OFFICIAL STATEMENT

New Issue

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

$295,240,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 3 (TAXABLE)

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

Ratings	AA+ Kroll Bond Rating Agency, Inc. Aa1 Moody's Investors Service, Inc. AA S&P Global Ratings
Taxable	Interest on the Bonds is included in gross income for federal income tax purposes —*See pages 11-14.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 14.*
Redemption	The Bonds are subject to redemption at any time at the make-whole redemption price—*See pages 3-4.*
Security	General obligations of the State of Wisconsin—*See page 3.*
Purpose	Proceeds from the Bonds are being used for the advance 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, 2021
Delivery	On or about March 17, 2021
Denominations	Multiples of $5,000
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See pages 5-6.*
2020 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.

The prices and yields listed below were determined on February 17, 2021 at negotiated sale.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Price at Issuance	First Optional Call Date	Call Price
97705M UG8	2022	$ 3,585,000	0.111%	100.000%	Any Business Day	at Make-Whole Redemption Price
97705M UH6	2023	42,725,000	0.211	100.000		
97705M UJ2	2024	35,895,000	0.361	100.000		
97705M UK9	2025	96,155,000	0.650	100.000		
97705M UL7	2026	92,095,000	0.800	100.000		
97705M UM5	2027	435,000	1.022	100.000		
97705M UN3	2028	24,350,000	1.122	100.000		

BofA Securities **Ramirez & Co., Inc.**

Bancroft Capital **Goldman Sachs & Co. LLC** **Huntington Securities, Inc.**

Piper Sandler **UBS**

February 17, 2021

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This document is called an official statement because it is the only document the State has authorized for providing information about the Bonds. This document is not an offer or solicitation 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, to the extent legally permissible, over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the front cover hereof and such public offering prices may be changed from time to time by the Underwriters.

TABLE OF CONTENTS

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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 THIS SECTION AS THE **STATE** OR THE **ISSUER**) MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION. REFERENCES UNDER THIS CAPTION TO **BONDS** OR **SECURITIES** MEAN THE STATE OF WISCONSIN GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 3 (TAXABLE).

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE ISSUER SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT THE OFFERING OR SALE OF THE BONDS, OR POSSESSION OR DISTRIBUTION OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE BONDS, OR ANY INFORMATION RELATING TO THE PRICING OF THE BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

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

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS* OR SUBSECTION 73.3(1) OF THE *SECURITIES ACT* (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 *UNDERWRITING CONFLICTS* (**NI 33-105**), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (**EEA**) OR THE UNITED KINGDOM WILL BE

MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (**PROSPECTUS REGULATION**) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER OF THE SECURITIES TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE ISSUER NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY SECURITIES 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 ANY MEMBER STATE OF 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); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE ISSUER OR THE INITIAL PURCHASERS 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 SECURITIES 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 SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE 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.

PROHIBITION OF SALES TO EEA OR THE UNITED KINGDOM RETAIL INVESTORS – THE 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 IN 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**); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (**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. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (**PRIIPS REGULATION**) FOR OFFERING OR SELLING THE 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 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.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

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 FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY BONDS 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

THE 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 BEEN OR WILL BE MADE TO ADMIT THE 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 BONDS (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. 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 BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS DOCUMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG 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) (**SFO**). THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, AND THIS DOCUMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO `PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER. 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 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 BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO `PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE **FIEA**). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN "I" OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE BONDS SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTOR AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO.14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFICIAL STATEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, **FSCMA**). THE BONDS MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, **FETL**)) WITHIN ONE YEAR OF THE ISSUANCE OF THE BONDS, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA (**TAIWAN**) AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, 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 OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS.

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 9, 2023
Senator Andre Jacque	January 9, 2023
Senator Jerry Petrowski	January 9, 2023
Senator Janis Ringhand	January 9, 2023
Representative Jill Billings	January 9, 2023
Representative Robert Wittke	January 9, 2023
Ms. Summer Strand, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Member	
Mr. Kevin Trinastic, State Ranking Architect Department of Administration	——
Building Commission Secretary	
Ms. Naomi De Mers, Administrator Division of Facilities Development 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:	$295,240,000
Description:	State of Wisconsin General Obligation Refunding Bonds of 2021, Series 3 (Taxable)
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (On or about March 17, 2021)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2021
Maturities:	May 1, 2022-28 —*See front cover.*
Redemption:	*Optional Make Whole*—The Bonds are subject to optional redemption at any time at the make-whole redemption price—*See pages 3-4.*
Form:	Book-entry-only—*See pages 5-6.*
Paying Agent:	All payments of principal of, and premium, if any, 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 February 1, 2021, general obligations of the State were outstanding in the principal amount of $7,406,774,888.
Additional General Obligation Debt:	The State may issue additional general obligation debt—*See pages 7-8.*
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	The Bond proceeds are being used for the advance 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.
Taxable:	Interest on the Bonds is included in gross income for federal income tax purposes—*See pages 11-14.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 14.*
2020 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.
Legal Opinion:	Validity opinion to be provided by Foley & Lardner LLP—*See APPENDIX C.*

OFFICIAL STATEMENT

$295,240,000

STATE OF WISCONSIN

GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 3 (TAXABLE)

INTRODUCTION

This Official Statement provides information about the $295,240,000 General Obligation Refunding Bonds of 2021, Series 3 (Taxable) **(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 23, 2020 **(2020 Annual Report)**.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to authorizing resolutions that the State of Wisconsin Building Commission **(Commission)** adopted on February 27, 2020 and May 20, 2020.

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all of 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 2020 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2020 Annual Report, including:

- Estimated General Fund condition statement for the 2020-21 fiscal year and estimated General Fund tax collections for the 2020-21, 2021-22, and 2022-23 fiscal years, as included in a report provided by the Legislative Fiscal Bureau **(LFB)** on January 26, 2021 (**January 2021 LFB Report**).
- General Fund information for the 2020-21 fiscal year through December 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 2020-21 fiscal year, which is presented on a cash basis.
- Additional information about the State's response to the COVID-19 pandemic.
- Information about the executive budget for the 2021-23 biennium.

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 Bonds are being issued for the advance refunding of certain maturities of general obligation bonds previously issued by the State for general governmental purposes **(Advance Refunding)**. The refunded maturities associated with the Advance Refunding are currently outstanding in the total principal amount of $275,590,000 **(Refunded Bonds)**.

APPENDIX D identifies and provides information about the Refunded Bonds.

Advance Refunding

To provide for the Advance Refunding, the proceeds of the 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 Refunded Bonds from and including November 1, 2021 to and including their respective redemption dates, and
- the redemption price of the Refunded Bonds on their respective redemption dates.

A deposit to be made on approximately April 15, 2021 to the State's Bond Security and Redemption Fund, from sources other than Bond proceeds, will be used to pay interest on the Refunded Bonds on May 1, 2021.

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 UMB Bank, N.A. **(Escrow Trustee)**, solely for the benefit of the owners of the 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 the redemption price of, and interest on, the Refunded Bonds, other than the interest due on May 1, 2021. 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)**.

Use of Proceeds and Pledge

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

THE BONDS

General

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

The Bonds will be dated their date of delivery (expected to be March 17, 2021) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on November 1, 2021.

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 premium, if any, 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 With Make Whole Premium

The 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 Bonds to be redeemed, or

(B) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be redeemed (exclusive of interest accrued to the date on which such Bonds are to be redeemed), discounted to the date of redemption of such 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 2.5 basis points (.025%),

plus, in each case, accrued interest on the 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 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 Bond to be redeemed, as determined by the Designated Consultant; provided, however, that if the 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.

(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 the federal reserve banks are closed.

Selection of Bonds

If less than all the Bonds 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.

So long as the Bonds are in book-entry-only form and DTC or a successor securities depository is the sole registered owner of such Bonds, if some but less than all of the 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 Bonds to be redeemed shall be selected by lot. However, so long as such Bonds are registered in the book-entry-only system, the selection for redemption of the 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 Bonds on such basis, nor will the State be responsible for any failure of DTC, DTC’s direct and indirect participants, or any 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 are in book-entry-only form, payment of the principal of, and premium, if any and interest on, the 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
AA+	Kroll Bond Rating Agency, Inc.
Aa1	Moody's Investors Service, Inc.
AA	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:

Sources	
Principal Amount	$ 295,240,000.00
TOTAL SOURCES	$ 295,240,000.00
Uses	
Deposit to Escrow Fund	$ 293,751,574.87
Underwriters' Discount	1,173,275.06
Costs of Issuance	315,150.07
TOTAL USES	$ 295,240,000.00

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 Bonds of a given maturity are being redeemed, the redemption price shall be allocated to all beneficial owners of the Bonds on a pro rata pass-through distribution of principal basis, subject to 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.

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.

Each owner of a Bond would receive an amount equal to the total principal amount of Bonds to be redeemed times a fraction, the numerator of which is the principal amount of Bonds of such maturity held by the registered owner and the denominator of which is the principal amount of all 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 front cover, for which BofA Securities, Inc. is acting as the representative.

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the State at an aggregate purchase price of $ 294,066,724.94, reflecting an Underwriters' discount of $ 1,173,275.06. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the Bonds if any of the Bonds are purchased.

The Underwriters have agreed to reoffer the Bonds at the public offering prices or yields set forth on the front cover. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such prices may be changed, from time to time, by the Underwriters. Certain of the Underwriters may have entered into distribution agreements with third-party broker-dealers, under which the Underwriters may distribute municipal securities to 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, Chapman and Cutler 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.

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 $4,598,526,806, and the cumulative debt limit is $30,656,845,375. 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 February 1, 2021, general obligations of the State were outstanding in the principal amount of $7,406,774,888. 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 2021

General Obligations

The Bonds will be the third 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 $370 million for refunding purposes.

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

- Up to $615 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 any additional general obligations for refunding purposes depend, among other factors, on market conditions.

- General obligations for the funding of the State's outstanding general obligation commercial paper notes, extendible municipal commercial paper notes, and variable rate demand obligation notes, which were outstanding in the amount of $374 million as of February 1, 2021. 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 for general governmental purposes during calendar year 2021. The amount and timing of issuance in this calendar year 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 $182 million of transportation revenue obligations for the financing of transportation facilities and highway projects. The amount and timing of the issuance of transportation revenue obligations for this purpose depend on the expenditures for such projects; an issue is expected in the first or second quarter of calendar year 2021. The Commission has authorized up to $209 million of transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

The State has not issued any general fund annual appropriation refunding bonds in this calendar year. On February 10, 2021, the State entered into a bond purchase agreement for the sale of $119 million of general fund annual appropriation refunding bonds, with issuance and delivery expected on March 10, 2021. 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 intends to fund outstanding master lease certificates of participation in the principal amount of approximately $39 million that have a maturity date of March 1, 2023 but are optionally callable in calendar year 2021. On February 9, 2021, the State entered into a purchase agreement for the sale of $31 million of master lease certificates of participation for this purpose, and also to fund lease schedules previously financed with a revolving line of credit, with issuance and delivery expected on February 25, 2021. The State may also sell and issue master lease certificates of participation in this calendar year to fund or refund additional outstanding master lease certificates of participation and/or to finance leased items. 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 not issued any environmental improvement fund revenue bonds in this calendar year. The Commission has authorized the issuance of up to $100 million of environmental improvement fund revenue bonds. The amount and timing of any issuance of environmental improvement fund revenue bonds in calendar year 2021 depend on several factors.

The State does not currently intend to issue operating notes for the 2020-21 fiscal year.

Reference Information About the Bonds

Information about the Bonds is provided for reference in the table on the front cover of this Official Statement. The CUSIP number for each maturity has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices for the Bonds.

Financial Advisor

PFM Financial Advisors, LLC 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 Refunded Bonds to become due from November 1, 2021 through their respective 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 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 are delivered, Bond Counsel will deliver an approving opinion in substantially the form shown in APPENDIX C. If certificated Bonds were issued, then the opinion would be printed on the reverse side of each Bond.

Attorney General

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

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

Other Legal Matters

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

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

U.S. Federal Tax Considerations

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquire their 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 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 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 Bonds pursuant to this offering for the issue price that is applicable to such Bonds (the first price at which a substantial amount of such Bonds are sold to the public) and who will hold their 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 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 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds 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 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 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 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 Bonds in light of their particular circumstances.

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

U.S. Holders

Principal and Interest. Interest on the 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 Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) by more than a *de minimis* amount, the difference may constitute original issue discount (**OID**). U.S. Holders of 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.

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 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 Bond.

Sale or Other Taxable Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement, or other disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a 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 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 Bond (generally, the purchase price paid by the U.S. Holder for the 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 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 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 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 Bonds as well as gain on the sale of a Bond.

Information Reporting and Backup Withholding. Payments on the 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 Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement, or other disposition of the 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

Principal and Interest. Subject to the discussions below under the headings "TAX MATTERS; U.S. Federal Tax Considerations; *Non-U.S. Holders; Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act,"* payments of principal or redemption price of, and interest on, any 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 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 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 Bonds. Subject to the discussions below under the headings "TAX MATTERS; U.S. Federal Tax Considerations; *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 Bond), or other disposition of a 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 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 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; U.S. Federal Tax Considerations; *Non-U.S. Holders; Foreign Account Tax Compliance Act,"* under current U.S. Treasury Regulations, payments of principal or redemption price of, and interest on, any Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the beneficial owner of the Bond or a financial institution holding the 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 Bonds and sales proceeds of 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 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.

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 2020 Annual Report, which contains information on the undertaking, including the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), the Addendum Describing Annual Report for General Obligations, and the form of Supplemental Agreement that will apply the Master Agreement and the Addendum to the Bonds, 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: February 17, 2021

STATE OF WISCONSIN

/S/ TONY EVERS

Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

/S/ JOEL T. BRENNAN

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

/S/ NAOMI DE MERS

Naomi De Mers, Secretary
State of Wisconsin Building Commission

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APPENDIX A

CERTAIN INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin **(State)**, contained in Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020 **(2020 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 2020 Annual Report, including but not limited to:

- Estimated General Fund condition statement for the 2020-21 fiscal year and estimated General Fund tax collections for the 2020-21, 2021-22, and 2022-23 fiscal years, as included in a report provided by the Legislative Fiscal Bureau **(LFB)** on January 26, 2021 **(January 2021 LFB Report)**.
- General Fund information for the 2020-21 fiscal year through December 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 2020-21 fiscal year, which is presented on a cash basis.
- Additional information about the State's response to the COVID-19 pandemic.
- Information about the executive budget for the 2021-23 biennium.

Part II of the 2020 Annual Report contains general information about the State. More specifically, that part presents information about the following matters:

- COVID-19 Update
- 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 2019-20 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, 2020, 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 2020 Annual Report.

Part III of the 2020 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 2020 Annual Report and the Comprehensive Annual Financial Report **(CAFR)** for the fiscal year ended June 30, 2020 were both filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The 2020 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 2020 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 Updated Official Statement or Part II of the 2020 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2020 Annual Report, certain changes or events have occurred that affect items discussed in the 2020 Annual Report. Listed below, by reference to particular sections of Part II of the 2020 Annual Report, are changes or additions to the information contained in those particular sections. When such changes occur, the State may or may not file notices with the MSRB. However, the State has filed, and expects to continue to file, informational notices with the MSRB, some of which may be notices that are not required to be filed under the State's undertakings.

This Official Statement includes changes or additions that were released after the date of the Preliminary Official Statement (February 9, 2021). Any such change or addition is identified accordingly.

COVID-19 Update (Part II, Pages 21-24). Update with the following information.

Governor Evers and the Secretary-designee of the Department of Health Services **(DHS)** have issued various executive and emergency orders related to the COVID-19 pandemic. Under the Wisconsin Statutes, a state of emergency declared by the Governor cannot exceed 60 days, unless extended by joint resolution of the Legislature. Several such emergency declarations have expired, and the Legislature did not take action on those expired declarations.

Executive Order #104, issued by Governor Evers on January 19, 2021, again declared a Public Health Emergency, and Emergency Order #1, again extended the requirement (from a previous order) for use of face coverings when indoors or in an enclosed space with anyone outside the family unit, for an additional 60 days, or until March 20, 2021. The Senate and the Assembly adopted a joint resolution to terminate the emergency declaration under Executive Order #104, and that emergency declaration, and orders issued in reliance on it, are no longer effective.

Executive Order #105, issued by Governor Evers on February 4, 2021, again declared a Public Health Emergency, and Emergency Order #1 again imposed the requirement for use of face coverings when indoors or in an enclosed space with anyone outside the family unit, until March 20, 2021.

DHS is working to get COVID-19 vaccines to Wisconsinites as equitably, quickly, and safely as possible, and is following prioritization guidelines from the federal Advisory Committee on Immunization Practices and the State Disaster Medical Advisory Committee. The State has been providing vaccinations to populations identified for the Phase 1A and 1B categories, which includes frontline health care personnel, residents in skilled nursing and long-care facilities, and fire and police personnel. On January

25, 2021, the State began providing vaccinations to other populations in the Phase 1B category, namely adults aged 65 and older.

While Governor Evers had drafted legislation in late 2020 to address the costs related to the pandemic, the Legislature approved on February 5, 2021 a different bill (2021 Assembly Bill 1), which was vetoed by Governor Evers on the same date. It is expected that the Legislature will continue to consider other bills related to the pandemic.

As stated in the 2020 Annual Report, the pandemic and the emergency responses resulted and continue to result in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced aggregate demand for certain services, 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 as circumstances and events evolve.

It is not possible at present to project with a reasonable degree of certainty the impact on State revenues, expenditures, reserves, budget, or financial position. 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 the Department of Revenue **(DOR)** or LFB with the MSRB through its EMMA system.

State Budget; Budget for the 2020-21 Fiscal Year (Part II, Page 39). Update with the following information, some of which became available after the date of the Preliminary Official Statement (February 9, 2021).

Pending Legislation – Impact on General Fund Condition Statement

On February 16, 2021, the Legislature approved 2021 Assembly Bill 2, which would, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the paycheck protection program under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. This bill has not been approved by the Governor, but LFB has estimated that the fiscal impact of the bill would be a reduction in General Fund tax collections by $254 million in the 2020-21 fiscal year. This projected decrease for the 2020-21 fiscal year would result in a $127 million reduction in the transfer to the budget stabilization fund from the amount that was estimated in the January 2021 LFB Report, resulting in a net $127 million decrease to the projected General Fund ending balance for the 2020-21 fiscal year.

January 2021 LFB Report – General Fund Condition Statement

The January 2021 LFB Report includes an estimated General Fund condition statement for the 2020-21 fiscal year. The following table includes this estimated General Fund condition statement for the 2020-21 fiscal year and shows a projected ending net balance of $1,766 million.

The following table also includes, for comparison, the actual General Fund condition statement for the 2019-20 fiscal year, as reported in the Annual Fiscal Report, and the estimated General Fund condition statement for the 2020-21 fiscal year from the 2019-21 biennial budget **(2019 Wisconsin Act 9)** and the report provided by the Department of Administration on November 20, 2020 **(November 2020 DOA Report)**.

The November 2020 DOA Report included an estimated 2020-21 fiscal year deposit into the Budget Stabilization Fund, reflecting revenue estimates in the 2020-21 fiscal year being higher than estimated in 2019 Wisconsin Act 9. A transfer in the amount of $232 million is included in the January 2021 LFB Report reflecting the same requirement.

A complete copy of the January 2021 LFB Report is included at the end of this Appendix A. In addition, the State has filed the January 2021 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

ESTIMATED GENERAL FUND CONDITION STATEMENT
2020-21 FISCAL YEAR
(in Millions)

	2019-20 Fiscal Year Annual Fiscal Report	2020-21 Fiscal Year: 2019 Wisconsin Act 9[1]	2020-21 Fiscal Year: November 2020 DOA Report	2020-21 Fiscal Year: January 2021 LFB Report
Revenues				
Opening Balance	$1,086.9	$ 792.3	$1,172.3	$1,172.4
Prior Year Continuing Bal	97.1			
Taxes	17,532.1	17,654.8	17,664.1	18,101.5
Department Revenues				
Tribal Gaming	5.3	24.9		
Other	528.3	530.8	528.9	530.3
Total Available	$19,249.7	$ 19,002.7	$19,365.4	$19,804.2
Appropriations				
Gross Appropriations	$18,849.9	$19,201.8	$18,962.6	$19,190.0
Biennial Appropriation Adj.				(3.4)
Sum Sufficient Reestimates			(16.2)	(257.5)
Compensation Reserves	3.7	94.5	94.5	94.6
Transfers	149.1	44.1	57.2	275.8
Less: Lapses	(525.3)	(451.8)	(954.6)	(1,346.7)
Net Appropriations	$18,077.4	$18,888.6	$18,143.5	$17,952.8
Balances				
Gross Balance	$1,172.4	$ 114.2	$1,221.9	$1,851.4
Less: Req. Statutory Balance	n/a	(85.0)	(85.0)	(85.0)
Net Balance, June 30	$1,172.4	$ 29.2	$1,136.9	$1,766.4

[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 2019-20 fiscal year of $1,172 million, as included in the Annual Fiscal Report (budgetary basis) released on October 15, 2020.

State Budget; Estimated General Fund Tax Collections for 2020-21 Fiscal Year (Part II, Pages 39-40). Update with the following information, some of which became available after the date of the Preliminary Official Statement (February 9, 2021).

Pending Legislation – Impact on General Fund Tax Collections

On February 16, 2021, the Legislature approved 2021 Assembly Bill 2, which would, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the paycheck protection program under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. This bill has not been approved by the Governor, but LFB has estimated that the fiscal impact of the bill would be a reduction in General Fund tax collections by $254 million in the 2020-21 fiscal year.

January 2021 LFB Report – General Fund Tax Collections

The January 2021 LFB Report also includes estimates of General Fund tax collections for the 2020-21 fiscal year, which are $18.102 billion, an increase of $569 million (or 3.2%) from collections for the 2019-20 fiscal year, and an increase of $437 million from the November 2020 DOA Report.

The following table sets forth the estimated General Fund tax revenues for the 2020-21 fiscal year as included in the January 2021 LFB Report. The table also includes, for comparison, the actual General Fund tax collections for the 2019-20 fiscal year, as reported in the Annual Fiscal Report, and the estimated General Fund tax collections for the 2020-21 fiscal year included in 2019 Wisconsin Act 9 and the November 2020 DOA Report.

A complete copy of the January 2021 LFB Report is included at the end of this Appendix A. In addition, the State has filed the January 2021 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2020-21 FISCAL YEAR
(in Millions)

		2020-21 Fiscal Year		
	2019-20 Annual Fiscal Report	2019 Wisconsin Act 9[1]	November 2020 DOA Report	January 2021 LFB Report
Individual Income	$8,742.3	$ 9,142.0	$8,543.1	$8,640.0
Sales and Use	5,836.2	5,960.5	5,919.6	5,915.0
Corp. Income & Franchise	1,607.9	1,205.4	1,864.0	2,205.0
Public Utility	357.1	364.0	359.2	352.0
Excise				
Cigarettes	523.5	507.0	512.4	507.0
Tobacco Products	91.4	94.0	88.9	90.0
Liquor & Wine	54.8	56.0	59.2	60.0
Vapor Products	1.3	3.2	1.4	1.3
Beer	8.5	8.9	8.7	9.2
Insurance Company	217.4	211.0	211.1	211.0
Miscellaneous Taxes	91.7	102.7	96.5	111.0
TOTAL	$17,532.1	$17,654.8	$17,664.1	$18,101.5

[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.

2020 Annual Report Modification

The initial filing of the 2020 Annual Report included an error in Table II-7 (Estimated General Fund Tax Revenue Collections 2020-21 Fiscal Year) that was subsequently corrected with modifications made on the MSRB EMMA system and postings to the State web sites. The correct information is also included in the above table.

State Budget; Revenue Projections for the 2021-22 and 2022-23 Fiscal Years (Part II, Pages 40-41). Update with the following information, some of which became available after the date of the Preliminary Official Statement (February 9, 2021).

Pending Legislation – Impact on General Fund Tax Collections

On February 16, 2021, the Legislature approved 2021 Assembly Bill 2, which would, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the paycheck protection program under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. This bill has not been approved by the Governor, but LFB has estimated that the fiscal impact of the bill would be a reduction in General Fund tax collections by $215 million in the 2021-22 fiscal year and $71 million in the 2022-23 fiscal year.

January 2021 LFB Report – General Fund Tax Collections

The January 2021 LFB Report also includes estimates of the General Fund tax collections for the 2021-22 and 2022-23 fiscal years. For the 2021-22 fiscal year, the January 2021 LFB Report anticipates General Fund tax collections of $18.282 billion, an increase of $181 million (or 1.0%) from the 2020-21 fiscal year projections. For the 2022-23 fiscal year, the January 2021 LFB Report anticipates General Fund tax collections of $19.116 billion, an increase of $833 million (or 4.6 %) from the 2021-22 fiscal year projections.

The following table provides a summary of estimated General Fund tax collections for the 2021-22 and 2022-23 fiscal years. For comparison purposes, the following table also provides the estimated collections from the November 2020 DOA Report.

A complete copy of the January 2021 LFB Report is included at the end of this Appendix A. In addition, the State has filed the January 2021 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2021-22 AND 2022-23 FISCAL YEARS
(in Millions)

	2021-22 Fiscal Year		2022-23 Fiscal Year	
	November 2020 DOA Report	January 2021 LFB Report	November 2020 DOA Report	January 2021 LFB Report
Individual Income	$ 8,867.3	$8,900.0	$ 9,258.8	$9,340.0
Sales and Use	6,146.5	6,310.0	6,332.4	6,595.0
Corp. Income & Franchise	1,653.6	1,730.0	1,704.8	1,835.0
Public Utility	363.8	359.0	366.3	361.0
Excise				
Cigarettes	514.3	494.0	509.1	483.0
Tobacco Products	89.0	92.0	92.7	96.0
Liquor & Wine	57.9	57.0	59.2	58.0
Vapor Products	1.5	1.7	1.5	2.0
Beer	8.7	8.7	8.6	8.7
Insurance Company	218.7	218.0	231.9	226.0
Miscellaneous Taxes	95.5	112.0	97.5	111.0
TOTAL	$18,016.8	$18,282.4	$18,662.8	$19,115.7

State Budget; Budget for the 2021-23 Biennium (Part II, Page 40). Update with the following information, some of which became available after the date of the Preliminary Official Statement (February 9, 2021).

As provided for in Wisconsin Statutes, and consistent with past practice, the Legislature has approved a submission date for the executive budget for the 2021-23 biennium that is after January 31, 2021. Governor Evers submitted the executive budget for the 2021-23 biennium on February 16, 2021. The Governor's executive budget bill was introduced in both houses of the Legislature and referred to the Legislative Joint Committee on Finance for review. Both detailed and summary information about the Governor's executive budget for the 2021-23 biennium can be obtained from the following web site:

https://doa.wi.gov/Pages/2021-23%20Executive%20Budget.aspx

The web site identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. The State has filed summary information on such budget with the MSRB through its EMMA system, and information is also available from the State as provided on page A-2.

General Fund Information; General Fund Cash Flow (Part II; Pages 47-60). The following tables provide updates and additions to various tables containing General Fund information for the 2020-21 fiscal year; actual General Fund information through December 31, 2020, and projections for the remainder of the 2020-21 fiscal year, are presented primarily on a cash basis. The projections and estimates for the remainder of the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, a report released by the LFB on January 23, 2020 **(January 2020 LFB Report)**, and the November 2020 DOA Report, but do not reflect the January 2021 LFB Report. The following tables also reflect the receipt of approximately $2.0 billion of federal funds pursuant to the CARES Act, which the State has allocated, and continues to allocate, to State and local government expenditures related to 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 51). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2020 TO DECEMBER 31, 2020
PROJECTED GENERAL FUND CASH FLOW; JANUARY 1, 2021 TO JUNE 30, 2021[(a)]
(Amounts in Thousands)

	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020
BALANCES[(a)(b)]						
Beginning Balance	$ 4,028,316	$ 3,898,250	$ 3,981,862	$ 4,882,311	$ 5,151,490	$ 5,247,672
Ending Balance[(c)]	3,898,250	3,981,862	4,882,311	5,151,490	5,247,672	4,174,005
Lowest Daily Balance[(c)]	3,411,122	3,246,379	3,777,854	4,269,578	4,971,506	3,401,516
RECEIPTS						
TAX RECEIPTS						
Individual Income	$ 1,645,403	$ 725,262	$ 901,609	$ 636,458	$ 993,841	$ 749,229
Sales & Use	613,948	575,493	559,024	560,717	571,237	518,068
Corporate Income	377,480	29,663	350,353	72,663	157,653	443,606
Public Utility	60	118	3,834	30,610	182,006	299
Excise	67,935	61,898	62,035	58,703	58,311	54,357
Insurance	517	3,284	43,569	363	2,272	44,814
Subtotal Tax Receipts	$ 2,705,343	$ 1,395,718	$ 1,920,424	$ 1,359,514	$ 1,965,320	$ 1,810,373
NON-TAX RECEIPTS						
Federal	$ 1,132,802	$ 668,339	$ 1,100,282	$ 931,834	$ 792,300	$ 1,130,620
Other & Transfers	610,506	242,009	744,684	652,743	338,374	550,208
Note Proceeds	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,743,308	$ 910,348	$ 1,844,966	$ 1,584,577	$ 1,130,674	$ 1,680,828
TOTAL RECEIPTS	$ 4,448,651	$ 2,306,066	$ 3,765,390	$ 2,944,091	$ 3,095,994	$ 3,491,201
DISBURSEMENTS						
Local Aids	$ 1,586,250	$ 161,117	$ 908,751	$ 102,896	$ 1,005,120	$ 1,375,570
Income Maintenance	1,254,887	796,647	802,328	927,047	866,865	1,140,201
Payroll and Related	541,517	313,199	392,978	514,220	421,382	499,211
Tax Refunds	259,526	152,805	127,730	140,980	145,815	224,203
Debt Service	249,099	2,107	-	221,579	76	-
Miscellaneous	687,438	796,579	633,154	768,190	560,554	1,325,683
TOTAL DISBURSEMENTS	$ 4,578,717	$ 2,222,454	$ 2,864,941	$ 2,674,912	$ 2,999,812	$ 4,564,868

	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
BALANCES[(a)(b)]						
Beginning Balance	$ 4,174,005	$ 5,186,089	$ 4,951,268	$ 3,516,725	$ 4,086,750	$ 4,310,169
Ending Balance[(c)]	5,186,089	4,951,268	3,516,725	4,086,750	4,310,169	3,867,320
Lowest Daily Balance[(c)]	4,174,005	4,694,064	3,246,026	2,992,557	3,789,677	3,432,434
RECEIPTS						
TAX RECEIPTS						
Individual Income	$ 890,110	$ 701,849	$ 968,560	$ 1,567,398	$ 405,256	$ 1,084,038
Sales & Use	615,633	452,340	426,763	508,773	479,254	568,345
Corporate Income	82,463	65,406	234,506	237,389	53,731	293,150
Public Utility	92	24	22	6,367	185,594	2,528
Excise	51,970	49,252	47,164	55,102	48,338	59,910
Insurance	2,654	23,324	20,970	46,199	3,743	43,657
Subtotal Tax Receipts	$ 1,642,922	$ 1,292,195	$ 1,697,985	$ 2,421,228	$ 1,175,916	$ 2,051,628
NON-TAX RECEIPTS						
Federal	$ 900,457	$ 972,254	$ 884,667	$ 736,415	$ 949,301	$ 781,217
Other & Transfers	529,649	697,566	502,512	599,046	350,251	534,418
Note Proceeds	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,430,106	$ 1,669,820	$ 1,387,179	$ 1,335,461	$ 1,299,552	$ 1,315,635
TOTAL RECEIPTS	$ 3,073,028	$ 2,962,015	$ 3,085,164	$ 3,756,689	$ 2,475,468	$ 3,367,263
DISBURSEMENTS						
Local Aids	$ 168,449	$ 695,827	$ 1,932,475	$ 79,880	$ 271,905	$ 1,969,039
Income Maintenance	879,414	870,348	969,531	878,184	826,034	603,322
Payroll and Related	387,524	492,384	492,384	609,614	365,253	492,382
Tax Refunds	124,584	591,673	607,857	611,777	204,687	150,615
Debt Service	-	2,560	-	394,527	103,166	-
Miscellaneous	500,973	544,044	517,460	612,682	481,004	594,754
TOTAL DISBURSEMENTS	$ 2,060,944	$ 3,196,836	$ 4,519,707	$ 3,186,664	$ 2,252,049	$ 3,810,112

(a) The projections and estimates for the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the January 2020 LFB Report and the November 2020 DOA 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 January 2021 LFB Report. Projections also reflect receipt of approximately $2.0 billion of federal funds pursuant to the CARES Act, which the State has allocated, and continues to allocate, to State and local governmental expenditures related to COVID-19. 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 $1.3 billion to $1.9 billion for the 2020-21 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 2020-21 fiscal year, based on 2019 Wisconsin Act 9, are approximately $1.728 billion and $576 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 52). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW
ACTUAL FISCAL YEARS 2016-17 TO 2019-20[(a)]
ACTUAL AND PROJECTED FISCAL YEAR 2020-21[(a) (b)]
(Amounts in Thousands)

	Actual 2016-17 Fiscal Year	Actual 2017-18 Fiscal Year	Actual 2018-19 Fiscal Year	Actual 2019-20 Fiscal Year	FY21 YTD Actual thru Dec-20; Estimated Jan-21 thru June-21[(b)]
RECEIPTS					
Tax Receipts					
Individual Income	$ 9,487,657	$ 9,837,742	$ 10,557,272	$ 10,138,020	$ 11,269,013
Sales	5,549,486	5,867,099	6,132,089	6,253,771	6,449,595
Corporate Income	1,151,868	1,070,879	1,519,561	1,551,402	2,398,063
Public Utility	415,784	416,406	415,047	409,513	411,554
Excise	708,762	689,653	681,262	667,055	674,975
Insurance	204,510	207,953	218,304	242,228	235,366
Total Tax Receipts	$ 17,518,067	$ 18,089,732	$ 19,523,535	$ 19,261,989	$ 21,438,566
Non-Tax Receipts					
Federal	$ 9,396,361	$ 9,214,957	$ 10,093,533	$ 12,381,818	$ 10,980,488
Other and Transfers	5,673,340	6,113,708	6,241,726	6,151,742	$ 6,351,966
Total Non-Tax Receipts	$ 15,069,701	$ 15,328,665	$ 16,335,259	$ 18,533,560	$ 17,332,454
TOTAL RECEIPTS	$ 32,587,768	$ 33,418,397	$ 35,858,794	$ 37,795,549	$ 38,771,020
DISBURSEMENTS					
Local Aids	$ 9,223,782	$ 9,202,809	$ 9,698,906	$ 9,917,134	$ 10,257,279
Income Maintenance	9,186,111	9,370,303	9,747,283	10,126,849	10,814,808
Payroll & Related	5,000,390	5,174,225	5,333,395	5,633,397	5,522,048
Tax Refunds	2,550,017	2,703,269	2,785,514	2,992,617	3,342,252
Debt Service	891,234	908,172	914,688	875,340	973,114
Miscellaneous	5,427,066	5,902,369	6,396,205	6,811,025	8,022,515
TOTAL DISBURSEMENTS	$ 32,278,600	$ 33,261,147	$ 34,875,991	$ 36,356,362	$ 38,932,016
NET CASH FLOW	$ 309,168	$ 157,250	$ 982,803	$ 1,439,187	$ (160,996)

(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 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the January 2020 LFB Report, and the November 2020 DOA Report, but do not reflect the January 2021 LFB Report. The projections and estimates 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.

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 54). 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 December 31, 2020
(Amounts in Thousands)

	2019-20 Fiscal Year through December 31, 2019	2020-21 Fiscal Year through December 31, 2020				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY19 Actual to FY20 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 4,916,350	$ 5,651,802	$ 5,360,595	$ 291,207	$ 291,207	$ 735,452
Sales	3,283,312	3,398,487	3,289,836	108,651	108,651	115,175
Corporate Income	827,449	1,431,418	1,012,782	418,636	418,636	603,969
Public Utility	217,690	216,927	218,435	(1,508)	(1,508)	(763)
Excise	347,929	363,239	345,530	17,709	17,709	15,310
Insurance	91,841	94,819	98,151	(3,332)	(3,332)	2,978
Total Tax Receipts	$ 9,684,571	$ 11,156,692	$ 10,325,329	$ 831,363	$ 831,363	$ 1,472,121
Non-Tax Receipts						
Federal	$ 5,289,106	$ 5,756,177	$ 5,534,628	$ 221,549	$ 221,549	$ 467,071
Other and Transfers	3,084,175	3,138,524	3,128,773	9,751	9,751	54,349
Total Non-Tax Receipts	$ 8,373,281	$ 8,894,701	$ 8,663,401	$ 231,300	$ 231,300	$ 521,420
TOTAL RECEIPTS	$ 18,057,852	$ 20,051,393	$ 18,988,730	$ 1,062,663	$ 1,062,663	$ 1,993,541
DISBURSEMENTS						
Local Aids	$ 4,951,921	$ 5,139,704	$ 5,050,689	$ (89,015)	$ (89,015)	$ 187,783
Income Maintenance	5,238,983	5,787,975	5,528,704	(259,271)	(259,271)	548,992
Payroll & Related	2,669,793	2,682,507	3,033,214	350,707	350,707	12,714
Tax Refunds	839,289	1,051,059	1,063,048	11,989	11,989	211,770
Debt Service	346,009	472,861	510,276	37,415	37,415	126,852
Miscellaneous	3,514,107	4,771,598	5,319,327	547,729	547,729	1,257,491
TOTAL DISBURSEMENTS	$ 17,560,102	$ 19,905,704	$ 20,505,258	$ 599,554	$ 599,554	$ 2,345,602
2020-21 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 1,662,217	$ 1,662,217	

(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 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the January 2020 LFB Report, and the November 2020 DOA Report, but do not reflect the January 2021 LFB Report. The projections and estimates 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.

(c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed which may result in large variances. This column includes adjustments to the variances, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration.

Table II-14; General Fund Monthly Cash Position (Part II; Page 55). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION [(a)]
July 1, 2018 through December 31, 2020 – Actual
January 1, 2021 through June 30, 2021 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts	Disbursements
2018	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	4,854,038	3,073,366
	May	4,216,852	2,248,216	2,192,686
	June	4,272,382	3,369,813	3,613,879
	July	4,028,316	4,448,651	4,578,717
	August	3,898,250	2,306,066	2,222,454
	September	3,981,862	3,765,390	2,864,941
	October	4,882,311	2,944,091	2,674,912
	November	5,151,490	3,095,994	2,999,812
	December	5,247,672	3,491,201	4,564,868
2021	January	4,174,005	3,073,028	2,060,944
	February	5,186,089	2,962,015	3,196,836
	March	4,951,268	3,085,164	4,519,707
	April	3,516,725	3,756,689	3,186,664
	May	4,086,750	2,475,468	2,252,049
	June	4,310,169	3,367,263	3,810,112

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

(b) The projections and estimates for the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the January 2020 LFB Report, and the November 2020 DOA Report, but do not reflect the January 2021 LFB Report. The projections and estimates 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.

Source: Wisconsin Department of Administration.

Table II-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 56). Replace with the following updated table.

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION [(a)] [(b)]
July 31, 2018 to December 31, 2020 — Actual
January 31, 2021 to June 30, 2021 — 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)	2018	2019	2020	2021
January..............		$1,622	$ 1,910	$ 1,910
February............		1,742	1,929	1,929
March................		1,795	1,815	1,815
April..................		1,795	1,716	1,716
May...................		1,684	1,670	1,670
June....................		1,879	1,806	1,806
July	1,383	1,783	1,575	
August................	1,429	1,776	1,627	
September...........	1,524	2,025	1,783	
October	1,304	1,907	1,620	
November	1,448	1,801	1,672	
December............	1,667	1,967	1,873	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2018	2019	2020	2021
January................		$5,641	$ 6,502	$ 6,502
February.............		5,991	6,603	6,603
March.................		6,317	6,970	6,970
April....................		5,982	6,990	6,990
May.....................		5,554	6,469	6,469
June.....................		5,853	6,524	6,524
July	$ 5,781	6,804	7,004	
August	5,058	5,839	6,087	
September...........	4,670	5,600	5,970	
October	4,103	5,474	5,410	
November	4,527	5,213	5,418	
December............	5,141	6,137	6,549	

(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 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the January 2020 LFB Report, and the November 2020 DOA Report, but do not reflect the January 2021 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.

Source: Wisconsin Department of Administration.

Table II-16; General Fund Recorded Revenues (Part II; Page 58). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2020 to December 31, 2020 compared with previous year[(b)]

	Annual Fiscal Report Revenues 2019-20 Fiscal Year[(b)]	Projected Revenues 2020-21 Fiscal Year[(c)]	Recorded Revenues July 1, 2019 to December 31, 2019[(d)]	Recorded Revenues July 1, 2020 to December 31, 2020[(e)]
Individual Income Tax …………	$ 8,742,266,000	$ 9,142,000,000	$ 3,960,998,275	$ 3,989,405,445
General Sales and Use Tax ……..	5,836,215,000	5,960,500,000	2,485,818,414	2,518,135,062
Corporate Franchise and Income Tax ....………	1,607,873,000	1,205,400,000	709,191,209	1,135,438,040
Public Utility Taxes ....…….	357,152,000	36,400,000	189,919,246	208,399,224
Excise Taxes ....…….	679,503,000	671,200,000	301,748,531	299,660,117
Inheritance Taxes ....……….	41,000	-	41,353	-
Insurance Company Taxes ……..	217,381,000	211,000,000	91,154,032	93,497,100
Miscellaneous Taxes ....………..	91,693,000	97,500,000	119,641,887	138,092,215
SUBTOTAL...........………….	$ 17,532,124,000	$ 17,324,000,000	$ 7,858,512,948	$ 8,382,627,204
Federal and Other Inter-Governmental Revenues[(f)] …….	13,645,746,000	11,414,533,600	5,367,921,190	5,924,376,154
Dedicated and Other Revenues[(g)] …………….	6,807,021,000	8,556,987,900	3,307,545,416	3,365,679,545
TOTAL.................…………	$ 37,984,891,000	$ 37,295,521,500	$ 16,533,979,554	$ 17,672,682,903

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

(b) The amounts are from the restated Annual Fiscal Report (budgetary basis) for the 2019-20 fiscal year, dated October 15, 2020.

(c) The estimates in this table for the 2020-21 fiscal year (cash basis) reflect the enacted budget for the 2019-21 biennial budget (2019 Wisconsin Act 9), but do not reflect 2019 Wisconsin Act 7 or 2019 Wisconsin Act 10, the November 2020 DOA Report, or the January 2021 LFB Report.

(d) The amounts shown are 2019-20 fiscal year general purpose revenues and program revenues taxes as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (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 2020-21 fiscal year general purpose revenues and program revenues taxes as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (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 60). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2020 to December 31, 2020 compared with previous year[(b)]

	Annual Fiscal Report Expenditures 2019-20 Fiscal Year[(b)]	Appropriations 2020-21 Fiscal Year[(c)]	Recorded Expenditures July 1, 2019 to December 31, 2019 [(d)]	Recorded Expenditures July 1, 2020 to December 31, 2020 [(e)]
Commerce	$ 219,272,000	$ 426,164,200	$ 100,925,871	$ 301,416,204
Education	14,251,611,000	14,807,614,500	5,964,288,281	5,943,260,585
Environmental Resources	369,140,000	321,903,300	74,627,507	108,389,053
Human Relations & Resources	16,534,263,000	16,219,499,200	7,981,355,490	9,084,617,894
General Executive	1,344,836,000	1,355,233,900	653,078,091	1,606,148,216
Judicial	147,819,000	148,435,600	69,887,088	77,275,829
Legislative	75,475,000	79,301,700	33,126,665	33,008,663
General Appropriations	2,741,870,000	2,993,886,700	2,272,063,970	2,303,100,260
TOTAL	$ 35,684,286,000	$ 36,352,039,100	$ 17,149,352,964	$ 19,457,216,704

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

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2019-20 fiscal year, dated October 15, 2020.

(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 or 2019 Wisconsin Act 10.

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

(e) The amounts shown are 2020-21 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration.

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State of Wisconsin

January 26, 2021

Senator Howard Marklein, Senate Chair
Representative Mark Born, Assembly Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Senator Marklein and Representative Born:

Annually, this office prepares general fund revenue and expenditure projections for the Legislature.

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

Comparison with the Administration's November 20, 2020, Report

On November 20, 2020, the Departments of Administration and Revenue submitted a report to the Governor and Legislature that identified general fund revenue and expenditure projections for the 2020-21 fiscal year and the 2021-23 biennium. That report, required by statute, identifies the magnitude of state agency biennial budget requests and presents a projection of general fund tax collections.

Our analysis indicates that for the three-year period, aggregate general fund tax collections will be $1,155.9 million higher than those of the November 20 report ($437.4 million in 2020-21, $265.6 million in 2021-22, and $452.9 million in 2022-23).

Based upon the November 20 report, the administration's general fund condition statement for 2020-21 reflects a gross ending balance of $1,221.9 million and a net balance (after consideration of the $85.0 million required statutory balance) of $1,136.9 million.

Our analysis indicates a gross balance of $1,851.4 million and a net balance of $1,766.4 million. This is $629.5 million above that of the November 20 report. The 2020-21 general fund condition statement is shown in Table 1.

TABLE 1

Estimated 2020-21 General Fund Condition Statement

	2020-21
Revenues	
Opening Balance, July 1	$1,172,354,000
Taxes	18,101,500,000
Departmental Revenues	
Tribal Gaming	0
Other	530,329,300
Total Available	$19,804,183,300
Appropriations, Transfers, and Reserves	
Gross Appropriations	$19,190,025,700
Biennial Appropriation Adjustment	-3,406,000
Sum Sufficient Reestimates	-257,517,500
Transfers to:	
Transportation Fund	44,095,000
Budget Stabilization Fund	231,756,000
Compensation Reserves	94,545,400
Less Lapses	-1,346,695,400
Net Appropriations	$17,952,803,200
Balances	
Gross Balance	$1,851,380,100
Less Required Statutory Balance	-85,000,000
Net Balance, June 30	$1,766,380,100

The factors that make up the $629.5 million difference are as follows. First, based on economic forecasts and tax collections to date, our estimated tax collections for 2020-21 are $437.4 million higher than the projection of the November 20 report. In addition to the estimated increase in tax collections, there is a slight increase in departmental revenues (non-tax receipts deposited into the general fund) of $1.4 million. Finally, net appropriations are projected to be $190.7 million below those of the November 20 report. The additional general fund balance of $629.5 million for 2020-21 is displayed as follows ($437.4 million + $1.4 million + $190.7 million = $629.5 million).

This reduction in net appropriations is primarily due to an increase in the amounts expected to lapse (revert) to the general fund at the end of the 2020-21 fiscal year, offset by a significant projected transfer to the budget stabilization fund.

The GPR appropriation for the medical assistance program is projected to end the 2019-21 biennium with a balance of $685 million. This surplus, accumulated over both years of the biennium, is primarily attributable to a provision of the federal Families First Coronavirus Response Act, which temporarily increased the state's federal matching rate by 6.2 percentage points, from 59.4% to 65.6%. Since this increase has the effect of reducing the state's share of MA benefit costs, the GPR funding budgeted for MA benefits for the 2019-21 biennium exceeds the amount needed for the program. The increased match rate first applied to expenditures occurring on January 1, 2020, and will remain in effect until the end of the calendar quarter during which the federal public health emergency declared in response to the COVID-19 pandemic is allowed to expire. The estimate above assumes that the enhanced matching rate will remain in effect through at least the end of the 2019-21 biennium.

Of the projected surplus, the Department of Administration has indicated that $140 million is included in the general fund lapses already identified in the administration's required 2020-21 lapse plan. Consequently, of the estimated $685 million MA program surplus, the remaining $545 million will also lapse to the general fund. The November 20 report assumed a lapse of $289 million from the MA benefits appropriation.

Pursuant to s. 16.518 of the statutes, if actual general fund tax collections in any year exceed amounts listed in the biennial budget act, one-half of the additional amount is transferred to the budget stabilization fund. The estimated 2020-21 tax collections of this report are $463.5 million above the amount contained in 2019 Act 9 (the 2019-21 biennial budget). Thus, one-half of that amount ($231.8 million) is projected to transfer to the budget stabilization fund. Under the 2020-21 tax collection estimates of the November 20 report, the transfer to the budget stabilization fund for 2020-21 was projected at $13.1 million.

Table 2 displays the calculation of the projected 2021 transfer to the budget stabilization fund.

TABLE 2

2021 Estimated Transfer to the Budget Stabilization Fund
(in Millions)

Estimated 2020-21 Tax Collections	$18,101.5
2020-21 Amount Shown in 2019 Act 9	-17,638.0
Difference	$463.5
Difference ÷ 2	231.8
Estimated 2020-21 Transfer to the Budget Stabilization Fund	$231.8

Currently, the balance in the budget stabilization fund is $762.1 million. With the estimated 2021 transfer shown above, the balance in the fund would increase by $231.8 million to $993.9 million.

General Fund Tax Revenues

The following sections present information related to general fund tax revenues for 2020-21 and the 2021-23 biennium. This includes a review of the U.S. economy in 2020, a summary of the national economic forecast for 2021 through 2023, and detailed general fund tax revenue estimates for the current fiscal year and the next biennium.

Review of the National Economy in 2020

This office prepared updated revenue estimates for the 2019-21 biennium in January, 2020, based on the January, 2020, IHS Markit forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 2.1% in 2020 and 2021. The moderate growth forecast was expected to be driven by 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 a strike at the General Motors Company, and the expectation that Boeing 737 MAX shipments would resume in April of 2021.

The forecast was based on various key assumptions, which included that the Federal Reserve would maintain the federal funds rate until raising it to a range of 1.75% to 2.0% in June, 2021, and that federal discretionary spending would remain within expenditure limits set by federal appropriation acts in 2019.

However, the onset of the global COVID-19 pandemic substantially altered the economic outlook. The federal government declared a national emergency in March, and states across the country shut down certain businesses deemed nonessential and issued stay-at-home orders to slow the spread of the virus. As state and local governments mandated social distancing measures, the pandemic closed businesses, disrupted supply chains, and sharply contracted consumer demand. The longest economic expansion in U.S. history, 128 straight months of growth, came to a sudden end in March.

The COVID-19 pandemic caused a historic contraction in economic activity across all sectors of the economy. Real (inflation adjusted) GDP declined year-over-year by 9.0% in the second quarter, the largest quarterly decrease since the U.S. Bureau of Economic Analysis began keeping records in 1947. The stock market experienced significant declines in March. For example, the Dow Jones Industrial Average index fell by 13.7% in March and by 23.3% in the first quarter, including the three largest single-day point drops in the history of the index (7.8% on March 9, 10.0% on March 12, and 13.0% on March 16). The contraction was caused by sudden, massive declines in employment, consumer spending, and investment.

Unemployment insurance claims spiked to historically high levels, with initial claims setting an all-time high of 6.87 million in the week ending March 28, 2020. In the second quarter of 2020 compared to the first quarter, seasonally adjusted total U.S. nonfarm payrolls sharply fell by 18.2 million workers, and the unemployment rate increased from 3.8% to 13.0%. According to the Bureau of Labor Statistics' quarterly census of employment and wages, Wisconsin employment decreased by almost 350,000 jobs in April alone. The leisure and hospitality industry was particularly hard hit, losing more than 160,000 jobs. Initial unemployment claims in Wisconsin surged to more than 215,000 in the two weeks ending March 28, 2020, and April 4, 2020.

The pandemic significantly reduced consumer spending, as well as reshuffled consumption patterns, as consumers shunned large gatherings and services provided in person. Factories temporarily closed, employers laid off or furloughed their employees, and employees shifted to remote work rather than commuting to the office. Nominal growth, which is not adjusted for inflation, of U.S. personal consumption expenditures (PCE) declined year-over-year in the second quarter by 9.7% compared to the second quarter of 2019. Notable year-over-year declines included spending on recreational services (-50.0%) and food services and accommodations (-38.3%), which were greatly impacted by business closures and social distancing measures. Consumption at home increased in other areas, with purchases of food and beverages for off-premise consumption and information processing equipment increasing by 11.1% and 9.2%, respectively, compared to the second quarter of 2019.

Nominal nonresidential fixed investment declined by 8.5% year-over-year in the second quarter, with notable declines in investment in equipment (-15.0%) and structures (-10.1%). In particular, investment in mining and petroleum structures declined by 45.3%, the Brent crude oil spot price fell by 57.4% year-over-year in the second quarter, and both supply and demand factors pushed down oil prices. Crude oil prices declined almost 26% on March 9, after the Organization of Petroleum Exporting Countries (OPEC) and Russia failed to agree to production cuts. Subsequently, both Saudi Arabia and Russia announced further increases in production. The parties later agreed to reductions in production in April, after the pandemic had significantly curtailed demand. Nominal PCE declined in the second quarter for motor fuel, lubricants, and fluids (47.0%) and new motor vehicles (10.4%). According to the U.S. Energy Information Administration, the Brent spot price declined to an average of $18 per barrel in April, the lowest price in inflation adjusted terms since February, 1999.

The shock of the COVID-19 pandemic caused the largest consumer price decline since 2008, with the consumer price index (CPI) decreasing 3.5% on an annualized basis in the second quarter. According to the U.S. Bureau of Labor Statistics, the one-month drop in CPI in April was particularly acute in services adversely affected by social distancing measures, such as airline fares falling 12.4% and lodging decreasing 7.1%. In the second quarter, CPI for energy fell at an annualized rate of 45%, both due to a sharp fall in demand caused by the pandemic and to a preexisting excess of supply.

The fiscal and monetary policy response to the pandemic and resulting economic contraction was massive. The Federal Reserve open market committee convened on March 15, 2020, to reduce the federal funds target rate to a range of 0.00 to 0.25%. It also accelerated purchases of treasury securities and agency mortgage-backed securities (quantitative easing), expanded foreign exchange swap lines with more than a dozen central banks, and expanded short-term repurchase operations. Congress enacted a series of stimulus and pandemic response legislation. On March 18, Congress passed the Families First Coronavirus Response Act, which provided $105 billion for extended sick leave and family medical leave related to COVID-19. On March 27, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES). As estimated by the Joint Committee on Taxation and IHS Markit, this Act included $260 billion for enhanced unemployment benefits, almost $1.0 trillion for loans (including forgivable loans), loan guarantees, and other business supports, $292 billion for stimulus rebates to individuals, $180 billion for hospitals and healthcare, $300 billion for reduced or delayed taxes, and $150 billion for state and local governments. Also, Congress enacted the Paycheck Protection Program and Health Care Enhancement Act on April 24, which provided an additional $370 billion for business loans and another $100 billion for aid to healthcare providers and COVID-19 testing. In total, federal government outlays in 2020 increased by $2,105.3 billion, or 47.3% compared to the prior year.

Due in part to the scale of the fiscal and monetary policy response and to the relaxation of business closures and social distancing mandates, the economy rebounded significantly in May and June, but not by enough to fully recover from the declines occurring in March and April. Annualized real GDP grew by 33.4% in the third quarter over the previous quarter, but when compared to the third quarter output of the prior year, GDP actually declined by 2.8%. U.S. total nonfarm payrolls rebounded by 7.1 million as laid off workers were recalled by their employers. However, even with this brisk growth, payrolls remained 6.9% lower when compared to the third quarter of 2019. Boosted partially by the temporary hiring of 238,000 workers for the 2020 census, the unemployment rate declined from 13.0% in the second quarter to 8.8% in the third quarter. Investment continued to remain below prior year levels by 1.9% in the third quarter, although investment in some sectors rebounded. While nonresidential fixed investment was 4.1% below prior year levels, residential fixed investment grew by 11.2% year-over-year, supported by a decrease in average 30-year fixed mortgage rates to 2.95% in the third quarter of 2020.

The COVID-19 pandemic had highly uneven impacts across industry sectors as consumers shifted their spending away from in-person services and travel towards goods and preparing food at home. Social distancing measures throughout 2020 continued to reduce the demand for, and availability of, in-person services, such as recreational services, accommodations, and food services (which declined by 32.6%, 56.0%, and 11.4%, respectively, year-over-year in the third quarter). Travel and entertainment were particularly disadvantaged by containment measures since restrictions on movement and group size are problematic for those industries. Production of durable goods, on the other hand, was not similarly impacted and recovered from an annualized decline of 57.5% in the second quarter to an annualized increase of 101.3% in the third quarter after the COVID-19 lockdowns were relaxed. Nominal PCE of durable goods increased by 12.9% year-over-year in the third quarter, with spending on new motor vehicles increasing by 6.9%.

Federal stimulus increased household income and savings, notwithstanding the severe economic disruption caused by the pandemic. Bolstered by stimulus rebates, enhanced unemployment benefits, business support programs, and other transfer payments, real disposable income grew by an unprecedented 12.2% year-over-year in the second quarter. Although real disposable income declined at an annualized rate of 16.3% in the third quarter, as the stimulus waned compared to the second quarter, real disposable income actually increased by 6.8% relative to the same period in the prior year and is estimated to have increased 6.0% year-over-year in 2020. The savings rate as a percentage of disposable income increased from an average of 7.6% during 2019 to 26.0% in the second quarter of 2020 and 16.0% in the third quarter. Households were also bolstered by the recovery in the stock markets, which recovered significantly from sharp losses earlier in the year. The S&P 500 stock index, for example, increased 12.3% year-over-year in the third quarter. Thus, real household net worth in 2020 increased 9.9%, bolstered by growth in nonfinancial assets (7.1%) such as real estate, and equity holdings (19.5%).

The COVID-19 pandemic surged in the latter half of 2020, sapping the economic recovery as the year went on. According to the COVID-19 data tracker maintained by the Centers for Disease Control and Prevention, although new COVID-19 cases leveled off after May to less than 20,000 cases per day nationwide in early June, new cases began increasing again to more than 70,000 cases per day by late July. As COVID-19 cases increased, many states called-off plans to lessen containment measures and some re-imposed restrictions on schools and business activity. Daily COVID-19 cases leveled off around 40,000 new cases each day in September, but spiked much higher at the end of October. New cases reached more than 180,000 per day in November, rising even higher to almost 250,000 in some days in December. By the end of December, nearly 350,000 Americans had died of COVID-19 and the seven-day moving average of deaths per day exceeded 2,300 (growing to 416,000 total deaths, and a seven day average of more than 3,000 per day as of January 23, 2020).

Meanwhile, federal stimulus measures expired during the summer, such as the enhanced $600 unemployment compensation benefit expiring in July and the paycheck protection program (PPP) ceasing operations in August. As a result, the recovery began to stall short of pre-pandemic highs and the COVID-19 pandemic worsened across the country. Real GDP decreased by 2.7% in the fourth quarter of 2020 compared to the same period in 2019. When considering the entire fourth quarter, the unemployment rate improved to 6.8% as total nonfarm payrolls increased by 1.8 million. However, when compared to the same period in 2019, total nonfarm payrolls are estimated to have declined 6.9%. Personal income declined by 10.2% in the third quarter and 7.2% in the fourth quarter on an annualized basis as the effects of the stimulus faded. Nonetheless, personal incomes remained elevated in the fourth quarter when compared to the prior year (4.2%) due to the continuing effects of federal stimulus measures, such as extended availability of unemployment insurance.

As COVID-19 cases surged significantly in December, total nonfarm payrolls are estimated to have decreased by approximately 140,000, which is the first time payrolls decreased since the recovery began. Food service and drinking establishments were particularly hard hit with job losses exceeding 372,000 in that month alone. A particular concern is that the length of the pandemic has increased the long-term unemployed (defined as unemployed for 27 weeks or more) to such an extent that more than 37% of all the unemployed are now so labeled. In December, the long-term unemployed increased by 27,000 to 4.0 million, the largest amount recorded since November, 2013. Such persons may find it more challenging to find another job, thereby slowing the recovery.

Two recent developments will greatly impact the economy going forward. First, the federal Food and Drug Administration issued emergency use authorizations for multiple vaccines for COVID-19. Vaccinations began to be administered in December, and will continue to be distributed nationwide throughout 2021. Second, President Trump signed the Consolidated Appropriations Act of 2021 (CAA) on December 27, which provides for additional stimulus of approximately $900 billion. This includes: (a) $325 billion for small business relief, including $284 billion for another round of forgivable PPP loans; (b) $166 billion of stimulus rebates for persons with adjusted gross income below $75,000 ($150,000 for married couples); (c) $120 billion for the extension of unemployment compensation programs that are now scheduled to phase out after March 14, 2021; (d) $125 billion to states for education, transportation, and COVID-19 mitigation; and (e) the remaining amounts support a number of federal programs, including community development lending programs, vaccine distribution and procurement, rental assistance, enhanced SNAP benefits, additional childcare funding, and additional funding for broadband, as well as a number of tax law changes included in the CAA.

National Economic Forecast

Under the January, 2021, forecast, IHS Markit predicts real GDP growth to rebound strongly to 4.0% in 2021 and 3.9% in 2022. The forecast is bolstered by CAA stimulus spending in the short term and the inoculation campaign, which allows for relaxed social distancing measures and releases pent-up demand for in-person services. IHS Markit expects a transition of PCE on services to return to a pre-pandemic trend in 2023, with such spending growing significantly over the second half of 2021.

The forecast is based on the following key assumptions. First, the seven-day average of COVID-19 infections peaks in January and falls significantly, as widespread inoculation of the population is achieved by the summer. Second, the forecast incorporates stimulus spending from the CAA, but does not include further federal stimulus in its January forecast. Third, the Federal Reserve is expected to maintain the federal funds rate target near 0% until late 2026, while expanding its treasury holdings to another $1.4 trillion. Fourth, it is assumed that the tariffs and trade agreements made between the U.S. and China remain in effect. Fifth, real, trade-weighted foreign GDP is expected to rebound, after declining by 5.7% in 2020, to growing by 4.4% in 2021, as the COVID-19 pandemic recedes. Finally, the price of Brent crude oil will gradually recover from a low of $29 per barrel in the second quarter of 2020 to $50 per barrel by late 2021.

The forecast is summarized in Table 3, which reflects IHS Markit's January, 2021, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

Employment. Given the continuing challenges faced by in-person services, the employment outlook remains linked to COVID-19 caseloads and the rollout of vaccines. The employment market at the end of 2020 continued the pattern from earlier in that year, such that in-person services where social distancing is difficult to implement (such as recreation, casinos, and amusement), are hardest hit by the pandemic. Other sectors where such restrictions pose less of a challenge (such as construction and manufacturing) continue to rebound.

Notwithstanding the difficulties at the end of 2020, IHS Markit forecasts that the federal stimulus and a successful inoculation campaign will cause payroll employment to increase beginning in January and through the second half of 2021. The unemployment rate is forecast to generally decline over 2021, falling from 6.7% in December of 2020 to 4.3% by the end of 2021. Afterwards, the unemployment rate is forecast to continue improving to 3.9% in 2022, before stabilizing at 4.1% in 2023.

Personal Income. Despite the enormous job losses and disruption to the economy caused by the COVID-19 pandemic, income and savings in 2020 actually increased due to the large amount of transfer payments and government support from CARES and other stimulus measures. IHS Markit expects the $900 billion stimulus enacted under the CAA to similarly support personal income in the economy in the first quarter of 2021, lifting incomes by nearly $2.0 trillion (at an annualized rate). IHS Markit forecasts that real disposable income will grow by 23.9% in the first quarter (compared to the previous quarter), but then decline by 17.5%, 2.6%, and 0.5% in the remaining quarters of 2021 as the effects of the stimulus fade. Meanwhile, wage and salary disbursements are forecast to recover from 0.6% growth in 2020 to 6.3% in 2021. As a result, IHS Markit forecasts that overall personal income will grow by 1.6% in 2021, 2.0% in 2022, and by 4.2% in 2023.

TABLE 3

Summary of National Economic Indicators
IHS Markit Baseline Forecast, January, 2021
($ in Billions)

	2020	2021	2022	2023
Nominal Gross Domestic Product	$20,921.3	$22,117.3	$23,415.5	$24,489.7
Percent Change	-2.4%	5.7%	5.9%	4.6%
Real Gross Domestic Product	$18,411.1	$19,151.2	$19,907.0	$20,405.0
Percent Change	-3.6%	4.0%	3.9%	2.5%
Consumer Prices (Percent Change)	1.3%	2.1%	2.5%	2.1%
Personal Income	$19,718.0	$20,039.2	$20,431.9	$21,294.6
Percent Change	6.3%	1.6%	2.0%	4.2%
Nominal Personal Consumption Expenditures	$14,141.3	$15,003.8	$15,921.1	$16,599.0
Percent Change	-2.8%	6.1%	6.1%	4.3%
Economic Profits	$2,045.1	$2,016.7	$2,013.5	$2,166.2
Percent Change	-9.1%	-1.4%	-0.2%	7.6%
Unemployment Rate	8.1%	5.2%	3.9%	4.1%
Total Nonfarm Payrolls (Millions)	142.3	146.5	151.4	152.5
Percent Change	-5.8%	3.0%	3.3%	0.8%
Light Vehicle Sales (Millions of Units)	14.39	15.95	16.09	16.14
Percent Change	-15.1%	10.8%	0.9%	0.3%
Sales of New and Existing Homes (Millions of Units)	6.443	6.996	6.702	6.273
Percent Change	7.1%	8.6%	-4.2%	-6.4%
Housing Starts (Millions of Units)	1.383	1.493	1.298	1.202
Percent Change	6.8%	7.9%	-13.0%	-7.4%

Personal Consumption Expenditures. IHS Markit forecasts that the stimulus will maintain nominal PCE in the near term, by supporting consumer spending in the first quarter (0.2%) notwithstanding the surge in COVID-19 cases, then later serving as a bridge to improved economic circumstances as the population is inoculated through the rest of the year. Distribution of the vaccines is expected to release pent up demand for consumer services in the second half of 2021, when spending on services other than healthcare, housing, and utilities is expected to jump by 12.6%. By comparison, as spending patterns return to their pre-pandemic trends, spending on goods is expected to grow more slowly as consumers return to spending on services. For example, spending at restaurants is expected to grow, whereas purchases for eating at home are expected to decline. Overall, nominal PCE is forecast to grow 6.1% in 2021 and 2022, before slowing to 4.3% in 2023.

Consumer Prices. Following a decline in the second quarter (-3.5%), consumer prices rebounded in the third (5.2%) and fourth (2.2%) quarters of 2020 as the economy recovered. However, IHS Markit forecasts prices to be temporarily depressed in the first (1.8%) and second (1.7%) quarters of 2021 by the pandemic, as the slack in the labor market is expected to depress cost pressures on employers. Over the next three years, inflation is expected to increase by 2.1% in 2021, 2.5% in 2022, and 2.1% in 2023. This is due primarily to two factors. First, IHS Markit is forecasting that the U.S. dollar will depreciate 7.9% by the end of 2022, thereby increasing the costs of imports and, by extension, the pricing power of import competing domestic producers. Also, energy prices are expected to rebound as the price of West Texas Intermediate crude oil rises from $42.51 per barrel in the fourth quarter of 2020 to $53.47 by the end of 2022.

IHS Markit forecasts that CPI will remain above 2.0% over the next several years, in part, because the Federal Reserve has altered its approach to evaluating its dual mandate of full employment and stable inflation. Given the low inflation and low unemployment rates in 2019, recent evidence supports that higher amounts of employment than previously assumed can be attained without sustained increases in inflation. Thus, the Federal Reserve is expected to maintain its 2% inflation target as an average, rather than a ceiling, whereby inflation may temporarily grow beyond 2.0% without the Federal Reserve raising interest rates. This revised approach may provide room for recovery in the labor market without incurring market expectations of increasing inflation in the long term.

Housing. The pandemic briefly disrupted the housing market in the second quarter of 2020, with housing starts declining 14.1% year-over-year. However, the housing market quickly rebounded, fueled by record low mortgage rates of 2.77% on a conventional 30-year fixed mortgage by the fourth quarter of 2020. Housing starts grew by 6.8% in 2020, with starts for single-family units growing 10.7%, partly offset by a decline in multi-family housing starts of 1.8%. Overall, residential fixed investment grew 9.3% in 2020.

IHS Markit forecasts some of the strength in the housing market to carry over into 2021, with residential fixed investment growing 13.1% in 2021, housing starts growing by 7.9%, and the price of average existing houses growing by 9.0% for a 1996-style home. However, IHS Markit projects that housing starts will decline in 2022 and 2023 by 13.0% and 7.4%, respectively, based on projected decreases in household formation. Sales of new houses are projected to decrease by 0.9% in 2021, 9.7% in 2022, and 6.7% in 2023.

Business Investment. Growth in nonresidential fixed investment is expected to rebound after declining by 3.8% in 2020 to 7.5% in 2021, 6.9% in 2022, and 5.4% in 2023. The anticipated growth is supported by investment in equipment (13.2% in 2021 and 5.9% in 2022 before tapering off to 2.8% in 2023). Growth is bolstered by the return to service of Boeing's 737 MAX line of aircraft in December of 2020 and the anticipated fulfillment of deliveries going forward. The recovery in energy prices is anticipated to boost investment in mining and petroleum structures in the second half of 2021, growing by 22.4% in 2022 and 10.4% in 2023 (following declines of 41.3% in 2020 and 4.4% in 2021).

Inventories fell by $71.9 billion in 2020, which detracted 0.58 percentage points from GDP growth. This is partly due to supply disruptions caused by the pandemic in the second quarter, when inventories were drawn down as manufacturers were temporarily closed and businesses were reluctant to rebuild inventories during the downturn. IHS Markit expects businesses to rebuild inventories roughly at the rate of final sales in the near term, increasing by $96.9 billion in 2021, $127.1 billion in 2022, and $100.5 billion in 2023. IHS Markit expects inventory investment to contribute 0.82 percentage points to GDP growth in 2021, 0.12 percentage points in 2022, and to reduce GDP growth by 0.12 percentage points in 2023.

Corporate Profits. Corporate before-tax book profits decreased by 7.2% in 2020 and are forecast to increase by 0.6% in 2021, 0.1% in 2022, and 10.2% in 2023. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and thus are not affected by federal tax laws), declined 9.1% in 2020. IHS Markit forecasts further declines of 1.4% in 2021 and 0.2% in 2022, before rebounding 7.6% in 2023. The 2021 forecast assumes that the effective federal corporate tax rate for all industries was 13.3% in 2020, and that it will increase to 14.1% in 2021, 14.5% in 2022, and 14.1% in 2023.

Fiscal Policy. According to the final monthly Treasury statement for federal fiscal year 2019-20, the federal deficit was $3.1 trillion. This was due to the significant increase in the amount of stimulus spending, including amounts authorized under CARES. IHS Markit estimates that spending by the federal government accounted for 0.27 percentage points of GDP growth in 2020, but will contribute only 0.11 percentage points in 2021 and will detract 0.13 percentage points in 2022 as the effects of the stimulus fade. By contrast, state and local government spending is estimated to have reduced GDP growth by 0.11 percentage points in 2020 due to spending cuts as a result of declining tax revenues during the pandemic.

The forecast assumes continued stimulus programs under the CAA, with more than half of the stimulus disbursing in the first quarter of 2021. The Biden administration recently released a $1.9 trillion COVID-19 relief plan, which would indicate that further stimulus measures may be forthcoming. However, additional federal stimulus is not included in IHS Markit's baseline forecast.

Monetary Policy. The Federal Reserve indicated in an open market committee statement issued December 16, 2020, that the federal funds rate would remain near 0% until labor market conditions are consistent with maximum employment and inflation has risen to 2%, and is on track to exceed 2%, for some time. Further, it stated that it would continue purchasing Treasury securities and agency mortgage-backed securities at an average rate of $120 billion per month until substantial progress had been made towards its employment and inflation goals.

As discussed, mortgage rates fell to a historic low in 2020. For comparison, the average annual yield on the 10-year U.S. Treasury note fell to 0.89% in 2020, briefly falling to an all-time low of 0.318% in early March. The yield is expected to remain low, at 1.09% in 2020, 1.26% in 2022, and 1.42% in 2023.

International Trade. Real exports and imports rose sharply in the third quarter of 2020 (annualized growth of 59.6% and 93.1%, respectively) after sharply contracting in the second quarter. Imports have rebounded more strongly than exports, reflecting recovery in domestic demand relative to foreign markets. Also, the dollar exchange rate of a broad index of trade partners appreciated 5.9% year-over-year in the second quarter, reflecting a fall in value of emerging market currencies. Since then the dollar declined somewhat, ending the year up 2.0%. IHS Markit forecasts that the dollar will fall by 7.0% in 2021, 3.7% in 2022, and 0.5% in 2023 due to the expectation that interest rates in the U.S. will remain low for an extended period of time (low interest rates tend to reduce the exchange rate as investors look elsewhere for growth).

Overall, net exports reduced GDP growth by 0.12 percentage points in 2020 and are forecast to reduce GDP by 1.04 percentage points in 2021. Afterwards, net exports are forecast to contribute 0.54 percentage points to GDP growth in 2022 and 0.69 percentage points in 2023, because growth in exports is anticipated to outpace growth in imports as economic conditions improve in foreign markets.

Alternative Scenarios. IHS Markit's 2021 forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, IHS Markit assigns a 20% probability that a faster recovery results from a decline in COVID-19 cases, hospitalizations, and deaths as use of the vaccine and observance of social distancing guidelines become more widespread. As the pandemic declines, consumers resume their pre-pandemic spending patterns quicker than assumed under the baseline forecast. Further, under the optimistic scenario, consumer spending and business fixed investment rise more quickly in the fourth quarter of 2020 than previously estimated, improving economic conditions coming into 2021. The unemployment rate improves to below 4.5% by the middle of 2021. Real GDP rebounds 5.3% in 2021 and 3.9% in 2022, crossing the pre-pandemic peak in the second quarter of 2021.

Under the pessimistic scenario, to which IHS Markit assigns a 30% probability, containment measures are reintroduced to combat the surge in COVID-19 that is currently occurring. The surge in the pandemic causes consumer spending to fall below the baseline over the next several quarters, growing by only 3.4% in 2021 and 3.6% in 2022, thereby restraining the economic recovery. The unemployment rate continues to decline, but at a slower pace, not falling below 5% until early 2022. Overall, the recovery takes longer than forecast in the baseline, as real GDP grows by 3.0% in 2021 and 3.9% in 2022.

On January 14, 2020, the Biden administration proposed a $1.9 trillion stimulus plan, including additional stimulus rebates of $1,400 for most individuals, expanded unemployment benefits of $400 per week through September, expanding the federal child tax credit, and providing increased funding for state and local governments, K-12 schools, and institutions of higher education. It should be noted that IHS Markit's January forecast preceded this proposal, and neither the baseline scenario, optimistic scenario, nor the pessimistic scenario anticipated any additional federal stimulus being enacted in the next several months.

General Fund Taxes

Table 4 shows general fund tax revenue estimates for 2020-21 and for each year of the 2021-23 biennium. Over the three-year period, these estimates are $1,155.9 million (2.1%) higher than the projections released by the Department of Revenue (DOR) last November. By year, the new estimates are higher than DOR's projections by $437.4 million in 2020-21, $265.6 million in 2021-22, and $452.9 million in 2022-23. Over the three-year period, compared to the November 20 report, the estimates are higher for corporate income/franchise taxes ($547.6 million), sales and use taxes ($421.5 million), and individual income taxes ($210.8 million).

TABLE 4

Projected General Fund Tax Collections
($ in Millions)

	2019-21 Biennium		2021-23 Biennium	
	2019-20 Actual	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Individual Income	$8,742.3	$8,640.0	$8,900.0	$9,340.0
Sales and Use	5,836.2	5,915.0	6,310.0	6,595.0
Corporate Income/Franchise	1,607.9	2,205.0	1,730.0	1,835.0
Public Utility	357.2	352.0	359.0	361.0
Excise				
Cigarette	523.5	507.0	494.0	483.0
Tobacco Products	91.3	90.0	92.0	96.0
Vapor Products	1.3	1.3	1.7	2.0
Liquor and Wine	54.8	60.0	57.0	58.0
Beer	8.5	9.2	8.7	8.7
Insurance Company	217.4	211.0	218.0	226.0
Miscellaneous Taxes	91.8	111.0	112.0	111.0
Total	$17,532.2	$18,101.5	$18,282.4	$19,115.7
Change from Prior Year		$569.3	$180.9	$833.3
Percent Change		3.2%	1.0%	4.6%

The increased estimates for 2020-21 are primarily due to: (a) improved tax collections through December, specifically corporate tax receipts; and (b) an improved near-term forecast from IHS Markit. For November and December, corporate tax collections are $232 million (68%) higher compared to collections in the same two months in 2019. Compared to the November forecast (the basis of the administration's November 20 report), IHS Markit incorporates the impact of the recently enacted CAA (previously no federal stimulus was included in the forecast), and an improved near-term outlook for economic growth as the COVID-19 inoculation campaign is already under way (previously assumed vaccines would first become available in mid-2021). As a result, Markit has revised its January forecast for 2021 higher for real GDP (0.6 percentage points), personal income (3.0 percentage points), PCE (0.6 percentage points), and economic profits (11.1 percentage points), compared to its November forecast. Similarly, the January forecast assumes improved economic activity for 2022 and 2023, compared to the November forecast.

Individual Income. Total individual income tax collections are estimated at $8,640.0 million in 2020-21, which represents a 1.2% decline in comparable revenues over the prior fiscal year. Estimated individual income tax collections increase to $8,900.0 million in 2021-22, and again to $9,340.0 million in 2022-23, representing annual growth of 3.0% and 4.9% respectively.

Based on preliminary collections information through December, 2020, individual income tax revenues for the current fiscal year are 0.8% higher than such revenues through the same period in 2019. However, these revenues are expected to decrease at a rate of 1.1% over the next six months, in part due to the pandemic stagnating economic activity in 2020. Much of this stagnation in 2020 will be reflected when individuals file their tax year 2020 returns in April, 2021. For example, individuals whose earnings declined in 2020 following a pandemic-related job loss will likely owe a lesser amount of tax when they file in April, 2021, than in the previous year. As a result, net refunds (total refunds owed to taxpayers less final payments owed by taxpayers) are expected to be larger in 2020-21 relative to 2019-20.

Another factor expected to increase net refunds in April, 2021, is the individual income tax rate reduction under 2019 Act 10, which is based on sales tax revenues collected by remote sellers and marketplace providers during the period October 1, 2019, through September 30, 2020. The rate reduction is designed to offset the amount of additional sales tax collections from these sellers, and splits the amount of the reduction equally between the two bottom individual income tax brackets. The sales tax amount was considerably higher than previously estimated, so the resulting income tax rate reduction for tax year 2020 was larger than anticipated.

Enhanced unemployment compensation payments from the federal government throughout 2020 and into March, 2021, are generally taxable under state law, so the enhanced amounts in 2020 are expected to partly offset the increase in refunds described above. Moreover, during the pandemic, many more taxpayers are choosing to have tax amounts withheld from their unemployment payments than in prior periods. For unemployment payments made in the first half of tax year 2021, this also increases withholding tax collections in state fiscal year 2020-21, to the extent taxpayers elect to have tax amounts withheld from such payments.

Projected annual growth in individual estimated payments in 2020-21 is also expected to avert a sharper decline in individual income tax collections. Early indications of individual estimated payments for January, 2021, (historically one of the largest months for estimated payments) suggest considerable growth over the prior January. This corresponds to the projections from IHS Markit of growth in the relevant economic indicators for the second half of state fiscal year 2020-21.

Finally, annual growth in total individual income tax collections is expected to resume in 2021-22 and in 2022-23, as the economy is projected to rebound from the pandemic. IHS Markit predicts wages and salaries will grow steadily throughout the biennium, beginning in the second quarter of 2021, and expects that taxable personal income will display year-over-year growth in 2021-22 and in 2022-23.

General Sales and Use Tax. State sales and use tax revenues totaled $5,836.2 million in 2019-20, and are estimated at $5,915.0 million in 2020-21. The estimate represents growth of 1.4% over the prior year. Sales tax collections through December, 2020, are 1.3% higher than the same period in 2019. Adjusting for law changes since the January, 2020, estimate, year-to-date growth is approximately 0.1%. The lower estimated annual growth in 2020-21 reflects changes to state and federal law, including 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.

Sales tax revenues in the next biennium are estimated at $6,310.0 million in 2021-22 and $6,595.0 million in 2022-23, reflecting growth of 6.7% and 4.5%, respectively. The strong growth in 2021-22 reflects the economic recovery projected by IHS Market's January forecast, as mentioned previously, driven largely by an increase in demand for consumer services as distribution of vaccines becomes more widespread.

Corporate Income/Franchise Tax. Corporate income/franchise taxes were $1,607.9 million in 2019-20, which grew 20.2% above the previous year. Corporate tax revenues are projected to be $2,205.0 million in 2020-21, $1,730.0 million in 2021-22, and $1,835.0 million in 2022-23, reflecting growth of 37.1% in 2020-21, a contraction of 21.5% in 2021-22, and growth of 6.1% in 2022-23. The estimates generally reflect forecasted growth in economic profits (10.6% in 2020-21, -10.0% in 2021-22, and 8.3% in 2022-23) and year-to-date corporate tax collections, which have grown by 64% compared to the same period through December of last year.

Two factors account for the forecasted decline in 2021-22. First, state income and franchise tax filing deadlines for estimated payments and net final payments due in April, May, and June were extended to July 15, 2020. All of these amounts accrued to 2019-20, except that a portion of corporate estimated payments were thrown forward and attributed to state fiscal year 2020-21. Under accounting principles applied by DOR, corporate estimated payments received in July of 2020 that relate to a taxable year ending on or before June 30, 2020, were attributed to state fiscal year 2019-20. Any estimated payments related to a taxable year ending after that date were thrown forward to 2020-21. DOR received $280 million in corporate estimated payments in July of 2020, which is $243 million more than was received in July of 2019 ($37 million). DOR determined that $97 million was attributed to 2019-20, and the remaining $183 million was thrown forward and attributed to 2020-21. This compares to July, 2019, estimated payments of $37 million, of which $28 million was thrown forward to the following fiscal year. As a result, collections in 2020-21 are enhanced by a one-time increase of approximately $155 million. Because the thrown forward amount is not expected to reoccur, collections in 2021-22 are not similarly enhanced, and thus decline by $155 million relative to 2020-21.

Second, year-to-date corporate audit payments in 2020-21 are $50.5 million higher compared with the same period through December in 2019-20, which was a very strong year for audit collections. According to DOR, the sharp increase in corporate audit payments reflects economic activity from prior years and is unlikely to repeat. Thus, it is anticipated that audits will decline in 2021-22 relative to 2020-21 by $50.0 million. Together with the thrown forward amounts, collections in 2021-22 are expected to be below the baseline compared to 2020-21 by $205 million, prior to accounting for expected changes in economic activity.

Public Utility Taxes. Revenues from public utility taxes totaled $357.2 million in 2019-20 and are estimated at $352.0 million in 2020-21, $359.0 million in 2021-22, and $361.0 million in 2022-23. Year-over-year, these amounts represent a decrease of 1.5% in 2020-21, an increase of 2.0% in 2021-22, and an increase of 0.6% in 2022-23. Utilities providing electric and natural gas service represent a majority of public utility tax revenues (69% in 2019-20). In response to the COVID-19 pandemic, shifting living and working habits (as well as declining economic activity) have decreased retail sales of electricity to commercial and industrial customers by 6.2% and increased sales to residential customers by 5.1%, for a total decline of 1.8% year-over-year, according to retail electricity sales data reported by Wisconsin utilities through September 30, 2020. Payments by the next largest taxpayer group, telecommunications companies, are expected to decline over the 2021-23 biennium as the exemption enacted under 2019 Act 128 for property providing broadband internet service in rural areas begins to phase in, reducing utility tax collections by an estimated $2.3 million in 2021-22 and $3.6 million in 2022-23. As a result of litigation over assessment methodology, a refund totaling $7.2 million was paid to several utilities in 2020-21. The settlement included a change in methodology that is expected to reduce future year assessed values and resulting tax collections for certain ad valorem taxpayers. Overall, utility tax collections are expected to rebound in 2021-22 and 2022-23 as economic conditions improve.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), other tobacco products, vapor products, and beer. In 2019-20, excise tax collections totaled $679.4 million, of which $523.5 million (77%) was from the excise tax on cigarettes. Total excise tax collections in 2019-20 represented an increase of 2.6% from the prior fiscal year, primarily driven by cigarette and tobacco tax collection increases of 1.8% and 6.8%, respectively. Excise tax revenues are estimated at $667.5 million in 2020-21, which represents decreased revenues of 1.8%. This estimate accounts for a recent federal law that prohibits sales of cigarettes and tobacco products to individuals under the age of 21, which is expected to decrease state excise tax revenues by $10.2 million on an annualized basis beginning in October of 2020. Excise tax revenues over the next biennium are estimated to decline by 2.1% to $653.4 million in 2021-22 and by 0.9% to $647.7 million in 2022-23, driven by an ongoing trend of declining cigarette consumption.

Insurance Premiums Taxes. Insurance premiums taxes were $217.4 million in 2019-20. Revenues are projected to decrease to $211.0 million in 2020-21, and increase to $218.0 million in 2021-22 and $226.0 million in 2022-23. It is anticipated that collections resulting from certain retaliation amendments totaling more than $10 million last Spring may not repeat. Thus, collections in 2020-21 are forecast to decline 2.9%. The estimates are otherwise based on growth 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 $91.8 million in 2019-20, of which 84% was generated from the real estate transfer fee. Based on the economic forecast for the housing sector, as well as collections through December, 2020, miscellaneous taxes are projected to increase to $111.0 million in 2020-21, which represents a 20.9% increase from 2019-20 collections. As previously mentioned, this large increase is driven by elevated demand for housing due to low mortgage rates, as well as rising house prices. Housing starts and sales of new and existing houses are projected to decline starting in 2021-22. However, the continued rise in prices of existing houses is expected to slightly offset this decline until 2022-23. As a result, miscellaneous taxes are estimated to increase by 0.9% to $112.0 million in 2021-22 and decrease by 0.9% to $111.0 million in 2022-23.

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

Sincerely,

Bob Lang

Robert Wm. Lang
Director

RWL/lb
cc: Members, Wisconsin Legislature

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Appendix B

General Obligation Issuance Status Report
February 2, 2021

			Credit to Capital Improvement Fund			
Program Purpose	**Legislative Authorization**	**General Obligations Issued to Date**	**Interest Earnings(a)**	**Premium (a)**	**G.O. Ref Bonds of 2021, Series 3**	**Total Authorized Unissued Debt**
University of Wisconsin; academic facilities	$ 3,024,031,100	$ 2,316,178,196	$ 13,084,724	$ 105,732,731		$ 589,035,449
University of Wisconsin; self-amortizing facilities	3,176,722,100	2,488,147,043	2,967,557	95,506,065		590,101,435
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,088,850,000	921,962,995	410,794	38,644,695		127,831,516
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	659,783,200	654,448,380		4,536,236		798,584
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 compliance	50,550,000	33,560,223	2,498	3,424,952		13,562,327
Natural resources; environmental repair	57,000,000	50,296,300	203,594	576,357		7,673,748
Natural resources; urban nonpoint source cost-sharing	57,600,000	46,437,969	31,189	2,339,687		8,791,155
Natural resources; contaminated sediment removal	36,000,000	28,635,461		2,042,780		5,321,759
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	14,708,548	161	1,073,223		4,187,268
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	99,150,428	93,544	5,375,711		19,338,317

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
FEBRUARY 2, 2021

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. Ref Bonds of 2021, Series 3	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities	$ 16,514,100	$ 12,118,556	$ 21,753	$ 194,609		$ 4,179,182
Natural resources; ice age trail	750,000	750,000				
Natural resources; dam safety projects	29,500,000	20,640,657	51,291	1,875,688		6,932,364
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	1,242,015,671	3,018,078	104,142,229		64,374,022
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	194,516,574	94,291	30,704,780		27,084,355
Transportation; harbor improvements	152,000,000	107,964,917	234,581	7,640,378		36,160,124
Transportation; rail acquisitions and improvements	280,300,000	203,945,053	5,187	20,364,370		55,985,390
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000				
Corrections; correctional facilities	951,679,900	864,602,297	11,468,918	8,588,123		67,020,562

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. Ref Bonds of 2021, Series 3	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	195,231,591	895,996	6,552,625		95,748,888
Agriculture; soil and water	75,075,000	65,631,561	9,110	3,790,205		5,644,124
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	6,514,918,916			$ 295,240,000	699,841,084
Building commission; housing state departments and agencies	943,639,300	760,664,572	2,356,097	39,619,041		140,999,590
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			
Building commission; project contingencies	47,961,200	47,445,936	64,761	221,173		229,330
Building commission; capital equipment acquisition	125,660,000	123,912,309	740,327	340,645		666,719
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 [(b)]				11,167
Building commission; other public purposes	2,955,419,200	2,497,999,860	8,728,619	85,093,209		363,597,512

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. Ref Bonds of 2021, Series 3	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	6,231,707	$ 3,011	741,998		407,584
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	4,076,363		730,969		192,668
Building Commission; projects.........................	25,000,000					25,000,000
Building Commission; center............................	15,000,000					15,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
FEBRUARY 2, 2021

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. Ref Bonds of 2021, Series 3	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	10,095,618	50,593	144,761		9,878,028
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	45,912,766	2,427	4,994,778		32,608,829
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	$ 30,991,400,378	$ 74,220,810	$733,291,865	$ 295,240,000	$ 3,583,185,745

[a] Amounts previously credited to the Capital Improvement Fund (which include interest earnings and may include sale proceeds representing purchase premium) reduce issuance authority by the same amount.

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

Source: Department of Administration.

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Appendix C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

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

$295,240,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 3 (TAXABLE)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $295,240,000 General Obligation Refunding Bonds of 2021, Series 3 (Taxable), dated the date hereof **(Bonds)**. The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to resolutions adopted by the State of Wisconsin Building Commission (**Commission**) on February 27, 2020 and May 20, 2020 (**Resolutions**).

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

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

1. The Bonds are valid and binding general obligations of the State.
2. The Resolutions have been duly adopted by the Commission and are valid and binding obligations of the State, enforceable upon the State as provided in the Resolutions.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.

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

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated February 17, 2021 or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

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

Very truly yours,

FOLEY & LARDNER LLP

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Appendix D
REFUNDED BONDS

Series	Dated Date	Principal Amount	Interest Rate	Maturity	CUSIP[a]	Redemption Date	Redemption Price
2011 Series 2	10/13/2011	$ 39,905,000	5.00%	11/1/2022	97705L M46	11/1/2021	100%
2013 Series A	5/9/2013	23,910,000	3.00	5/1/2028	97705L 2J5	5/1/2022	100
2013 Series 1	11/7/2013	43,870,000	5.00	5/1/2025	97705L 3L9	5/1/2023	100
		10,810,000	5.00	5/1/2026	97705L 2W6	5/1/2023	100
2014 Series A	2/13/2014	10,530,000	3.00	5/1/2025	97705M JB2	5/1/2022	100
		10,805,000	3.25	5/1/2026	97705L 4M6	5/1/2022	100
2014 Series 2	4/24/2014	33,985,000	5.00	5/1/2024	97705M HW8	5/1/2022	100
2014 Series 3	9/3/2014	5,530,000	5.00	11/1/2024	97705L 6F9	11/1/2022	100
		37,135,000	5.00	11/1/2025	97705L 6G7	11/1/2022	100
2018 Series A	3/15/2018	18,965,000	5.00	5/1/2025	97705M LF0	5/1/2023	100
		19,965,000	5.00	5/1/2026	97705M LG8	5/1/2023	100
2018 Series B	10/11/2018	9,835,000	5.00	5/1/2025	97705M LY9	5/1/2023	100
		10,345,000	5.00	5/1/2026	97705M LZ6	5/1/2023	100
		$275,590,000					

[a] The CUSIP number for each Refunded Bond is provided solely for convenience and has been obtained from a source the State believes to be reliable. The State makes no representation as to the correctness of the CUSIP numbers.

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