or portions thereof, previously issued by the State for general governmental purposes **(Advance Refunding)**. The refunded maturities, or portions of maturities, associated with the Advance Refunding are currently outstanding in the total principal amount of $ **(Advance Refunded Bonds)**.

The 2021 Series 1 Bonds are being issued for the current refunding on May 1, 2021 of certain maturities of general obligation bonds previously issued by the State for general governmental purposes **(Current Refunding)**. The refunded maturities associated with the Current Refunding are currently outstanding in the total principal amount of $ **(Current Refunded Bonds)**. The delivery of the 2021 Series 1 Bonds is expected to occur on , 2021, or on such later date as may be agreed upon by the State and the Representative, as described under "UNDERWRITING; Certain Forward Delivery Considerations, Acknowledgements, and Risks".

APPENDIX D identifies, and provides information about the Advance Refunded Bonds and Current Refunded Bonds **(Refunded Bonds)**.

Advance Refunding

To provide for the Advance Refunding, the proceeds of the 2020 Series 3 Bonds will be used to purchase a portfolio of securities **(Escrow Obligations)**, which by State statutes must be direct, noncallable general obligations of the United States or its agencies, corporations wholly owned by the United States, the Federal National Mortgage Association, or any corporation chartered by an act of Congress. The Escrow Obligations, together with the interest to be earned, and a beginning cash deposit, will be sufficient

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

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

Refunding Escrow Agreement

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

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

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

Current Refunding

Upon delivery and settlement of the 2021 Series 1 Bonds, the proceeds of the 2021 Series 1 Bonds will be deposited into the State's Bond Security and Redemption Fund. The proceeds will be used to pay the principal or redemption price of, and interest on, the Current Refunded Bonds on May 1, 2021.

Use of Proceeds and Pledge

The proceeds of the 2021 Series 1 Bonds deposited into the Bond Security and Redemption Fund may be expended only for the payment of the principal or redemption price of, and interest on, the Current Refunded Bonds. All money in the Escrow Fund may be expended only for the payment of the principal or redemption price of, and interest on, the Advance Refunded Bonds. However, notwithstanding the amounts in the Bond Security and Redemption Fund and the Escrow Fund, there is irrevocably appropriated, as a first charge on all revenues of the State, a sum sufficient for the payment of the Refunded Bonds. Each year, for the purpose of determining the constitutional limit on public debt, the amounts held in the Bond Security and Redemption Fund and the Escrow Fund will be subtracted from the amount of outstanding aggregate public debt of the State.

THE BONDS

General

The inside front cover of this Official Statement sets forth the maturity dates, principal amounts, interest rates, and other information for the Bonds. The Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee. The Commission has appointed 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 respective dates of delivery (expected to be , 2020 for the 2020 Series 3 Bonds and , 2021 for the 2021 Series 1 Bonds) and will bear interest from those respective dates, payable on May 1 and November 1 of each year, beginning on November 1, 2020 for the 2020 Series 3 Bonds and , 2021 for the 2021 Series 1 Bonds.

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 initial 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 2020 Series 3 Bonds maturing on or after May 1, may be redeemed on May 1, , 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 2021 Series 1 Bonds maturing on or after May 1, may be redeemed on May 1, , 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.

Optional Redemption With Make Whole Premium

The 2020 Series 3 Bonds may be redeemed on any Business Day, in whole or in part in multiples of $5,000, in such principal amounts and from such maturities as the Commission may determine, at a redemption price **(Make-Whole Redemption Price)** equal to the greater of:

(A) 100% of the principal amount of the 2020 Series 3 Bonds to be redeemed, or

(B) the sum of the present values of the applicable remaining payments of principal and interest on the 2020 Series 3 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such 2020 Series 3 Bonds are to be redeemed, discounted to the date of redemption of such 2020 Series 3 Bonds on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus basis points (. %),

plus, in each case, accrued interest on the 2020 Series 3 Bonds to be redeemed to the date fixed for redemption.

For purposes of determining the Make-Whole Redemption Price:

(i) "Treasury Rate" means, with respect to any redemption date for a particular 2020 Series 3 Bond, the yield to maturity of United States Treasury securities (excluding inflation indexed securities) with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available not less than two Business Days nor more than 45 calendar days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)), most nearly equal to the period from the redemption date to the maturity date of the 2020 Series 3 Bond to be redeemed (taking into account any sinking fund installments for such bonds), as determined by the Designated Consultant; provided, however, that if period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(ii) "Designated Consultant" means an independent accounting firm, investment banking firm, or financial advisor retained by the State at the State's expense.

* Preliminary; subject to change.

(iii) "Business Day" means a day which is not (1) a Saturday or Sunday, (2) a day on which commercial banks are required or authorized by law to be closed in the State, or (3) a day on which The New York Stock Exchange is closed for the entire day or federal reserve banks are closed.

Mandatory Sinking Fund Redemption

The Series Bonds maturing on May 1, (**Term Bonds)** are subject to redemption before their maturity date at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date, from mandatory sinking fund payments that are required to be made in amounts sufficient to redeem, on May 1 of each of the years set forth below, the respective principal amounts of the Term Bonds specified below:

Redemption Date (May 1)	**Principal Amount**

[a] Stated Maturity

Optional redemption (or any purchase by the Commission in lieu of redemption) of the Term Bonds will be applied to reduce the mandatory sinking fund payments established for the Term Bonds so redeemed or purchased in such order and manner as the Capital Finance Director of the State will direct.

Selection of Bonds

If less than all of the Bonds of a given series are to be redeemed at the option of the State, the particular maturities of Bonds to be redeemed will be determined by the Capital Finance Director in its sole discretion.

So long as the 2021 Series 1 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.

So long as the 2020 Series 3 Bonds are in book-entry-only form and DTC or a successor securities depository is the sole registered owner of such 2020 Series 3 Bonds, if some but less than all of the 2020 Series 3 Bonds of a particular maturity are to be redeemed on any date, the State shall instruct DTC to provide for a pro rata redemption in accordance with its procedures as a pro rata pass-through distribution of principal, or if the DTC operational arrangements do not allow for pro rata pass-through distribution of principal, the 2020 Series 3 Bonds to be redeemed shall be selected by lot; provided that, so long as such 2020 Series 3 Bonds are registered in the book-entry-only system, the selection for redemption of the 2020 Series 3 Bonds will be in accordance with operational arrangements of DTC then in effect.

It is the State's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, the State cannot provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of 2020 Series 3 Bonds on such basis, nor will the State be responsible for any failure of DTC, DTC's direct and indirect participants, or other intermediary to do so.

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 of either series are in book-entry-only form, payment of the principal of, and premium, if any, and interest on, such Bonds on each payment date will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration.

Ratings

The following ratings have been assigned to the Bonds:

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

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

Sources and Uses of Funds

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

	2020 Series 3 Bonds	2021 Series 1 Bonds	Total
Sources			
Principal Amount	$	$	$
Net Original Issue Premium/(Discount)			
TOTAL SOURCES	$	$	$
Uses			
Deposit to Escrow Fund	$	$	$
Deposit to Bond Security and Redemption Fund			
Underwriters' Discount			
Costs of Issuance			
TOTAL USES	$	$	$

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 premium, if any, 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 2021 Series 1 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.

If less than all of the 2020 Series 3 Bonds of a given maturity are being redeemed, the redemption price shall be allocated to all beneficial owners of the 2020 Series 3 Bonds on a pro rata pass-through distribution of principal basis in accordance with DTC procedures. See "THE BONDS; Redemption Provisions; *Selection of Bonds*".

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.

APPENDIX F includes information on global clearance procedures.

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.

2021 Series 1 Bonds would be selected for redemption by lot. Each owner of a2020 Series 3 Bond would receive an amount equal to the total principal amount of 2020 Series 3 Bonds to be redeemed times a fraction, the numerator of which is the principal amount of the 2020 Series 3 Bonds of such maturity held by the registered owner and the denominator of which is the principal amount of all 2020 Series 3 Bonds of such maturity then outstanding.

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

UNDERWRITING

The Bonds are being purchased by the **Underwriters** listed on the inside front cover, for which J.P. Morgan Securities LLC is acting as the representative **(Representative)**.

- The Underwriters have agreed, subject to certain conditions, to purchase the 2020 Series 3 Bonds from the State at an aggregate purchase price of $, reflecting a net original issue premium/discount of $ and Underwriters' discount of $. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the 2020 Series 3 Bonds if any 2020 Series 3 Bonds are purchased.
- The Underwriters have agreed, subject to certain conditions, to purchase the 2021 Series 1 Bonds from the State at an aggregate purchase price of $, reflecting a net original issue premium/discount of $ and Underwriters' discount of $. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the 2021 Series 1 Bonds if any 2021 Series 1 Bonds are purchased.

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

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

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

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

Certain Forward Delivery Considerations, Acknowledgements, and Risks

The State and the Underwriters, acting through the Representative, have entered into a forward delivery bond purchase agreement for the 2021 Series 1 Bonds **(Forward Delivery Purchase Agreement)** dated the date of this Official Statement. Subject to the terms of the Forward Delivery Purchase Agreement, the State expects to issue and deliver the 2021 Series 1 Bonds on , 2021, or on such later date (no later than April 30, 2021) as is mutually agreed upon by the State and the Representative **(Forward Settlement Date)**. The following is a description of certain provisions of the Forward Delivery Purchase

Agreement. This description is not to be considered a full statement of the terms of the Forward Delivery Purchase Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof.

The obligation of the Underwriters to purchase the 2021 Series 1 Bonds from the State is subject to the satisfaction of certain conditions as of , 2020 **(Preliminary Closing Date)**, and on the Forward Settlement Date.

Until such time as the 2021 Series 1 Bonds are issued and delivered by the State and purchased by the Underwriters on the Forward Settlement Date, certain information contained in this Official Statement may change in a material respect. The State agrees in the Forward Delivery Purchase Agreement to update the Official Statement, if necessary in the judgment of the Representative or the State, so that the Official Statement as amended or supplemented does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Additionally, the State agrees in the Forward Delivery Purchase Agreement to prepare an updated Official Statement, dated a date not more than twenty-five nor less than ten days prior to the Forward Settlement Date, which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading **(Updated Official Statement)**. References to the Official Statement under "UNDERWRITING; Certain Forward Delivery Considerations, Acknowledgements, and Risks" as of a specific date shall mean (i) during the period from the date of this Official Statement to but not including the date of delivery of the Updated Official Statement to the Representative, this Official Statement, and (ii) from and after the date of delivery of the Updated Official Statement, the Updated Official Statement, in each case as amended or supplemented.

Conditions of Settlement

The issuance and purchase of the 2021 Series 1 Bonds on the Forward Settlement Date are subject to the satisfaction of certain conditions set forth in the Forward Delivery Purchase Agreement, including, among other things, the delivery to the Representative of certain documents and legal opinions on and as of the Preliminary Closing Date and certain additional documents and legal opinions, and the satisfaction of other conditions, on and as of the Forward Settlement Date, including the delivery to the Representative of: (i) the opinion of Bond Counsel relating to the 2021 Series 1 Bonds, substantially in the form and to the effect set forth in APPENDIX C, (ii) the Updated Official Statement, and (iii) written evidence satisfactory to the Representative that Kroll Bond Rating Agency, Inc., Moody's Investors Service, Inc., and S&P Global Ratings continue to rate (at any level) the 2021 Series 1 Bonds. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Forward Settlement Date or the failure by the State to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the 2021 Series 1 Bonds will be issued unless all of the 2021 Series 1 Bonds are issued and delivered on the Forward Settlement Date.

Termination of Forward Delivery Purchase Agreement

The Representative has the right, between the date of the Forward Delivery Purchase Agreement and the Forward Settlement Date, by written notice to the State, to cancel the Underwriters' obligation to purchase the 2021 Series 1 Bonds if, in the Representative's reasonable judgment, any of the following events occur during that time:

- There shall have been a Change in Law. A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Forward Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Forward Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the 2021 Series 1 Bonds or selling the 2021 Series 1 Bonds or beneficial ownership interests therein to the public, or (B) as to the State, make the completion of the issuance, sale or delivery of the 2021 Series 1 Bonds illegal; provided, however, that such change in or addition to law, legislation, law, rule, or regulation or judgement, ruling or order shall have become effective, been enacted, or been issued, as the case may be, after the date of the Forward Delivery Purchase Agreement.

- Bond Counsel is unable to issue an opinion substantially in the form of APPENDIX C as to the tax-exempt status of interest on the 2021 Series 1 Bonds.
- Legislation shall have been enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the 2021 Series 1 Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, the Securities Exchange Act of 1934 or the Trust Indenture Act of 1939 or otherwise, or would be in violation of any provision of the federal securities laws.
- The State shall have defaulted in the payment of its general obligation debt.
- As of the Forward Settlement Date, the 2021 Series 1 Bonds are not rated (or any rating on the 2021 Series 1 Bonds is suspended) by Kroll Bond Rating Agency, Inc., Moody's Investors Service, Inc., or S&P Global Ratings.
- A stop order, cease-and-desist order, injunction, no-action letter, ruling, regulation or official statement by the SEC, its staff or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering, or sale of the 2021 Series 1 Bonds or the adoption of the Resolution as contemplated in the Forward Delivery Purchase Agreement or in this Official Statement and the Updated Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect.
- This Official Statement, as of its date (or, if amended within the period ending 60 days after the Preliminary Closing Date, then as of the date of such amendment), or the Updated Official Statement, as of its date (or, if amended, then as of the date of such amendment), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Delayed Delivery Contract

The Representative will require investors purchasing the 2021 Series 1 Bonds to execute a Delayed Delivery Contract (**Delayed Delivery Contract**) in substantially the form set forth in APPENDIX E. The Delayed Delivery Contract provides that the purchaser will remain obligated to purchase the 2021 Series 1 Bonds, even if the purchaser decides to sell the purchased 2021 Series 1 Bonds following the date of the Delayed Delivery Contract. ***The State will not be a party to any Delayed Delivery Contract, and the State is not in any way responsible for the performance thereof or for any representations or warranties contained therein.*** The rights and obligations under the Forward Delivery Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Additional Risks Related to Forward Delivery Period

Between the date of the Forward Delivery Purchase Agreement and the Forward Settlement Date (**Forward Delivery Period**), certain information contained in this Official Statement may change in material respects. Any changes in such information will not permit the Representative to terminate the Forward Delivery Purchase Agreement or release the purchasers of their obligation to purchase the 2021 Series 1 Bonds unless the change reflects an event described under "*Termination of Forward Delivery Purchase Agreement"* above. Purchasers of the 2021 Series 1 Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk. No assurances can be given that the ratings assigned to the 2021 Series 1 Bonds on the Forward Settlement Date will not be different from those assigned as of the Preliminary Closing Date to the 2021 Series 1 Bonds. Issuance of the 2021 Series 1 Bonds and the Underwriters' obligations under the Forward Delivery Purchase Agreement are not conditioned upon the assignment of any particular ratings for the 2021 Series 1 Bonds or the maintenance of the initial ratings of the 2021 Series 1 Bonds.

Secondary Market Risk. The Underwriters are not obligated to make a secondary market for the 2021 Series 1 Bonds, and no assurance can be given that a secondary market will exist for the 2021 Series 1 Bonds during the Forward Delivery Period or at any time thereafter. Prospective purchasers of the 2021 Series 1 Bonds should assume that there will be no secondary market for the 2021 Series 1 Bonds during the Forward Delivery Period.

Market Value Risk. The market value of the 2021 Series 1 Bonds as of the Forward Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the financial condition of the State, and federal and state tax, securities and other laws. The market value of the 2021 Series 1 Bonds as of the Forward Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the 2021 Series 1 Bonds, and that difference could be substantial. Neither the State nor the Underwriters make any representations as to the expected market value of the 2021 Series 1 Bonds as of the Forward Settlement Date.

Tax Law Risk. Subject to the other conditions of closing and delivery and the Representative's rights of termination described above, the Forward Delivery Purchase Agreement obligates the State to deliver, and the Underwriters to accept, the 2021 Series 1 Bonds if the State delivers an opinion of Bond Counsel substantially in the form relating to the 2021 Series 1 Bonds and to the effect set forth in APPENDIX C. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion from gross income of interest payable on "state or local bonds" (such as the 2021 Series 1 Bonds) for federal income tax purposes, the State might be able to satisfy the requirements for the delivery of the 2021 Series 1 Bonds. In such event, the purchasers would be required to accept delivery of the 2021 Series 1 Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any such changes in tax law and the consequences of such changes to the purchasers. See "TAX MATTERS" herein.

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 $4,356,545,425, and the cumulative debt limit is $29,043,636,165. Funding or refunding obligations (such as the Bonds) are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of June 1, 2020, general obligations of the State were outstanding in the principal amount of $7,107,914,888. 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 2020

General Obligations

The 2020 Series 3 Bonds will be the fourth series of general obligations to be issued in this calendar year. The State has previously issued two series of general obligations in this calendar year, in the aggregate principal amount of $327 million, for refunding purposes and one series of general obligation bonds in the principal amount of $214 million for general governmental purposes.

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

- Up to $624* million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of 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 $374 million as of June 1, 2020. 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.

The Commission likely will be asked to authorize the issuance of general obligations before the end of calendar year 2020 for general governmental purposes. The amount and timing of any issuance in calendar year 2020 of general obligations for these purposes depend on disbursements from the State Capital Improvement Fund for authorized purposes.

Other Obligations

The State has not issued any transportation revenue obligations in this calendar year. The Commission has authorized up to $525 million of transportation revenue obligations to refund outstanding transportation revenue bonds. On March 16, 2020, the State released a Preliminary Official Statement for such transportation revenue refunding bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend, among other factors, on market conditions, and the amount and timing of any authorization and issuance of transportation revenue obligations for the financing of transportation facilities and highway projects depend on the expenditures for such projects.

The State has issued one series of general fund annual appropriation refunding bonds in calendar year 2020 in the principal amount of $623 million for refunding purposes. The State may sell, or sell and issue, additional general fund annual appropriation refunding bonds in this calendar year for the refunding of outstanding general fund appropriation bonds. The amount and timing of any additional issuance of general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State has not issued master lease certificates of participation in this calendar year. 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 has issued one series of environmental improvement fund revenue bonds in calendar year 2020 in the principal amount of $80 million. The amount and timing of any authorization and issuance of additional environmental improvement fund revenue bonds depend on several factors, but an issuance is not likely to occur in the remainder of calendar year 2020.

The State will not issue any operating notes for the 2019-20 fiscal year and does not currently intend to issue operating notes for the 2020-21 fiscal year; however, the State has not yet determined the effects of the COVID-19 pandemic on the General Fund tax collections and General Fund cash flows for the 2020-21 fiscal year.

* Preliminary; subject to change.

Reference Information About the Bonds

Information about the Bonds is provided for reference in the tables on the inside 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 2021 Series 1 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.

Financial Advisor

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

Verification of Mathematical Computations

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

The Verification Agent relied upon assumptions and information supplied by the Underwriters on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Advance Refunded Bonds will be paid as described in its report.

Legal Investment

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

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

Legal Opinions

Bond Opinion

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. When the Bonds of each series are delivered, Bond Counsel will deliver an approving opinion in substantially the applicable 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 of each series are delivered, the Attorney General will deliver an opinion on the regularity and validity of the proceedings with respect to such 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.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes certain fiduciary and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA (**ERISA Plans**). Section 4975 of the Internal Revenue Code of 1986, as amended (Code) imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) of the Code (**Qualified Retirement Plans)** and on individual retirement accounts described in Section 408(b) of the Code (collectively, **Tax-Favored Plans**). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements (**Non-ERISA Plans**). Accordingly, assets of such plans may be invested in Bonds without regard to the ERISA considerations described below, subject to the provisions of applicable federal and state law. Any such plan which is a Qualified Retirement Plan and exempt from taxation under Sections 401(a) and 501(a) of the Code, however, is subject to the prohibited transaction rules set forth in the Code.

Section 404 of ERISA imposes a number of general fiduciary requirements, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan. In addition, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities with underlying assets that include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, **Benefit Plans**) and persons who have certain specified relationships to the Benefit Plans (**Parties in Interest** or **Disqualified Persons**) unless a statutory or administrative exemption is available. Fiduciaries with respect to a Benefit Plan that participate in a non-exempt prohibited transaction may incur personal liability under Section 409 of the Code.

Certain other Parties in Interest (or Disqualified Persons) that participate in a non-exempt prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code).

Certain transactions involving the purchase, holding, or transfer of Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the State were deemed to be assets of a Benefit Plan. Under a regulation issued by the United States Department of Labor (**Plan Assets Regulation**), as modified by Section 3(42) of ERISA, the assets of the State would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code only if the Benefit Plan acquires an "equity interest" in the State and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, the Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. Nevertheless, the acquisition or holding of Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the State, or any of its affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. A prohibited transaction could also occur in the event that a Benefit Plan transfers a Bond to a Party in Interest or a Disqualified Person. In such case, certain exemptions from the prohibited transaction rules could apply depending on the type and circumstances of the plan fiduciary making the decision to acquire a Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (**PTCE**) 96-23, regarding transactions effected by "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional assets managers."

Any ERISA Plan fiduciary considering whether to purchase Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code. Persons responsible for investing the assets of employee benefit plans that are not subject to ERISA or the Code should seek counsel with respect to the compliance of such investment with all applicable laws and the governing plan documents.

The sale of the Bonds to a Benefit Plan or a Non-ERISA Plan is in no respect a representation by the State that such investment meets all relevant legal requirements or that such investment is otherwise appropriate for such Benefit Plan or Non-ERISA Plan.

TAX MATTERS

Tax Status—2020 Series 3 Bonds

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the 2020 Series 3 Bonds that acquire their 2020 Series 3 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their 2020 Series 3 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the 2020 Series 3 Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their 2020 Series 3 Bonds pursuant to this offering for the issue price that is applicable to such 2020 Series 3 Bonds (*i.e.*, the first price at which a substantial amount of the 2020 Series 3 Bonds are sold to the public) and who will hold their 2020 Series 3 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a 2020 Series 3 Bond that is a "United States person," as defined in Section 7701(a)(30) of the Code, and generally means an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation, regardless of its source, or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States Persons have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a 2020 Series 3 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds 2020 Series 3 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding 2020 Series 3 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2020 Series 3 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

It should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the 2020 Series 3 Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local, or non-U.S. tax consequences to them from the purchase, ownership and disposition of the 2020 Series 3 Bonds in light of their particular circumstances.

Interest on the 2020 Series 3 Bonds is not excluded from gross income for federal income tax purposes.

U.S. Holders

Interest. Interest on the 2020 Series 3 Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the 2020 Series 3 Bonds is less than the amount to be paid at maturity of such 2020 Series 3 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2020 Series 3 Bonds) by more than a *de minimis* amount, the difference may constitute original issue discount (**OID**). U.S. Holders of 2020 Series 3 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

2020 Series 3 Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a 2020 Series 3 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such 2020 Series 3 Bond.

Sale or Other Taxable Disposition of the 2020 Series 3 Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement, or other disposition of a 2020 Series 3 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a 2020 Series 3 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the 2020 Series 3 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the 2020 Series 3 Bond (generally, the purchase price paid by the U.S. Holder for the 2020 Series 3 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such 2020 Series 3 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the 2020 Series 3 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the 2020 Series 3 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Additional Tax on Net Investment Income. Under Section 1411 of the Code, an additional tax is imposed on individuals, in an amount equal to 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income) and (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return or a surviving spouse). Prospective investors should consult with their own tax advisors concerning this additional tax, as it may apply to interest on the 2020 Series 3 Bonds as well as gain on the sale of a 2020 Series 3 Bond.

Information Reporting and Backup Withholding. Payments on the 2020 Series 3 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the 2020 Series 3 Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the 2020 Series 3 Bonds and the gross proceeds of a sale, exchange, redemption, retirement, or other disposition of the 2020 Series 3 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (**TIN**) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code, or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A U.S. Holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "TAX MATTERS; Tax Status—2020 Series 3 Bonds; *Non-U.S. Holders; Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act,"* payments of principal of, and interest on, any 2020 Series 3 Bond to a Non-U.S. Holder, other than (1) a "controlled foreign corporation," as such term is defined in the Code, which is related to the State through stock ownership and (2) a bank which acquires such 2020 Series 3 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the 2020 Series 3 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the 2020 Series 3 Bonds. Subject to the discussions below under the headings "TAX MATTERS; Tax Status—2020 Series 3 Bonds; *Non-U.S. Holders; Information Reporting and Backup Withholding"* and *"Foreign Account Tax Compliance Act,"* any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the State or a deemed retirement due to defeasance of the 2020 Series 3 Bond) or other disposition of a 2020 Series 3 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A 2020 Series 3 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such 2020 Series 3 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "TAX MATTERS; Tax Status—2020 Series 3 Bonds; *Non-U.S. Holders; Foreign Account Tax Compliance Act,"* under current U.S. Treasury Regulations, payments of principal and interest on any 2020 Series 3 Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the beneficial owner of the 2020 Series 3 Bond or a financial institution holding the 2020 Series 3 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and be signed by the owner under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code **(FATCA)** impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless (i) the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or (ii) the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting, and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of principal of and interest on the 2020 Series 3 Bonds and sales proceeds of 2020 Series 3 Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and to gross proceeds from the sale, exchange, or retirement of debt obligations. However, the IRS has issued proposed regulations, upon which taxpayers may generally rely, that exclude gross proceeds from the sale, exchange, or retirement of debt obligations such as the 2020 Series 3 Bonds from the application of the withholding tax imposed under FATCA. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Tax Exemption—2021 Series 1 Bonds

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the 2021 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an 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 2021 Series 1 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 2021 Series 1 Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the 2021 Series 1 Bonds are issued. No provision is made for an increase in interest rates or a redemption of the 2021 Series 1 Bonds in the event interest on the 2021 Series 1 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 2021 Series 1 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 2021 Series 1 Bonds. Other federal tax law provisions may adversely affect the value of an investment in the 2021 Series 1 Bonds for particular owners of those 2021 Series 1 Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a 2020 Series 1 Bond.

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, owners of the 2021 Series 1 Bonds would have little or no right to participate in an IRS examination of the 2021 Series 1 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 2021 Series 1 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 2021 Series 1 Bonds.

Current and future legislative proposals, if enacted into law, may cause the interest on the 2021 Series 1 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the 2021 Series 1 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 2021 Series 1 Bonds. Prospective investors should consult their own tax advisors about federal legislative proposals.

Original Issue Discount Bonds

Under existing law, any original issue discount on the 2021 Series 1 Bonds is excluded from gross income for federal income tax purposes to the same extent as interest payable on such 2021 Series 1 Bonds. The original issue discount is the excess of the principal amount of a Bond over the issue price of that Bond. The issue price of the 2021 Series 1 Bonds having a common maturity date and interest rate generally is the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such maturity of the 2021 Series 1 Bonds were first sold. Based on representations from the Underwriters, the State expects the issue price of each maturity of the 2021 Series 1 Bonds to be the Price at Issuance set forth in the table on the inside front cover.

Original issue discount on tax-exempt obligations accrues on a constant-yield-to-maturity method based on regular compounding. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in the obligations. The adjusted tax basis 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 obligations.

Owners of 2021 Series 1 Bonds with original issue discount should consult their own tax advisors with respect to the federal tax consequences of owning such 2021 Series 1 Bonds, including the computation of accrued original issue discount and the accrual of original issue discount allocable to owners that do not purchase their 2021 Series 1 Bonds in the initial offering at the issue price.

Owners of 2021 Series 1 Bonds with original issue discount should also consult their own tax advisors with respect to the state and local tax consequences of owning 2021 Series 1 Bonds. Under the applicable provisions governing the determination of state and local taxes, ownership of 2021 Series 1 Bonds with original issue discount may result in a tax liability in the year of accrual, even though there will not be a corresponding cash payment until a later year.

Premium Bonds

2021 Series 1 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 2021 Series 1 Bonds, the interest on which is excluded from gross income for federal income tax purposes.

During each taxable year, an owner of 2021 Series 1 Bonds with amortizable bond premium must reduce his, her, or its tax basis in the 2021 Series 1 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 2021 Series 1 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 2021 Series 1 Bond.

Owners of 2021 Series 1 Bonds purchased at a premium should consult their own tax advisors with respect to the federal tax consequences of owning such 2021 Series 1 Bonds, including computation of their tax basis and the effect of any purchase of 2021 Series 1 Bonds that is not made in the initial offering at the issue price. Owners of such 2021 Series 1 Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning those 2021 Series 1 Bonds.

State Tax Considerations

General

In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Bonds.

State of Wisconsin Income and Franchise Taxes

Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes.

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. 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.

Part I of the 2019 Annual Report, which contains information on the undertaking including the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019) and the Addendum Describing Annual Report for General Obligations, is included by reference as part of this Official Statement.

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

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

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: , 2020

STATE OF WISCONSIN

Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

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

Naomi De Mers, Secretary
State of Wisconsin Building Commission

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 27, 2019 **(2019 Annual Report)**, which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2019 Annual Report, including, but not limited to:

- The COVID-19 pandemic and the State's response to such pandemic. At this time, neither the Wisconsin Department of Revenue **(DOR)** nor the Legislative Fiscal Bureau **(LFB)** has released any projections of changes in General Fund tax collections or the General Fund condition statement.

- Estimated General Fund condition statement for the 2019-21 biennium and General Fund tax revenue estimates for the 2019-20 and 2020-21 fiscal years, as included in a report provided by LFB on January 23, 2020 (**January 2020 LFB Report**).

- General Fund information for the 2019-20 fiscal year through March 31, 2020, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2019-20 fiscal year, which is presented on a cash basis.

The estimates and projections included in the January 2020 LFB Report and the March 31, 2020 General Fund information are provided for historical context only; they do not reflect developments related to the COVID-19 pandemic and do not represent the State's current expectations as to fiscal year 2019-20 or 2020-21 results.

Part II of the 2019 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 2018-19 fiscal year and summary of 2019-21 biennial budget)
- 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, 2019, 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 2019 Annual Report.

Part III of the 2019 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 2019 Annual Report and the Comprehensive Annual Financial Report **(CAFR)** for the fiscal year ended June 30, 2019 were both filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The 2019 Annual Report and the CAFR 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" and the State investor relations web site.

The Capital Finance Office web site and the State investor relations web site are located at the following addresses:

doa.wi.gov/capitalfinance
wisconsinbonds.com

Copies of the 2019 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 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 2019 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2019 Annual Report, certain changes or events have occurred that affect items discussed in the 2019 Annual Report. Listed below, by reference to particular sections of Part II of the 2019 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 may include changes or additions based on information released after the date of the Preliminary Official Statement (June 18, 2020). Any such change or addition is identified accordingly.

State Budget; Budgets for 2019-20 and 2020-21 Fiscal Years (Part II, Page 37) and **State Budget; Estimated General Fund Tax Collections for 2019-21 Biennium** (Part II; Pages 37-39). Update with the following information:

LFB Preliminary April and May General Fund Tax Collections

On May 6, 2020, LFB released a memorandum that provided preliminary information on General Fund tax collections for April 2020, which were approximately $870 million less than General Fund tax collections in April 2019 and on June 10, 2020, LFB released a memorandum that provided preliminary information on General Fund tax collections for May 2020, which were approximately $66 million less than General Fund tax collections in May 2019. However, neither memo identified the amount of revenues that might be delayed until July 2020 due to the extension of the income tax filing to July 2020 from April 2020, and the amount of revenues that are lost as a result of the COVID-19 pandemic.

Additional details of these preliminary April 2020 and May 2020 collections and the memos from LFB are outlined below:

- Preliminary individual income tax collections for April 2020 were $676 million lower than those collected in April 2019 and for May 2020 were $4 million lower than those collected in May 2019. LFB notes that most of the decline in individual income tax collections is likely caused by the delayed filing dates for estimated payments and final payments.
- Sales tax collections reported for April 2020 generally reflect taxes paid for retail sales occurring in March 2020. Sales tax collections for April 2020 were lower than April collections in the previous year by $48 million. Likewise, sales tax collections reported for May 2020 generally

reflect taxes paid for retail sales occurring in April 2020. Sales tax collections for May 2020 were lower than May collections in the previous year by $46 million.

- Corporate income/franchise tax collections for April 2020 were $177 million lower than those collected in April 2019 and for May 2020 were $14 million higher than those collected in May 2019. LFB notes that most corporate tax collections are paid to the State as estimated payments and, similar to individual income tax collections, most corporations have likely taken advantage of the filing date extension and will wait to make payments until the July date. LFB also notes the corporate tax collections are generally due for most filers in April, June, September, and December. As a result, May is a relatively less significant month for comparing changes to corporate tax collections.
- Due to the COVID-19 pandemic, General Fund tax collections are likely to be less than those included in the 2019-21 biennial budget for fiscal year 2019-20. An expected transfer of $189 million to the Budget Stabilization Fund from the General Fund for the 2019-20 fiscal year, as identified in January 2020 LFB Report, is now unlikely. The funds will likely remain in the General Fund.
- Other actions taken to mitigate the decline in the fiscal year 2019-20 General Fund balance include the administration's direction for agencies to lapse or transfer 5% (approximately $70 million) from appropriations to the General Fund and the re-amortization of variable rate debt that will reduce the scheduled debt service payments from General Fund appropriations by $66 million.

The memos do not provide any forecast or updated estimates of General Fund tax collections and General Fund condition statement, although the June 10, 2020 memo indicates that the gross General Fund balance at June 30, 2020 will undoubtedly be less than that projected in the January 2020 LFB Report.

COVID-19 Update

In response to the COVID-19 pandemic, national and State emergency declarations have been put in place, resulting in significant reductions in business, travel, and other economic activity.

On March 12, 2020, Governor Tony Evers issued Executive Order #72, which declared a public health emergency and designated the Department of Health Services (**DHS**) as the lead agency to respond to the emergency. Under the Wisconsin Statutes, a state of emergency declared by the Governor cannot exceed 60 days, unless extended by joint resolution of the Legislature. This emergency declaration has expired and the Legislature has not taken any action on such matter.

In addition, Governor Evers and the Secretary-designee of DHS issued various executive and emergency orders related to COVID-19 pandemic:

- On March 13, 2020, Governor Evers issued Emergency Order #1, which directed the closure of all public and private schools in the State, effective March 18, 2020.
- On March 17, 2020, Governor Evers issued Emergency Order #5, which, as modified by Emergency Order #8 on March 20, 2020, prohibited gatherings of ten or more persons.
- On March 24, 2020, the Secretary-designee of DHS issued Emergency Order #12 (Safer at Home Order), which ordered all individuals present within the State to stay at their place of residence through April 24, 2020, with exceptions for essential activities, and to maintain social distancing of at least six feet from any other person, except for household members living in the same unit.
- On April 16, 2020, the Secretary-designee of DHS issued Emergency Order #28, which extended the Safer at Home Order to May 26, 2020 with additional exceptions for essential and other activities.
- On April 20, 2020, the Secretary-designee of DHS issued Emergency Order #31, which included an initiative (referred to as the "Badger Bounce Back") for the State to adopt a phased approach

to re-opening its economy and society with incrementally fewer restrictions on businesses and individuals while protecting the public from COVID-19.

All Executive Orders and Emergency Orders related to COVID-19 are available on the following web site: https://evers.wi.gov/Pages/Newsroom/Executive-Orders.aspx. The web site is provided for the convenience of the reader only and is not incorporated by reference into this Official Statement. While some Executive Orders and Emergency Orders have expired or are no longer in effect, they are mentioned in this summary as their financial impact on the State have not yet been reported.

As part of the State's plan to reopen the economy, Governor Evers announced that nearly all nonessential businesses would be allowed to re-open with certain capacity limitations. This order became effective immediately on May 11, 2020.

The State's Legislature filed a lawsuit in the State Supreme Court challenging the validity of Emergency Order #28. On May 13, 2020, the State Supreme Court overturned many provisions of the Emergency Order #28 and its extension of the Safer-At Home Order. This ruling struck down the State ban on business closures and public gatherings. Any further plans from DHS to place restrictions are to be approved by the State's Legislature prior to implementation, but at this time DHS has indicated that no such plan in the form of administrative rules is being planned. Some local governments implemented stay-at-home orders following the Supreme Court order, but some later rescinded such orders. At this time, certain restrictions are still in place for the cities of Milwaukee and Madison.

The United States Internal Revenue Service announced on March 21, 2020 that the deadline for filing federal income tax returns is being extended from April 15, 2020, to July 15, 2020, and that tax payments otherwise due on April 15 will not be due until July 15. The Wisconsin Department of Revenue (**DOR**) has indicated that it will automatically adopt the federal deadlines and due dates for State income and franchise tax returns and payments. During the period of the extension, no penalties will be incurred, and no interest will accrue, for payments otherwise due.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (**CARES Act**). The CARES Act contains numerous provisions that authorize payments to individuals, businesses, and governments, including the establishment of a Coronavirus Relief Fund. LFB initially identified up to $2.3 billion of federal funds that the State and local units of government in the State may receive from the Coronavirus Relief Fund, based on 2019 population estimates. Initial payments have been received from the Coronavirus Relief Fund, and Governor Evers has announced plans to set aside approximately $1.3 billion of these funds for expenditures in the State related to COVID-19. In addition, on May 27, 2020 Governor Evers announced the launch of the "Routes to Recovery: Local Government Aid Grants" program funded by an additional $200 million of Coronavirus Relief Fund dollars; such grants to Wisconsin counties, cities, villages and towns are intended to provide reimbursements for certain unbudgeted expenditures incurred because of COVID-19. The Coronavirus Relief Fund is just one component of the CARES Act and other federal funds may be available pursuant to other provisions of the CARES Act or future federal legislation.

On April 15, 2020, Governor Evers signed 2019 Wisconsin Act 185, which was adopted by the Legislature in an extraordinary session and includes several amendments to State law in response to the pandemic. The State expects that additional actions will be taken by federal, State, and local governments and private entities to mitigate the spread of and effects of COVID-19, and such actions may result in additional General Fund expenditures. Any such additional State legislation would need to be adopted by the Legislature and approved by the Governor before it becomes effective.

On April 28, 2020, the Secretary of Administration directed State agencies to reduce General Fund expenditures for the 2019-20 fiscal year by 5%. The reduction is in addition to prior restrictions on employee travel, a hiring freeze with exceptions for COVID-19-related positions and those essential for business functions, and suspension of discretionary merit compensation. This reduction only applies to State operations and not to local assistance, aid to individuals or organizations.

Because the effects of COVID-19 essentially started within recent months and the duration and the breadth of the effects of COVID-19 are not yet known, the total economic impact on the State, including General Fund tax collections and General Fund cash flows for fiscal years 2019-2020 and 2020-21, cannot be determined at this time. Neither DOR nor LFB has released any projections of changes in General Fund tax collections or the General Fund condition statement. However, the pandemic and the emergency responses have resulted in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced business demand, worker layoffs, furloughs, and reductions in hours, and supply shortages.

It is likely that the full financial impact of COVID-19 on the State, the State's economy, and the State's financial position will change significantly as circumstances and events evolve. It is not possible at present to project with any reasonable degree of certainty the impact on State revenues, expenditures, reserves, budget, or financial position. The information in this summary is subject to change without notice and only speaks as of its date. While it may be some time before it can determine the full economic and financial impact of the COVID-19 pandemic, the State intends to file any appropriate reports from DOR or LFB on the EMMA system of the MSRB.

January 2020 LFB Report – General Fund Condition Statement

The January 2020 LFB Report included an updated General Fund condition statement and estimated General Fund tax revenues for each fiscal year of the 2019-21 biennium. The net General Fund balance for the end of the biennium (June 30, 2021) was projected to be $620 million. This is $452 million higher than the balance that was projected at the time of the enactment of the 2019-21 biennial budget **(2019 Wisconsin Act 9)**, as modified to incorporate the fiscal year 2018-19 ending balance as shown in the Annual Fiscal Report for fiscal year 2018-19.

The table on the following page sets forth the estimated General Fund condition statement for each fiscal year of the 2019-21 biennium as included in the January 2020 LFB Report. The table also includes, for comparison, the estimated General Fund condition statement for each year of the 2019-21 biennium, as included in 2019 Wisconsin Act 9. Both the January 2020 LFB Report and the following table are provided for historical context only; they do not represent the State's current expectations about General Fund balances for either fiscal year 2019-20 or 2020-21. See "COVID-19 Update" in this Appendix A.

Based on the General Fund tax revenue estimates in the January 2020 LFB Report, the following estimated General Fund condition statement included estimated 2019-20 and 2020-21 fiscal year deposits of $189 million and $220 million, respectively, from the General Fund to the Budget Stabilization Fund. These projected deposits reflected General Fund tax revenue estimates for those fiscal years being higher than estimated in 2019 Wisconsin Act 9. However, as noted in the recent LFB memos, due to the reduction in General Fund tax collections resulting from COVID-19, these transfers from the General Fund to the Budget Stabilization Fund will not likely occur.

ESTIMATED GENERAL FUND CONDITION STATEMENTS
2019-2020 AND 2020-2021 FISCAL YEARS
(in Millions)

	2019-20 Fiscal Year		2020-2021 Fiscal Year	
	2019 Wisconsin Act 9[1]	January 2020 LFB Report[2]	2019 Wisconsin Act 9[1]	January 2020 LFB Report[2]
Revenues				
Opening Balance	$ 947.7	$1,086.9	$ 792.3	$1,147.6
Taxes	17,303.6	17,699.1	17,654.8	18,077.5
Department Revenues				
Tribal Gaming	23.8	24.6	24.9	25.8
Other	540.5	535.9	530.8	553.7
Total Available	$18,815.6	$19,346.5	$ 19,002.7	$19,804.6
Appropriations				
Gross Appropriations	$18,386.9	$18,387.0	$19,201.8	$19,201.8
Sum Sufficient Reestimates		(13.7)		(11.7)
Compensation Reserves	13.4	13.4	94.5	94.5
Transfers	43.3	232.6	44.1	263.9
Less: Lapses	(420.2)	(420.4)	(451.8)	(449.1)
Net Appropriations	$18,023.4	$18,198.8	$18,888.6	$19,099.4
Balances				
Gross Balance	$ 792.3	$1,147.7	$ 114.2	$705.2
Less: Req. Statutory Balance	(80.0)	(80.0)	(85.0)	(85.0)
Net Balance, June 30	$ 712.3	$1,067.7	$ 29.2	$620.2

[1] Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Does not reflect the ending actual General Fund balance of the 2018-19 fiscal year of $1,087 million, as included in the Annual Fiscal Report (budgetary basis) released on October 15, 2019.
[2] Does not reflect COVID-19 Update.

January 2020 LFB Report – General Fund Tax Collections

The January 2020 LFB Report included an updated General Fund condition statement and estimated General Fund tax revenues for each fiscal year of the 2019-21 biennium. The estimated General Fund tax revenues were $17.699 billion in the 2019-20 fiscal year and $18.078 billion in the 2020-21 fiscal year. These amounts are $395 million and $423 million, respectively, greater than the estimated General Fund tax revenues as included in the 2019-21 biennial budget. The estimated General Fund tax revenues for the 2019-20 fiscal year was $358 million (or 2.1%) greater than General Fund tax revenues in the 2018-19 fiscal year.

The following table sets forth the estimated General Fund tax revenues for each fiscal year of the 2019-21 biennium as included in the January 2020 LFB Report. The table also includes, for comparison, the estimated General Fund tax revenues for each year of the 2019-21 biennium, as included in 2019 Wisconsin Act 9, and the actual General Fund tax revenues from the 2018-2019 fiscal year. Both the January 2020 LFB Report and the following table are provided for historical context only; they do not represent the State's current expectations about General Fund tax collections for either fiscal year 2019-20 or 2020-21. See "COVID-19 Update" in this Appendix A.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2019-2020 AND 2020-2021 FISCAL YEARS
(in Millions)

	2018-2019 Annual Fiscal Report	2019-20 Fiscal Year 2019 Wisconsin Act 9[1]	2019-20 Fiscal Year January 2020 LFB Report[2]	2020-2021 Fiscal Year 2019 Wisconsin Act 9[1]	2020-2021 Fiscal Year January 2020 LFB Report[2]
Individual Income	$ 8,994.1	$ 8,923.1	$8,950.0	$ 9,142.0	$9,235.0
Sales and Use	5,695.5	5,877.3	5,930.0	5,960.5	6,010.0
Corp. Income & Franchise	1,338.1	1,165.5	1,495.0	1,205.4	1,505.0
Public Utility	364.9	366.0	358.0	364.0	362.0
Excise					
Cigarettes	514.3	515.0	512.0	507.0	497.0
Tobacco Products	85.5	90.0	90.0	94.0	92.0
Liquor & Wine	53.6	55.0	55.0	56.0	56.0
Vapor Products		2.3	2.3	3.2	3.2
Beer	8.5	8.9	8.3	8.9	8.3
Insurance Company	194.4	203.0	201.0	211.0	209.0
Miscellaneous Taxes	92.5	97.5	97.5	102.7	100.0
TOTAL	$17,341.4	$17,303.6	$17,699.1	$17,654.8	$18,077.5

[1] Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues.
[2] Does not reflect COVID-19 Update.

A complete copy of the January 2020 LFB Report, which includes a national economic forecast and its application to the State's General Fund tax revenue estimates, is included at the end of this Appendix A. In addition, the State has filed the January 2020 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. As noted above, the January 2020 LFB Report does not reflect the impacts of the COVID-19 pandemic.

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 2019-20 fiscal year through March 31, 2020 and projections for the remainder of the 2019-20 fiscal year, which are presented primarily on a cash basis. The projections and estimates for the remainder of the 2019-20 fiscal year reflect 2019 Wisconsin Act 9 and a report released by LFB on May 15, 2019 **(May 2019 LFB Report)**, and the January 2020 LFB Report, but do not reflect the impacts expected from the COVID-19 pandemic. In addition, the following tables are presented for historical context only; they present actual information through March 31, 2020 but the projections as of that date continue to reflect only 2019 Wisconsin Act 9, the May 2019 LFB Report, and the January 2020 LFB Report and the projections and estimates do not represent the expected impact on the State from the COVID-19 pandemic.

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 table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2019 TO MARCH 31, 2020
PROJECTED GENERAL FUND CASH FLOW; JANUARY 1, 2020 TO JUNE 30, 2020[(a)]
(Cash Basis)

	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	$ 2,509,532	$ 1,696,340	$ 1,631,925	$ 3,110,416	$ 3,878,045	$ 3,076,744	$ 3,007,283	$ 3,965,154	$ 3,496,859	$ 2,436,180	$ 2,707,466	$ 3,072,097
Ending Balance[(c)]	1,696,340	1,631,925	3,110,416	3,878,045	3,076,744	3,007,283	3,965,154	3,496,859	2,436,180	2,707,466	3,072,097	2,219,393
Lowest Daily Balance [(c)]	1,423,684	1,149,561	1,631,925	2,768,821	2,991,765	1,933,672	2,603,879	3,496,859	2,179,107	1,971,858	2,104,139	1,474,843
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 977,646	$ 450,182	$ 1,151,013	$ 856,978	$ 502,663	$ 977,868	$ 1,227,226	$ 549,522	$ 1,097,793	$ 1,144,218	$ 462,047	$ 1,002,052
Sales & Use	578,086	557,654	572,319	555,892	515,980	503,381	626,742	463,529	437,355	531,851	508,950	578,306
Corporate Income	50,934	33,646	313,638	62,031	54,209	312,991	88,248	82,451	263,528	113,124	69,683	183,062
Public Utility	39	2	556	22,910	193,659	524	170	47	4	5,455	193,152	327
Excise	50,830	66,273	62,536	55,848	59,107	53,335	55,102	46,678	50,440	49,038	53,910	64,060
Insurance	416	3,843	41,448	320	1,572	44,242	2,457	25,224	30,112	43,957	5,035	42,865
Subtotal Tax Receipts	$ 1,657,951	$ 1,111,600	$ 2,141,510	$ 1,553,979	$ 1,327,190	$ 1,892,341	$ 1,999,945	$ 1,167,451	$ 1,879,232	$ 1,887,643	$ 1,292,777	$ 1,870,672
NON-TAX RECEIPTS												
Federal	$ 959,908	$ 681,496	$ 1,214,847	$ 649,556	$ 900,685	$ 882,614	$ 816,879	$ 997,804	$ 768,134	$ 668,436	$ 906,442	$ 753,992
Other & Transfers	504,975	386,006	747,389	660,743	296,665	488,398	538,632	636,006	541,143	622,428	405,244	533,724
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,464,883	$ 1,067,502	$ 1,962,236	$ 1,310,299	$ 1,197,350	$ 1,371,012	$ 1,355,511	$ 1,633,810	$ 1,309,277	$ 1,290,864	$ 1,311,686	$ 1,287,716
TOTAL RECEIPTS	$ 3,122,834	$ 2,179,102	$ 4,103,746	$ 2,864,278	$ 2,524,540	$ 3,263,353	$ 3,355,456	$ 2,801,261	$ 3,188,509	$ 3,178,507	$ 2,604,463	$ 3,158,388
DISBURSEMENTS												
Local Aids	$ 1,609,156	$ 133,860	$ 894,453	$ 79,732	$ 920,253	$ 1,314,467	$ 164,214	$ 695,651	$ 1,901,137	$ 66,405	$ 189,033	$ 2,138,311
Income Maintenance	1,093,492	862,355	781,888	831,436	787,037	882,775	874,365	853,942	876,830	828,082	763,466	619,587
Payroll and Related	427,817	543,757	348,625	383,392	632,085	334,117	650,742	532,279	348,368	467,112	464,194	470,024
Tax Refunds	98,807	110,417	102,278	153,084	133,919	240,784	122,034	639,787	628,317	403,342	219,126	160,980
Debt Service	201,441	-	-	143,234	1,334	-	-	2,107	-	536,932	85,015	-
Miscellaneous	505,313	593,128	498,011	505,771	851,213	560,671	586,230	545,790	494,536	605,348	518,997	622,190
TOTAL DISBURSEMENTS	$ 3,936,026	$ 2,243,517	$ 2,625,255	$ 2,096,649	$ 3,325,841	$ 3,332,814	$ 2,397,585	$ 3,269,556	$ 4,249,188	$ 2,907,221	$ 2,239,831	$ 4,011,092

(a) The results, projections, or estimates for the 2019-20 fiscal year in the following tables reflect 2019 Wisconsin Act 9, and the estimated General Fund tax revenues included in the May 2019 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue but increased sales/use tax and corporate/franchise tax revenues, and the January 2020 LFB Report; however the projections or estimates for the 2019-20 fiscal year do not reflect the COVID-19 Update. 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 are anticipated to range from $1.2 billion to $1.9 billion for 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 2019 Wisconsin Act 9, are approximately $1.655 billion and $552 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
ACTUAL FISCAL YEARS 2015-16 TO 2018-19[(a)]
ACTUAL AND PROJECTED FISCAL YEAR 2019-20[(a) (b)]

	Actual 2015-16 Fiscal Year	Actual 2016-17 Fiscal Year	Actual 2017-18 Fiscal Year	Actual 2018-19 Fiscal Year	FY20 YTD Actual through March-20; April-20 through June-20 Estimated[(b)]
RECEIPTS					
Tax Receipts					
Individual Income	$ 9,058,349	$ 9,487,657	$ 9,837,742	$ 10,557,272	$ 10,399,208
Sales	5,425,943	5,549,486	5,867,099	6,132,089	6,430,045
Corporate Income	1,173,106	1,151,868	1,070,879	1,519,561	1,627,545
Public Utility	404,820	415,784	416,406	415,047	416,845
Excise	710,742	708,762	689,653	681,262	667,157
Insurance	62,730	204,510	207,953	218,304	241,491
Total Tax Receipts	$ 16,835,690	$ 17,518,067	$ 18,089,732	$ 19,523,535	$ 19,782,291
Non-Tax Receipts					
Federal	$ 9,375,674	$ 9,396,361	$ 9,214,957	$ 10,093,533	$ 10,200,793
Other and Transfers	4,790,882	5,673,340	6,113,708	6,241,726	6,361,353
Total Non-Tax Receipts	$ 14,166,556	$ 15,069,701	$ 15,328,665	$ 16,335,259	$ 16,562,146
TOTAL RECEIPTS	$ 31,002,246	$ 32,587,768	$ 33,418,397	$ 35,858,794	$ 36,344,437
DISBURSEMENTS					
Local Aids	$ 8,575,297	$ 9,223,782	$ 9,202,809	$ 9,698,906	$ 10,106,672
Income Maintenance	8,848,420	9,186,111	9,370,303	9,747,283	10,055,255
Payroll & Related	5,126,869	5,000,390	5,174,225	5,333,395	5,602,513
Tax Refunds	2,508,923	2,550,017	2,703,269	2,785,514	3,012,875
Debt Service	952,280	891,234	908,172	914,688	970,063
Miscellaneous	5,300,700	5,427,066	5,902,369	6,396,205	6,887,198
TOTAL DISBURSEMENTS	$ 31,312,489	$ 32,278,600	$ 33,261,147	$ 34,875,991	$ 36,634,576
NET CASH FLOW	$ (310,243)	$ 309,168	$ 157,250	$ 982,803	$ (290,139)

(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 projections and estimates for the 2019-20 fiscal year reflect the May 2019 LFB Report, 2019 Wisconsin Act 9, and the January 2020 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

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 March 31, 2020
(Amounts in Thousands)

	2018-19 Fiscal Year through March 31, 2019	2019-20 Fiscal Year through March 31, 2020				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY19 Actual to FY20 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 7,174,682	$ 7,790,891	$ 7,339,671	$ 451,220	$ 451,220	$ 616,209
Sales	4,564,988	4,810,938	4,793,074	17,864	17,864	245,950
Corporate Income	971,843	1,261,676	872,807	388,869	388,869	289,833
Public Utility	219,834	217,911	226,952	(9,041)	(9,041)	(1,923)
Excise	512,273	500,149	512,106	(11,957)	(11,957)	(12,124)
Insurance	130,441	149,634	134,117	15,517	15,517	19,193
Total Tax Receipts	$ 13,574,061	$ 14,731,199	$ 13,878,727	$ 852,472	$ 852,472	$ 1,157,138
Non-Tax Receipts						
Federal	$ 7,833,442	$ 7,871,923	$ 8,120,530	$ (248,607)	$ (248,607)	$ 38,481
Other and Transfers	4,502,731	4,799,956	4,734,594	65,362	65,362	297,225
Total Non-Tax Receipts	$ 12,336,173	$ 12,671,879	$ 12,855,124	$ (183,245)	$ (183,245)	$ 335,706
TOTAL RECEIPTS	$ 25,910,234	$ 27,403,078	$ 26,733,851	$ 669,227	$ 669,227	$ 1,492,844
DISBURSEMENTS						
Local Aids	$ 7,431,872	$ 7,712,923	$ 7,473,722	$ (239,201)	$ (239,201)	$ 281,051
Income Maintenance	7,517,270	7,844,120	8,018,366	174,246	174,246	326,850
Payroll & Related	3,903,659	4,201,182	4,224,844	23,662	23,662	297,523
Tax Refunds	1,929,850	2,229,427	2,202,629	(26,798)	(26,798)	299,577
Debt Service	313,194	348,116	381,752	33,636	33,636	34,922
Miscellaneous	4,642,318	5,140,663	5,068,449	(72,214)	(72,214)	498,345
TOTAL DISBURSEMENTS	$ 25,738,163	$ 27,476,431	$ 27,369,762	$ (106,669)	$ (106,669)	$ 1,738,268
2019-20 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 562,558	$ 562,558	

(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 projections and estimates for the 2019-20 fiscal year reflect the May 2019 LFB Report, 2019 Wisconsin Act 9 and the January 2020 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(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 March 31, 2020 – Actual
April 1, 2020 through June 30, 2020 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts	Disbursements
2017	July	$ 1,369,479	$ 2,817,598	$ 3,503,499
	August	683,578 [(c)]	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	2,854,647	3,488,836
	July	2,509,532	3,122,834	3,936,026
	August	1,696,340	2,179,102	2,243,517
	September	1,631,925	4,103,746	2,625,255
	October	3,110,416	2,864,278	2,096,649
	November	3,878,045	2,524,540	3,325,841
	December	3,076,744	3,263,353	3,332,814
2020	January	3,007,283	3,355,456	2,397,585
	February	3,965,154	2,801,261	3,269,556
	March	3,496,859	3,188,509	4,249,188
	April	2,436,180	3,932,714	3,107,221
	May	3,261,673	2,586,268	2,239,831
	June	3,608,109	3,380,432	4,011,092

(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 2019-20 fiscal year reflect 2019 Wisconsin Act 9, the May 2019 LFB Report, and the January 2020 LFB Report, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(c) 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 $1.655 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 $552 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 March 31, 2020 — Actual
April 30, 2020 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 $2.4 billion during November 2015 to a high of $5.1 billion in March 2020. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2017	2018	2019	2020
January		$1,548	$1,622	$ 1,910
February		1,620	1,742	1,929
March		1,633	1,795	1,815
April		1,681	1,795	1,795
May		1,403	1,684	1,685
June		1,507	1,879	1,879
July.................	$1,388	1,383	1,783	
August.............	1,464	1,429	1,776	
September	1,625	1,524	2,025	
October............	1,532	1,304	1,907	
November.........	1,444	1,448	1,801	
December	1,592	1,667	1,967	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2017	2018	2019	2020
January		$5,205	$5,641	$6,502
February		5,457	5,991	6,603
March		5,699	6,317	6,970
April		5,462	5,982	5,982
May		4,906	5,554	5,554
June		5,028	5,853	5,853
July	$5,461	5,781	6,804	
August	4,762	5,058	5,839	
September	4,865	4,670	5,600	
October	4,624	4,103	5,474	
November	4,256	4,527	5,213	
December.........	4,761	5,141	6,137	

(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 projections and estimates for the 2019-20 fiscal year reflect 2019 Wisconsin Act 9, the May 2019 LFB Report and the January 2020 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the COVID-19 pandemic. See “COVID-19 Update” in this Appendix A.

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, 2019 to March 31, 2020 compared with previous year

	Annual Fiscal Report Revenues 2018-19 Fiscal Year[(b)]	Projected Revenues 2019-20 Fiscal Year[(c)]	Recorded Revenues July 1, 2018 to March 31, 2019[(d)]	Recorded Revenues July 1, 2019 to March 31, 2020[(e)]
Individual Income Tax …………	$ 8,994,096,000	$ 8,923,100,000	$ 5,399,399,369	$ 5,685,470,122
General Sales and Use Tax ……..	5,695,548,000	5,877,300,000	3,683,750,765	3,878,302,875
Corporate Franchise and Income Tax ……………….	1,338,063,000	1,165,500,000	731,537,993	1,041,663,589
Public Utility Taxes …………….	364,941,000	366,000,000	194,517,853	189,997,356
Excise Taxes …………………….	661,918,000	671,200,000	452,131,431	453,065,895
Inheritance Taxes ………………	6,000	-	4,748	41,353
Insurance Company Taxes ……..	194,356,000	203,000,000	133,872,547	148,960,456
Miscellaneous Taxes ……………	92,459,000	97,538,500	261,846,267	258,882,973
SUBTOTAL……………………	$ 17,341,387,000	$ 17,303,638,500	$ 10,857,060,973	$ 11,656,384,619
Federal and Other Inter-Governmental Revenues[(f)] …….	10,843,638,000	11,414,533,600	8,301,328,490	8,279,753,893
Dedicated and Other Revenues[(g)] …………….	6,849,882,000	7,417,977,800	5,152,405,456	5,307,541,580
TOTAL………………………	$ 35,034,907,000	$ 36,136,149,900	$ 24,310,794,919	$ 25,243,680,092

(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 2018-19 fiscal year dated October 15, 2019.

(c) The estimates in this table for the 2019-20 fiscal year reflect the 2019-21 biennial budget (2019 Wisconsin Act 9) and the May 2019 LFB Report, but do not reflect 2019 Wisconsin Act 7, 2019 Wisconsin Act 10, the January 2020 LFB Report or the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(d) The amounts shown are the 2018-19 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 2019-20 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, 2019 to March 31, 2020 compared with previous year[b]

	Annual Fiscal Report Expenditures 2018-19 Fiscal Year[b]	Appropriations 2019-20 Fiscal Year[c]	Recorded Expenditures July 1, 2018 to March 31, 2019 [d]	Recorded Expenditures July 1, 2019 to March 31, 2020 [e]
Commerce	$ 225,791,000	$ 486,963,800	$ 143,558,187	$ 149,587,886
Education	14,167,655,000	14,759,411,200	10,237,393,912	10,537,593,407
Environmental Resources	349,019,000	327,711,400	100,613,380	109,248,969
Human Relations & Resources	15,483,501,000	16,283,939,500	11,688,251,088	12,036,356,115
General Executive	1,057,458,000	1,352,667,300	820,815,762	900,449,060
Judicial	143,227,000	148,435,600	110,061,214	112,181,045
Legislative	73,210,000	79,301,700	49,119,081	56,741,860
General Appropriations	2,674,076,000	3,051,907,900	2,418,896,388	2,443,137,525
TOTAL	$ 34,173,937,000	$ 36,490,338,400	$ 25,568,709,013	$ 26,345,295,868

(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 2018-19 fiscal year dated October 15, 2019.

(c) The appropriations included in this table reflect the 2019-21 biennial budget (2019 Wisconsin Act 9), but do not reflect 2019 Wisconsin Act 7, 2019 Wisconsin Act 10, the January 2020 LFB Report, the COVID-19 pandemic, or any appropriations relating to the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(d) The amounts shown are 2018-19 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2019-20 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration.

Table II-39; Unemployment Rate Comparison (Part II; Page 92). Replace with the following updated table.

UNEMPLOYMENT RATE COMPARISON [(a)(b)]
2015 To 2020

	2020		2019		2018		2017		2016		2015	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	4.2	4.0	3.5	4.4	3.4	4.5	4.2	5.1	4.7	5.3	5.5	6.1
February	4.0	3.8	3.3	4.1	3.8	4.4	4.4	4.9	5.0	5.2	5.7	5.8
March	3.5	4.5	3.3	3.9	3.6	4.1	3.9	4.6	4.8	5.1	5.3	5.6
April	14.6	14.4	2.7	3.3	3.0	3.7	3.2	4.1	4.2	4.7	4.6	5.1
May			2.7	3.4	2.7	3.6	3.0	4.1	3.7	4.5	4.5	5.3
June			3.5	3.8	3.5	4.2	3.6	4.5	4.4	5.1	4.9	5.5
July			3.4	4.0	3.2	4.1	3.4	4.6	4.0	5.1	4.5	5.6
August			3.3	3.8	2.9	3.9	3.3	4.5	3.8	5.0	4.1	5.2
September			2.9	3.3	2.4	3.6	2.7	4.1	3.4	4.8	3.7	4.9
October			2.8	3.3	2.4	3.5	2.5	3.9	3.3	4.7	3.7	4.8
November			3.0	3.3	2.5	3.5	2.6	3.9	3.3	4.4	4.0	4.8
December			3.2	3.4	2.8	3.7	2.7	3.9	3.4	4.5	4.0	4.8
Annual Average			3.1	3.7	3.0	3.9	3.3	4.4	4.0	4.9	4.6	5.3

[(a)] Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*. Figures are historical information and not intended be forecast of future unemployment rates. The COVID-19 pandemic is expected to continue to negatively impact unemployment rates in the upcoming months. See "COVID-19 Update" in this Appendix A.

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

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

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State of Wisconsin

January 23, 2020

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

Dear Senator Darling and Representative Nygren:

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

Based upon our analysis, we project the closing, net general fund balance at the end of this biennium (June 30, 2021) to be $620.2 million. This is $451.9 million above the balance that was projected at the time of enactment of the 2019-21 biennial budget, as modified to incorporate the 2018-19 ending balance (2019-20 opening balance) as shown in the Annual Fiscal Report for 2018-19.

The $451.9 million is the net result of: (1) an increase of $818.2 million in estimated tax collections; (2) an increase of $20.0 million in departmental revenues (non-tax receipts deposited into the general fund); (3) a decrease of $22.8 million in net appropriations; and (4) a transfer of $409.1 million to the budget stabilization fund.

Of the $20.0 million of increased departmental revenues, $14.0 million is due to higher interest earnings because of larger general fund balances. The majority ($15.4 million) of the $22.8 million net appropriation reduction is due to estimates of the amounts necessary to fund general fund debt service.

Under s. 16.518(3) the statutes, if actual tax collections exceed the amounts estimated in the state's biennial budget act, one-half of such excess is deposited into the budget stabilization fund. Under the estimates of this analysis, tax collections are projected to exceed the 2019 Act 9 estimate by $378.6 million in 2019-20 and $439.5 million in 2020-21. Thus, one-half of those amounts, $189.3 million in 2019-20 and $219.8 million in 2020-21 would transfer to the budget stabilization fund.

With the transfers identified above, it is estimated that the amounts in the budget stabilization fund will total $845 million at the end of 2019-20 and $1,080 million at the end of 2020-21.

The following table reflects the 2019-21 general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1

2019-21 General Fund Condition Statement

	2019-20	2020-21
Revenues		
Opening Balance, July 1	$1,086,869,000	$1,147,651,800
Taxes	17,699,100,000	18,077,500,000
Departmental Revenues		
Tribal Gaming Revenues	24,605,300	25,787,300
Other	535,923,000	553,706,200
Total Available	$19,346,497,300	$19,804,645,300
Appropriations and Reserves		
Gross Appropriations	$18,386,956,800	$19,201,818,000
Sum Sufficient Reestimates	-13,717,000	-11,667,600
Transfers to:		
Transportation Fund	43,301,100	44,095,000
Budget Stabilization Fund	189,330,800	219,756,000
Compensation Reserves	13,351,800	94,545,400
Less Lapses	-420,378,000	-449,147,600
Net Appropriations	$18,198,845,500	$19,099,399,200
Balances		
Gross Balance	$1,147,651,800	$705,246,100
Less Required Statutory Balance	-80,000,000	-85,000,000
Net Balance, June 30	$1,067,651,800	$620,246,100

Table 1 incorporates the fiscal effect of all bills enacted to date in the current legislative session (through 2019 Act 75). It does not reflect the impact of any enrolled bills that have not yet been enacted or bills that are pending before the Legislature.

There are two items that are not reflected in Table 1 which should be noted. First, the status of the budget for the medical assistance program could ultimately have a bearing on the biennium-ending general fund balance. In its most recent quarterly estimate of the MA budget (December 30, 2019), the Department of Health Services estimates that benefit expenditures will exceed available GPR appropriations for the program by $39.8 million. While the Department has some ability to delay or reduce expenditures in the program to stay within the budget, an MA budget deficit may also require the Legislature to take action to address the shortfall, including by increasing GPR appropriations. The Department's estimate, however, should be considered preliminary, since it is based on enrollment and expenditure data from just the first few months of the fiscal biennium. The amount of the projected GPR deficit is equal to 0.6% of the biennial total funding for the program, and deviations from expenditure estimates of this magnitude, either above or below, are not uncommon.

The second item regards state expenditures related to the electronics and information technology manufacturing (EITM) zone refundable credits for the Hon Hai Precision Industry Co., Ltd (Foxconn) development. 2019 Act 9 estimated the refundable credits at $0 in 2019-20 and $212.0 million in 2020-21. Under the EITM zone tax credit program, the Wisconsin Economic Development Corporation (WEDC) certified three Wisconsin corporations that are affiliated with Foxconn as eligible to claim a payroll tax credit over 15 years for up to an aggregate amount of $1.50 billion and a capital expenditure credit over seven years for up to an aggregate amount of $1.35 billion. The Act 9 estimate assumed that Foxconn would have sufficient payroll and capital expenditures by the end of the 2019 calendar year to receive the $212 million of refundable credits that would be paid in the 2020-21 fiscal year. Based upon reports of the project's progress to date, and assumptions regarding payroll and capital expenditures, preliminary estimates suggest that it is likely that the credits paid to Foxconn in 2020-21 will be in the range of $50 million to $75 million, rather than the amounts contained in Act 9.

Before claiming EITM zone tax credits from the Department of Revenue, the Foxconn entities must receive a verification letter from WEDC. Before issuing such a letter, WEDC must first review Foxconn's annual report and a verification report from a nationally recognized certified public accountant. Pursuant to the contract, the Foxconn entities' next scheduled report is due on April 1, 2020, after which the accountant would have up to 45 days to complete its review before WEDC begins the verification process to calculate the amount of credits the Foxconn entities are eligible to claim. Further, upon receiving a verification letter from WEDC, the Foxconn entities would have up to 14 days to object to the calculation of tax credits. Given these steps, the amount of the credit to be paid in 2020-21 will likely not be known until after the end of this fiscal year.

Review of the National Economy in 2019

This office prepared revenue estimates for the 2019-21 biennium in January, 2019, based on the January, 2019, IHS Markit forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 2.5% in 2019 and 2.0% in 2020. IHS Markit forecast that consumer spending would continue to propel economic growth, supported by wage growth resulting from a strong labor market and modest productivity growth. The trade deficit, on the other hand, was expected to be a drag on economic growth due to an appreciating U.S. dollar and trade policy uncertainty.

The January, 2019, IHS Markit forecast was based on the following assumptions. First, the forecast assumed that the level of tariffs in 2018 would be maintained in 2019 and 2020 for solar panels, washing machines, steel, aluminum, and Chinese goods (10% tariff on $200 billion of Chinese imports). Second, IHS Markit expected that the Federal Reserve would raise the target range for the federal funds rate by 25 basis points in both May and October, 2019, and in June 2020, to bring the upper end of the range to 3.25%. Third, the real, broad, trade-weighted growth of foreign GDP was assumed to slow from 3.1% in 2017 to 2.7% in 2018, then average 2.4% through 2022. Fourth, the price of Brent crude oil was projected to fall from $71 per barrel in 2018 to $65 in 2019, before rising to $73 in 2022. Finally, the impact of the federal government shutdown was not reflected in the forecast, which assumed that a shutdown would be avoided, or be brief in duration, and thus have a modest impact on the overall economy.

The optimistic forecast scenario was that faster productivity growth coupled with a lower than previously expected natural rate of unemployment (that is, the rate of unemployment consistent with stable inflation) would allow for continued economic growth and gains in employment and wages without triggering inflation or increases in the federal funds rate by the Federal Reserve. The downside risk was that a broad loss in confidence due to falling real estate and financial markets, combined with a growing aversion to risk, would lead to drops in a wide range of investment and consumer spending categories, cumulating in a recession in 2020.

In May, this office reviewed additional tax collection data and IHS Markit's May economic forecast and revised our revenue estimates upward, primarily based on stronger than expected individual income tax and corporate income/franchise tax collections through April, 2019. Tax planning following the federal Tax Cuts and Jobs Act of 2017 (TCJA) likely caused a one-time acceleration of deductible expenses and added volatility to collections patterns. Individual income taxpayers who, in prior years, made estimated payments in December in order to increase their deduction for state and local taxes (SALT), delayed those payments to April in response to the federal limit for the SALT deduction. In addition, corporate income/franchise tax collections in 2019 grew by 70% compared to the same period through April in the prior year. This was caused in part by tax planning following TCJA, but also state implementation of the entity-level tax authorized under 2017 Act 368. The new entity-level tax resulted in increased tax payments from S corporations, partnerships, and limited liability companies, which had been previously recorded under the individual income tax, to be reflected under the corporate income/franchise tax as a retroactive payment for 2018 taxes. The entity-level tax enables individuals to pay state income taxes through their business, rather than via their individual returns, thereby avoiding the federal SALT deduction limit for individuals.

Finally, the May revisions also incorporated IHS Markit's May, 2019, forecast for the U.S. economy. Real GDP growth had been slightly increased from the January estimates to 2.7% in 2019, 2.1% in 2020, and 1.8% in 2021. Growth in labor productivity was revised upwards in 2019, as output per hour in the nonfarm business sector grew by 3.6% in the first quarter. On the other hand, growth in business fixed investment in nonresidential structures was revised downward to reflect anticipated increases in the long-term interest rates. Otherwise, the key assumptions were largely the same as in IHS Markit's January, 2019, forecast, except that: (a) the Brent crude oil price was forecast to remain higher at $72 per barrel in 2019 and then decrease to $67 in 2020 and 2021; (b) the federal funds rate was forecast to rise to 2.75% in December (rather than 3.25%) and remain at that level; and (c) the federal government shutdown persisted for 35 days, the longest in U.S. history. The primary upside and downside risks to the forecast remained the same as the January, 2019, forecast.

Many of the assumptions used in the May, 2019, forecast turned out to be inaccurate. First, trade policy diverged substantially, with the level of tariffs increasing as the trade war with China intensified. In May, the previous 10% tariff on $200 billion worth of Chinese imports increased to 25%. In September, additional tariffs of 15% were levied on another $112 billion worth of Chinese imports. As a result, more than two-thirds of consumer goods imported from China were subject to tariffs. In retaliation, in September, China imposed 5% to 10% tariffs on one-third of goods imported from America. A temporary trade truce in December allowed for negotiations regarding a "Phase 1" trade deal which requires the U.S. to suspend the 15% tariff, previously scheduled to be levied on $160 billion of Chinese goods on December 15, and to reduce the 15% tariff that was imposed in September to 7.5%. Under the deal, China would reduce its retaliatory tariffs, increase purchases of U.S. goods by $200 billion over the next two years, and potentially address other issues, such as requiring American companies to share technology with Chinese joint ventures in exchange for market access and enforcement of intellectual property protections.

Second, IHS Markit had anticipated that the Federal Reserve would increase the federal funds rate. However, the Open Market Committee actually voted to cut the rate target three times in 2019 to a stated range of 1.50% to 1.75%. Third, real, broad, trade-weighted foreign GDP grew slowly in 2019, as anticipated, but slower than previously forecast (1.5% compared to the 2.0% forecast). Fourth, according to the U.S. Energy Information Administration (EIA), after dropping from $81 per barrel in October, 2018, to $57 per barrel in December, 2018, the Brent crude oil price was expected to recover to $71 per barrel by May, 2019, before again falling to $60 per barrel by October and increasing to $67 per barrel in December.

Overall, the national economy grew slightly less than forecast in May, 2019. IHS Markit estimates real growth in U.S. GDP in 2019 at 2.3%, which is 0.4 percentage points lower than previously estimated. National real GDP has now grown in 23 consecutive quarters, and in 39 of the 42 quarters since the 2008-2009 recession. The current economic expansion has lasted more than 10 years, which is the longest period of economic expansion in U.S. history.

As anticipated, consumer spending was the primary driver of the economy, contributing 1.8 percentage points to real GDP growth. Consumer spending was supported by three main factors in 2019. First, as forecast, equities and financial assets held by households rebounded strongly in 2019 (growing 23.1% and 12.0%, respectively) after declining significantly in the fourth quarter of 2018 (-47.5% and -21.0%, respectively). Second, similar to the May forecast, the unemployment rate for the year averaged only 3.7% as employers added an estimated 2.3 million jobs. Since October, 2010, there have now been 111 consecutive months of seasonally-adjusted job gains. Third, due to the strong employment market and modest nonfarm productivity growth in 2019 (1.6%), growth in wages and salaries (4.9%) and personal income (4.6%) exceeded the May forecast.

Nominal residential fixed investment grew in 2019 by more than forecast in May (1.2% rather than 0.5%). After growing by 0.4% in the first quarter of 2019, nominal residential fixed investment contracted by 0.3% in the second quarter, but growth recovered in the second half of the year to 1.1% in the third quarter and 2.7% in the fourth quarter. In particular, single family construction in 2019 rebounded after April, as permits for construction increased by 135,000 annualized units. IHS Markit estimates that growth in housing starts (1.9%) and sales of new homes (11.7%) in 2019 led to the most annual new housing starts and sales of new homes since 2007.

Growth in real GDP was also supported by government spending (0.4 percentage points). Federal, state, and local government purchases grew by 2.2% in 2019, slightly more than forecast in May. Notably, the federal budget deficit grew by less than the May forecast to $984 billion for the federal fiscal year through the end of September. In the current forecast, it is anticipated that the federal budget deficit for the fiscal year through September, 2020, will exceed $1.1 trillion.

As described above, the employment market, low inflation, low interest rates, and productivity growth suggests that GDP growth would increase above the baseline forecast. Nevertheless, growth is estimated to have been lower in 2019 compared to the May forecast. This is due to several factors. First, real net exports detracted from real GDP growth (-0.2 percentage points) by more than forecast in May, 2019. Real net exports improved in the first quarter by 4.0%, likely due to importers shifting their purchases into the fourth quarter of 2018 in order to avoid the imposition of new tariffs and trade barriers in 2019. However, dollar appreciation, tariff and nontariff retaliation by trade partners, and slower economic growth by trading partners in the remainder of the year contributed to a decrease in real net exports of 5.7% overall in 2019, rather than an increase of 0.2% under the May forecast.

Second, real nonresidential fixed investment grew by less than anticipated (2.3%) compared to the May forecast (3.6%) and contributed only 0.3 percentage points to real GDP growth (rather than 0.5 percentage points). Trade policy likely disrupted investment plans, and IHS Markit estimates that trade policy uncertainty reduced business fixed investment by $100 billion in 2019. Further, oil and natural gas prices declined significantly by the end of the year, causing a slowdown in mining and petroleum related investment (-8.1%) compared to growth expected in the May forecast (6.6%). Various other factors also temporarily contributed to lower industrial output and investment in equipment than anticipated in 2019, including the six-week strike at General Motors in September and October and a reduction in aircraft investment (-32.4%) after Boeing's 737 MAX was grounded by the Federal Aviation Administration and overseas regulators beginning in March after two deadly crashes.

National Economic Forecast

Under the January, 2020, forecast, IHS Markit predicts moderate GDP growth, gains in wages and productivity, low unemployment, and low inflation. Real GDP growth is forecast to slow, but to continue growing at 2.1% in 2020 and 2021. In the short term, IHS Markit expects consumer spending and nonresidential fixed investment, bolstered by strong labor markets, increased spending for hiring on the 2020 decennial census, increased automobile production following the end of the GM strike, and the expectation that 737 MAX shipments will resume next year, to drive moderate growth. Afterwards, below-trend growth is expected for several years as the tight labor market moderates, and the stimulative effects of TCJA, increased expenditures under federal budget bills (Bipartisan Budget Act of 2019 (BBA19) and two federal appropriation acts passed in 2020), and low interest rates fade.

The new forecast is based on the following key assumptions. First, trade policy remains the same going forward as under the Phase 1 trade deal with China, except that the promised $200 billion increase in purchases of U.S. goods by China is unrealistic and will not occur in the short term. Second, the Federal Reserve will maintain the current federal funds rate until June, 2021, when the rate increases a quarter point to a range of 1.75% to 2.0%, with an additional quarter point rate increase in the latter half of 2021. Third, the growth of real, broad, trade-weighted foreign GDP, which slowed from 3.2% (year over year) in 2017 to 1.6% in 2019, gradually rises to 2.4% by 2025. Fourth, the average price of Brent crude oil is projected to fall from $64 per barrel in 2019 to $58 in 2020 and $52 in 2021. Finally, IHS Markit expects federal discretionary spending to maintain the expenditure limits set by BBA19 and the federal appropriation acts. The personal income tax provisions of TCJA are expected to be extended after 2025.

The forecast is summarized in Table 2, which reflects IHS Markit's January, 2020, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

TABLE 2

Summary of National Economic Indicators
IHS Markit Baseline Forecast, January, 2020
($ in Billions)

	2018	2019	2020	2021
Nominal Gross Domestic Product	$20,580.2	$21,429.9	$22,308.9	$23,306.7
Percent Change	5.4%	4.1%	4.1%	4.5%
Real Gross Domestic Product	$18,638.2	$19,069.5	$19,461.0	$19,866.3
Percent Change	2.9%	2.3%	2.1%	2.1%
Consumer Prices (Percent Change)	2.4%	1.8%	1.8%	1.7%
Personal Income	$17,819.2	$18,630.0	$19,350.2	$20,209.0
Percent Change	5.6%	4.6%	3.9%	4.4%
Nominal Personal Consumption Expenditures	$13,998.7	$14,570.3	$15,231.0	$15,917.9
Percent Change	5.2%	4.1%	4.5%	4.5%
Economic Profits	$2,074.6	$2,070.4	$2,136.6	$2,247.4
Percent Change	3.4%	-0.2%	3.2%	5.2%
Unemployment Rate	3.9%	3.7%	3.5%	3.5%
Total Nonfarm Payrolls (Millions)	149.1	151.4	153.3	154.4
Percent Change	1.7%	1.6%	1.2%	0.8%
Light Vehicle Sales (Millions of Units)	17.21	16.95	16.68	16.53
Percent Change	0.5%	-1.5%	-1.6%	-0.9%
Sales of New and Existing Homes (Millions of Units)	5.956	6.021	6.253	6.183
Percent Change	-3.1%	1.1%	3.9%	-1.1%
Housing Starts (Millions of Units)	1.250	1.273	1.312	1.286
Percent Change	3.4%	1.9%	3.0%	-1.9%

Employment. According to the Department of Workforce Development, the unemployment rate in Wisconsin fell to an all-time low of 2.8% in April, 2019, before increasing to 3.3% by November. Nationally, unemployment fell to a 50-year low of 3.5% by November of 2019. Further, the U-6 unemployment rate, which includes underemployed and marginally attached workers, fell to 6.7% in December, the lowest rate on record since the Bureau of Labor Statistics began tracking in 1994. IHS Markit forecasts that the employment market will remain strong, while growing at a slower rate, with total nonfarm payrolls expanding 1.2% in 2020 and 0.8% in 2021. The national unemployment rate is expected to fall slightly further than expected in May, from an average of 3.7% in 2019 to 3.5% in 2020 and 2021, before increasing to an average of 3.8% in 2022. For comparison, the U.S. Congressional Budget Office estimates that the long-term natural rate of unemployment is 4.5%. The labor force participation rate for adults under 65 is projected to continue increasing from 72.6% in 2019 to 73.2% in 2021.

According to the federal Bureau of Labor Statistics, in September, 2019, there were 7.0 million job openings compared to 5.8 million unemployed persons. Thus, available workers are likely to remain scarcer than job openings in 2020. This may be especially true in the short term due to a temporary boost from hiring for the 2020 Spring census canvas.

Personal Income. Personal income grew more than expected at 4.6% in 2019, but is forecast to grow at 3.9% in 2020 and 4.4% in 2021, a slower rate than forecast in May. Growth in personal income reflects the strong employment market and growth in wages and salary disbursements (4.3% in 2020 and 2021). Growth in 2020 is estimated lower in part due to farm proprietor income, which grew 16.7% in 2019, but is forecast to decline by 42.3% in 2020 before rebounding to 92.0% growth in 2021. IHS Markit estimates that real disposable income, which grew by 3.0% in 2019, will grow by 2.2% in 2020 and 2.6% in 2021. IHS Markit expects growth in household financial assets to moderate from 12.0% in 2019 to 5.2% in 2020 and 3.8% in 2021, with growth in household holdings of equities decreasing from 23.1% in 2019 to 7.8% in 2020 and 3.2% in 2021. Partly as a result, growth in real household net worth improved compared to the May forecast, but is still expected to slow from 8.9% in 2019 to 2.5% in 2020 and 1.0% in 2021.

Personal Consumption. IHS Markit estimates that nominal personal consumption expenditures (PCE) grew in line with the May forecast at 4.1% in 2019 and are expected to grow by 4.5% in 2020 and 2021, at lower rates than the May forecast. Sales of consumer items generally subject to the state sales tax (such as most durable goods, clothing, restaurant meals, accommodations, and certain services) grew by an estimated 3.8% in 2019 and are forecast to grow by 4.3% in 2020 and by 3.6% in 2021. Spending on gasoline and other energy goods is estimated to have declined by 3.0% in 2019, after growing by 13.5% in 2018, and is forecast to further decline by 3.8% in 2020, and 5.4% in 2021.

Sales of light vehicles, the largest component of sales tax collections, declined 1.5% in 2019 and are forecast to continue to decline by 1.6% in 2020 and 0.9% in 2021, similar to the May forecast. Nevertheless, the nominal dollar value of sales of new vehicles and leased vehicles is forecast to increase by 1.6% in 2020 and 4.1% in 2021. This is because purchases of light trucks (including sport utility vehicles, vans, and pickup trucks), which comprised 72.2% of the number of light vehicle sales in 2019, are forecast to continue to grow (2.7% in 2019, 0.8% in 2020, and 0.3% in 2021) and thus comprise 74.0% of sales in 2020 and 74.8% in 2021. Because light trucks are generally more expensive than cars, the average price of a new vehicle is expected to increase from $34,000 in 2018 to $35,100 in 2019, $36,600 in 2020, and $38,400 in 2021. Thus, even though car sales are forecast to continue to decline at a steep rate (-11.0% in 2019, -8.0% in 2020, and -4.1% in 2021), the value of consumer and business purchases of new vehicles is forecast to grow.

International Trade. According to the Monthly Treasury Statements of Receipts and Outlays of the United States Government, custom duties on imports were $70.8 billion in federal fiscal year 2019. However, the effect of tariffs on import prices was blunted as the real trade-weighted value of the dollar appreciated 3.5% compared with major currency trading partners in 2019. The appreciating dollar, combined with slowing global growth as measured by a broad index of trading partners (1.5%) and the grounding of Boeing's 737 MAX aircraft, weighed on exports. Overall, IHS Markit estimates that net exports declined by 1.5% in 2019, as imports of goods and services decreased by 0.1% while exports of goods and services decreased by 0.4%.

After net exports declined 10.9% in both 2017 and 2018 and by 1.5% in 2019, IHS Markit forecasts that net exports will rebound and grow by 1.7% in 2020 and by 4.0% in 2021 for several reasons. First, recent developments suggest that trade policy may become less disruptive to investment than the previous year. Congress recently approved the United States-Mexico-Canada trade agreement, which will update the North American Free Trade Agreement in 2020 once ratified by Canada. Further, the Phase 1 trade deal may lead to improved trade relations with China. Second, deliveries of Boeing's MAX 737 are expected to resume next year, boosting exports. Finally, IHS Markit forecasts that annual net U.S. exports of petroleum will be positive in 2020 and continue to grow thereafter. Notably, the EIA estimates that in September exports of crude oil and petroleum products exceeded imports by 89,000 barrels per day, which is the first time the U.S. was a net exporter of crude oil and petroleum products since EIA began collecting monthly survey data in 1973. According to the EIA, the U.S. is now the world's largest producer of crude oil and petroleum products, although it remains a net importer of crude oil because refineries import crude oil and export petroleum products.

Consumer Prices. The consumer price index (CPI) has averaged 1.8% growth over the last decade. It had been expected that wage gains from record-low unemployment would begin to provide upward pressure on prices due to higher demand and employer costs. However, as forecasted in May, the CPI increased by only 1.8% in 2019, as low energy prices and dollar appreciation trimmed import costs. For comparison, core CPI (which excludes food and energy prices) increased 2.2%, while energy prices decreased 2.1%. IHS Markit forecasts that the CPI will continue to increase moderately, although at a lower rate than the May forecast, by 1.8% in 2020 and by 1.7% in 2021, as low oil prices and a strong dollar are expected to continue reducing growth in energy and import prices. Core inflation is expected to remain relatively flat at 1.9% in 2020 and 2.1% in 2021.

Monetary Policy. IHS Markit's baseline forecast assumes that the Federal Reserve will maintain the federal funds rate at a range of 1.50% to 1.75% until mid-2021, when GDP growth and the tight labor market are expected to pressure core inflation above the Federal Reserve's two percent target. IHS Markit anticipates that in June, 2021, the Federal Reserve will begin to raise the target range for the federal funds rate, eventually to a range of 2.50% to 2.75% by 2024. It is estimated that the average commitment rate for a 30-year, conventional, fixed mortgage will continue to increase from 3.94% in 2019 to 4.00% in 2020 and 4.29% in 2021. For comparison, the average annual yield on the 10-year U.S. treasury note is expected to increase from an estimated 2.14% in 2019 to 2.21% in 2020 and 2.68% in 2021.

Housing. IHS Markit does not expect residential investment to meaningfully contribute to GDP growth over the next few years and has revised its housing indicators lower, compared to the May forecast. Based in part on a shift to building smaller, more affordable homes, IHS Markit estimates that the average price for new single-family homes declined by 0.5% in 2019 and will moderately grow by 0.6% in 2020 and 2021. Similarly, the median price of new single-family homes declined by 1.1% in 2019, and is estimated to grow by 2.3% in 2020 and by 0.6% in 2021. For comparison, as a result from low mortgage prices and low inventories, the price for the average existing single-family home is estimated to have grown by 3.3% in 2019, and is forecast to grow by 3.5% in 2020 and by 1.6% in 2021. As prices for new homes are expected to remain flat, and hence reduce profit margins for home builders, it is estimated that real (inflation adjusted) residential investment declined by 1.7% in 2019, and will grow by 1.6% in 2020, and will decline again by 1.2% in 2021.

Despite low mortgage costs, sales of new and existing homes are not forecast to recover to their pre-recession levels in the near term (8.4 million sales in 2005 compared to only 6.0 million in 2019, 6.3 million in 2020, and 6.2 million in 2021).

Business Investment. IHS Markit estimates that growth in nominal nonresidential fixed investment peaked in 2018 at 7.8%, partly as a result of the stimulative effect of TCJA, and slowed in 2019 by more than forecast in May, to 3.5%. IHS Markit forecasts that growth in nominal nonresidential fixed investment will continue to slow to 2.5% in 2020, lower than the May forecast, before growth increases to 4.0% in 2021. Growth in 2019 was led by investment in intellectual property products (8.8%), particularly in research and development (9.0%) and software (9.5%). However, IHS Markit forecasts that growth in investment in intellectual property products will decline to 6.3% in 2020 and to 5.2% in 2021, as investment in software (6.3% in 2020 and 1.5% in 2021) slows. Growth in nominal investment in equipment slowed to 1.9% in 2019, and is forecast to increase to 2.0% in 2020 and 3.0% in 2021. The resumption of Boeing deliveries after April is expected to boost investment in aircraft equipment in 2020 (44.2%) after declining steeply in 2019 (-32.4%). However, the boost to investment is expected to dissipate after aircraft deliveries catch up and the stimulative effects of federal fiscal policy wane throughout 2020. Nominal investment in nonresidential structures is expected to decline by 1.3% in 2019 and 2.4% in 2020, and then grow by 3.9% in 2021. In particular, investment in structures for mining and petroleum (-14.7% in 2020 and -7.8% in 2021) and power and communications (-3.9% in 2020 and 0.2% in 2021) are expected to decline over the forecast period as oil and energy prices remain low.

Corporate Profits. Corporate before-tax book profits grew by just 0.2% in 2019, which is much less than the 7.1% growth forecast in May, 2019. IHS Markit now forecasts growth of 3.8% in 2020, and 5.7% in 2021. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and thus are not affected by federal tax laws), declined by 0.2% in 2019, and are forecast to increase by 3.2% in 2020 and by 5.2% in 2021. Both measures for corporate profits now show lower growth rates in 2019, but higher growth rates in 2020 and

2021, compared to the May forecast.

The forecast reflects that TCJA reduced the federal statutory corporate tax rate from 35% to 21%, extended 100% bonus depreciation through 2022 (followed by a three-year phase-out period), and provided additional tax deductions for certain pass-through business income through 2025. The 2020 forecast assumes that the effective federal corporate tax rate for all industries dropped from 21.5% in 2015 to 10.3% in 2019 and is expected to continue to decline to 10.0% in 2020 and 9.6% in 2021.

Fiscal Policy. The federal budget deficit is expected to grow from $984.4 billion in federal fiscal year 2019 to $1,145.2 billion in 2020 and $1,177.4 billion in 2021, primarily caused by tax reductions enacted under TCJA and spending increases under BBA19 and the federal appropriation acts. Overall, federal, state, and local government fiscal policies are estimated to have contributed 0.38 percentage points to real GDP growth in 2019. This is expected to decrease to 0.32 percentage points in 2020 and 0.14 percentage points in 2021 as the stimulative effects from TCJA and BBA19 dissipate, although these policies are expected to remain higher contributors to real GDP growth than anticipated in May.

Alternative Scenarios. IHS Markit's 2020 forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, IHS Markit assigns a 10% probability that strong productivity growth and less inflation will yield GDP growth 0.9 percentage points higher in each year than predicted in the baseline forecast. The key assumptions are that a lower than estimated long-run natural rate of unemployment (4.0%) keeps core PCE inflation below its baseline level while faster productivity growth at 2.8% (one percentage point above the baseline forecast) from 2020 to 2030 allows wages to grow more quickly without triggering inflation. Growth in the rest of the world increases due to faster productivity gains, although more slowly than in the U.S. In response to better income and job prospects, consumers increase their spending. The Federal Reserve accelerates its first rate increase to early 2021, after which it gradually increases the federal funds rate up to a target range of 3.25% to 3.50% by 2024. Household formation accelerates due to improved employment and household finances, spurring a rise in housing starts.

Under the pessimistic scenario, to which IHS Markit assigns a 25% probability, a broad-based loss of confidence and risk aversion cause a three-quarter recession starting in the fourth quarter of 2020. In this scenario, rising real-estate prices and mortgage rates slow housing demand and construction. Declining consumer confidence sets off a deep drop in asset values and broad-based declines in business fixed investment. The declining stock and housing markets cause negative wealth effects which, along with employment declines, cause households to curtail their spending. Unemployment spikes to 5.8% in the fourth quarter of 2021, and GDP declines 2.0% over the three-quarter recession on an annualized basis. The recovery after the recession is expected to be weak, in part, due to lack of capacity by the federal government or the Federal Reserve to use fiscal or monetary policy to offset the effects of the recession.

General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2019-20 and 2020-21. In total, these amounts are $818.2 million greater than the previous estimates. The percentage difference is 2.3%. The majority of the excess revenue is from increased projections for corporate income/franchise tax revenues, which are $329.5 million higher in 2019-20 and $299.6 million higher in 2020-21 (77% of the total increase). Estimated collections for individual income taxes and sales and use taxes have also been increased, offset partly by downward adjustments in most of the other taxes.

TABLE 3

Projected General Fund Tax Revenues
(Millions)

	2018-19	Previous Estimates		Revised Estimates January, 2020	
	Actual	2019-20	2020-21	2019-20	2020-21
Individual Income	$8,994.1	$8,923.1	$9,142.0	$8,950.0	$9,235.0
General Sales and Use	5,695.5	5,877.3	5,960.5	5,930.0	6,010.0
Corporate Income/Franchise	1,338.1	1,165.5	1,205.4	1,495.0	1,505.0
Public Utility	364.9	366.0	364.0	358.0	362.0
Excise					
Cigarette	514.3	515.0	507.0	512.0	497.0
Tobacco Products	85.5	90.0	94.0	90.0	92.0
Vapor Products	N/A	2.3	3.2	2.3	3.2
Liquor and Wine	53.6	55.0	56.0	55.0	56.0
Beer	8.5	8.9	8.9	8.3	8.3
Insurance Company	194.4	203.0	211.0	201.0	209.0
Miscellaneous Taxes	92.5	97.5	102.7	97.5	100.0
Total	$17,341.4	$17,303.6	$17,654.8	$17,699.1	$18,077.5
Change from Prior Year		-$37.8	$351.1	$357.7	$378.4
Percent Change		-0.2%	2.0%	2.1%	2.1%

The new estimates are based on the most recent national economic forecast and tax collections data through December. They reflect all state and federal law changes enacted, to-date, that impacted state tax collections.

Individual Income Tax. After totaling $8,994.1 million in 2018-19, state individual income tax collections are estimated at $8,950.0 million in 2019-20 and $9,235.0 million in 2020-21. On a year-to-year basis, these estimates represent a decrease of 0.5% in 2019-20 and an increase of 3.2% in 2020-21. Relative to the previous figures, the current estimates are $26.9 million higher in the first year and $93.0 million higher in the second year.

Based on preliminary collection information through December, 2019, individual income tax revenues for the current fiscal year are 3.4% higher than such revenues through the same period in 2018-19. However, revenues are expected to decrease at a rate of 3.5% over the next six months largely due to law changes enacted in the two preceding years. These law changes affect collections in both years and are discussed below.

Provisions in 2017 Wisconsin Act 368, enacted in the December, 2018, extraordinary legislative session, permit pass-through entities to elect to be taxed at the entity level, thereby shifting state tax revenues from the individual income tax to the corporate income/franchise tax. Subchapter S corporations could make the election beginning in tax year 2018, and partnerships, including limited liability corporations filing as partnerships, could make the election beginning in tax year 2019. Such elections are expected to reduce estimated payments and final payments and increase tax refunds in both years. The entity-level tax is described in further detail under the corporate income/franchise tax section.

Provisions in 2019 Wisconsin Acts 9 and 10, enacted in July, 2019, reduce marginal tax rates for the individual income tax beginning in tax year 2019. Currently, the state individual income tax has four tax brackets with unique marginal tax rates specified for each bracket. Act 9 lowered the marginal tax rate for the second tax bracket from 5.84% to 5.21% for tax year 2019 and thereafter. Act 10 modified an existing statutory provision requiring an income tax reduction conditioned on certain sales and use tax changes. As modified, the statute now requires the tax rates for the two bottom individual income tax brackets to be reduced for tax year 2019 based on the amount of additional sales and use tax attributable to remote sellers for the 12-month period from October 1, 2018, to September 30, 2019, as determined by DOR. For tax years 2020 and thereafter, reductions to the same two rates will be based on the amount of additional sales and use tax attributable to remote sellers and marketplace providers during the 12-month period from October 1, 2019, to September 30, 2020, as determined by DOR. For tax year 2019, the marginal tax rates for the two bottom tax brackets have been reduced from 4.00% to 3.86% and from 5.21% to 5.04%, based on DOR's estimate of sales and use tax collections for the initial 12-month period. For tax years 2020 and thereafter, the two rates are estimated at 3.79% and 4.96%, respectively, but these amounts will likely change after DOR estimates the additional sales and use tax collections during the second 12-month period ending in 2020. The DOR determinations are subject to legislative oversight. The provisions of Acts 9 and 10 are estimated to reduce individual income tax collections by $246.2 million in 2019-20 and $271.9 million in 2020-21, largely in the form of increased tax refunds.

General Sales and Use Tax. State sales and use tax revenues totaled $5,695.5 million in 2018-19, $45.5 million above the estimated amount, representing growth of 4.5% relative to the prior year. Sales tax collections through December, 2019, are 4.1% higher than the same period in the prior year. Sales tax revenues are estimated at $5,930.0 million in 2019-20 and $6,010.0 million in 2020-21, constituting annual growth of 4.1% in 2019-20 and 1.3% in 2020-21. The lower estimated annual growth in 2020-21 reflects the repeal, effective July 1, 2020, of the state's imposition of sales tax on internet access services (estimated at $166 million), pursuant to 2017 Act 59. This reduction is partly offset by additional revenues estimated from the 2019 Act 10 provision that requires marketplace providers to collect and remit sales tax. These estimates represent revenue increases relative to the prior estimates of $52.7 million in 2019-20 and $49.5 million in 2020-21. The increased estimates are primarily based on higher sales tax growth in 2018-19 than previously estimated, and on slightly stronger year-to-date sales tax collections growth than previously anticipated.

Corporate Income/Franchise Tax. Corporate income/franchise taxes were $1,338.1 million in 2018-19, which grew 49.7% above the previous year. Corporate tax revenues are projected to be $1,495.0 million in 2019-20 and $1,505.0 million in 2020-21, reflecting growth of 11.7% in 2019-20 and 0.7% in 2020-21. The new estimates are higher than the previous estimates for 2019-20 and 2020-21 by 28.3% and 24.9%, respectively. The new estimates reflect year-to-date corporate tax collections, which have grown by over 65% compared to the same period through December of last year.

Several factors contributed to unprecedented growth in corporate income/franchise tax collections in 2018-2019 and the first half of 2019-20, which are anticipated to moderate in 2020. First, the pass-through election to file under the entity-level tax caused an estimated $193.8 million increase in collections in 2018-19, accounting for 21.7 percentage points of growth in collections compared to 2017-18. As discussed above, pursuant to 2017 Act 368, S corporations, partnerships, and limited liability companies may elect to be taxed at the entity level beginning in tax year 2019, (except that S corporations can make the election beginning in tax year 2018). DOR records these payments under the corporate tax, rather than the individual income tax. As such, these payments reduce individual income tax collections and contribute to substantially higher growth in corporate income/franchise tax collections because the payments would otherwise be made by individual shareholders, partners, and members for tax owed on the income passed through by the entity on their individual returns. If such an election is made, it is likely that the election to pay at the entity level will actually increase the amount of state taxes owed by the taxpayer because: (a) the corporate income/franchise tax rate of 7.9% is higher than the graduated rates for individual income tax brackets in 2019 of 3.86%, 5.04%, 6.27%, or 7.65%; (b) tax credits cannot be claimed by the entity (except for the credit for taxes paid to another state); and (c) the entity cannot claim a net operating loss from another year. Nevertheless, it may be advantageous to make the election because income taxed at the entity level for state tax purposes may be a deductible business expense for federal tax purposes (where under TCJA, beginning in tax year 2018, the federal income tax itemized deduction for state and local taxes is limited to no more than $10,000 per year for individuals).

Overall, the May forecast expected payments from pass-through entities under the corporate tax to decrease in 2019-20. Because Act 368 was enacted in December, 2018, S corporations remitted entity level tax payments for tax year 2018 in March, 2019 (the last month to do so without incurring interest charges). Thus, in addition to receiving estimated payments from pass-through entities for the first half of 2019, collections for 2018-19 were enhanced by a one-time payment of $124.4 million owed by S corporations for tax year 2018. Due to the short amount of time to file and the safe harbor from interest charges, it was expected that pass-through entities would overpay the 2018 entity-level tax owed and later normalize their payments by either seeking refunds or remitting lower estimated payments throughout 2019-20. However, based on collections data, it now appears that in 2019-20 refunds are lower than previously estimated and that entity-level estimated tax payments are higher than previously estimated.

Second, corporate audit payments in 2019-20 increased by $74.4 million compared with the same period through December in 2018-19. This accounts for 5.3 percentage points of growth in estimated 2019-20 collections compared to actual collections in 2018-19. According to DOR, the sharp increase in corporate audit payments reflects activity from prior years and is unlikely to repeat.

Third, collections increased significantly in 2018-19 following the federal adoption of TCJA and the state enactment of 2017 Act 231, which updated state law to account for some, but not all, of the changes in federal law. As discussed above, TCJA lowered the federal tax rate paid by corporations from 35% to 21%, providing an incentive to organize and file as a corporation. Although the estimated fiscal impact of Act 231 was accounted for in the May estimates, the ancillary effects on increased state collections following TCJA have continued. For comparison, according to IHS Markit, overall state and local taxes on corporate income increased by 11.3% in 2018-19 and will increase again by 9.6% in 2019-20, with growth moderating to 4.8% in 2020-21. It is likely growth in collections will similarly moderate in Wisconsin as the impact fades from the one-time and ongoing effects of these law changes.

Public Utility Taxes. Revenues from public utility taxes totaled $364.9 million in 2018-19 and are estimated at $358.0 million in 2019-20 and $362.0 million in 2020-21. These amounts represent a decrease of 1.9% in 2019-20 and an increase of 1.1% in 2020-21. Compared to the previous estimates, these amounts are lower by $8.0 million in 2019-20 and $2.0 million in 2020-21. Private light, heat, and power companies are the largest taxpayer group, comprising 63% of estimated public utility tax revenues for the 2019-21 biennium. Collections from these companies totaled $231.5 million in 2018-19 and are estimated to decrease to $226.7 million in 2019-20 (-2.1%) and increase to $228.7 million in 2020-21 (0.9%). The decrease in 2019-20 reflects, in part, fewer kilowatt hours of electricity consumed in 2019 than in 2018. Revenues from 2019 comprise the basis for these companies' license fees due in May, 2020. Electricity and natural gas sales are influenced by economic conditions for commercial and industrial customers and by weather for residential customers.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), other tobacco products, vapor products, and beer. Total excise tax revenues in 2018-19 were $661.9 million, of which $514.3 million (77.7%) was attributable to the excise tax on cigarettes. Total excise tax collections in 2018-19 represented a decrease of 2.7% from the prior fiscal year, largely due to a decrease in cigarette tax collections of 4.6% from the prior year. Total excise tax revenues are estimated at $667.6 million in 2019-20 and $656.5 million in 2020-21. Compared to the previous estimates, these amounts are $3.6 million lower in 2019-20 and $12.6 million lower in 2020-21. These estimates account for the recent federal provision to prohibit sales of cigarettes and tobacco products to individuals under the age of 21, which is expected to decrease state excise tax revenues beginning in 2020-21. Estimated excise tax revenues in 2019-20 are 0.9% higher than actual collections in 2018-19, partially because of the tax on vapor products that took effect on October 1, 2019.

Cigarette tax revenues are estimated at $512.0 million in 2019-20, and $497.0 million in 2020-21, and are lower than the previous estimates by $3.0 million in 2019-20 and $10.0 million in 2020-21. The reduction is primarily due to an ongoing trend of declining cigarette consumption, evidenced by annual cigarette revenue declines of 4.5% in 2017-18 and 4.6% in 2018-19. The reestimate for cigarette tax revenues in 2019-20 represents an approximate annual decline of 0.4%, which is a smaller reduction than the annual average decline of 2.5% over the last four fiscal years. Illinois implemented a cigarette tax increase of $1 per pack, effective July 1, 2019, which brought its tax rate to $2.98 per pack (higher than Wisconsin's rate of $2.52 per pack). It is assumed that this tax increase has contributed to higher year-to-date tax collections than previously expected because consumers living near the state border likely shifted their purchases of cigarettes to Wisconsin in response to the Illinois tax rate increase.

Insurance Premiums Taxes. Insurance premiums taxes were $194.4 million in 2018-19, which is $0.6 million less than estimated. Revenues are projected to increase to $201.0 million in 2019-20, and $209.0 million in 2020-21. These estimate reflect projected year-over-year growth of 3.4%, and 4.0%, respectively, and are $2.0 million lower than previous estimates for each year. The estimates are based on growth of 3.1% in year-to-date insurance premiums tax collections, historic collections growth trends, and projected growth in consumer spending on insurance.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were $92.5 million in 2018-19, of which 83.7% was generated from the real estate transfer fee. These revenues are estimated at $97.5 million in 2019-20 and $100.0 million in 2020-21, which is $2.7 million lower than the previous estimate in 2020-21. The decrease in 2020-21 reflects lowered growth for the housing sector, relative to the May forecast.

This office will continue to monitor state revenues and expenditures and new economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

Sincerely,

Robert Wm. Lang
Director

RWL/lb
cc: Members, Wisconsin Legislature

Appendix B

General Obligation Issuance Status Report
June 1, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Refunding Bonds of 2020, Series 3 and 2021, Series 1[b]	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	$ 3,024,031,100	$ 2,220,108,472	$ 13,084,724	$ 83,302,939		$ 707,534,965
University of Wisconsin; self-amortizing facilities	3,176,722,100	2,421,593,161	2,967,557	80,006,303		672,155,079
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,088,850,000	882,599,116	410,794	29,503,931		176,336,159
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	659,783,200	651,996,843		3,967,798		3,818,559
Safe drinking water loan program	74,950,000	69,215,595	123	2,183,403		3,550,879
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,043	165,649		6
Natural resources; nonpoint source	50,550,000	31,308,706	2,498	2,901,488		16,337,308
Natural resources; environmental repair	57,000,000	48,847,663	203,945	274,644		7,673,748
Natural resources; urban nonpoint source cost-sharing	57,600,000	44,031,690	31,189	1,780,987		11,756,134
Natural resources; contaminated sediment removal	36,000,000	26,688,937		1,589,317		7,721,746
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	10,903,807	161	187,993		8,877,239
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		365
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			37,033
Natural resources; segregated revenue supported facilities	123,958,000	95,321,804	93,544	4,484,363		24,058,289

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JUNE 1, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Refunding Bonds of 2020, Series 3 and and 2021 Series 1[b]	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities	$ 16,514,100	$ 11,318,965	$ 21,753	$ 9,208		$ 5,164,174
Natural resources; ice age trail	750,000	750,000				
Natural resources; dam safety projects	29,500,000	19,253,571	51,291	1,552,785		8,642,353
Natural resources; segregated revenue supported land acquisition	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program	231,000,000	229,270,377	1,306,879	137,654		285,090
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	272,000,000	235,980,986	64	36,018,642		308
Transportation; rail passenger route development	89,000,000	66,084,243	3,016	1,342,987		21,569,754
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	1,413,550,000	1,215,275,976	3,018,078	97,882,005		97,373,941
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	260,693,759	141,819	44,391,381		705
Transportation; southeast Wisconsin freeway megaprojects subject to contingency	252,400,000	157,675,201	94,291	22,146,477		72,484,031
Transportation; harbor improvements	152,000,000	104,640,593	234,581	6,864,721		40,260,105
Transportation; rail acquisitions and improvements	280,300,000	196,236,401	5,187	18,573,089		65,485,323
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000				
Corrections; correctional facilities	951,679,900	857,949,099	11,468,918	7,041,384		75,220,499

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JUNE 1, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium[(a)]	G.O. Refunding Bonds of 2020, Series 3 and 2021, Series 1[(b)]	Total Authorized Unissued Debt
Corrections; self-amortizing facilities and equipment	$ 2,116,300	$ 2,115,438	$ 99			$ 763
Corrections; juvenile correctional facilities	28,652,200	28,538,452	108,861	$ 988		3,899
Corrections; juvenile correctional grant program	80,000,000					80,000,000
Health services; mental health and secure treatment facilities	298,429,100	179,083,853	895,996	2,800,502		115,648,749
Agriculture; soil and water	75,075,000	64,416,262	9,110	3,505,506		7,144,122
Agriculture; conservation reserve enhancement	28,000,000	21,275,180	3,160	1,185,149		5,536,511
Administration; Black Point Estate	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund	245,000,000	168,336,809		11,613,796		65,049,395
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	7,510,000,000	5,980,583,916			$ 271,210,000	1,258,206,084
Building commission; housing state departments and agencies	943,639,300	755,477,418	2,356,097	38,406,216		147,399,569
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			
Building commission; project contingencies	47,961,200	47,080,641	64,761	136,472		679,326
Building commission; capital equipment acquisition	125,660,000	123,506,341	740,327	281,617		1,131,715
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	2,955,419,200	2,399,646,617	8,728,267	62,349,678		484,694,638

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JUNE 1, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium [(a)]	G.O. Refunding Bonds of 2020, Series 3 and and 2021 Series 1[(b)]	Total Authorized Unissued Debt
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities………………	$ 10,000,000	$ 10,000,000				
Norskedalen Nature and Heritage Center……….	1,048,300					$ 1,048,300
Bond Health Center…………………………….	1,000,000	983,307		$ 16,682		11
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……………….………….	45,000,000	33,909,754		926,706		10,163,540
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	23,942,583	818	1,056,495		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	4,522,862		477,090		48
Eau Claire Confluence Arts, Inc.……………….	15,000,000	13,461,714		1,537,698		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	4,245,324		754,625		51
Brown County innovation center………………	5,000,000	3,847,135		677,813		475,052
Building Commision; projects….......................	25,000,000					25,000,000
Building Commision; center….........................	15,000,000					15,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
JUNE 1, 2020

			Credit to Capital Improvement Fund			
Program Purpose	**Legislative Authorization**	**General Obligations Issued to Date**	**Interest Earnings**[a]	**Premium**[a]	**G.O. Refunding Bonds of 2020, Series 3 and 2021, Series 1**[b]	**Total Authorized Unissued Debt**
Grand Opera House in Oshkosh……………….	$ 500,000	$ 500,000				
Aldo Leopold climate change classroom and interactive laboratory……………………………………….	500,000	485,000		$ 14,992		$ 8
Historical society; self-amortizing facilities..............………………..	1,029,300	1,029,156	$ 3,896			
Historical society; historic records............................……………….	26,650,000	23,165,436	137	3,320,412		164,015
Historical society; historic sites.................................……………….	9,591,800	9,067,114	847	291,750		232,089
Historical society; museum facility...........................……………….	74,384,400	4,362,469				70,021,931
Historical society; Wisconsin history center……………………….	16,000,000	8,775,977	457	1,376,465		5,847,101
Public instruction; state school, state center and library facilities………………………………	19,738,900	11,845,469	32,509	467,826		7,393,096
Military affairs; armories and military facilities...……………….	60,097,100	43,205,312	198,829	2,078,102		14,614,857
Veterans affairs; veterans facilities..........………………………..	20,169,000	9,690,103	50,593	50,279		10,378,025
Veterans affairs; self-amortizing mortgage loans...……………….	2,122,542,395	2,122,542,395				
Veterans affairs; refunding bonds............................………………	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities…………………………	83,518,800	34,739,730	2,427	2,392,892		46,383,751
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............…………………	55,187,100	52,699,335	22,401	13,596		2,451,768
Total...…………….	$ 35,675,584,947	$ 30,018,950,381	$ 74,220,810	$631,465,513	$ 271,210,000	$ 4,679,742,095

[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] Preliminary, subject to change. Amounts do not reflect G.O. Bonds of 2020, Series A issued on June 18, 2020.

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

Source: Department of Administration.

Appendix C

EXPECTED FORMS OF BOND COUNSEL OPINIONS

Upon delivery of each series of Bonds, it is expected that Foley & Lardner LLP will deliver a legal opinion in substantially the applicable form set forth below:

(Letterhead of Foley & Lardner LLP)

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

$153,890,000*
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2020, SERIES 3 (TAXABLE)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $153,890,000* General Obligation Refunding Bonds of 2020, Series 3 (Taxable), dated the date hereof **(2020 Series 3 Bonds)**. The 2020 Series 3 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 February 27, 2020 (**Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the 2020 Series 3 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 2020 Series 3 Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State, enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the 2020 Series 3 Bonds as the 2020 Series 3 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.

The rights of the owners of the 2020 Series 3 Bonds and the enforceability of the 2020 Series 3 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   , 2020 or other offering material relating to the 2020 Series 3 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).

* Preliminary; subject to change.

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

(Letterhead of Foley & Lardner LLP)

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

$117,320,000*
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 1 (FORWARD DELIVERY)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $117,320,000* General Obligation Refunding Bonds of 2021, Series 1 (Forward Delivery), dated the date hereof (**2021 Series 1 Bonds**). The 2021 Series 1 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 February 27, 2020 (**Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the 2021 Series 1 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 2021 Series 1 Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State, enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the 2021 Series 1 Bonds as the 2021 Series 1 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 2021 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an 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 2021 Series 1 Bonds are issued for interest on the 2021 Series 1 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 2021 Series 1 Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the 2021 Series 1 Bonds were issued. We express no opinion about other federal tax law consequences regarding the 2021 Series 1 Bonds.

The rights of the owners of the 2021 Series 1 Bonds and the enforceability of the 2021 Series 1 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 Statements dated   , 2020 and   , 2021 or other offering material relating to the 2021 Series 1 Bonds (except to the extent, if any, stated in an Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in an Official Statement).

* Preliminary; subject to change.

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

REFUNDED BONDS*

Series	Dated Date	Principal Amount	Interest Rate	Maturity	CUSIP[a]	Redemption Date	Redemption Price
Current Refunded Bonds							
Advance Refunded Bonds							

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

* Preliminary; subject to change.

APPENDIX E
FORM OF DELAYED DELIVERY CONTRACT

J.P. Morgan Securities LLC

[Date]

Re: $117,320,000* State of Wisconsin
General Obligation Refunding Bonds of 2021, Series 1 (Forward Delivery) (the "Bonds")

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from the above referenced underwriter (the "Representative"), as representative of itself and the underwriters set forth in the Forward Delivery Purchase Agreement (defined below) (the "Underwriters") when, as, and if issued and delivered to the Underwriters by the State of Wisconsin (the "State"), and the Representative agrees to sell to the Purchaser:

Par Amount	**Maturity Date**	**Interest Rate**	**CUSIP Number**	**Yield**	**Price**

of the above-referenced Bonds (the "Purchased Bonds") offered by the State under the Preliminary Official Statement dated June 18, 2020 (the "Preliminary Official Statement") and the Official Statement relating to the Bonds dated (the "Official Statement"), at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. The Purchaser will review the Official Statement when delivered to it by the Representative. The Bonds are being purchased by the Underwriters pursuant to a Forward Delivery Purchase Agreement between the State and the Underwriters (the "Forward Delivery Purchase Agreement"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Preliminary Official Statement.

The Purchaser hereby confirms that it has reviewed the Preliminary Official Statement (including without limitation the section entitled "UNDERWRITING – Certain Forward Delivery Considerations, Acknowledgements, and Risks" therein), will review the Official Statement, has considered the risks associated with purchasing the Purchased Bonds, and is duly authorized to purchase the Purchased Bonds. The Purchaser further acknowledges and agrees that the Purchased Bonds are being sold on a "forward" basis, and the Purchaser hereby purchases and agrees to accept delivery of such Bonds from the Underwriters on , 2021, or on such later date (no later than April 30, 2021 as is mutually agreed upon by the State and the Representative (the "Forward Settlement Date") as they may be issued and delivered as described in the

* Preliminary; subject to change.

Preliminary Official Statement and the Official Statement.

Payment for the Purchased Bonds shall be made to the Representative or upon its order on the Forward Settlement Date upon delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriters be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the State does not for any reason issue and deliver the Purchased Bonds.

Upon settlement of the purchase and sale of the Bonds pursuant to the Forward Delivery Purchase Agreement, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional. The Purchaser may terminate its obligation to purchase the Purchased Bonds in the event that between the Preliminary Closing Date and the Forward Settlement Date, one of the following events shall have occurred after the later of the Preliminary Closing Date or the date hereof and the Purchaser has notified the Underwriters in writing as provided herein:

(1) any Change in Law (defined below) shall have occurred;

(2) the Official Statement, as of its date (or, if amended within the period ending 60 days after the Preliminary Closing Date, then as of the date of such amendment), or the Updated Official Statement, as of its date (or, if amended, then as of the date of such amendment), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(3) Bond Counsel does not deliver an opinion on the Forward Settlement Date either (i) substantially in the form and to the effect set forth in Appendix C to the Official Statement or (ii) which, notwithstanding a Change in Law that prevents Bond Counsel from issuing an opinion substantially in the form and to the effect set forth in Appendix C to the Official Statement, states that the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals,

(4) the State shall have defaulted in the payment of its general obligation debt; or

(5) any rating of the Bonds by Kroll Bond Rating Agency, Inc., Moody's Investors Service, Inc., or S&P Global Ratings has been withdrawn or suspended.

A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date that is on or before the Forward Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date that is on or before the Forward Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the Bonds as provided in the Forward Delivery Purchase Agreement or selling the Bonds or beneficial ownership interests therein to the public or (B) as to the State, make the issuance, sale or delivery of the Bonds illegal; provided, however, that such change in or addition to law, legislation, law, rule or regulation or judgment, ruling or order shall have become effective, been enacted, or been issued as the case may be, after the date of the Forward Delivery Purchase Agreement.

If a modification of law involves the enactment of legislation that only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of, interest payable on “state or local bonds,” the State may, nonetheless, be able to satisfy the requirements for the delivery of the Bonds, and as such, such modification of law would not be a “Change of Law” as defined herein. In such event, the Underwriters would be obligated to purchase the Bonds from the State, and the Purchaser would be required to accept delivery of the Purchased Bonds from the Underwriters.

The Purchaser acknowledges and agrees that the Bonds are being sold on a “forward” or “delayed delivery” basis for delivery on the Forward Settlement Date and that the Purchaser is obligated to take up and pay for the Purchased Bonds on the Forward Settlement Date unless the Underwriters terminate the Forward Delivery Purchase Agreement or the Purchaser terminates its obligation to purchase the Purchased Bonds as described herein. To effect a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Delayed Delivery Contract to the Representative before the Forward Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur after the Forward Settlement Date. The Purchaser is not a third party beneficiary under the Forward Delivery Purchase Agreement and has no rights to enforce, or cause the Underwriters to enforce, any of the terms thereof. The Purchaser acknowledges that it will not be able to withdraw its order except as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Forward Settlement Date because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Bonds between the Preliminary Closing Date and the Forward Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the State from the Preliminary Closing Date to the Forward Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell Purchased Bonds following the date hereof, unless the Purchaser sells Purchased Bonds to another institution with the prior written consent of the Representative and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as those executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Representative is entering into the Forward Delivery Purchase Agreement with the State to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument under the laws of the State of New York.

It is understood that the acceptance by the Representative of any Delayed Delivery Contract (including this one) is in the Representative’s sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Representative, it is requested that the Representative sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Representative and the Purchaser when such counterpart is so mailed or delivered by the Representative. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

____
Purchaser

____

Address

____
Telephone

By: ___________________________
Name: ___________________________
Title: ___________________________

Accepted: J.P. Morgan Securities LLC, on behalf of the Underwriters

Name: ___________________________
Title: ___________________________

Appendix F

GLOBAL CLEARANCE PROCEDURES

In addition to the body of the Official Statement (see "THE BONDS; Book-Entry-Only Form"), this appendix includes information concerning Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, S.A., Luxembourg (**Clearstream Banking**), which has been provided by Euroclear and Clearstream Banking.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems (defined below) currently in effect and the State expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning the Clearing Systems has been obtained from sources that the State believes to be reliable, but neither the State nor the Underwriters take any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The State and the Underwriters will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the 2020 Series 3 Bonds held through the facilities of any Clearing System or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests.

The Depository Trust Company, New York, New York **(DTC)** will act as the initial securities depository for the 2020 Series 3 Bonds. Euroclear and Clearstream Banking are participants of DTC and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders (DTC, Euroclear and Clearstream Banking are together referred to as the **Clearing Systems**).

Euroclear and Clearstream Banking

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures

Any 2020 Series 3 Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, for the account of its participants, including but not limited to Euroclear and Clearstream Banking. If the investors are participants in Clearstream Banking and Euroclear in Europe, or indirectly through organizations that are participants in the Clearing Systems, Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories. In all cases, the record holder of the 2020 Series 3 Bonds will be DTC's nominee and not Euroclear or Clearstream Banking. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The State will not impose any fees in respect of holding the 2020 Series 3 Bonds; however, holders of book-entry interests in the 2020 Series 3 Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement. Interests in the 2020 Series 3 Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2020 Series 3 Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable thereto and applicable to DTC. Book-entry interests in the 2020 Series 3 Bonds will be credited by DTC to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the date of delivery of the 2020 Series 3 Bonds against payment (value as on the date of delivery of the 2020 Series 3 Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2020 Series 3 Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2020 Series 3 Bonds following confirmation of receipt of payment to the State on the date of delivery of the 2020 Series 3 Bonds.

Secondary Market Trading. Secondary market trades in the 2020 Series 3 Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2020 Series 3 Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the 2020 Series 3 Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the 2020 Series 3 Bonds between Euroclear or Clearstream Banking and DTC shall be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2020 Series 3 Bonds through Euroclear or Clearstream Banking on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream Banking and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the 2020 Series 3 Bonds, or to receive or make a payment or delivery of 2020 Series 3 Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream Banking is used, or Brussels if Euroclear is used.

Clearing Information. The State and the Underwriters expect that the 2020 Series 3 Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream Banking. The international securities identification number, common code and CUSIP number for the 2020 Series 3 Bonds are set out on the inside front cover page of this Official Statement.

General. None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the State, the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.


FORWARD
E PLURIBUS UNUM