

**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.*

**\$326,370,000**

**STATE OF WISCONSIN**

**GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 4 (TAXABLE)**

**Dated: Date of Delivery**

**Due: May 1, as shown below**

<b>Ratings</b>	AAA Kroll Bond Rating Agency, Inc. Aa1 Moody's Investors Service, Inc. AA+ S&P Global Ratings
<b>Taxable</b>	Interest on the Bonds is included in gross income for federal income tax purposes— <i>See pages 11-14.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 14.</i>
<b>Redemption</b>	The Bonds maturing on or after May 1, 2032 are callable at par on May 1, 2031 or any date thereafter— <i>See page 3.</i> The Bonds are subject to redemption at any time at the make-whole redemption price— <i>See pages 3-4.</i>
<b>Security Purpose</b>	General obligations of the State of Wisconsin— <i>See page 3.</i> 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— <i>See pages 2-3.</i>
<b>Interest Payment Dates</b>	May 1 and November 1
<b>First Interest Payment Date</b>	May 1, 2022
<b>Delivery</b>	On or about September 23, 2021
<b>Denominations</b>	Multiples of \$5,000
<b>Bond Counsel</b>	Foley & Lardner LLP
<b>Registrar/Paying Agent</b>	Secretary of Administration
<b>Issuer Contact</b>	Wisconsin Capital Finance Office (608) 267-0374; <a href="mailto:DOACapitalFinanceOffice@wisconsin.gov">DOACapitalFinanceOffice@wisconsin.gov</a>
<b>Book-Entry System</b>	The Depository Trust Company— <i>See pages 5-6.</i>
<b>2020 Annual Report</b>	This Official Statement incorporates by reference, and makes updates and additions to, <b>Parts I, II, and III</b> of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.

The prices and yields listed below were determined on September 1, 2021 at negotiated sale.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Price at Issuance	First Optional Par Call Date (May 1) <sup>(a)</sup>	Call Price
97705M VL6	2027	\$ 6,310,000	1.081%	100.000%	Not Callable	-
97705M VM4	2028	6,375,000	1.231	100.000	Not Callable	-
97705M VN2	2029	31,135,000	1.402	100.000	Not Callable	-
97705M VP7	2030	5,655,000	1.502	100.000	Not Callable	-
97705M VQ5	2031	43,860,000	1.622	100.000	Not Callable	-
97705M VR3	2032	44,675,000	1.772	100.000	2031	100%
97705M VS1	2033	45,565,000	1.902	100.000	2031	100
97705M VT9	2034	46,535,000	2.002	100.000	2031	100
97705M VU6	2035	47,575,000	2.102	100.000	2031	100
97705M VV4	2036	48,685,000	2.202	100.000	2031	100

<sup>(a)</sup> All of the Bonds are subject to optional redemption on any Business Day at the Make-Whole Redemption Price described under **"THE BONDS; Redemption Provisions; Optional Redemption With Make Whole Premium"** herein.

Citigroup	<b>Stifel</b>	<b>Loop Capital Markets</b>	UBS
American Veterans Group, PBC	Jefferies	Stern Brothers	

September 1, 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 over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the **front cover** hereof and such public offering prices may be changed from time to time by the Underwriters.

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# STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

## BUILDING COMMISSION MEMBERS\*

### Voting Members

Governor Tony Evers, Chairperson	Term of Office Expires 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](mailto: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

\* 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:	\$326,370,000
Description:	State of Wisconsin General Obligation Refunding Bonds of 2021, Series 4 (Taxable)
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (On or about September 23, 2021)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2022
Maturities:	May 1, 2027-36 — <i>See front cover.</i>
Redemption:	<i>Optional Par</i> —The Bonds maturing on or after May 1, 2032 are callable at par on May 1, 2031 or any date thereafter— <i>See page 3.</i> <i>Optional Make Whole</i> —The Bonds are subject to optional redemption at any time at the make-whole redemption price— <i>See pages 3-4.</i>
Form:	Book-entry-only— <i>See pages 5-6.</i>
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 August 15, 2021, general obligations of the State were outstanding in the principal amount of \$7,099,518,888.
Additional General Obligation Debt:	The State may issue additional general obligation debt— <i>See pages 7-8.</i>
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	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— <i>See pages 2-3.</i>
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— <i>See pages 11-14.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 14.</i>
2020 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, <b>Parts I, II, and III</b> of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.
Legal Opinion:	Validity opinion to be provided by Foley & Lardner LLP— <i>See APPENDIX C.</i>

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**OFFICIAL STATEMENT**  
**\$326,370,000**  
**STATE OF WISCONSIN**  
**GENERAL OBLIGATION REFUNDING BONDS OF**  
**2021, SERIES 4 (TAXABLE)**

**INTRODUCTION**

This Official Statement provides information about the \$326,370,000 General Obligation Refunding Bonds of 2021, Series 4 (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 October 14, 2020 and February 11, 2021.

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:

- Additional information about the State's response, and federal assistance relating, to the COVID-19 pandemic.
- Information about the enacted budget for the 2021-23 biennium (**2021 Wisconsin Act 58**).
- 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 June 8, 2021 (**June 2021 LFB Report**).
- General Fund information for the 2020-21 fiscal year through June 30, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2021-22 fiscal year, which is presented on a cash basis.

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

*Contact:* State of Wisconsin Capital Finance Office  
Department of Administration  
Attn: Capital Finance Director  
*Mail:* 101 East Wilson Street, FLR 10  
P.O. Box 7864  
Madison, WI 53707-7864  
*Phone:* (608) 267-0374  
*E-mail:* DOACapitalFinanceOffice@wisconsin.gov  
*Web 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 \$285,620,000 (**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, 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 to and including their respective redemption dates, and
- the redemption price of the Refunded Bonds on their respective redemption dates.

### Refunding Escrow Agreement

The Escrow Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund (**Escrow Fund**) created by a Refunding Escrow Agreement (**Escrow Agreement**), between the State and The Bank of New York Mellon Trust Company, N.A. (**Escrow Trustee**), solely for the benefit of the owners of the 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. 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. 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 September 23, 2021) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on May 1, 2022.

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 at Par*

The Bonds maturing on or after May 1, 2032 may be redeemed on May 1, 2031, or any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date.

#### *Optional Redemption With Make Whole Premium*

The 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 (i) 5 basis points (.05%) for the Bonds maturing in the years 2027 and 2028, and (ii) 10 basis points (.10%) for the Bonds maturing on or after May 1, 2029.

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:

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

<sup>(a)</sup> On August 24, 2021, Kroll Bond Rating Agency, Inc. upgraded its rating on the State's general obligations to AAA from AA+.

<sup>(b)</sup> On August 25, 2021, S&P Global Ratings upgraded its rating on the State's general obligations to AA+ from AA.

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.....	\$ 326,370,000.00
TOTAL SOURCES .....	\$ 326,370,000.00

### Uses

Deposit to Escrow Fund.....	\$ 324,653,552.00
Underwriters' Discount.....	1,421,342.49
Costs of Issuance .....	295,105.51
TOTAL USES.....	\$ 326,370,000.00

## 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](http://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 Stifel, Nicolaus & Company, Incorporated 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 \$324,948,657.51, reflecting an Underwriters’ discount of \$1,421,342.49. 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 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, Chico & Nunes, P.C.

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 \$4,911,152,819 and the cumulative debt limit is \$32,741,018,793. 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 August 15, 2021, general obligations of the State were outstanding in the principal amount of \$7,099,518,888. 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 fifth series of general obligations to be issued in this calendar year. The State has previously issued three series of general obligations in this calendar year, in the aggregate principal amount of \$666 million for refunding purposes. The State has also issued one series of general obligations in the principal amount of \$221 million for general governmental purposes.

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

- Up to \$224 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The Commission likely will be asked to authorize the issuance of additional general obligations for refunding purposes during calendar year 2021. 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 \$272 million as of August 15, 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 additional 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*

In calendar year 2021, the State has issued one series of transportation revenue obligations in the principal amount of \$148 million for the financing of transportation facilities and highway projects and one series of transportation revenue obligations in the principal amount of \$143 million for the refunding of outstanding transportation revenue bonds. The Commission has authorized up to \$300 million of additional transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any additional issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

The State has issued one series of general fund annual appropriation refunding bonds in calendar year 2021 in the principal amount of \$119 million for refunding purposes. The amount and timing of any issuance of general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State has issued one series of master lease certificates of participation in calendar year 2021 in the principal amount of \$31 million to fund or refund outstanding master lease certificates of participation. The State intends to sell and issue additional master outstanding 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 the additional issuance of master lease certificates of participation depend, among other factors, on the 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. On August 24, 2021, the State sold \$100 million of environmental improvement fund revenue bonds at a competitive sale with delivery expected on or about September 16, 2021. The authorization, sale, and issuance of any other environmental improvement fund revenue bonds depend, among other factors, on market conditions.

The State does not currently intend to issue operating notes for the 2021-22 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**

Baker Tilly Municipal 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 will be 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 redemption price of, and interest on, the Refunded Bonds 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](mailto:DOACapitalFinanceOffice@wisconsin.gov)  
[doa.wi.gov/capitalfinance](http://doa.wi.gov/capitalfinance)  
[wisconsinbonds.com](http://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: September 1, 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 Parts II and III of the 2020 Annual Report, including but not limited to:

- Additional information about the State’s response, and federal assistance relating, to the COVID-19 pandemic.
- Information about the enacted budget for the 2021-23 biennium (**2021 Wisconsin Act 58**).
- 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 June 8, 2021 (**June 2021 LFB Report**).
- General Fund information for the 2020-21 fiscal year through June 30, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2021-22 fiscal year, which is presented on a cash basis.

[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 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 Comprehensive Annual Financial Report 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 respective 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](mailto:DOACapitalFinanceOffice@wisconsin.gov)

The State has independently provided periodic reports on General Fund financial information. These reports are not required by any of the State's undertakings to provide information concerning the State's securities. These reports are available on the State's Capital Finance Office web site that is listed above and were also filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 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.

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

*Federal Aid – Coronavirus Aid, Relief, and Economic Security Act (CARES Act).*

Pursuant to the CARES Act, the State received and allocated approximately \$2.0 billion of federal assistance, and as of June 30, 2021, the State had obligated \$1.9 billion of these funds to State and local government expenditures related to COVID-19.

*Federal Aid – The American Rescue Plan Act of 2021*

In addition to the CARES Act, and in response to the economic fallout of the COVID-19 pandemic, the federal government enacted into law the American Rescue Plan Act of 2021 on March 11, 2021 (**ARPA**). This latest response contains numerous provisions that authorize payments to individuals, businesses, and governments, including the establishment of the State Fiscal Recovery Fund and the Local Fiscal Recovery Fund. LFB initially identified up to approximately \$3.2 billion of federal funds that the State could receive from the State Fiscal Recovery Fund. This amount was later revised to \$2.5 billion due to revised unemployment data, which show Wisconsin in a more positive unemployment situation. In addition, LFB initially identified up to approximately \$2.1 billion of federal funds that local units of government in the State could receive from the Local Fiscal Recovery Fund. On May 19, 2021, the State received nearly \$1.3 billion from the State Fiscal Recovery Fund, and an additional \$206 million from the Local Fiscal Recovery Fund for distribution to local units of government. The administration and funding of the ARPA funds are subject to guidelines from the federal government.

Governor Evers has vetoed multiple bills that would have required the Governor to submit a plan to the Legislature's Joint Committee on Finance (**JCF**) for any federal funds received by the State related to COVID-19 and would have directed the use of ARPA funding that the State receives.

The Governor has announced plans for allocation of the ARPA funds that include (i) \$,525 million for continued statewide pandemic response efforts and government operations, (ii) \$200 million for infrastructure, including broadband access, (iii) \$650 million for small business support, (iv) \$101 million for support of the tourism industry, (v) \$130 million for workforce initiatives, (vi) \$510 million for investment in the economic wellbeing of families and other entities, and (vii) \$417 million reserved for



any future response needed as a result of the pandemic. Under current law, most ARPA funds must be spent by December 30, 2024 or returned to the federal government.

The State Fiscal Recovery Fund and the Local Fiscal Recovery Fund are just two components of ARPA, and other federal funds may be available pursuant to other provisions of ARPA or future federal legislation.

#### *General Information and Vaccinations*

The Wisconsin Department of Health Services (**DHS**) continues to work to get COVID-19 vaccines to Wisconsinites. All State individuals ages 12 and older are eligible for the vaccination, and as of August 1, 2021, approximately 52% of Wisconsin residents were fully vaccinated.

The 2020 Annual Report noted that the pandemic and the emergency responses resulted in business closures, 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. While these closures, cancellations, and restrictions have nearly ended in all parts of the State, some lingering situations related to those restrictions may still remain, and 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. The State intends to file any appropriate reports from the DOR or LFB that address State revenues, expenditures, and financial position with the MSRB through its EMMA system.

Governor Evers and the Secretary-designee of DHS had 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 expired without the Legislature having taken action on the declarations. Following a challenge to one such declaration, the State Supreme Court ruled on March 31, 2021 that the Governor did not have the authority to declare multiple emergencies, spanning more than 60 days, relating to the COVID-19 pandemic.

Consequently, although COVID-19 cases have generally been on the rise since July 5, 2021, there are no state-wide mask mandates or restrictions on public gatherings in effect. Any future actions to impose state-wide restrictions would likely have to be approved by the Legislature prior to implementation. The Court's ruling did not address pandemic-related orders imposed at the county or local level. At this time, some counties and local governments have been recommending the use of masks when inside buildings with reference to guidance from the U.S. Centers for Disease Control and Prevention. Similar to last year, it is not possible at present to project with a reasonable degree of certainty any impact on State revenues, expenditures, reserves, budget, or financial position that may result from this recent uptick in COVID-19 cases. The information presented in this summary is subject to change without notice and only speaks as of its date. The State intends to file any appropriate reports from DOR or LFB addressing the economic and financial impact of the increase in COVID-19 cases with the MSRB through its EMMA system.

The following is a summary of various executive and emergency orders that had occurred subsequent to the 2020 Annual Report.

- 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, ceased to be effective.
- Executive Order #105, issued by Governor Evers on February 4, 2021, again declared a Public Health Emergency, and Emergency Order #1 again imposed a requirement for use of face coverings when indoors or in an enclosed space with anyone outside the family unit, until March 20, 2021. The Court ruling described above struck down Executive Order #105 and Emergency Order #1, including the state-wide requirement for use of face coverings.

While Governor Evers had drafted legislation in late 2020 to address costs related to the pandemic, on February 5, 2021 the Assembly and Senate approved a different bill (2021 Assembly Bill 1), which was vetoed by Governor. On February 18, 2021 Governor Evers signed into law 2021 Wisconsin Act 1, which will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the paycheck protection program (PPP) under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. The Legislature may continue to consider other bills related to the pandemic.

**State Budget; Budget for the 2020-21 Fiscal Year** (Part II, Page 39). Update with the following information.

*June 2021 LFB Report – General Fund Condition Statement*

In May of odd-numbered years, LFB typically releases the results of its review of tax collections to date and current economic forecasts, to determine if adjustments to its report released in January are required. Because of the delayed due date of May 17, 2021 for federal and State income taxes, LFB completed its review and released the report on June 8, 2021.

The June 2021 LFB Report includes an estimated General Fund condition statement for the 2020-21 fiscal year. The table on the following page includes this estimated General Fund condition statement for the 2020-21 fiscal year and shows a projected ending net balance of \$2.5 billion. The table also includes, for comparison, the actual fiscal year 2019-2020 General Fund condition statement as reported in the Annual Fiscal Report, and the fiscal year 2020-21 General Fund condition statement estimates from the 2019-21 biennial budget (**2019 Wisconsin Act 9**), the Department of Administration report released on November 20, 2020 (**November 2020 DOA Report**), and the report released by LFB on January 26, 2021 (**January 2021 LFB Report**).

The June 2021 LFB Report includes an estimated 2020-21 fiscal year deposit of \$808 million into the Budget Stabilization Fund, reflecting revenue estimates for the 2020-21 fiscal year that are higher than estimated in 2019 Wisconsin Act 9.

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

*Enacted Legislation – Impact on General Fund Condition Statement*

On February 18, 2021 Governor Evers signed into law 2021 Wisconsin Act 1 that will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the PPP under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. LFB has estimated that the fiscal impact of 2021 Wisconsin Act 1 will be a reduction in General Fund tax collections by \$254 million in the 2020-21 fiscal year. The June 2021 LFB Report discussed above reflects the provisions of 2021 Wisconsin Act 1.

*January 2021 LFB Report – General Fund Condition Statement*

The January 2021 LFB Report included revised estimates for the fiscal year 2020-21 General Fund condition statement and estimated General Fund tax collections for fiscal year 2020-21 and the 2021-23 biennium. The January 2021 LFB Report projected a General Fund net balance at the end of fiscal year 2020-21 of \$1,766 million. This estimate was \$630 million higher than the estimated balance in the November 2020 DOA Report. 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 <sup>1</sup>	November 2020 DOA Report	January 2021 LFB Report <sup>2</sup>	June 2021 LFB Report
<b>Revenues</b>					
Opening Balance	\$1,086.9	\$ 792.3	\$1,172.3	\$1,172.4	\$1,172.4
Prior Year Continuing Bal	97.1				
Taxes	17,532.1	17,654.8	17,664.1	18,101.5	19,253.8
<b>Department Revenues</b>					
Tribal Gaming	5.3	24.9			
Other	<u>528.3</u>	<u>530.8</u>	<u>528.9</u>	<u>530.3</u>	<u>537.4</u>
Total Available	\$19,249.7	\$ 19,002.7	\$19,365.4	\$19,804.2	\$20,963.6
<b>Appropriations</b>					
Gross Appropriations	\$18,849.9	\$19,201.8	\$18,962.6	\$19,190.0	\$18,860.0
Biennial Appropriation Adj.				(3.4)	
Sum Sufficient Reestimates			(16.2)	(257.5)	
Compensation Reserves	3.7	94.5	94.5	94.6	94.6
Transfers	149.1	44.1	57.2	275.8	852.1
Less: Lapses	<u>(525.3)</u>	<u>(451.8)</u>	<u>(954.6)</u>	<u>(1,346.7)</u>	<u>(1,453.3)</u>
Net Appropriations	\$18,077.4	\$18,888.6	\$18,143.5	\$17,952.8	\$18,353.2
<b>Balances</b>					
Gross Balance	\$1,172.4	\$ 114.2	\$1,221.9	\$1,851.4	\$2,610.4
Less: Req. Statutory Balance	<u>n/a</u>	<u>(85.0)</u>	<u>(85.0)</u>	<u>(85.0)</u>	<u>(85.0)</u>
Net Balance, June 30	\$1,172.4	\$ 29.2	\$1,136.9	\$1,766.4	\$2,525.4

<sup>1</sup> 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.

<sup>2</sup> Does not reflect the provisions of, or impact from, 2021 Wisconsin Act 1 (which, among other changes, was expected to reduce the estimated General Fund tax collections by \$254 million and reduce the estimated transfer to the Budget Stabilization Fund from \$232 million to \$105 million) or the receipt of ARPA funds.

**State Budget; Estimated General Fund Tax Collections for 2020-21 Fiscal Year** (Part II, Pages 39-40). Update with the following information.

*June 2021 LFB Report – General Fund Tax Collections*

The June 2021 LFB Report includes projected General Fund tax collections for the 2020-21 fiscal year of \$19.254 billion, or an increase of \$1.722 billion (9.8%) from collections for the 2019-20 fiscal year, and an increase of \$1.152 billion from the projections in the January 2021 LFB Report.

The following table provides a summary of estimated General Fund tax collections for the 2020-21 fiscal year, as included in the June 2021 LFB Report. For comparison purposes, the table also includes actual 2019-20 fiscal year General Fund tax collections as reported in the Annual Fiscal Report, and the estimated collections from 2019 Wisconsin Act 9, the November 2020 DOA Report, and the January 2021 LFB Report.

A complete copy of the June 2021 LFB Report is included at the end of this Appendix A. In addition, the State has filed the June 2021 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2. While the June 2021 LFB Report included an estimated General Fund condition statement for the 2021-23 biennium, that condition statement was potentially misleading, in that it reflects only those actions on the 2021-23 biennial budget that had been completed by JCF as of June 7, 2021.

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

	2020-21 Fiscal Year				
	2019-20 Annual <u>Fiscal Report</u>	2019 <u>Wisconsin Act 9<sup>1</sup></u>	November 2020 <u>DOA Report</u>	January 2021 <u>LFB Report<sup>2</sup></u>	June 2021 <u>LFB Report</u>
Individual Income	\$8,742.3	\$ 9,142.0	\$8,543.1	\$8,640.0	\$9,250.0
Sales and Use	5,836.2	5,960.5	5,919.6	5,915.0	6,325.0
Corp. Income & Franchise	1,607.9	1,205.4	1,864.0	2,205.0	2,330.0
Public Utility	357.1	364.0	359.2	352.0	356.0
Excise					
Cigarettes	523.5	507.0	512.4	507.0	507.0
Tobacco Products	91.4	94.0	88.9	90.0	93.0
Liquor & Wine	54.8	56.0	59.2	60.0	65.0
Vapor Products	1.3	3.2	1.4	1.3	1.3
Beer	8.5	8.9	8.7	9.2	9.5
Insurance Company	217.4	211.0	211.1	211.0	201.0
Miscellaneous Taxes	<u>91.7</u>	<u>102.7</u>	<u>96.5</u>	<u>111.0</u>	<u>116.0</u>
TOTAL	\$17,532.1	\$17,654.8	\$17,664.1	\$18,101.5	\$19,253.8

<sup>1</sup> 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.

<sup>2</sup> Does not reflect the provisions of, or impact from, 2021 Wisconsin Act 1 (which, among other changes, was expected to reduce the estimated General Fund tax collections by \$254 million and reduce the estimated transfer to the Budget Stabilization Fund from \$232 million to \$105 million) or the receipt of ARPA funds.

*Enacted Legislation – Impact on General Fund Tax Collections*

On February 18, 2021, Governor Evers signed into law 2021 Wisconsin Act 1, which will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the PPP under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. LFB has estimated that the fiscal impact of the act will be a reduction in General Fund tax collections by \$254 million in the 2020-21 fiscal year. The June 2021 LFB Report discussed above reflects the provisions of 2021 Wisconsin Act 1.

*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 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](#).

*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; Budget for the 2021-23 Biennium** (Part II, Page 40). Update with the following information.

*Enacted 2021-23 Biennial Budget*

On July 8, 2021, the Governor signed the 2021-23 biennial budget bill into law, with some vetoes (2021 Wisconsin Act 58). LFB released in August 2021 a detailed comparative summary of provisions for the enacted 2021-23 biennial budget, which is available at the following website:

[https://docs.legis.wisconsin.gov/misc/lfb/budget/2021\\_23\\_biennial\\_budget/202\\_comparative\\_summary\\_of\\_provisions\\_2021\\_act\\_58\\_august\\_2021\\_entire\\_document.pdf](https://docs.legis.wisconsin.gov/misc/lfb/budget/2021_23_biennial_budget/202_comparative_summary_of_provisions_2021_act_58_august_2021_entire_document.pdf)

The web site identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. In addition, the State has filed the detailed comparative summary of the 2021-23 biennial budget with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

The following table includes the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years from the enacted 2021-23 biennial budget (2021 Wisconsin Act 58) and also includes, for comparison, the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years from the Governor's executive budget.

**ESTIMATED GENERAL FUND CONDITION STATEMENT  
2021-22 AND 2022-23 FISCAL YEARS  
(in Millions)**

	2021-22 Fiscal Year		2022-23 Fiscal Year	
	Executive Budget <sup>1</sup>	2021 Wisconsin Act 58	Executive Budget <sup>1</sup>	2021 Wisconsin Act 58
<b>Revenues</b>				
Opening Balance	\$ 1,894.6	\$ 2,520.4	\$ 803.2	\$ 2,001.4
Taxes	18,909.0	18,570.7	19,752.9	19,457.9
Department Revenues				
Tribal Gaming	2.0	0.0	25.2	20.8
Other	<u>503.6</u>	<u>464.4</u>	<u>519.1</u>	<u>471.4</u>
Total Available	\$21,309.3	\$21,555.4	\$21,100.4	\$21,951.4
<b>Appropriations</b>				
Gross Appropriations	\$20,715.5	\$19,302.5	\$21,121.5	\$19,752.7
Compensation Reserves	54.1	41.9	117.8	106.0
Transfers	47.3		49.4	
Transportation Fund		178.9		97.3
Building Trust Fund		15.0		0.0
MA Trust Fund		174.7		527.8
UI Trust Fund		60.0		60.0
Less: Lapses	<u>(310.8)</u>	<u>(219.0)</u>	<u>(331.0)</u>	<u>(267.1)</u>
Net Appropriations	\$20,506.0	\$19,554.0	\$20,957.8	\$20,276.7
<b>Balances</b>				
Gross Balance	\$ 803.2	\$ 2,001.4	\$ 142.7	\$ 1,674.7
Less: Req. Statutory Balance	<u>(90.0)</u>	<u>(90.0)</u>	<u>(95.0)</u>	<u>(95.0)</u>
Net Balance, June 30	\$ 713.2	\$ 1,911.4	\$ 47.7	\$ 1,579.7

<sup>1</sup> Does not reflect the provisions of 2021 Wisconsin Act 1, which was enacted after introduction of the executive budget and was expected to have an impact on General Fund tax collections in the 2020-21, 2021-22, and 2022-23 fiscal years.

*Legislative and Joint Committee on Finance Actions; 2021-23 Biennial Budget*

On June 30, 2021, the Legislature approved its version of the biennial budget bill, which included some amendments to the biennial budget bill that JCF approved on June 17, 2021.

*Executive Budget*

As provided for in Wisconsin Statutes, and consistent with past practice, the Legislature approved a submission date for the executive budget for the 2021-23 biennium that was 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 JCF 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>

In addition, LFB released a summary of the Governor’s executive budget for the 2021-23 biennium, which can be obtained from the following web site:

[https://docs.legis.wisconsin.gov/misc/lfb/budget/2021\\_23\\_biennial\\_budget/502\\_summary\\_of\\_governor\\_s\\_budget\\_recommendations\\_march\\_2021\\_entire\\_document.pdf](https://docs.legis.wisconsin.gov/misc/lfb/budget/2021_23_biennial_budget/502_summary_of_governor_s_budget_recommendations_march_2021_entire_document.pdf)

The web sites identified above are for the convenience of the reader only and are not incorporated by reference into this Official Statement. Further information on the Governor’s executive budget for the 2021-23 biennium is available on the MSRB through its EMMA system and is also available from the State as provided on page A-2.

**State Budget; Revenue Projections for the 2021-22 and 2022-23 Fiscal Years** (Part II, Pages 40-41). Update with the following information.

*Enacted 2021-23 Biennial Budget*

On July 8, 2021, the Governor signed the 2021-23 biennial budget bill into law, with some vetoes (2021 Wisconsin Act 58). LFB released in August 2021 a detailed comparative summary of provisions for the enacted 2021-23 biennial budget, which is available at the following website:

[https://docs.legis.wisconsin.gov/misc/lfb/budget/2021\\_23\\_biennial\\_budget/202\\_comparative\\_summary\\_of\\_provisions\\_2021\\_act\\_58\\_august\\_2021\\_entire\\_document.pdf](https://docs.legis.wisconsin.gov/misc/lfb/budget/2021_23_biennial_budget/202_comparative_summary_of_provisions_2021_act_58_august_2021_entire_document.pdf)

The web site identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. In addition, the State has filed the detailed comparative summary of the 2021-23 biennial budget with the MSRB through its EMMA system, and a copy is available from the State as provided on page A-2.

The following table provides a summary of estimated General Fund tax collections for the 2021-22 and 2022-23 fiscal years, as included in 2021 Wisconsin Act 58. For comparison purposes, the following table also provides the estimated collections from the November 2020 DOA Report and the January 2021 LFB Report.

**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 <u>DOA Report</u>	January 2021 <u>LFB Report<sup>1</sup></u>	2021 Wisconsin <u>Act 58</u>	November 2020 <u>DOA Report</u>	January 2021 <u>LFB Report<sup>1</sup></u>	2021 Wisconsin <u>Act 58</u>
Individual Income	\$ 8,867.3	\$8,900.0	\$8,680.5	\$ 9,258.8	\$9,340.0	\$9,115.6
Sales and Use	6,146.5	6,310.0	6,639.6	6,332.4	6,595.0	6,844.5
Corp. Income & Franchise	1,653.6	1,730.0	1,910.0	1,704.8	1,835.0	2,160.0
Public Utility	363.8	359.0	354.0	366.3	361.0	352.0
Excise						
Cigarettes	514.3	494.0	494.0	509.1	483.0	483.0
Tobacco Products	89.0	92.0	96.0	92.7	96.0	100.0
Liquor & Wine	57.9	57.0	60.0	59.2	58.0	61.0
Vapor Products	1.5	1.7	1.7	1.5	2.0	2.0
Beer	8.7	8.7	8.9	8.6	8.7	8.8
Insurance Company	218.7	218.0	209.0	231.9	226.0	217.0
Miscellaneous Taxes	<u>95.5</u>	<u>112.0</u>	<u>117.0</u>	<u>97.5</u>	<u>111.0</u>	<u>114.0</u>
TOTAL	\$18,016.8	\$18,282.4	\$18,570.7	\$18,662.8	\$19,115.7	\$19,457.9

<sup>1</sup> Does not reflect the provisions of 2021 Wisconsin Act 1, which was enacted after the January 2021 LFB Report, and is expected to have an impact on the General Fund tax collections for the 2021-22 and 2022-23 fiscal years.

### *June LFB Report – General Fund Tax Collections*

The June 2021 LFB Report includes estimates of the General Fund tax collections for the 2021-22 and 2022-23 fiscal years. For the 2021-22 fiscal year, the June 2021 LFB Report anticipates General Fund tax collections of \$19.611 billion, or an increase of \$357 million (or 1.9%) from its 2020-21 fiscal year projections. The June 2021 LFB also anticipates General Fund tax collections of \$20.483 billion in the 2022-23 fiscal year, an increase of \$872 million (or 4.4%) from its projection for the 2021-22 fiscal year.

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

### *Enacted Legislation – Impact on General Fund Tax Collections*

On February 18, 2021, Governor Evers signed into law 2021 Wisconsin Act 1, which will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the PPP under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. LFB has estimated that the fiscal impact of 2021 Wisconsin Act 1 will 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. The June 2021 LFB Report discussed above reflects the provisions of 2021 Wisconsin Act 1.

### *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 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](#).

**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 June 30, 2021, and projections for the 2021-22 fiscal year, are presented primarily on a cash basis.

The projections and estimates for the 2021-22 fiscal year reflect the June 2021 LFB Report, the 2021-23 enacted biennial budget (2021 Wisconsin Act 58), and the receipt of ARPA federal funds, including a receipt of \$1.6 billion in May 2021 and an anticipated receipt of \$1.5 billion in May 2022 (reflecting funds for the State under the State Fiscal Recovery Fund along with certain non-entitlement governmental unit allocation of funds under the Local Fiscal Recovery Fund that are required to pass through the State). 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. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

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 JUNE 30, 2021**  
(Amounts in Thousands)

	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
<b>BALANCES<sup>(a)(b)</sup></b>												
Beginning Balance	\$ 4,028,316	\$ 3,898,250	\$ 3,981,862	\$ 4,882,311	\$ 5,151,490	\$ 5,247,672	\$ 4,174,005	\$ 5,589,551	\$ 5,416,608	\$ 4,477,865	\$ 4,940,524	\$ 7,149,484
Ending Balance <sup>(c)</sup>	3,898,250	3,981,862	4,882,311	5,151,490	5,247,672	4,174,005	5,589,551	5,416,608	4,477,865	4,940,524	7,149,484	6,509,076
Lowest Daily Balance <sup>(c)</sup>	3,411,122	3,246,379	3,777,854	4,269,578	4,971,506	3,401,516	3,917,881	5,412,593	4,104,220	3,694,094	4,772,634	6,434,384
<b>RECEIPTS</b>												
<b>TAX RECEIPTS</b>												
Individual Income	\$ 1,645,403	\$ 725,262	\$ 901,609	\$ 636,458	\$ 993,841	\$ 749,229	\$ 1,130,871	\$ 742,453	\$ 1,250,952	\$ 1,292,613	\$ 1,044,948	\$ 1,208,808
Sales & Use	613,948	575,493	559,024	560,717	571,237	518,068	653,992	492,389	453,031	629,886	583,691	613,766
Corporate Income	377,480	29,663	350,353	72,663	157,653	443,606	132,314	38,854	283,476	402,919	70,779	394,022
Public Utility	60	118	3,834	30,610	182,006	299	275	139	29	6,473	185,796	221
Excise	67,935	61,898	62,035	58,703	58,311	54,357	54,798	47,094	47,088	59,350	55,659	56,079
Insurance	517	3,284	43,569	363	2,272	44,814	829	19,350	20,302	47,549	2,160	45,160
<b>Subtotal Tax Receipts</b>	<b>\$ 2,705,343</b>	<b>\$ 1,395,718</b>	<b>\$ 1,920,424</b>	<b>\$ 1,359,514</b>	<b>\$ 1,965,320</b>	<b>\$ 1,810,373</b>	<b>\$ 1,973,079</b>	<b>\$ 1,340,279</b>	<b>\$ 2,054,878</b>	<b>\$ 2,438,790</b>	<b>\$ 1,943,033</b>	<b>\$ 2,318,056</b>
<b>NON-TAX RECEIPTS</b>												
Federal	\$ 1,132,802	\$ 668,339	\$ 1,100,282	\$ 931,834	\$ 792,300	\$ 1,130,620	\$ 1,395,966	\$ 1,189,982	\$ 945,427	\$ 945,701	\$ 2,695,651	\$ 939,104
Other & Transfers	610,506	242,009	744,684	652,743	338,374	550,208	446,451	672,542	747,141	493,877	553,649	520,369
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal Non-Tax Receipts</b>	<b>\$ 1,743,308</b>	<b>\$ 910,348</b>	<b>\$ 1,844,966</b>	<b>\$ 1,584,577</b>	<b>\$ 1,130,674</b>	<b>\$ 1,680,828</b>	<b>\$ 1,842,417</b>	<b>\$ 1,862,524</b>	<b>\$ 1,692,568</b>	<b>\$ 1,439,578</b>	<b>\$ 3,249,300</b>	<b>\$ 1,459,473</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 4,448,651</b>	<b>\$ 2,306,066</b>	<b>\$ 3,765,390</b>	<b>\$ 2,944,091</b>	<b>\$ 3,095,994</b>	<b>\$ 3,491,201</b>	<b>\$ 3,815,496</b>	<b>\$ 3,202,803</b>	<b>\$ 3,747,446</b>	<b>\$ 3,878,368</b>	<b>\$ 5,192,333</b>	<b>\$ 3,777,529</b>
<b>DISBURSEMENTS</b>												
Local Aids	\$ 1,586,250	\$ 161,117	\$ 908,751	\$ 102,896	\$ 1,005,120	\$ 1,375,570	\$ 196,176	\$ 771,957	\$ 1,975,390	\$ 107,215	\$ 309,722	\$ 1,960,252
Income Maintenance	1,254,887	796,647	802,328	927,047	866,865	1,140,201	864,225	886,844	895,176	1,030,191	932,277	644,234
Payroll and Related	541,517	313,199	392,978	514,220	421,382	499,211	539,674	469,736	466,555	600,095	397,184	533,788
Tax Refunds	259,526	152,805	127,730	140,980	145,815	224,203	108,326	459,157	744,604	581,972	395,074	193,053
Debt Service	249,099	2,107	-	221,579	76	36,330	-	-	-	410,233	54,294	-
Miscellaneous	687,438	796,579	633,154	768,190	560,554	1,289,353	691,549	788,052	604,464	686,003	894,822	1,086,610
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 4,578,717</b>	<b>\$ 2,222,454</b>	<b>\$ 2,864,941</b>	<b>\$ 2,674,912</b>	<b>\$ 2,999,812</b>	<b>\$ 4,564,868</b>	<b>\$ 2,399,950</b>	<b>\$ 3,375,746</b>	<b>\$ 4,686,189</b>	<b>\$ 3,415,709</b>	<b>\$ 2,983,373</b>	<b>\$ 4,417,937</b>

(a) 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 were 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 were 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-11; General Fund Cash Flow (Part II; Page 51). Update with the following table.

**PROJECTED GENERAL FUND CASH FLOW; JULY 1, 2021 TO JUNE 30, 2022<sup>(a)</sup>**  
**(Amounts in Thousands)**

	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022
<b>BALANCES<sup>(a)(b)</sup></b>												
Beginning Balance	\$ 6,509,076	\$ 4,610,274	\$ 4,748,454	\$ 5,381,579	\$ 5,500,391	\$ 4,925,992	\$ 3,750,594	\$ 4,974,658	\$ 4,400,378	\$ 2,587,419	\$ 2,788,511	\$ 4,741,245
Ending Balance <sup>(c)</sup>	4,610,274	4,748,454	5,381,579	5,500,391	4,925,992	3,750,594	4,974,658	4,400,378	2,587,419	2,788,511	4,741,245	3,741,146
Lowest Daily Balance <sup>(c)</sup>	4,610,274	3,948,363	3,550,001	4,647,456	4,225,977	2,890,726	3,392,473	3,893,892	2,346,415	1,708,212	2,788,511	3,055,044
<b>RECEIPTS</b>												
<b>TAX RECEIPTS</b>												
Individual Income	\$ 639,098	\$ 947,179	\$ 1,009,479	\$ 693,388	\$ 998,159	\$ 818,030	\$ 1,356,648	\$ 820,775	\$ 968,057	\$ 1,485,133	\$ 1,159,856	\$ 1,043,374
Sales & Use	654,599	622,268	619,719	619,753	597,087	560,826	692,390	513,021	481,335	601,364	564,690	638,103
Corporate Income	66,729	41,988	357,212	69,081	63,889	350,418	94,107	74,641	267,619	270,909	61,318	334,545
Public Utility	40	47	1,486	27,723	186,457	290	167	62	21	6,787	181,923	2,554
Excise	60,303	62,841	62,377	55,044	57,754	53,658	53,524	48,578	47,178	58,212	49,977	58,492
Insurance	396	3,848	43,368	363	2,183	45,251	2,075	24,038	22,407	47,484	2,706	45,211
<b>Subtotal Tax Receipts</b>	<b>\$ 1,421,165</b>	<b>\$ 1,678,171</b>	<b>\$ 2,093,641</b>	<b>\$ 1,465,352</b>	<b>\$ 1,905,529</b>	<b>\$ 1,828,473</b>	<b>\$ 2,198,911</b>	<b>\$ 1,481,115</b>	<b>\$ 1,786,617</b>	<b>\$ 2,469,889</b>	<b>\$ 2,020,470</b>	<b>\$ 2,122,279</b>
<b>NON-TAX RECEIPTS</b>												
Federal	\$ 995,495	\$ 763,748	\$ 1,127,976	\$ 790,985	\$ 842,895	\$ 907,729	\$ 1,027,219	\$ 1,005,929	\$ 881,346	\$ 860,123	\$ 2,427,991	\$ 892,756
Other & Transfers	585,663	355,266	796,712	696,064	348,616	501,431	578,222	702,261	634,695	615,221	411,112	570,459
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal Non-Tax Receipts</b>	<b>\$ 1,581,158</b>	<b>\$ 1,119,014</b>	<b>\$ 1,924,688</b>	<b>\$ 1,487,049</b>	<b>\$ 1,191,511</b>	<b>\$ 1,409,160</b>	<b>\$ 1,605,441</b>	<b>\$ 1,708,190</b>	<b>\$ 1,516,041</b>	<b>\$ 1,475,344</b>	<b>\$ 2,839,103</b>	<b>\$ 1,463,215</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 3,002,323</b>	<b>\$ 2,797,185</b>	<b>\$ 4,018,329</b>	<b>\$ 2,952,401</b>	<b>\$ 3,097,040</b>	<b>\$ 3,237,633</b>	<b>\$ 3,804,352</b>	<b>\$ 3,189,305</b>	<b>\$ 3,302,658</b>	<b>\$ 3,945,233</b>	<b>\$ 4,859,573</b>	<b>\$ 3,585,494</b>
<b>DISBURSEMENTS</b>												
Local Aids	\$ 1,611,054	\$ 134,971	\$ 933,066	\$ 112,171	\$ 1,076,697	\$ 1,462,539	\$ 240,174	\$ 747,745	\$ 2,086,135	\$ 97,909	\$ 310,498	\$ 2,135,044
Income Maintenance	1,353,176	998,170	962,753	1,001,184	995,294	1,167,960	1,022,790	1,016,786	1,051,977	1,139,022	1,036,604	685,639
Payroll and Related	646,146	349,656	429,314	465,583	471,845	652,432	379,975	471,845	468,714	584,590	352,838	523,474
Tax Refunds	127,547	129,179	110,507	152,348	166,307	213,686	121,537	638,941	666,131	637,186	231,418	170,012
Debt Service	278,450	2,315	-	324,812	2,316	-	-	2,315	-	287,710	89,295	-
Miscellaneous	884,752	1,044,715	949,564	777,491	958,980	916,414	815,813	885,952	842,660	997,724	886,187	1,071,424
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 4,901,125</b>	<b>\$ 2,659,006</b>	<b>\$ 3,385,204</b>	<b>\$ 2,833,589</b>	<b>\$ 3,671,439</b>	<b>\$ 4,413,031</b>	<b>\$ 2,580,289</b>	<b>\$ 3,763,584</b>	<b>\$ 5,115,617</b>	<b>\$ 3,744,141</b>	<b>\$ 2,906,840</b>	<b>\$ 4,585,593</b>

(a) The projections and estimates in this table reflect the June 2021 LFB Report, the enacted 2021-23 biennial budget (2021 Wisconsin Act 58), and the anticipated receipt of ARPA federal funds, including a receipt of \$1.6 billion in May 2021 and a receipt of \$1.5 billion in May 2022 (reflecting funds for the State under the State Fiscal Recovery Fund along with certain non-entitlement governmental unit allocation of funds under the Local Fiscal Recovery Fund that are required to pass through the State). 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. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds. 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 \$1.8 billion for the 2021-22 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 2021-22 fiscal year (based on the enacted 2021-23 biennial budget - 2021 Wisconsin Act 58), are approximately \$1.7 billion and \$579 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.

<b>HISTORICAL GENERAL FUND CASH FLOW</b>					
<b>ACTUAL FISCAL YEARS 2016-17 TO 2020-21<sup>(a)</sup></b>					
<b>(Amounts in Thousands)</b>					
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b><u>Fiscal Year</u></b>	<b><u>Fiscal Year</u></b>	<b><u>Fiscal Year</u></b>	<b><u>Fiscal Year</u></b>	<b><u>Fiscal Year</u></b>
<b>RECEIPTS</b>					
<b>Tax Receipts</b>					
Individual Income	\$ 9,487,657	\$ 9,837,742	\$ 10,557,272	\$ 10,138,020	\$ 12,322,447
Sales	5,549,486	5,867,099	6,132,089	6,253,771	6,825,242
Corporate Income	1,151,868	1,070,879	1,519,561	1,551,402	2,753,782
Public Utility	415,784	416,406	415,047	409,513	409,860
Excise	708,762	689,653	681,262	667,055	683,307
Insurance	204,510	207,953	218,304	242,228	230,169
<b>Total Tax Receipts</b>	<b>\$ 17,518,067</b>	<b>\$ 18,089,732</b>	<b>\$ 19,523,535</b>	<b>\$ 19,261,989</b>	<b>\$ 23,224,807</b>
<b>Non-Tax Receipts</b>					
Federal	\$ 9,396,361	\$ 9,214,957	\$ 10,093,533	\$ 12,725,759	\$ 13,868,008
Other and Transfers	5,673,340	6,113,708	6,241,726	5,887,398	6,572,553
<b>Total Non-Tax Receipts</b>	<b>\$ 15,069,701</b>	<b>\$ 15,328,665</b>	<b>\$ 16,335,259</b>	<b>\$ 18,613,157</b>	<b>\$ 20,440,561</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 32,587,768</b>	<b>\$ 33,418,397</b>	<b>\$ 35,858,794</b>	<b>\$ 37,875,146</b>	<b>\$ 43,665,368</b>
<b>DISBURSEMENTS</b>					
Local Aids	\$ 9,223,782	\$ 9,202,809	\$ 9,698,906	\$ 9,917,134	\$ 10,460,416
Income Maintenance	9,186,111	9,370,303	9,747,283	10,126,849	11,040,922
Payroll & Related	5,000,390	5,174,225	5,333,395	5,633,397	5,689,539
Tax Refunds	2,550,017	2,703,269	2,785,514	2,992,617	3,533,245
Debt Service	891,234	908,172	914,688	875,340	973,718
Miscellaneous	5,427,066	5,902,369	6,396,205	6,811,025	9,486,768
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 32,278,600</b>	<b>\$ 33,261,147</b>	<b>\$ 34,875,991</b>	<b>\$ 36,356,362</b>	<b>\$ 41,184,608</b>
<b>NET CASH FLOW</b>	<b>\$ 309,168</b>	<b>\$ 157,250</b>	<b>\$ 982,803</b>	<b>\$ 1,518,784</b>	<b>\$ 2,480,760</b>

(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.

**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 <sup>(a)</sup>**

**(Cash Basis)  
As of June 30, 2021  
(Amounts in Thousands)**

	2019-20 Fiscal Year through June 30, 2020		2020-21 Fiscal Year through June 30, 2021			Difference FY19 Actual to FY20 Actual
	Actual	Actual	Estimate <sup>(b)</sup>	Variance	Adjusted Variance <sup>(c)</sup>	
<b>RECEIPTS</b>						
<b>Tax Receipts</b>						
Individual Income	\$ 10,138,020	\$ 12,322,447	\$ 10,756,094	\$ 1,566,353	\$ 1,566,353	\$ 2,184,427
Sales	6,253,771	6,825,242	6,339,051	486,191	486,191	571,471
Corporate Income	1,551,402	2,753,782	2,141,180	612,602	612,602	1,202,380
Public Utility	409,513	409,860	409,109	751	751	347
Excise	667,055	683,307	656,102	27,205	27,205	16,252
Insurance	242,228	230,169	238,632	(8,463)	(8,463)	(12,059)
<b>Total Tax Receipts</b>	<b>\$ 19,261,989</b>	<b>\$ 23,224,807</b>	<b>\$ 20,540,168</b>	<b>\$ 2,684,639</b>	<b>\$ 2,684,639</b>	<b>\$ 3,962,818</b>
<b>Non-Tax Receipts</b>						
Federal	\$ 12,725,759	\$ 13,868,008	\$ 12,595,373	\$ 1,272,635	\$ 1,272,635	\$ 1,142,249
Other and Transfers	5,887,398	6,572,553	6,342,215	230,338	230,338	685,155
<b>Total Non-Tax Receipts</b>	<b>\$ 18,613,157</b>	<b>\$ 20,440,561</b>	<b>\$ 18,937,588</b>	<b>\$ 1,502,973</b>	<b>\$ 1,502,973</b>	<b>\$ 1,827,404</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 37,875,146</b>	<b>\$ 43,665,368</b>	<b>\$ 39,477,756</b>	<b>\$ 4,187,612</b>	<b>\$ 4,187,612</b>	<b>\$ 5,790,222</b>
<b>DISBURSEMENTS</b>						
Local Aids	\$ 9,917,134	\$ 10,460,416	\$ 10,168,264	\$ (292,152)	\$ (292,152)	\$ 543,282
Income Maintenance	10,126,849	11,040,922	10,555,537	(485,385)	(485,385)	914,073
Payroll & Related	5,633,397	5,689,539	5,872,755	183,216	183,216	56,142
Tax Refunds	2,992,617	3,533,245	3,409,417	(123,828)	(123,828)	540,628
Debt Service	875,340	937,388	1,010,529	73,141	73,141	62,048
Miscellaneous	6,811,025	9,523,098	8,570,244	(952,854)	(952,854)	2,712,073
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 36,356,362</b>	<b>\$ 41,184,608</b>	<b>\$ 39,586,746</b>	<b>\$ (1,597,862)</b>	<b>\$ (1,597,862)</b>	<b>\$ 4,828,246</b>
<b>2020-21 FISCAL YEAR VARIANCE YEAR-TO-DATE</b>				<b>\$ 2,589,750</b>	<b>\$ 2,589,750</b>	

- (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 reflected 2019 Wisconsin Act 9, the November 2020 DOA Report, the January 2021 LFB Report, 2021 Wisconsin Act 1, and the anticipated receipt of ARPA federal funds, including a receipt of \$1.2 billion in May 2021. 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, but do not reflect the June 2021 LFB Report. The projections and estimates do not reflect any specific disbursement of remaining CARES Act and ARPA federal funds.
- (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 <sup>(a)</sup>**  
**July 1, 2019 through June 30, 2021 – Actual**  
**July 1, 2021 through June 30, 2022 – Estimated<sup>(b)</sup>**  
**(Amounts in Thousands)**

	<b>Starting Date</b>	<b>Starting Balance</b>	<b>Receipts</b>	<b>Disbursements</b>
2019	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	3,815,496	2,399,950
	February.....	5,589,551	3,202,803	3,375,746
	March.....	5,416,608	3,747,446	4,686,189
	April.....	4,477,865	3,878,368	3,415,709
	May.....	4,940,524	5,192,333	2,983,373
	June.....	7,149,484	3,777,529	4,417,937
	July.....	6,509,076	3,002,323	4,901,125
	August.....	4,610,274	2,797,185	2,659,006
	September.....	4,748,454	4,018,329	3,385,204
	October.....	5,381,579	2,952,401	2,833,589
	November.....	5,500,391	3,097,040	3,671,439
	December.....	4,925,992	3,237,633	4,413,031
2022	January.....	3,750,594	3,804,352	2,580,289
	February.....	4,974,658	3,189,305	3,763,584
	March.....	4,400,378	3,302,658	5,115,617
	April.....	2,587,419	3,945,233	3,744,141
	May.....	2,788,511	4,859,573	2,906,840
	June.....	4,741,245	3,585,494	4,585,593

- (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 2021-22 fiscal year (cash basis) reflect the June 2021 LFB Report and the enacted budget for the 2021-23 biennium (2021 Wisconsin Act 58). Actual results, projections, and estimates for both fiscal years reflect the actual or anticipated receipt of ARPA federal funds, including a receipt of \$1.6 billion in May 2021 and a receipt of \$1.5 billion in May 2022 (reflecting funds for the State under the State Fiscal Recovery Fund along with certain non-entitlement governmental unit allocation of funds under the Local Fiscal Recovery Fund that are required to pass through the State). Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

**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 <sup>(a) (b)</sup>  
 July 31, 2019 to June 30, 2021 — Actual  
 July 31, 2021 to June 30, 2022 — Projected <sup>(c)</sup>  
 (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 \$2.7 billion during November 2016 to a high of \$5.7 billion during March 2021. 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**

<b><u>Month (Last Day)</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
January .....		\$ 1,910	\$ 1,866	\$ 1,866
February .....		1,929	2,030	2,030
March .....		1,815	2,000	1,815
April .....		1,716	2,008	1,716
May .....		1,670	2,063	1,670
June .....		1,806	2,337	1,806
July .....	\$1,783	1,575	1,575	
August .....	1,776	1,627	1,627	
September .....	2,025	1,783	1,783	
October .....	1,907	1,620	1,620	
November .....	1,801	1,672	1,672	
December .....	1,967	1,873	1,873	

**Available Balances; Includes Balances in the LGIP**

<b><u>Month (Last Day)</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
January .....		\$ 6,502	\$ 7,130	\$ 7,130
February .....		6,603	7,602	7,602
March .....		6,970	7,988	6,970
April .....		6,990	7,428	6,990
May .....		6,469	7,529	6,469
June .....		6,524	7,708	6,524
July .....	\$6,804	7,004	7,004	
August .....	5,839	6,087	6,087	
September .....	5,600	5,970	5,970	
October .....	5,474	5,410	5,410	
November .....	5,213	5,418	5,418	
December .....	6,137	6,549	6,549	

- <sup>(a)</sup> 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.
- <sup>(b)</sup> 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.
- <sup>(c)</sup> The projections and estimates for the 2021-22 fiscal year (cash basis) reflect the June 2021 LFB Report and the enacted budget for the 2021-23 biennium (2021 Wisconsin Act 58). Actual results, projections, and estimates for both fiscal years reflect the receipt or anticipated receipt of ARPA federal funds, including a receipt of \$1.6 billion in May 2021 and a receipt of \$1.5 billion in May 2022 (reflecting funds for the State under the State Fiscal Recovery Fund along with certain non-entitlement governmental unit allocation of funds under the Local Fiscal Recovery Fund that are required to pass through the State). Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

**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<sup>(a)</sup>**  
**(Agency-Recorded Basis)**  
**July 1, 2020 to June 30, 2021 compared with previous year<sup>(b)</sup>**

	Annual Fiscal Report Revenues <u>2019-20 Fiscal Year<sup>(b)</sup></u>	Projected Revenues <u>2020-21 Fiscal Year<sup>(c)</sup></u>	Recorded Revenues July 1, 2019 to June 30, 2020 <sup>(d)</sup>	Recorded Revenues July 1, 2020 to June 30, 2021 <sup>(e)</sup>
Individual Income Tax .....	\$ 8,742,266,000	\$ 9,142,000,000	\$ 7,306,034,536	\$ 8,682,418,004
General Sales and Use Tax .....	5,836,215,000	5,960,500,000	5,192,812,274	5,658,172,420
Corporate Franchise and Income Tax .....	1,607,873,000	1,205,400,000	1,266,557,766	2,278,401,485
Public Utility Taxes .....	357,152,000	36,400,000	357,153,498	356,240,237
Excise Taxes .....	679,503,000	671,200,000	618,412,715	615,685,617
Inheritance Taxes .....	41,000	-	41,353	568
Insurance Company Taxes .....	217,381,000	211,000,000	217,380,611	202,066,186
Miscellaneous Taxes .....	91,693,000	97,500,000	323,720,932	421,941,162
SUBTOTAL.....	<u>\$ 17,532,124,000</u>	<u>\$ 17,324,000,000</u>	<u>\$ 15,282,113,684</u>	<u>\$ 18,214,925,681</u>
Federal and Other Inter- Governmental Revenues <sup>(f)</sup> .....	13,645,746,000	11,414,533,600	13,734,173,512	15,712,731,817
Dedicated and Other Revenues <sup>(g)</sup> .....	<u>6,807,021,000</u>	<u>8,556,987,900</u>	<u>6,709,025,047</u>	<u>8,248,681,959</u>
TOTAL.....	<u>\$ 37,984,891,000</u>	<u>\$ 37,295,521,500</u>	<u>\$ 35,725,312,243</u>	<u>\$ 42,176,339,456</u>

- (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 2019 Wisconsin Act 9, but do not reflect 2019 Wisconsin Act 7 or 2019 Wisconsin Act 10, the November 2020 DOA Report, the January 2021 LFB Report, the June 2021 LFB Report, 2021 Wisconsin Act 1, or receipt of CARES Act or ARPA federal funds.
- (d) The amounts shown are 2019-20 fiscal year general purpose revenues and program revenues taxes as recorded by all State agencies. The amounts shown are as of June 30, 2020 and do not include revenues for 2019-20 fiscal year that were recorded by State agencies during the months of July, August, and September 2020. 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. The amounts shown are as of June 30, 2021 and do not include revenues for 2020-21 fiscal year that may be recorded by State agencies during the months of July, August, and September 2021. 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<sup>(a)</sup>  
(Agency-Recorded Basis)  
July 1, 2020 to June 30, 2021 compared with previous year**

	<b>Annual Fiscal Report Expenditures 2019-20 Fiscal Year<sup>(b)</sup></b>	<b>Appropriations 2020-21 Fiscal Year<sup>(c)</sup></b>	<b>Recorded Expenditures July 1, 2019 to June 30, 2020<sup>(d)</sup></b>	<b>Recorded Expenditures July 1, 2020 to June 30, 2021<sup>(e)</sup></b>
Commerce.....	\$ 219,272,000	\$ 426,164,200	\$ 226,112,027	\$ 420,546,076
Education.....	14,251,611,000	14,807,614,500	14,245,868,846	14,485,324,989
Environmental Resources.....	369,140,000	321,903,300	292,264,635	324,373,557
Human Relations & Resources .....	16,534,263,000	16,219,499,200	16,496,443,776	19,819,913,429
General Executive.....	1,344,836,000	1,355,233,900	1,254,810,768	3,983,483,054
Judicial.....	147,819,000	148,435,600	147,904,253	151,712,909
Legislative.....	75,475,000	79,301,700	75,488,589	77,828,572
General Appropriations.....	2,741,870,000	2,993,886,700	2,758,677,032	2,792,742,385
<b>TOTAL.....</b>	<b>\$ 35,684,286,000</b>	<b>\$ 36,352,039,100</b>	<b>\$ 35,497,569,924</b>	<b>\$ 42,055,924,970</b>

- (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. The amounts shown are as of June 30, 2020 and do not include expenditures for the 2019-20 fiscal year that were recorded by State agencies during the months of July, August, and September 2020.
- (e) The amounts shown are 2020-21 fiscal year expenditures as recorded by all State agencies. The amounts shown are as of June 30, 2021 and do not include expenditures for the 2020-21 fiscal year that may be recorded by State agencies during the months of July, August, and September 2021.

**Source: Wisconsin Department of Administration.**



**State Obligations; Employee Pension Funds** (Part II; Pages 73-75). Update with the following information:

Annual annuity adjustments for the remainder of calendar year 2021 were announced by the Wisconsin Retirement System (WRS) on March 8, 2021 and include an increase of 5.1% for retirees in the WRS Core Retirement Trust.

Required WRS contributions for all employee types for 2022 were announced on June 25, 2021 and, depending on the employee category, rates will either decrease or remain the same next year. Annual changes in contribution rates are based on investment performance of the WRS Trust Funds and actuarial factors to pre-fund retirement benefits. In general, when trust fund investment earnings are greater than expected, contributions rates may decrease the following year. When earnings are lower than expected, rates may increase to make up for the shortfall.

**WISCONSIN RETIREMENT SYSTEM  
STATE EMPLOYER CONTRIBUTION RATES  
As of January 1, 2022**

<u>Employee Classification</u>	<u>Employee Required</u>	<u>Employer Required</u>	<u>% Change</u>
General, Executive and Elected Officials (including teachers)	6.50%	6.50%	(0.50%)
Protective occupations with Social Security	6.50%	12.00%	0%
Protective occupations without Social Security	6.50%	16.40%	(0.20%)

Source: Department of Employee Trust Funds

**Table II-29; State Assessment (Equalized Value) of Taxable Property** (Part II; Page 87). Replace with the following updated table.

**Table II-29  
STATE ASSESSMENT  
(EQUALIZED VALUE)  
OF TAXABLE PROPERTY**

<u>Calendar Year</u>	<u>Value of Taxable Property</u>	<u>Rate of Increase (Decrease)</u>
2012	\$471,092,529,200	(3.2)%
2013	467,502,564,000	(0.8)
2014	479,023,957,200	2.5
2015	490,602,544,050	2.4
2016	505,124,328,250	3.0
2017	525,984,545,850	4.1
2018	549,532,691,500	4.5
2019	580,872,723,300	5.7
2020	613,136,907,500	5.5
2021	654,820,375,856	6.8

Source: Department of Revenue

**Table II-39; Unemployment Rate Comparison** (Part II; Page 95). Replace with the following updated table.

**Table II-39**  
**UNEMPLOYMENT RATE COMPARISON** <sup>(a)(b)</sup>  
**2016 to 2021**

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>	
	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>
January	4.5	6.8	4.2	4.0	3.5	4.4	3.4	4.5	4.2	5.1	4.7	5.3
February	4.9	6.6	4.0	3.8	3.3	4.1	3.8	4.4	4.4	4.9	5.0	5.2
March	4.8	6.2	3.4	4.5	3.3	3.9	3.6	4.1	3.9	4.6	4.8	5.1
April	4.3	5.7	13.6	14.0	2.7	3.3	3.0	3.7	3.2	4.1	4.2	4.7
May	3.9	5.5	11.9	13.0	2.7	3.4	2.7	3.6	3.0	4.1	3.7	4.5
June	4.5	6.1	8.9	11.0	3.5	3.8	3.5	4.2	3.6	4.5	4.4	5.1
July			7.1	11.0	3.4	4.0	3.2	4.1	3.4	4.6	4.0	5.1
August			6.1	8.5	3.3	3.8	2.9	3.9	3.3	4.5	3.8	5.0
September			4.6	7.7	2.9	3.3	2.4	3.6	2.7	4.1	3.4	4.8
October			5.2	6.6	2.8	3.3	2.4	3.5	2.5	3.9	3.3	4.7
November			4.7	6.4	3.0	3.3	2.5	3.5	2.6	3.9	3.3	4.4
December			<u>5.3</u>	<u>6.5</u>	<u>3.2</u>	<u>3.4</u>	<u>2.8</u>	<u>3.7</u>	<u>2.7</u>	<u>3.9</u>	<u>3.4</u>	<u>4.5</u>
Annual												
Average			6.6	8.1	3.1	3.7	3.0	3.9	3.3	4.4	4.0	4.9

<sup>(a)</sup> Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.

<sup>(b)</sup> Historical information has been adjusted due to benchmarking through the Local Area Unemployment Statistics (LAUS).

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

**Table III-4; Per Capita State General Obligation Debt** (Part III; Page 111). Replace with the following corrected table.

**Table III-4**  
**PER CAPITA STATE GENERAL OBLIGATION DEBT**

<b>Year</b> <b><u>(January 1)</u></b>	<b>Outstanding</b> <b>Indebtedness<sup>(a)</sup></b> <b><u>(Amounts in Thousands)</u></b>	<b>Debt</b> <b><u>Per Capita</u></b>	<b>Debt Per Capita</b> <b>as % of Per</b> <b><u>Capita Income</u></b>
2011	\$ 7,407,431	\$ 1,298.18	3.15 %
2012	7,878,628	1,377.14	3.20
2013	8,385,972	1,461.73	3.38
2014	8,344,530	1,450.97	3.23
2015	8,134,099	1,412.17	3.02
2016	8,238,758	1,427.12	3.00
2017	8,389,197	1,447.66	2.94
2018	8,155,030	1,402.65	2.72
2019	8,212,806	1,410.65	2.65
2020	7,832,171	1,336.53	2.33

<sup>(a)</sup> As of January 1.

**Sources: Legislative Audit Bureau  
Tables II-31 and II-34 in Part II of the 2020 Annual Report**

# Legislative Fiscal Bureau

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*State of Wisconsin*

June 8, 2021

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

Dear Representative Born and Senator Marklein:

In January, this office prepared estimates of general fund tax collections for 2020-21 and the two years of the 2021-23 biennium. The estimates were subsequently modified with the enactment of 2021 Acts 1 and 2, and certain tax law changes included in the federal American Rescue Plan Act (ARPA).

Typically, in May of each odd-numbered year, this office reviews year-to-date tax collections and current economic forecasts to determine if adjustments to the earlier estimates should be made. This year, the review was conducted in June due to the delayed individual income tax filing deadline from April 15 to May 17. This report is based upon actual collection data through May, 2021, and IHS Markit's forecast of the national economy for May, 2021.

The increase in general fund tax collections in 2021, particularly in the months of April and May, is unprecedented. Based upon the strength of collections and the vastly improved economic forecasts for the remainder of this year and the next two years, our analysis indicates that for the three-year period, aggregate general fund tax collections will be \$4,427.4 million above those of the previous estimates (\$1,447.9 million in 2020-21, \$1,543.7 million in 2021-22, and \$1,435.8 million in 2022-23).

## **2020-21 General Fund Condition Statement**

Prior to this analysis, it was projected that the gross balance in the general fund at the end of the 2020-21 fiscal year would be \$1,794.2 million. It is now estimated that the balance will be \$2,610.3 million, an increase of \$816.1 million. The 2020-21 general fund condition statement is shown in Table 1.

**TABLE 1**

**Estimated 2020-21 General Fund Condition Statement**

	<u>2020-21</u>
<b>Revenues</b>	
Opening Balance, July 1	\$1,172,354,000
Taxes	19,253,800,000
Departmental Revenues	
Tribal Gaming	0
Other	<u>537,412,700</u>
Total Available	\$20,963,566,700
 <b>Appropriations, Transfers, and Reserves</b>	
Gross Appropriations	\$18,859,960,900
Transfers to:	
Transportation Fund	44,095,000
Budget Stabilization Fund	807,906,000
Compensation Reserves	94,545,400
Less Lapses	<u>-1,453,295,400</u>
Net Appropriations	\$18,353,211,900
 <b>Balances</b>	
Gross Balance	\$2,610,354,800
Less Required Statutory Balance	<u>-85,000,000</u>
Net Balance, June 30	\$2,525,354,800

The factors that make up the \$816.1 million are as follows. First, tax collections are estimated to be \$1,447.9 million above the previous projection. In addition to the increase in tax collections, general fund expenditures are estimated to be below appropriated amounts by \$92.2 million due to: (a) a reduction in claims for the earned income tax credit (\$53.5 million); (b) a lapse of \$20.0 million in the appropriation for the office of the State Public Defender; and (c) an increase of \$18.7 million in amounts available in the police and fire protection fund, which can be used in lieu of GPR funding for the county and municipal aid program. The above amounts are offset by an increased transfer of \$724.0 million from the general fund to the budget stabilization fund.

**Budget Stabilization Fund**

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 \$1,615.8 million above the amount contained in 2019 Act 9 (the 2019-21 biennial budget). Thus, one-half of that amount (\$807.9 million) is projected to transfer to the budget stabilization fund.

Currently, the balance in the budget stabilization fund is \$762.4 million. With the estimated 2020-21 transfer of \$807.9 million, the balance in the fund would increase to \$1,570.3 million. (This does not include the \$350 million that the Finance Committee recommended for transfer to the budget stabilization fund in 2022-23 as shown in Table 2.)

## 2021-23 General Fund Condition Statement

Previously, based upon actions through June 7, 2021, by the Joint Committee on Finance on the state's 2021-23 budget, it was estimated that the gross balance in the general fund at the end of the 2021-23 biennium would be \$2,082.3 million. The tax collection projections of this analysis indicate that the balance would now increase by \$3,788.2 million to \$5,870.5 million. This is reflected in Table 2, which displays the 2021-23 General Fund Condition Statement.

**TABLE 2**

### 2021-23 General Fund Condition Statement

(Incorporates the June 8 tax collection estimates and the Joint Finance Committee's decisions on the 2021-23 budget through June 7)

	<u>2021-22</u>	<u>2022-23</u>
<b>Revenues</b>		
Opening Balance, July 1	\$2,610,354,800	\$3,963,471,900
Taxes	19,610,600,000	20,482,800,000
Departmental Revenues		
Tribal Gaming Revenues	0	29,160,700
Other	<u>534,005,600</u>	<u>527,293,300</u>
Total Available	\$22,754,960,400	\$25,002,725,900
<b>Appropriations, Transfers, and Reserves</b>		
Gross Appropriations	\$19,044,320,000	\$19,082,023,000
Transfers to:		
Transportation Fund	49,026,500	51,207,000
Budget Stabilization Fund	0	350,000,000
Compensation Reserves	0	0
Less Lapses	<u>-301,858,000</u>	<u>-350,969,300</u>
Net Appropriations	\$18,791,488,500	\$19,132,260,700
<b>Balances</b>		
Gross Balance	\$3,963,471,900	\$5,870,465,200
Less Required Statutory Balance	<u>-90,000,000</u>	<u>-95,000,000</u>
Net Balance, June 30	\$3,873,471,900	\$5,775,465,200

## **General Fund Tax Revenues**

IHS Markit's May economic forecast projects a stronger economic recovery than the January forecast, which was used in preparing the earlier tax revenue estimates. Personal income, personal consumption expenditures (PCE), employment, housing starts, nominal gross domestic product (GDP), real GDP, and economic profits are expected to improve in 2021 through 2023, compared to the January forecast. Specifically, the growth rates for 2021 have improved significantly since January.

The primary factor in the increased estimates is ARPA, the \$1.9 trillion stimulus bill enacted in March. ARPA included stimulus checks of \$1,400 per qualifying person, an extension of emergency unemployment programs through early September, an enhanced unemployment benefit of \$300 per week, funding for a second round of paycheck protection program (PPP) loans and economic injury disaster loan advances, and more than \$1 trillion in aid to states for various purposes. It is estimated that \$2.5 billion in funds will be allocated to Wisconsin. At the time of the January forecast, this stimulus package was not incorporated into the estimates.

Further, at the time of the January estimate, COVID-19 cases were rising across the country and containment measures were increasing. There was uncertainty surrounding the effectiveness of newly-introduced vaccines against new strains of the COVID-19 virus, and the speed at which such vaccines could be distributed to the population. Since that time, new COVID-19 cases have declined rapidly, containment measures have relaxed, and inoculation efforts have accelerated.

Table 3 outlines the May, 2021, economic forecast by IHS Markit. Table 4 shows the revised general fund tax collection estimates for 2020-21 and the two years of the next biennium. It should be noted that the revenue estimates reflect current state and federal law and do not incorporate any of the tax law changes proposed by the Governor in his 2021-23 budget recommendations.

**TABLE 3**

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Nominal GDP	\$20,936.6	\$22,944.2	\$24,514.3	\$25,486.9
Percent Change	-2.3%	9.6%	6.8%	4.0%
Real GDP	\$18,426.1	\$19,663.3	\$20,588.5	\$20,969.4
Percent Change	-3.5%	6.7%	4.7%	1.9%
Consumer Prices (Percent Change)	1.2%	2.6%	1.7%	1.9%
Personal Income	\$19,691.0	\$20,890.6	\$21,062.7	\$21,888.9
Percent Change	6.1%	6.1%	0.8%	3.9%
Nominal PCE	\$14,145.3	\$15,588.1	\$16,570.4	\$17,286.5
Percent Change	-2.7%	10.2%	6.3%	4.3%
Economic Profits	\$2,120.3	\$2,551.2	\$2,705.4	\$2,710.8
Percent Change	-5.8%	20.3%	6.0%	0.2%
Unemployment Rate	8.1%	5.3%	3.8%	3.5%
Total Nonfarm Payrolls (Millions)	142.3	146.8	152.1	154.0
Percent Change	-5.7%	3.2%	3.6%	1.3%
Light Vehicle Sales (Millions of Units)	14.44	16.76	16.77	16.86
Percent Change	-14.9%	16.1%	0.1%	0.5%
Sales of New and Existing Homes (Millions of Units)	6.483	6.884	6.593	6.279
Percent Change	7.8%	6.2%	-4.2%	-4.8%
Housing Starts (Millions of Units)	1.395	1.590	1.444	1.342
Percent Change	7.7%	14.0%	-9.2%	-7.0%



**TABLE 4****Projected General Fund Tax Collections  
(\$ in Millions)**

	<u>2019-21 Biennium</u>		<u>2021-23 Biennium</u>	
	2019-20	2020-21	2021-22	2022-23
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Individual Income	\$8,742.3	\$9,250.0	\$9,720.0	\$10,140.0
Sales and Use	5,836.2	6,325.0	6,640.0	6,845.0
Corporate Income/Franchise	1,607.9	2,330.0	1,910.0	2,160.0
Public Utility	357.2	356.0	354.0	352.0
Excise				
Cigarette	523.5	507.0	494.0	483.0
Tobacco Products	91.3	93.0	96.0	100.0
Vapor Products	1.3	1.3	1.7	2.0
Liquor and Wine	54.8	65.0	60.0	61.0
Beer	8.5	9.5	8.9	8.8
Insurance Company	217.4	201.0	209.0	217.0
Miscellaneous Taxes	<u>91.8</u>	<u>116.0</u>	<u>117.0</u>	<u>114.0</u>
<b>Total</b>	<b>\$17,532.2</b>	<b>\$19,253.8</b>	<b>\$19,610.6</b>	<b>\$20,482.8</b>
Change from Prior Year		\$1,721.6	\$356.8	\$872.2
Percent Change		9.8%	1.9%	4.4%

Based on our review of collections data and the economic forecast, general fund taxes will be higher than previous estimates by \$1,447.9 million in 2020-21, \$1,543.7 million in 2021-22, and \$1,435.8 million in 2022-23. The three-year increase is \$4,427.4 million, or 8.1%.

To date, collections data show significant strength in individual income tax, sales tax, and corporate income/franchise tax, compared to the January estimates. Over the three-year forecast period, the individual income tax estimates have increased by \$2,578.2 million, the sales and use tax estimates have increased by \$990.0 million, and the corporate income/franchise tax estimates have been increased by \$861.6 million (\$4,429.8 million total). The sections below present additional information on each of these tax types.

Among the other general fund taxes, collections show strength in liquor, beer, tobacco, and miscellaneous tax collections relative to the January estimates. However, weaker than estimated collections data and assessments for insurance premiums tax collections and public utility taxes partly offset this growth. On balance, the revisions made to these tax types will reduce estimated tax revenues by \$2.4 million over the three-year period, relative to the previous forecast.

*Individual Income Tax.* Total individual income tax collections are estimated at \$9,250.0 million in 2020-21, which represents growth of 5.8% over the prior fiscal year. Total income tax

revenues are estimated to increase to \$9,720.0 million in 2021-22, and \$10,140.0 million in 2022-23, which represents annual growth of 5.1% and 4.3%, respectively. Relative to the previous income tax revenue estimates, these estimates are higher by \$771.5 million in 2020-21, \$953.1 million in 2021-22, and \$853.6 million in 2022-23 (\$2,578.2 million higher in total). These estimates include the anticipated effects of previously enacted law changes, such as 2021 Act 1 (described in greater detail under corporate income/franchise taxes), and adjustments for the estimated impact of enhanced federal unemployment insurance benefits for 2021.

One factor influencing these higher estimates is the projected growth in estimated payments over the 2021-23 biennium, relative to the January estimates. In January, 2021, the national forecast for the associated economic indicators suggested that estimated payments would contract sharply in 2022, and would post only modest growth thereafter. However, the projection for these same indicators now suggests strong year-over-year growth in estimated payments in 2022 and 2023.

Year-to-date growth in individual income withholding taxes (by far the largest component of the individual income tax) has grown at a formidable 6.02%. At the time of the January, 2021, revenue estimates, year-to-date growth in withholding taxes was about 2.2%. Since that time, actual withholding collections grew by nearly 7% in the first quarter of 2021, relative to the same time period in 2020. The relevant economic indicators predict that growth in withholding will remain relatively strong throughout the 2021-23 biennium, as the economy continues to rebound.

Moreover, year-to-date final payments are considerably larger than previously anticipated. Historical data regarding final payments made during prior economic recessions suggested that these payments might decline precipitously in 2020-21. However, this trend has not materialized in actual collections through May. This is likely due, in part, to the unprecedented level of federal economic assistance provided in response to the pandemic, which has bolstered incomes for many individuals during tax year 2020 and 2021.

*General Sales and Use Tax.* State sales and use tax revenues are estimated at \$6,325 million in 2020-21, which represents growth of 8.4% over the prior year. Sales tax revenues are estimated at \$6,640 million in 2021-22, and \$6,845 million in 2022-23, reflecting growth of 5.0% and 3.1%, respectively. The estimates have been increased by \$410 million in 2020-21, \$330 million in 2021-22, and \$250 million in 2022-23, relative to the previous estimates (\$990 million total).

In January, it was estimated year-over-year growth in sales tax revenues of 1.4% in 2020-21 based, in part, on year-to-date growth of 1.3% through December, as well as tax law changes that were projected to partially offset growth in sales tax collections (primarily the sales tax exemption for internet access services). Through May, year-to-date collections growth is now 8.6%. Collections in February through April (representing January through March taxable sales) were considerably stronger than anticipated, up 17.8% over the same period in 2020. This growth was significantly larger than estimated taxable PCE growth that was included in IHS Markit's January forecast (1.56% for the first quarter of 2021). Strong collections during this period were driven by near historic year-over-year growth in April collections, compared to the same month in

the prior year, which were fueled by stimulus payments distributed in March. Specifically, year-over-year collections grew by more than 36% in April and 32% in May, the highest rate of growth over a two-month period in more than 35 years.

In addition to stronger than anticipated growth in collections, other factors contributing to the increase in estimated 2020-21 sales tax revenues include the easing of COVID-19 containment measures, progress in vaccinations, and improving consumer attitudes toward resumption of social activities, all of which are expected to improve collections in the final months of 2020-21 (and early 2021-22). Compared to the January forecast, the May forecast for taxable PCE growth estimates an accelerated recovery in consumer spending in the remaining months of 2021, with slightly slower growth rates in 2022 and 2023.

*Corporate Income/Franchise Tax.* Corporate income/franchise tax revenues are now projected to be \$2,330.0 million in 2020-21, \$1,910.0 million in 2021-22, and \$2,160.0 million in 2022-23, which reflects annual growth in collections of 45% in 2020-21, reduced annual collections of 18% in 2021-22, and growth of 13% in 2022-23. Compared to the previous estimates, the reestimates represent increased revenues of \$259.1 million in 2020-21, \$262.4 million in 2021-22, and \$340.1 million in 2022-23 (\$861.6 million total). These estimates include the effects of previously enacted law changes, including 2021 Acts 1 and 2.

Collections year-to-date have already exceeded the previous estimate for 2020-21 due to unexpectedly strong March and April estimated payments. Although year-to-date collections are 64% over the previous year, this growth rate is obfuscated by the delayed filing date for corporate taxpayers in the prior year, and is expected to decline over the remainder of the year. In addition, the short term growth outlook has improved relative to January, in part, from the progress of the COVID-19 inoculation campaign and the enactment of ARPA.

It is anticipated that revenues will decline in 2021-22 due to two main factors. First, because state income and franchise tax filing deadlines for estimated payments and net final payments due in April, May, and June of 2020 were extended to July 15, 2020, \$183 million of estimated payments received in July, 2020, were thrown forward and attributed to 2020-21 under DOR's accounting principles, which was \$155 million more than was thrown forward compared to the previous year. Because corporate payments were not extended this year, collections in 2021-22 will not be similarly boosted.

Second, based on information from the Small Business Administration regarding PPP loans, as well as year-to-date corporate income/franchise tax revenue collections, it is anticipated that a significant portion of the fiscal effect of 2021 Act 1 for 2020-21 will be delayed into 2021-22. Act 1 updated state tax law for the changes in federal law under the Consolidated Appropriations Act of 2021. Act 1 also exempted from taxation income received from certain COVID-19 relief programs, including those funded through the Coronavirus Relief Fund created by the federal Coronavirus Aid, Relief, and Economic Security Act. Tax benefits under Act 1 that were previously expected to be utilized in 2020-21 are now anticipated to be used to offset tax liability

during 2021-22 based on: (a) the pace of loan forgiveness sought for PPP loans; and (b) actual revenue collections in the first quarter of 2021, which have not declined.

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

Sincerely,

A handwritten signature in black ink, appearing to read "R. Lang". The signature is stylized with a large initial "R" and a cursive "Lang".

Robert Wm. Lang  
Director

RWL/SE/lb

cc: Members, Wisconsin Legislature

# APPENDIX B

## General Obligation Issuance Status Report August 1, 2021

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O. Refunding Bonds of 2021, Series 4	Total Authorized Unissued Debt
			Interest Earnings <sup>(a)</sup>	Premium <sup>(a)</sup>		
University of Wisconsin; academic facilities.....	\$ 3,564,643,100	\$ 2,366,251,465	\$ 13,084,724	\$ 116,658,567		\$ 1,068,648,344
University of Wisconsin; self-amortizing facilities.....	3,260,597,100	2,533,080,558	2,967,557	105,310,647		619,238,338
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,178,850,000	935,658,444	410,794	41,633,000		201,147,762
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818			139,438
Clean water fund program.....	659,783,200	654,875,234		4,629,374		278,592
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 .....	57,050,000	35,689,569	2,498	3,889,569		17,468,364
Natural resources; environmental repair.....	57,000,000	51,199,261	203,594	773,380		7,673,748
Natural resources; urban nonpoint source cost-sharing.....	61,600,000	48,324,335	31,189	2,751,286		10,493,190
Natural resources; contaminated sediment removal.....	40,000,000	28,635,461		2,042,780		9,321,759
Natural resources; environmental segregated fund supported administrative facilities.....	19,969,200	15,725,610	161	1,295,143		2,948,286
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.....	36,323,200	22,919,742	141,325	68		13,262,065
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.....	157,541,500	102,846,821	93,544	6,182,253		48,418,882

**GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED**  
**AUGUST 1, 2021**

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Refunding Bonds of 2021, Series 4</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings</u> <sup>(a)</sup>	<u>Premium</u> <sup>(a)</sup>		
Natural resources; general fund supported administrative facilities.....	\$ 16,514,100	\$ 14,370,211	\$ 21,753	\$ 685,914		\$ 1,436,222
Natural resources; ice age trail.....	750,000	750,000				
Natural resources; dam safety projects.....	39,500,000	21,597,796	51,291	2,084,533		15,766,380
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	229,298,287	1,306,879	143,743		251,091
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.....	1,453,550,000	1,258,433,137	3,018,078	107,724,471		84,374,314
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	203,628,267	94,291	32,692,924		15,984,518
Transportation; design-build projects.....	20,000,000					20,000,000
Transportation; harbor improvements.....	167,300,000	111,429,002	234,581	8,396,231		47,240,186
Transportation; rail acquisitions and improvements.....	300,300,000	206,920,719	5,187	21,013,652		72,360,442
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000				
Corrections; correctional facilities.....	989,501,800	885,698,740	11,468,918	13,191,302		79,142,840

**GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED**  
**AUGUST 1, 2021**

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Refunding Bonds of 2021, Series 4</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings<sup>(a)</sup></u>	<u>Premium<sup>(a)</sup></u>		
Corrections; self-amortizing facilities and equipment.....	\$ 2,116,300	\$ 2,115,438	\$ 99			\$ 763
Corrections; juvenile correctional facilities.....	32,652,200	28,538,452	108,861	\$ 988		4,003,899
Secured residential care centers for children and youth.....	80,000,000	150,220		32,777		79,817,003
Health services; mental health and secure treatment facilities.....	358,796,500	195,231,591	895,996	6,552,625		156,116,288
Agriculture; soil and water.....	82,075,000	68,340,442	9,110	4,381,274		9,344,174
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.....	270,000,000	168,336,809		11,613,796		90,049,395
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.....	9,510,000,000	6,810,158,916			\$ 326,370,000	2,373,471,084
Building commission; housing state departments and agencies.....	967,725,300	769,447,916	2,356,097	41,535,540		154,385,747
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 <sup>(b)</sup>				11,167
Building commission; other public purposes.....	3,313,406,900	2,525,432,079	8,728,619	90,890,500		688,355,702

**GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED**  
**AUGUST 1, 2021**

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Refunding Bonds of 2021, Series 4</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings<sup>(a)</sup></u>	<u>Premium<sup>(a)</sup></u>		
Medical College of Wisconsin, Inc.;						
basic science education and health information technology facilities.....	\$ 10,000,000	\$ 10,000,000				
Norskedalen Nature and Heritage Center.....	1,048,300					\$ 1,048,300
Bond Health Center.....	1,000,000	983,307		\$ 16,682		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
Psychiatric and behavioral health treatment beds; Marathon County.....	5,000,000			0		5,000,000
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	4,104,366		895,560		74
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	4,115,765		739,566		144,669
Beyond Vision; VisABILITY Center.....	5,000,000					5,000,000
Building Commission; projects.....	25,000,000					25,000,000
Building Commission; center.....	15,000,000					15,000,000
Museum of nature and culture.....	40,000,000					40,000,000



**GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED**  
**AUGUST 1, 2021**

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>G.O. Refunding Bonds of 2021, Series 4</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings<sup>(a)</sup></u>	<u>Premium<sup>(a)</sup></u>		
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.....	17,912,800	9,216,513	847	324,349		8,371,091
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.....	37,350,600	11,845,469	32,509	467,826		25,004,796
Military affairs; armories and military facilities.....	81,922,400	43,205,312	198,829	2,078,102		36,440,157
Veterans affairs; veterans facilities.....	27,359,900	10,557,769	50,593	245,601		16,505,937
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.....	94,271,100	47,554,513	2,427	5,353,002		41,361,158
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
<b>Total.....</b>	<b>\$ 39,188,681,347</b>	<b>\$ 31,507,175,379</b>	<b>\$ 74,220,810</b>	<b>\$781,223,822</b>	<b>\$ 326,370,000</b>	<b>\$ 6,502,545,171</b>

<sup>(a)</sup> 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.

<sup>(b)</sup> 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, 7<sup>th</sup> Floor  
Madison, Wisconsin 53703

**\$326,370,000**

**STATE OF WISCONSIN**

**GENERAL OBLIGATION REFUNDING BONDS OF 2021, SERIES 4 (TAXABLE)**

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$326,370,000 General Obligation Refunding Bonds of 2021, Series 4 (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 October 14, 2020 and February 11, 2021 (**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 respective 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 September 1, 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**

<b>Series</b>	<b>Dated Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Maturity</b>	<b>CUSIP<sup>(a)</sup></b>	<b>Redemption Date</b>	<b>Redemption Price</b>
2015 Series C	9/16/2015	\$ 22,795,000	5.00%	5/1/2031	97705M AZ8	5/1/2024	100%
		23,990,000	5.00	5/1/2032	97705M BA2	5/1/2024	100
		25,245,000	5.00	5/1/2033	97705M BB0	5/1/2024	100
		26,570,000	5.00	5/1/2034	97705M BC8	5/1/2024	100
		27,950,000	5.00	5/1/2035	97705M BD6	5/1/2024	100
		29,420,000	5.00	5/1/2036	97705M BE4	5/1/2024	100
2016 Series D	10/25/2016	15,325,000	5.00	5/1/2031	97705M FL4	5/1/2024	100
		16,140,000	5.00	5/1/2032	97705M FM2	5/1/2024	100
		16,990,000	5.00	5/1/2033	97705M FN0	5/1/2024	100
		17,880,000	5.00	5/1/2034	97705M FP5	5/1/2024	100
		18,830,000	5.00	5/1/2035	97705M FQ3	5/1/2024	100
		19,805,000	5.00	5/1/2036	97705M FR1	5/1/2024	100
2018 Series A	3/15/2018	12,625,000	5.00	5/1/2029	97705M LK9	5/1/2023	100
2018 Series B	10/11/2018	12,055,000	5.00	5/1/2029	97705M MC6	5/1/2023	100
		\$285,620,000					

<sup>(a)</sup> The CUSIP numbers have been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers.

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