

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.

\$212,825,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2021, SERIES B

Dated: Date of Delivery

Due: May 1, as shown below

Ratings	AAA	Kroll Bond Rating Agency, Inc.
	Aa1	Moody's Investors Service, Inc.
	AA+	S&P Global Ratings
Tax Exemption	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals— <i>See pages 7-8.</i>	
	Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 8.</i>	
Redemption	The Bonds maturing on or after May 1, 2030 are callable at par on May 1, 2029 or any date thereafter— <i>See page 2.</i>	
Security Purpose	General obligations of the State of Wisconsin— <i>See page 2.</i> Bond proceeds are being used for various general governmental purposes— <i>See page 3.</i>	
Interest Payment Dates	May 1 and November 1	
First Interest Payment Date	May 1, 2022	
Denominations	Multiples of \$5,000	
Closing/Settlement	On or about December 2, 2021	
Bond Counsel	Foley & Lardner LLP	
Registrar/Paying Agent	Secretary of Administration	
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov	
Book-Entry System	The Depository Trust Company— <i>See pages 3-4.</i>	
2020 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.	

The Bonds were sold at competitive sale on November 9, 2021. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	First Optional	
				Call Date (May 1)	Call Price
97705M VW2	2023	\$ 7,325,000	5.00%	Not Callable	-
97705M VX0	2024	7,365,000	5.00	Not Callable	-
97705M VY8	2025	7,465,000	5.00	Not Callable	-
97705M VZ5	2026	7,625,000	5.00	Not Callable	-
97705M WA9	2027	7,815,000	5.00	Not Callable	-
97705M WB7	2028	8,060,000	5.00	Not Callable	-
97705M WC5	2029	8,315,000	5.00	Not Callable	-
97705M WD3	2030	8,740,000	5.00	2029	100%
97705M WE1	2031	9,180,000	5.00	2029	100
97705M WF8	2032	9,630,000	5.00	2029	100
97705M WG6	2033	10,105,000	5.00	2029	100
97705M WH4	2034	10,605,000	5.00	2029	100
97705M WJ0	2035	11,130,000	5.00	2029	100
97705M WK7	2036	11,670,000	5.00	2029	100
97705M WL5	2037	12,260,000	5.00	2029	100
97705M WM3	2038	13,900,000	4.00	2029	100
97705M WN1	2039	14,480,000	4.00	2029	100
97705M WP6	2040	15,085,000	4.00	2029	100
97705M WQ4	2041	15,710,000	4.00	2029	100
97705M WR2	2042	16,360,000	4.00	2029	100

Purchase Price: \$260,642,204.95

November 9, 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 for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, and anything else related to the offering.

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

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

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

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

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

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members

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	_____
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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
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OTHER PARTICIPANTS

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

DEBT MANAGEMENT AND DISCLOSURE

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

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

Mr. 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.

Description:	State of Wisconsin General Obligation Bonds of 2021, Series B
Principal Amount:	\$212,825,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about December 2, 2021)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2022
Maturities:	May 1, 2023-2042— <i>See front cover.</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2030 are callable at par on May 1, 2029 or any date thereafter— <i>See page 2.</i>
Form:	Book-entry-only— <i>See pages 3-4.</i>
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of November 1, 2021, general obligations of the State were outstanding in the principal amount of \$6,904,953,888.
Additional General Obligation Debt:	The State may issue additional general obligation debt — <i>See page 5.</i>
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals— <i>See pages 7-8.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 8.</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1.</i>
2020 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.

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OFFICIAL STATEMENT
\$212,825,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2021, SERIES B
INTRODUCTION

This Official Statement provides information about the \$212,825,000 General Obligation Bonds of 2021, Series B (**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 an authorizing resolution that the State of Wisconsin Building Commission (**Commission**) adopted on October 20, 2021.

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

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

THE STATE

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

Information concerning the State, its financial condition, and its general obligation debt is included as **APPENDIX A**, which incorporates by reference Parts II and III of the 2020 Annual Report. **APPENDIX A** also makes updates and additions to 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.
- General Fund condition statement and General Fund tax collections for the 2020-21 fiscal year, as included in the Annual Fiscal Report (budgetary basis), dated October 15, 2021.
- Information about the enacted budget for the 2021-23 biennium (**2021 Wisconsin Act 58**).
- Estimated General Fund tax collections for the 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 and for the 2021-22 fiscal year through September 30, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of 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
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.state.wi/capitalfinance
wisconsinbonds.com

THE BONDS

General

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

The Bonds will be dated their date of delivery (expected to be December 2, 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 interest on, each Bond will be paid to the securities depository.

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

Security

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

Redemption Provisions

Optional Redemption

The Bonds maturing on or after May 1, 2030 may be redeemed on May 1, 2029 or any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem the Bonds, and the Capital Finance Director of the State may direct the amounts and maturities of any Bonds to be redeemed.

Selection of Bonds

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

Notice of Redemption

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

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

Registration and Payment of Bonds

So long as the Bonds are in book-entry-only form, payment of the principal of, and interest on, the Bonds on 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. ^(a)
Aa1	Moody's Investors Service, Inc.
AA+	S&P Global Ratings ^(b)

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

^(b) On August 25, 2021, S&P Global Ratings upgraded its rating on the State's outstanding 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.

Application of Bond Proceeds

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

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

Book-Entry-Only Form

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

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

Payment

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

Notices and Voting Rights

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

Redemption

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

Discontinued Service

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

Further Information

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

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

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

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

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

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

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a

cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is \$4,911,152,819, and the cumulative debt limit is \$32,741,018,793. Funding or refunding obligations are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of November 1, 2021, general obligations of the State were outstanding in the principal amount of \$6,904,953,888. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans

General Obligations

The Bonds will be the sixth series of general obligations to be issued in this calendar year. The State has previously issued four series of general obligations in this calendar year, in the aggregate principal amount of \$992 million for refunding purposes and 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 \$774 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of any additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding general obligation commercial paper notes, extendible municipal commercial paper notes, and variable rate demand obligation notes, which were outstanding in the amount of \$272 million as of November 1, 2021. The amount and timing of any issuance of general obligations for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates either with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

The Commission likely will be asked to authorize the issuance of other general obligations for general governmental purposes in calendar year 2022. The amount and timing of issuances in calendar year 2022 of general obligations for this purpose 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 2022 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 issued one series of environmental improvement fund revenue bonds in calendar year 2021 in the principal amount of \$100 million. The amount and timing of any additional issuance of 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.

Underwriting

The Bonds were purchased through competitive bidding on November 9, 2021 by BofA Securities, Inc. (**Underwriter**). The Underwriter paid \$260,642,204.95, and its bid resulted in a true-interest-cost rate to the State of 2.3475%.

Reference Information About the Bonds

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

\$212,825,000
State of Wisconsin
General Obligation Bonds of 2021, Series B

Dated Date: Date of Delivery

First Interest Payment Date: May 1, 2022

Delivery/Settlement Date: On or about December 2, 2021

<u>CUSIP</u>	<u>Due (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield at Issuance</u>	<u>Price at Issuance</u>	<u>First Optional Call Date (May 1)</u>	<u>Call Price</u>
97705M VW2	2023	\$ 7,325,000	5.00%	0.20%	106.773%	Not Callable	-
97705M VX0	2024	7,365,000	5.00	0.26	111.398	Not Callable	-
97705M VY8	2025	7,465,000	5.00	0.38	115.655	Not Callable	-
97705M VZ5	2026	7,625,000	5.00	0.54	119.426	Not Callable	-
97705M WA9	2027	7,815,000	5.00	0.67	122.983	Not Callable	-
97705M WB7	2028	8,060,000	5.00	0.83	125.993	Not Callable	-
97705M WC5	2029	8,315,000	5.00	0.94	129.008	Not Callable	-
97705M WD3	2030	8,740,000	5.00	1.00	128.513	(a) 2029	100%
97705M WE1	2031	9,180,000	5.00	1.02	128.348	(a) 2029	100
97705M WF8	2032	9,630,000	5.00	1.03	128.266	(a) 2029	100
97705M WG6	2033	10,105,000	5.00	1.04	128.184	(a) 2029	100
97705M WH4	2034	10,605,000	5.00	1.05	128.102	(a) 2029	100
97705M WJ0	2035	11,130,000	5.00	1.06	128.020	(a) 2029	100
97705M WK7	2036	11,670,000	5.00	1.06	128.020	(a) 2029	100
97705M WL5	2037	12,260,000	5.00	1.08	127.856	(a) 2029	100
97705M WM3	2038	13,900,000	4.00	1.27	119.257	(a) 2029	100
97705M WN1	2039	14,480,000	4.00	1.30	119.023	(a) 2029	100
97705M WP6	2040	15,085,000	4.00	1.33	118.790	(a) 2029	100
97705M WQ4	2041	15,710,000	4.00	1.35	118.634	(a) 2029	100
97705M WR2	2042	16,360,000	4.00	1.38	118.402	(a) 2029	100

^(a) These Bonds are priced to the May 1, 2029 first optional call date.

Legal Investment

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

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

Legal Opinions

Bond Opinion

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

Attorney General

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

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

Other Legal Matters

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

TAX MATTERS

Tax Exemption

Federal Income Tax

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

The opinion of Bond Counsel will be based on legal authorities that are current as of its date, will cover certain matters not directly addressed by those authorities, and will represent Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It will not be binding on the Internal Revenue Service (**IRS**) or the courts and will not be a guaranty of result. As to questions of fact,

Bond Counsel will rely upon certified proceedings and certifications of public officials and others without independently undertaking to verify them.

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

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

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

Premium Bonds

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

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

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

State of Wisconsin Income and Franchise Taxes

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

CONTINUING DISCLOSURE

The State has made an undertaking to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934. In the undertaking, the State has agreed, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By December 27 of each year, the State has agreed to file the Annual Report with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. The State has also agreed to provide to the MSRB notices of the occurrence of certain events specified in the undertaking.

[Part I of the 2020 Annual Report](#), which contains information on the undertaking, including the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), the Addendum Describing Annual Report for General Obligations, and the form of Supplemental Agreement that will apply the Master Agreement and the Addendum to the Bonds, is included by reference as part of this Official Statement.

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

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

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

Dated: November 9, 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.
- General Fund condition statement and General Fund tax collections for the 2020-21 fiscal year, as included in the Annual Fiscal Report (budgetary basis), dated October 15, 2021.
- Information about the enacted budget for the 2021-23 biennium (**2021 Wisconsin Act 58**).
- Estimated General Fund tax collections for the 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 and for the 2021-22 fiscal year through September 30, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of 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:

Copies of the 2020 Annual Report may also be obtained from:

State of Wisconsin Department of Administration
Capital Finance Office
101 E. Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 267-0374
DOACapitalFinanceOffice@wisconsin.gov

The State has independently provided periodic reports on General Fund financial information. These reports are not required by any of the State's undertakings to provide information concerning the State's securities. These reports are available on the State's Capital Finance Office web site that is listed above and were also filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 2020 Annual Report. The State is not obligated to provide such reports at any time in the future.

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

This Official Statement includes changes or additions that were released after the date of the Preliminary Official Statement (November 2, 2021), and such changes or additions are identified accordingly.

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 approximately \$2.0 billion of federal assistance. As of June 30, 2021, the State had allocated \$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 tourism industry support, (v) \$130 million for workforce initiatives, (vi) \$510 million for investment in the economic well-being 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 October 27, 2021, approximately 55% 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 State of Wisconsin Department of Revenue (**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, 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 the 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, among other provisions, changed 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 2020-21 Fiscal Year (Part II, Page 39). Update with the following information.

Fiscal Year 2020-21 Results

The 2020-21 fiscal year ended on June 30, 2021. The Annual Fiscal Report (budgetary basis) for the 2020-21 fiscal year was published on October 15, 2021. This report includes the ending budgetary undesignated balance for the 2020-21 fiscal year. The State filed the Annual Fiscal Report (budgetary basis) for the 2020-21 fiscal year with the MSRB through its EMMA system, and a copy is available from the State as provided above.

The State ended the 2020-21 fiscal year with an undesignated balance of \$2.581 billion. This amount is \$2.467 billion more than the projected ending balance for that fiscal year in the 2019-21 biennial budget (**2019 Wisconsin Act 9**), \$730 million more than the projected ending balance that was included in a report released by the LFB on January 26, 2021 (**January 2021 LFB Report**), \$29 million less than the projected ending balance that was included in the June 2021 LFB Report, and \$61 million more than the assumed beginning balance for the 2021-22 fiscal year included in 2021 Wisconsin Act 58.

The table below includes the General Fund condition statement for the 2020-21 fiscal year. The table also includes, for comparison, the General Fund condition statement for the 2019-20 fiscal year and the estimated General Fund condition statements included in 2019 Wisconsin Act 9, the January 2021 LFB Report, and the June 2021 LFB Report.

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

	2019-20 Fiscal Year Annual Fiscal Report	2020-21 Fiscal Year			Annual Fiscal Report
		2019 Wisconsin Act 9 ¹	January 2021 LFB Report ²	June 2021 LFB Report	
Revenues					
Opening Balance	\$1,086.9	\$ 792.3	\$1,172.4	\$1,172.4	\$1,172.4
Prior Year Continuing Bal	97.1				600.9
Taxes	17,532.1	17,654.8	18,101.5	19,253.8	19,572.8
Department Revenues					
Tribal Gaming	5.3	24.9			
Other	<u>528.3</u>	<u>530.8</u>	<u>530.3</u>	<u>537.4</u>	<u>585.6</u>
Total Available	\$19,249.7	\$ 19,002.7	\$19,804.2	\$20,963.6	\$21,931.6
Appropriations					
Gross Appropriations	\$18,849.9	\$19,201.8	\$19,190.0	\$18,860.0	\$19,516.0
Biennial Appropriation Adj.			(3.4)		
Sum Sufficient Reestimates			(257.5)		
Compensation Reserves	3.7	94.5	94.6	94.6	87.7
Transfers	149.1	44.1	275.8	852.1	1,011.5
Less: Lapses	<u>(525.3)</u>	<u>(451.8)</u>	<u>(1,346.7)</u>	<u>(1,453.3)</u>	<u>(1,264.7)</u>
Net Appropriations	\$18,077.4	\$18,888.6	\$17,952.8	\$18,353.2	\$19,350.5
Balances					
Gross Balance	\$1,172.4	\$ 114.2	\$1,851.4	\$2,610.4	\$2,581.1
Less: Req. Statutory Balance	<u>n/a</u>	<u>(85.0)</u>	<u>(85.0)</u>	<u>(85.0)</u>	<u>n/a</u>
Net Balance, June 30	\$1,172.4	\$ 29.2	\$1,766.4	\$2,525.4	\$2,581.1

¹ Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Does not reflect the ending actual General Fund balance of the 2019-20 fiscal year of \$1,172 million, as included in the Annual Fiscal Report (budgetary basis) released on October 15, 2020.

² 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.

Fiscal Year 2020-21 Results

The Annual Fiscal Report (budgetary basis) includes the actual General Fund tax collections for the 2020-21 fiscal year. As presented in the table below, collections for fiscal year 2020-21 totaled \$19.573 billion, compared to \$17.532 billion in fiscal year 2019-20, an increase of \$2.041 billion (11.6%). This amount is \$1.918 billion more than the estimated General Fund tax collections for fiscal year 2020-21 in 2019 Wisconsin Act 9, \$1.467 billion more than the projections included in the January 2021 LFB Report, and \$319 million more than the projections included in the June 2021 LFB Report.

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

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 9¹</u>	January 2021 <u>LFB Report²</u>	June 2021 <u>LFB Report</u>	Annual Fiscal <u>Report</u>
Individual Income	\$8,742.3	\$ 9,142.0	\$8,640.0	\$9,250.0	\$9,283.4
Sales and Use	5,836.2	5,960.5	5,915.0	6,325.0	6,373.5
Corp. Income & Franchise	1,607.9	1,205.4	2,205.0	2,330.0	2,560.1
Public Utility	357.1	364.0	352.0	356.0	356.3
Excise					
Cigarettes	523.5	507.0	507.0	507.0	509.8
Tobacco Products	91.4	94.0	90.0	93.0	92.7
Liquor & Wine	54.8	56.0	60.0	65.0	64.6
Vapor Products	1.3	3.2	1.3	1.3	1.6
Beer	8.5	8.9	9.2	9.5	9.2
Insurance Company	217.4	211.0	211.0	201.0	202.1
Miscellaneous Taxes	<u>91.7</u>	<u>102.7</u>	<u>111.0</u>	<u>116.0</u>	<u>119.6</u>
TOTAL	\$17,532.1	\$17,654.8	\$18,101.5	\$19,253.8	\$19,572.8

¹ Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues.

² Does not reflect 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.

June 2021 LFB Report – General Fund Tax Collections

The June 2021 LFB Report included 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.

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, among other provisions, changed 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 had estimated that the fiscal impact of the act would 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 included 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 a report released by the Department of Administration on November 20, 2020 (**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.

October 2021 LFB Memo

On October 18, 2021, LFB released a memo (**October 2021 LFB Memo**) that updates the estimated General Fund condition fund statement for the 2021-22 and 2022-23 fiscal years, and reflects fiscal year 2020-21 results from the Annual Fiscal Report for the 2020-21 fiscal year and DOR's updated individual income tax withholding tables, effective January 1, 2022.

The following table includes the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years from the October 2021 LFB Memo and also includes, for comparison, the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years from 2021 Wisconsin Act 58 and 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		
	<u>Executive Budget^{1,2}</u>	<u>Wisconsin Act 58²</u>	<u>October 2021 LFB Memo</u>	<u>Executive Budget^{1,2}</u>	<u>Wisconsin Act 58²</u>	<u>October 2021 LFB Memo</u>
Revenues						
Opening Balance	\$ 1,894.6	\$ 2,520.4	\$ 2,581.1	\$ 803.2	\$ 2,001.4	\$ 1,352.3
Taxes	18,909.0	18,570.7	17,860.9	19,752.9	19,457.9	19,457.9
Department Revenues						
Tribal Gaming	2.0	0.0	0.0	25.2	20.8	20.8
Other	<u>503.6</u>	<u>464.4</u>	<u>464.3</u>	<u>519.1</u>	<u>471.4</u>	<u>471.3</u>
Total Available	\$21,309.3	\$21,555.4	\$20,906.3	\$21,100.4	\$21,951.4	\$21,951.3
Appropriations						
Gross Appropriations	\$20,715.5	\$19,302.5	\$19,302.5	\$21,121.5	\$19,752.7	\$19,752.7
Compensation Reserves	54.1	41.9	41.9	117.8	106.0	106.0
Transfers	47.3			49.4		
Transportation Fund		178.9	178.9		97.3	97.3
Building Trust Fund		15.0	15.0		0.0	0.0
MA Trust Fund		174.7	174.7		527.8	527.8
UI Trust Fund		60.0	60.0		60.0	60.0
Less: Lapses	<u>(310.8)</u>	<u>(219.0)</u>	<u>(219.0)</u>	<u>(331.0)</u>	<u>(267.1)</u>	<u>(267.1)</u>
Net Appropriations	\$20,506.0	\$19,554.0	\$19,554.0	\$20,957.8	\$20,276.7	\$20,276.7
Balances						
Gross Balance	\$ 803.2	\$ 2,001.4	\$ 1,352.3	\$ 142.7	\$ 1,674.7	\$ 1,025.6
Less: Req. Statutory Balance	<u>(90.0)</u>	<u>(90.0)</u>	<u>(90.0)</u>	<u>(95.0)</u>	<u>(95.0)</u>	<u>(95.0)</u>
Net Balance, June 30	\$ 713.2	\$ 1,911.4	\$ 1,262.3	\$ 47.7	\$ 1,579.7	\$ 930.6

¹ 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 2021-22 and 2022-23 fiscal years.

² Does not reflect DOR's updated individual income tax withholding tables, effective January 1, 2022.

Updating of Individual Income Tax Withholding Tables

On October 7, 2021, DOR announced that it had updated the individual income tax withholding tables, effective January 1, 2022, to reflect the income tax rates, brackets, and sliding scale standard deduction in effect for tax year 2022 under current law. LFB has estimated that this withholding table update will reduce individual income tax revenues on a one-time basis by \$710 million in the 2021-22 fiscal year.

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

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](#).

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

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

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 Report¹</u>	2021 Wisconsin Act 58 ²	November 2020 <u>DOA Report</u>	January 2021 <u>LFB Report¹</u>	2021 Wisconsin Act 58 ²
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 Excise	363.8	359.0	354.0	366.3	361.0	352.0
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

¹ 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.

² Does not reflect DOR's updated individual income tax withholding tables, effective January 1, 2022.

June 2021 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, among other provisions, changed 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 included in the January 2021 LFB Report. 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 and 2021-22 fiscal years. Actual General Fund information for the 2020-21 fiscal year and for the 2021-22 fiscal year through September 30, 2021, and projections for the remainder of the 2021-22 fiscal year, are presented primarily on a cash basis. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

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 tables. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2020 TO JUNE 30, 2021^(a)
(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
BALANCES^{(a)(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^(c)	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^(c)	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
RECEIPTS												
TAX RECEIPTS												
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
Subtotal Tax Receipts	\$ 2,705,343	\$ 1,395,718	\$ 1,920,424	\$ 1,359,514	\$ 1,965,320	\$ 1,810,373	\$ 1,973,079	\$ 1,340,279	\$ 2,054,878	\$ 2,438,790	\$ 1,943,033	\$ 2,318,056
NON-TAX RECEIPTS												
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	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,743,308	\$ 910,348	\$ 1,844,966	\$ 1,584,577	\$ 1,130,674	\$ 1,680,828	\$ 1,842,417	\$ 1,862,524	\$ 1,692,568	\$ 1,439,578	\$ 3,249,300	\$ 1,459,473
TOTAL RECEIPTS	\$ 4,448,651	\$ 2,306,066	\$ 3,765,390	\$ 2,944,091	\$ 3,095,994	\$ 3,491,201	\$ 3,815,496	\$ 3,202,803	\$ 3,747,446	\$ 3,878,368	\$ 5,192,333	\$ 3,777,529
DISBURSEMENTS												
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
TOTAL DISBURSEMENTS	\$ 4,578,717	\$ 2,222,454	\$ 2,864,941	\$ 2,674,912	\$ 2,999,812	\$ 4,564,868	\$ 2,399,950	\$ 3,375,746	\$ 4,686,189	\$ 3,415,709	\$ 2,983,373	\$ 4,417,937

(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

(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, were 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.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2021 TO SEPTEMBER 30, 2021^(a)
PROJECTED GENERAL FUND CASH FLOW; OCTOBER 1, 2021 TO JUNE 30, 2022^(a)
(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
BALANCES^{(a)(b)}												
Beginning Balance	\$ 6,509,076	\$ 5,093,185	\$ 6,203,668	\$ 5,665,226	\$ 5,801,797	\$ 5,245,158	\$ 4,159,610	\$ 5,125,914	\$ 4,485,076	\$ 2,590,428	\$ 2,753,633	\$ 4,508,054
Ending Balance ^(c)	5,093,185	6,203,668	5,665,226	5,801,797	5,245,158	4,159,610	5,125,914	4,485,076	2,590,428	2,753,633	4,508,054	3,418,528
Lowest Daily Balance ^(c)	5,093,185	5,075,509	5,291,351	5,029,537	4,625,817	3,308,325	3,732,802	4,123,743	2,383,052	1,782,078	2,753,633	2,796,214
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 598,809	\$ 1,066,794	\$ 1,026,970	\$ 693,388	\$ 998,159	\$ 818,030	\$ 1,217,281	\$ 736,457	\$ 868,609	\$ 1,310,480	\$ 1,062,792	\$ 936,189
Sales & Use	675,355	654,066	632,209	619,753	597,087	560,826	692,390	513,021	481,335	601,364	564,690	638,103
Corporate Income	104,471	49,338	452,306	69,081	63,889	350,418	94,107	74,641	267,619	270,909	61,318	334,545
Public Utility	22	1	3,267	27,723	186,457	290	167	62	21	6,787	181,923	2,554
Excise	68,763	56,274	60,945	55,044	57,754	53,658	53,524	48,578	47,178	58,212	49,977	58,492
Insurance	38	2,156	46,270	363	2,183	45,251	2,075	24,038	22,407	47,484	2,706	45,211
Subtotal Tax Receipts	\$ 1,447,458	\$ 1,828,629	\$ 2,221,967	\$ 1,465,352	\$ 1,905,529	\$ 1,828,473	\$ 2,059,544	\$ 1,396,797	\$ 1,687,169	\$ 2,295,236	\$ 1,923,406	\$ 2,015,094
NON-TAX RECEIPTS												
Federal	\$ 1,529,190	\$ 1,160,636	\$ 649,608	\$ 790,985	\$ 842,895	\$ 907,729	\$ 1,027,219	\$ 1,005,929	\$ 881,346	\$ 860,123	\$ 2,427,991	\$ 892,756
Other & Transfers	502,537	433,504	796,424	696,064	348,616	501,431	578,222	702,261	634,695	615,221	411,112	570,459
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 2,031,727	\$ 1,594,140	\$ 1,446,032	\$ 1,487,049	\$ 1,191,511	\$ 1,409,160	\$ 1,605,441	\$ 1,708,190	\$ 1,516,041	\$ 1,475,344	\$ 2,839,103	\$ 1,463,215
TOTAL RECEIPTS	\$ 3,479,185	\$ 3,422,769	\$ 3,667,999	\$ 2,952,401	\$ 3,097,040	\$ 3,237,633	\$ 3,664,985	\$ 3,104,987	\$ 3,203,210	\$ 3,770,580	\$ 4,762,509	\$ 3,478,309
DISBURSEMENTS												
Local Aids	\$ 1,578,232	\$ 263,175	\$ 1,008,436	\$ 112,171	\$ 1,076,697	\$ 1,462,539	\$ 240,174	\$ 747,745	\$ 2,086,135	\$ 97,909	\$ 310,498	\$ 2,135,044
Income Maintenance	1,402,008	891,443	888,825	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	455,186	448,505	419,994	447,824	454,086	562,582	498,367	454,086	450,955	447,824	454,086	505,716
Tax Refunds	193,029	150,457	111,592	152,348	166,307	213,686	121,537	638,941	666,131	637,186	231,418	170,012
Debt Service	278,229	-	-	324,812	2,316	-	-	2,315	-	287,710	89,295	-
Miscellaneous	988,392	558,706	1,777,594	777,491	958,980	916,414	815,813	885,952	842,660	997,724	886,187	1,071,424
TOTAL DISBURSEMENTS	\$ 4,895,076	\$ 2,312,286	\$ 4,206,441	\$ 2,815,830	\$ 3,653,680	\$ 4,323,181	\$ 2,698,681	\$ 3,745,825	\$ 5,097,858	\$ 3,607,375	\$ 3,008,088	\$ 4,567,835

(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. Projections and estimates also do not reflect DOR's updated individual income tax withholding tables, effective January 1, 2022. 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. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

HISTORICAL GENERAL FUND CASH FLOW
ACTUAL FISCAL YEARS 2017-18 TO 2020-21^(a)
ACTUAL AND PROJECTED FISCAL YEAR 2021-22^{(a)(b)}
(Amounts in Thousands)

	Actual 2017-18 Fiscal Year	Actual 2018-19 Fiscal Year	Actual 2019-20 Fiscal Year	Actual 2020-21 Fiscal Year	FY22 YTD Actual thru Sep-21; Estimated Oct-21 thru Jun-22^(b)
RECEIPTS					
Tax Receipts					
Individual Income	\$ 9,837,742	\$ 10,557,272	\$ 10,138,020	\$ 12,322,447	\$ 11,333,958
Sales	5,867,099	6,132,089	6,253,771	6,825,242	7,230,199
Corporate Income	1,070,879	1,519,561	1,551,402	2,753,782	2,192,642
Public Utility	416,406	415,047	409,513	409,860	409,274
Excise	689,653	681,262	667,055	683,307	668,399
Insurance	207,953	218,304	242,228	230,169	240,182
Total Tax Receipts	\$ 18,089,732	\$ 19,523,535	\$ 19,261,989	\$ 23,224,807	\$ 22,074,654
Non-Tax Receipts					
Federal	\$ 9,214,957	\$ 10,093,533	\$ 12,725,759	\$ 13,868,008	\$ 12,976,407
Other and Transfers	6,113,708	6,241,726	5,887,398	6,572,553	6,790,546
Total Non-Tax Receipts	\$ 15,328,665	\$ 16,335,259	\$ 18,613,157	\$ 20,440,561	\$ 19,766,953
TOTAL RECEIPTS	\$ 33,418,397	\$ 35,858,794	\$ 37,875,146	\$ 43,665,368	\$ 41,841,607
DISBURSEMENTS					
Local Aids	\$ 9,202,809	\$ 9,698,906	\$ 9,917,134	\$ 10,460,416	\$ 11,118,754
Income Maintenance	9,370,303	9,747,283	10,126,849	11,040,922	12,299,532
Payroll & Related	5,174,225	5,333,395	5,633,397	5,689,539	5,599,211
Tax Refunds	2,703,269	2,785,514	2,992,617	3,533,245	3,452,644
Debt Service	908,172	914,688	875,340	973,718	984,677
Miscellaneous	5,902,369	6,396,205	6,811,025	9,486,768	11,477,337
TOTAL DISBURSEMENTS	\$ 33,261,147	\$ 34,875,991	\$ 36,356,362	\$ 41,184,608	\$ 44,932,155
NET CASH FLOW	\$ 157,250	\$ 982,803	\$ 1,518,784	\$ 2,480,760	\$ (3,090,548)

- (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 2021-22 fiscal year reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, and receipt of ARPA federal funds. Projections and estimates do not reflect DOR's updated individual income tax withholding tables, effective January 1, 2022.

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 tables. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

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

**(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 FY20 Actual to FY21 Actual
	Actual	Actual	Actual	Estimate ^(b)	Variance	Adjusted Variance ^(c)	
RECEIPTS							
Tax Receipts							
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)	
Total Tax Receipts	\$ 19,261,989	\$ 23,224,807	\$ 20,540,168	\$ 2,684,639	\$ 2,684,639	\$ 3,962,818	
Non-Tax Receipts							
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	
Total Non-Tax Receipts	\$ 18,613,157	\$ 20,440,561	\$ 18,937,588	\$ 1,502,973	\$ 1,502,973	\$ 1,827,404	
TOTAL RECEIPTS	\$ 37,875,146	\$ 43,665,368	\$ 39,477,756	\$ 4,187,612	\$ 4,187,612	\$ 5,790,222	
DISBURSEMENTS							
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	
TOTAL DISBURSEMENTS	\$ 36,356,362	\$ 41,184,608	\$ 39,586,746	\$ (1,597,862)	\$ (1,597,862)	\$ 4,828,246	
2020-21 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$ 2,589,750	\$ 2,589,750		

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The projections and estimates for the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the 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 \$1.6 billion in May 2021, but do not reflect the June 2021 LFB Report. The projections and estimates also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for 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.

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
 COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR ^(a)
 (Cash Basis)
 As of September 30, 2021
 (Amounts in Thousands)**

<u>2020-21 Fiscal Year through September 30, 2021</u>		<u>2021-22 Fiscal Year through September 30, 2021</u>					Difference FY22 Actual to FY21 Actual
	<u>Actual</u>	<u>Actual</u>	<u>Estimate^(b)</u>	<u>Variance</u>	<u>Adjusted Variance^(c)</u>		
RECEIPTS							
Tax Receipts							
Individual Income	\$ 3,272,274	\$ 2,692,573	\$ 2,595,756	\$ 96,817	\$ 96,817		\$ (579,701)
Sales	1,748,465	1,961,630	1,896,586	65,044	65,044		213,165
Corporate Income	757,496	606,115	465,929	140,186	140,186		(151,381)
Public Utility	4,012	3,290	1,573	1,717	1,717		(722)
Excise	191,868	185,982	185,521	461	461		(5,886)
Insurance	47,370	48,464	47,612	852	852		1,094
Total Tax Receipts	\$ 6,021,485	\$ 5,498,054	\$ 5,192,977	\$ 305,077	\$ 305,077		\$ (523,431)
Non-Tax Receipts							
Federal	\$ 2,901,423	\$ 3,339,434	\$ 2,887,219	\$ 452,215	\$ 452,215		\$ 438,011
Other and Transfers	1,597,199	1,732,465	1,737,641	(5,176)	(5,176)		135,266
Total Non-Tax Receipts	\$ 4,498,622	\$ 5,071,899	\$ 4,624,860	\$ 447,039	\$ 447,039		\$ 573,277
TOTAL RECEIPTS	\$ 10,520,107	\$ 10,569,953	\$ 9,817,837	\$ 752,116	\$ 752,116		\$ 49,846
DISBURSEMENTS							
Local Aids	\$ 2,656,118	\$ 2,849,843	\$ 2,679,090	\$ (170,753)	\$ (170,753)		\$ 193,725
Income Maintenance	2,853,862	3,182,276	3,314,099	131,823	131,823		328,414
Payroll & Related	1,247,694	1,323,685	1,299,774	(23,911)	(23,911)		75,991
Tax Refunds	540,061	455,078	367,233	(87,845)	(87,845)		(84,983)
Debt Service	251,206	278,229	280,765	2,536	2,536		27,023
Miscellaneous	2,117,171	3,324,692	2,879,031	(445,661)	(445,661)		1,207,521
TOTAL DISBURSEMENTS	\$ 9,666,112	\$ 11,413,803	\$ 10,819,992	\$ (593,811)	\$ (593,811)		\$ 1,747,691

2021-22 FISCAL YEAR VARIANCE YEAR-TO-DATE \$ 158,305 \$ 158,305

- (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 2021-22 fiscal year reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, and receipt of ARPA federal funds. The projections and estimates do not reflect any specific disbursement of remaining CARES Act and ARPA federal funds. Projections and estimates also do not reflect DOR's updated individual income tax withholding tables, effective January 1, 2022.
- (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. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2019 through September 30, 2021 – Actual
October 1, 2021 through June 30, 2022 – Estimated^(b)
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts^(e)	Disbursements^(e)
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	3,479,185	4,895,076
	August.....	5,093,185	3,422,769	2,312,286
	September.....	6,203,668	3,667,999	4,206,441
	October.....	5,665,226	2,952,401	2,815,830
	November.....	5,801,797	3,097,040	3,653,680
	December.....	5,245,158	3,237,633	4,323,181
2022	January.....	4,159,610	3,664,985	2,698,681
	February.....	5,125,914	3,104,987	3,745,825
	March.....	4,485,076	3,203,210	5,097,858
	April.....	2,590,428	3,770,580	3,607,375
	May.....	2,753,633	4,762,509	3,008,088
	June.....	4,508,054	3,478,309	4,567,835

- (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 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. Projections and estimates also do not reflect DOR's updated individual tax withholding tables, effective January 1, 2022.

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. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

**CASH BALANCES IN FUNDS AVAILABLE FOR
 TEMPORARY REALLOCATION ^{(a) (b)}
 July 31, 2019 to September 30, 2021 — Actual
 October 31, 2021 to June 30, 2022 — Projected ^(c)
 (Amounts in Millions)**

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$2.7 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

<u>Month (Last Day)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
January		\$ 1,910	\$ 1,866	\$ 1,866
February		1,929	2,030	2,030
March		1,815	2,000	2,000
April		1,716	2,008	2,008
May		1,670	2,063	2,063
June		1,806	2,337	2,337
July	\$1,783	1,575	2,243	
August	1,776	1,627	2,067	
September	2,025	1,783	2,148	
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

<u>Month (Last Day)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
January		\$ 6,502	\$ 7,130	\$ 7,130
February		6,603	7,602	7,602
March		6,970	7,988	7,988
April		6,990	7,428	7,428
May		6,469	7,529	7,529
June		6,524	7,708	7,708
July	\$6,804	7,004	8,383	
August	5,839	6,087	7,160	
September	5,600	5,970	6,915	
October	5,474	5,410	5,410	
November	5,213	5,418	5,418	
December	6,137	6,549	6,549	

- ^(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- ^(b) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.
- ^(c) The projections and estimates for the 2021-22 fiscal year (cash basis) reflect the June 2021 LFB Report and 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 an expected 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. Projections and estimates also do not reflect DOR's updated individual tax withholding tables, effective January 1, 2022.

Source: Wisconsin Department of Administration.

Table II-16; General Fund Recorded Revenues (Part II; Page 58). Replace with the following updated tables. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2020 to June 30, 2021 compared with previous year

	Annual Fiscal Report Revenues <u>2019-20 Fiscal Year^(b)</u>	Projected Revenues <u>2020-21 Fiscal Year^(c)</u>	Recorded Revenues July 1, 2019 to June 30, 2020 ^(d)	Recorded Revenues July 1, 2020 to June 30, 2021 ^(e)
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 ^(f)	13,645,746,000	11,414,533,600	13,734,173,512	15,712,731,817
Dedicated and Other Revenues ^(g)	<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 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 the expected receipt of \$1.5 billion of 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 the 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 the 2020-21 fiscal year that were 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.

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2021 to September 30, 2021 compared with previous year

	Annual Fiscal Report Revenues <u>2020-21 Fiscal Year^(b)</u>	Projected Revenues <u>2021-22 Fiscal Year^(c)</u>	Recorded Revenues July 1, 2020 to September 30, 2020 ^(d)	Recorded Revenues July 1, 2021 to September 30, 2021 ^(e)
Individual Income Tax	\$ 9,283,388,000	\$ 8,680,464,000	\$ 1,763,275,861	\$ 2,032,358,301
General Sales and Use Tax	6,373,483,000	6,639,600,000	1,024,447,159	1,142,392,620
Corporate Franchise and Income Tax	2,560,148,000	1,910,000,000	520,986,077	503,948,364
Public Utility Taxes	356,256,000	354,000,000	3,161,234	3,270,325
Excise Taxes	677,875,000	660,600,000	129,219,423	123,983,262
Inheritance Taxes	-	-	-	-
Insurance Company Taxes	202,066,000	209,000,000	46,017,834	48,398,181
Miscellaneous Taxes	119,575,000	117,000,000	62,472,736	75,321,679
SUBTOTAL.....	<u>\$ 19,572,791,000</u>	<u>\$ 18,570,664,000</u>	<u>\$ 3,549,580,326</u>	<u>\$ 3,929,672,732</u>
Federal and Other Inter- Governmental Revenues ^(f)	15,575,124,000	12,911,303,100	2,944,792,520	3,671,442,823
Dedicated and Other Revenues ^(g)	<u>7,535,580,000</u>	<u>7,560,096,200</u>	<u>1,729,714,807</u>	<u>1,836,699,204</u>
TOTAL.....	<u>\$ 42,683,495,000</u>	<u>\$ 39,042,063,300</u>	<u>\$ 8,224,087,653</u>	<u>\$ 9,437,814,758</u>

- (a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2020-21 fiscal year dated October 15, 2021.
- (c) The estimates and projections for the 2021-22 fiscal year (cash basis) reflect the 2021-23 biennial budget (2021 Wisconsin Act 58) but do not reflect 2021 Wisconsin Act 1.
- (d) The amounts shown are the 2020-21 fiscal year general purpose revenues and program revenues taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in 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 the 2021-22 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration.

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 60). Replace with the following updated tables. The General Fund information for the 2021-22 fiscal year through September 30, 2021 became available after the date of the Preliminary Official Statement.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2020 to June 30, 2021 compared with previous year^(b)**

	Annual Fiscal Report Expenditures 2019-20 Fiscal Year^(b)	Appropriations 2020-21 Fiscal Year^(c)	Recorded Expenditures July 1, 2019 to June 30, 2020^(d)	Recorded Expenditures July 1, 2020 to June 30, 2021^(e)
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
TOTAL.....	\$ 35,684,286,000	\$ 36,352,039,100	\$ 35,497,569,924	\$ 42,055,924,970

- (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 were recorded by State agencies during the months of July, August, and September 2021.

Source: Wisconsin Department of Administration.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2021 to September 30, 2021 compared with previous year^(b)

	Annual Fiscal Report Expenditures <u>2020-21 Fiscal Year^(b)</u>	Appropriations <u>2021-22 Fiscal Year^(c)</u>	Recorded Expenditures July 1, 2020 to <u>September 30, 2020^(d)</u>	Recorded Expenditures July 1, 2021 to <u>September 30, 2021^(e)</u>
Commerce.....	\$ 219,272,000	\$ 409,430,100	\$ 216,560,450	\$ 242,452,278
Education.....	14,251,611,000	15,204,373,000	2,729,988,685	2,959,933,780
Environmental Resources.....	369,140,000	307,184,100	21,106,128	23,115,381
Human Relations & Resources	16,534,263,000	17,816,688,700	4,325,825,749	4,665,136,505
General Executive.....	1,344,836,000	1,237,954,700	686,262,683	790,791,913
Judicial.....	147,819,000	150,502,500	44,897,028	49,434,359
Legislative.....	75,475,000	88,294,800	14,865,097	15,657,660
General Appropriations.....	2,741,870,000	2,866,116,200	1,419,673,894	1,452,685,167
TOTAL.....	<u>\$ 35,684,286,000</u>	<u>\$ 38,080,544,100</u>	<u>\$ 9,459,179,713</u>	<u>\$ 10,199,207,044</u>

- (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 2020-21 fiscal year, dated October 15, 2021.
- (c) The appropriations included in this table reflect the 2021-23 biennial budget (2021 Wisconsin Act 58).
- (d) The amounts shown are 2020-21 fiscal year expenditures as recorded by all State agencies.
- (e) The amounts shown are 2021-22 fiscal year expenditures as recorded by all State agencies.

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 ^{(a)(b)}
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	4.1	5.7	7.1	11.0	3.4	4.0	3.2	4.1	3.4	4.6	4.0	5.1
August	4.0	5.3	6.1	8.5	3.3	3.8	2.9	3.9	3.3	4.5	3.8	5.0
September	3.3	4.6	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

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

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

Source: 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

Year (January 1)	Outstanding Indebtedness^(a) (Amounts in Thousands)	Debt Per Capita	Debt Per Capita as % of Per Capita Income
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

^(a) 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

Robert Wm. Lang, Director



State of Wisconsin

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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>
Revenues	
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
 Appropriations, Transfers, and Reserves	
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
 Balances	
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>
Revenues		
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
Appropriations, Transfers, and Reserves		
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
Balances		
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>
Total	\$17,532.2	\$19,253.8	\$19,610.6	\$20,482.8
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

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APPENDIX B
GENERAL OBLIGATION ISSUANCE STATUS REPORT
NOVEMBER 1, 2021

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O.Bonds of 2021, Series B^(b)	Total Authorized Unissued Debt
			Interest Earnings^(a)	Premium^(a)		
University of Wisconsin; academic facilities.....	\$ 3,564,643,100	\$ 2,366,251,465	\$ 13,084,724	\$ 116,658,567	\$ 73,599,211	\$ 995,049,133
University of Wisconsin; self-amortizing facilities.....	3,260,597,100	2,533,080,558	2,967,557	105,310,647	77,272,171	541,966,167
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,178,850,000	935,658,444	410,794	41,633,000	7,704,917	193,442,845
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	1,626,983	15,841,381
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	555,994	9,937,196
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	929,990	2,018,296
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	1,720,982	46,697,900

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 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.Bonds of 2021, Series B^(b)</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
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	299,997	15,466,383
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	965	250,126
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	8,248,012	13,321,742
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	2,302,975	13,681,543
Transportation; design-build projects.....	20,000,000					20,000,000
Transportation; harbor improvements.....	167,300,000	111,429,002	234,581	8,396,231	6,964,925	40,275,261
Transportation; rail acquisitions and improvements.....	300,300,000	206,920,719	5,187	21,013,652	2,379,974	69,980,468
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	17,399,813	61,743,027

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 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. Bonds of 2021, Series B^(b)</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
Corrections; self-amortizing facilities and equipment.....	\$ 2,116,300	\$ 2,115,438	\$ 99			\$ 763
Corrections; juvenile correctional facilities.....	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	\$ 369,996	79,447,007
Health services; mental health and secure treatment facilities.....	358,796,500	195,231,591	895,996	6,552,625	2,599,972	153,516,316
Agriculture; soil and water.....	82,075,000	68,340,442	9,110	4,381,274	699,992	8,644,182
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	2,499,973	87,549,422
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	7,136,528,916				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 ^(c)				11,167
Building commission; other public purposes.....	3,313,406,900	2,525,432,079	8,728,619	90,890,500	51,000,388	637,355,314

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
NOVEMBER 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.Bonds of 2021, Series B^(b)</u>	<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>		
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities.....	\$ 10,000,000	\$ 10,000,000				
Norskedalen Nature and Heritage Center.....	1,048,300					\$ 1,048,300
Bond Health Center.....	1,000,000	983,307		\$ 16,682		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	\$ 204,998	202,586
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
NOVEMBER 1, 2021

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		G.O.Bonds of 2021, Series B^(b)	Total Authorized Unissued Debt
			Interest Earnings^(a)	Premium^(a)		
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	\$ 25,000	8,346,091
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	234,997	16,270,940
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	1,999,979	39,361,179
State fair park board; board facilities.....	14,787,100	14,769,363	1			17,736
State fair park board; housing facilities.....	11,000,000	10,999,985	15			
State fair park board; self-amortizing facilities.....	55,187,100	52,699,335	22,401	13,596		2,451,768
Total.....	\$ 39,188,681,347	\$ 31,833,545,379	\$ 74,220,810	\$781,223,822	\$ 260,642,205	\$ 6,241,902,967

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

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

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

Source: Department of Administration.

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APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

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

Subject:

\$212,825,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2021, SERIES B

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$212,825,000 General Obligation Bonds of 2021, Series B, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on October 20, 2021 (**Resolution**).

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

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

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

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

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated November 9, 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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