

OFFICIAL STATEMENT

New Issue

This Official Statement provides information about the 2021 Series 1 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.

\$143,180,000

STATE OF WISCONSIN

TRANSPORTATION REVENUE REFUNDING BONDS, 2021 SERIES 1 (TAXABLE)

Dated: Date of Delivery

Due: July 1, as shown below

Ratings	AA+ Fitch Ratings AAA Kroll Bond Rating Agency, Inc. AA+ S&P Global Ratings
Tax Matters	Interest on the 2021 Series 1 Bonds is included in gross income for federal income tax purposes. Interest on the 2021 Series 1 Bonds is not exempt from State of Wisconsin income or franchise taxes— <i>See page 13.</i>
Redemption	The 2021 Series 1 Bonds maturing on or after July 1, 2032 are subject to optional redemption at par (100%) on July 1, 2031 or any date thereafter— <i>Page 4.</i> The 2021 Series 1 Bonds are subject to optional redemption on any Business Day at the Make-Whole Redemption Price— <i>Pages 4-5.</i>
Security	The Bonds have a first claim on vehicle registration fees (which are a substantial portion of pledged Program Income) and other vehicle registration-related fees including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees— <i>Pages 7-10.</i>
Priority	The 2021 Series 1 Bonds are issued on a parity with the Prior Bonds, which are outstanding as of July 1, 2021 in the amount of \$1,694,310,000, and any additional parity Bonds issued by the State pursuant to the General Resolution.
Purpose	Proceeds will be used to advance refund certain Outstanding Bonds and to pay costs of issuance— <i>Pages 2-3.</i>
Interest Payment Dates	January 1 and July 1
First Interest Payment Date	January 1, 2022
Closing/Settlement	On or about August 12, 2021
Denominations	Multiples of \$5,000
Book-Entry-Only Form	The Depository Trust Company— <i>Pages 5-7.</i>
Trustee/Registrar/Paying Agent	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel	Quarles & Brady LLP
Issuer Contact	Wisconsin Capital Finance Office; (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
2020 Annual Report	This Official Statement incorporates by reference Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.

The prices and yields listed were determined on July 13, 2021 at negotiated sale.

Morgan Stanley	Siebert Williams Shank & Co., LLC	
Academy Securities	Cabrera Capital Markets, LLC	FHN Financial Capital Markets
Mesirow Financial, Inc.		RBC Capital Markets

July 13, 2021

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

\$143,180,000

STATE OF WISCONSIN

TRANSPORTATION REVENUE REFUNDING BONDS, 2021 SERIES 1 (TAXABLE)

CUSIP	Year (July 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Par Call Date (July 1)^(a)	Call Price
977123 2N7	2024	\$ 8,930,000	0.567%	0.567%	100.000%	Not Callable	-
977123 2P2	2027	2,640,000	1.313	1.313	100.000	Not Callable	-
977123 2Q0	2028	2,675,000	1.463	1.463	100.000	Not Callable	-
977123 2R8	2029	2,715,000	1.617	1.617	100.000	Not Callable	-
977123 2S6	2030	2,760,000	1.717	1.717	100.000	Not Callable	-
977123 2T4	2031	16,715,000	1.767	1.767	100.000	Not Callable	-
977123 2U1	2032	11,165,000	1.867	1.867	100.000	2031	100%
977123 2V9	2033	11,380,000	1.967	1.967	100.000	2031	100
977123 2W7	2034	11,600,000	2.067	2.067	100.000	2031	100
977123 2X5	2035	30,325,000	2.167	2.167	100.000	2031	100
977123 2Y3	2036	30,985,000	2.217	2.217	100.000	2031	100
977123 2Z0	2037	11,290,000	2.317	2.317	100.000	2031	100

^(a) All of the 2021 Series 1 Bonds are subject to optional redemption on any Business Day at the Make-Whole Redemption Price described under "**THE BONDS; Redemption Provisions; Optional Redemption With Make Whole Premium**" herein.

STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF 2021 SERIES 1 BONDS

BUILDING COMMISSION MEMBERS*

Voting Members

	Term of Office Expires
Governor Tony Evers, Chairperson	January 9, 2023
Representative Rob Swearingen, Vice Chairperson	January 9, 2023
Senator Andre Jacque	January 9, 2023
Senator Jerry Petrowski	January 9, 2023
Senator Janis Ringhand	January 9, 2023
Representative Jill Billings	January 9, 2023
Representative Robert Wittke	January 9, 2023
Ms. Summer Strand, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

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

Ms. Naomi De Mers, Administrator Division of Facilities Development 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 Brennan, Secretary Department of Administration	At the pleasure of the Governor
Mr. Craig Thompson, Secretary-Designee Department of Transportation	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
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 2021 SERIES 1 BONDS

Selected information is presented on this page for the convenience of the 2021 Series 1 Bonds. To make an informed decision regarding the 2021 Series 1 Bonds, a prospective investor should read this entire Official Statement.

Principal Amount and Description:	\$143,180,000 State of Wisconsin Transportation Revenue Refunding Bonds, 2021 Series 1 (Taxable)
Denominations:	Multiples of \$5,000
Date of Issue:	On or about August 12, 2021
Interest Payment:	January 1 and July 1, starting January 1, 2022
Maturities:	July 1, 2024 and 2027-37— <i>See inside front cover</i>
Record Date:	December 15 or June 15
Redemption:	<i>Optional Redemption at Par</i> —The 2021 Series 1 Bonds maturing on or after July 1, 2032 are subject to optional redemption at par (100%) on any date on or after July 1, 2031— <i>Page 4</i> <i>Optional with Make-Whole Premium</i> —The 2021 Series 1 Bonds are subject to optional redemption on any Business Day at the Make-Whole Redemption Price— <i>Pages 4-5</i>
Form:	Book-entry-only— <i>Pages 5-7</i>
Paying Agent:	All payments of principal and interest on the 2021 Series 1 Bonds will be made by The Bank of New York Mellon Trust Company, N.A., or its successor. All payments will be made to The Depository Trust Company, which will distribute payments as described herein.
Authority for Issuance:	The 2021 Series 1 Bonds are issued under Chapter 18 and Section 84.59 of the Wisconsin Statutes.
Purpose:	Proceeds of the 2021 Series 1 Bonds will be used to advance refund certain Outstanding Bonds and to pay costs of issuance.
Security:	The Bonds are revenue obligations having a first claim on vehicle registration fees (which are a substantial portion of pledged Program Income) and on other vehicle registration-related fees including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees— <i>Pages 7-10</i>
Priority and Additional Bonds:	The 2021 Series 1 Bonds are issued on a parity with the Outstanding Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution. As of July 1, 2021, \$1,694,310,000 of Prior Bonds were Outstanding. The State may, if certain conditions are met, issue additional transportation revenue obligations on parity with the Prior Bonds and the 2021 Series 1 Bonds— <i>Page 7</i>
Legality of Investment:	State law provides that the 2021 Series 1 Bonds are legal investments for all banks and bankers, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State, the State investment board and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Matters:	Interest on the 2021 Series 1 Bonds is included in gross income for federal income tax purposes— <i>Page 13</i> Interest on the 2021 Series 1 Bonds is not exempt from State of Wisconsin income or franchise taxes— <i>Page 13</i>
Legal Opinion:	Validity opinion to be provided by Quarles & Brady LLP— <i>Appendix C</i>
2020 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.

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OFFICIAL STATEMENT

\$143,180,000

STATE OF WISCONSIN

TRANSPORTATION REVENUE REFUNDING BONDS, 2021 SERIES 1 (TAXABLE)

INTRODUCTION

This Official Statement sets forth information concerning the \$143,180,000 State of Wisconsin Transportation Revenue Refunding Bonds, 2021 Series 1 (Taxable) (**2021 Series 1 Bonds**), issued by the State of Wisconsin (**State**). This Official Statement includes by reference, and makes updates and additions to, Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020 (**2020 Annual Report**).

The 2021 Series 1 Bonds are revenue obligations issued for the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program (**Program**), authorized by Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended (**Revenue Obligations Act**) and Section 84.59 of the Wisconsin Statutes (**Act**), and issued pursuant to a General Resolution adopted by the State of Wisconsin Building Commission (**Commission**) on June 26, 1986, as supplemented on March 19, 1998, August 9, 2000, and October 15, 2003 (**General Resolution**), and a series resolution adopted by the Commission on May 26, 2021 (**Series Resolution**) (collectively, with the General Resolution, the **Resolutions**).

The 2021 Series 1 Bonds, the Prior Bonds, and any additional parity Bonds (as such terms are defined herein) issued by the State pursuant to the General Resolution, are secured by a first lien pledge of Program Income. Program Income (as defined herein) includes vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes and certain other vehicle registration-related fees added pursuant to 2003 Wisconsin Act 33 and a supplement to the General Resolution adopted on October 15, 2003. See "**SECURITY FOR THE BONDS**".

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell transportation revenue obligations of the State. The Commission is assisted and staffed by the State of Wisconsin Department of Administration.

In connection with the issuance and sale of the 2021 Series 1 Bonds, the Commission has authorized the preparation of this Official Statement. This Official Statement describes the terms of and security for the 2021 Series 1 Bonds. Copies of the Resolutions, the Revenue Obligations Act and the Act are available from the Commission. All capitalized terms used in this Official Statement and not otherwise defined shall have the meanings assigned in the Resolutions. Certain documents are expressly incorporated into this Official Statement by reference, however, all other web sites listed in this Official Statement are provided for informational purposes only and are not incorporated by reference into this Official Statement.

THE DEPARTMENT OF TRANSPORTATION

The State of Wisconsin Department of Transportation (**Department** or **WisDOT**) is the State agency that is involved with all forms of transportation in the State, including the construction and reconstruction of State highways and related transportation facilities and the registration of all motor vehicles. The Department is also the State agency responsible for the collection of vehicle registration fees and other vehicle registration-related fees, which are pledged as security for the revenue obligations issued by the State pursuant to the General Resolution.

Information concerning the Department is included as **APPENDIX A** to this Official Statement, which includes by reference Part V of the 2020 Annual Report. **APPENDIX A** also makes certain updates and additions to Part V of the 2020 Annual Report.

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 and its financial condition is included as **APPENDIX B**, which includes by reference Part II of the 2020 Annual Report. **APPENDIX B** also makes updates and additions to Part II 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.
- Estimated General Fund condition statement for the 2020-21 fiscal year and estimated General Fund tax collections for the 2020-21, 2021-22, and 2022-23 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on June 8, 2021 (**June 2021 LFB Report**).
- Enacted legislation that will affect General Fund tax collections in the 2020-21, 2021-22, and 2022-23 fiscal years (**2021 Wisconsin Act 1**).
- Estimated General Fund condition statement for the 2020-21 fiscal year and estimated General Fund tax collections for the 2020-21, 2021-22, and 2022-23 fiscal years, as included in a report provided by the LFB on January 26, 2021 (**January 2021 LFB Report**).
- Information about the executive budget for the 2021-23 biennium along with Legislative Joint Committee on Finance, Legislative, and Governor actions relating to such budget.
- General Fund information for the 2020-21 fiscal year through May 31, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2020-21 fiscal year and the 2021-22 fiscal year, which is presented on a cash basis.

Requests for additional public information about the State, the Department, or the Program may be directed to:

Contact: Department of Administration
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.wi.gov/capitalfinance
wisconsinbonds.com

PLAN OF FINANCE

General

The Legislature has authorized the issuance of revenue obligations to finance the costs of State transportation facilities and highway projects (**Projects**) and to refund Outstanding Bonds previously issued for that purpose. The 2021 Series 1 Bonds are being issued to advance refund certain Outstanding Bonds, or portions thereof, previously issued for Projects and to pay for costs of issuance.

Advance Refunding

Upon issuance of the 2021 Series 1 Bonds, proceeds of the 2021 Series 1 Bonds will be used to advance refund all, or a portion of, certain Outstanding Bonds (**Advance Refunding**). The total principal amount of refunded maturities, or portions thereof, of such Outstanding Bonds is \$126,500,000 (**Refunded Bonds**). **APPENDIX D** identifies and provides information about the Refunded Bonds.

To provide for the Advance Refunding, upon delivery of the 2021 Series 1 Bonds, proceeds will be used to purchase direct obligations of, and obligations guaranteed by, the United States of America (**Government Obligations**). These Government Obligations, together with the interest to be earned and a beginning cash deposit, will be sufficient:

- to pay when due the interest on the Refunded Bonds to and including their respective redemption or maturity dates, and
- to redeem or pay the principal of the Refunded Bonds on their respective redemption or maturity dates at their respective redemption prices or amounts of maturing principal.

In the opinion of Bond Counsel, upon the State making the deposits into the Escrow Fund, as outlined below, the Refunded Bonds will be deemed to be paid for purposes of the General Resolution and will no longer be considered outstanding under the General Resolution.

Refunding Escrow Agreement

For the Advance Refunding, the Government Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund (**Escrow Fund**) created by a Refunding Escrow Agreement (**Escrow Agreement**), between the State and The Bank of New York Mellon Trust Company, N.A. (**Escrow Trustee**) solely for the benefit of the owners of the Refunded Bonds.

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

The arithmetical accuracy of the computations of the sufficiency of the amounts deposited into the Escrow Fund will be independently verified by Robert Thomas CPA, LLC (**Verification Agent**).

Sources and Applications

It is expected that the proceeds of the 2021 Series 1 Bonds will be applied as follows:

Sources	
Principal Amount.....	<u>\$143,180,000.00</u>
Total Sources.....	<u>\$143,180,000.00</u>
Applications	
Deposit to Escrow Fund.....	\$142,412,568.27
Deposit to the Program Account to Pay	
Costs of Issuance	143,320.27
Underwriters' Discount.....	<u>624,111.46</u>
Total Applications	<u>\$143,180,000.00</u>

THE 2021 SERIES 1 BONDS

General

The 2021 Series 1 Bonds are issued under the General Resolution. The **inside front cover of this Official Statement** sets forth the maturity dates, principal amounts, interest rates, and other information for the 2021 Series 1 Bonds.

The 2021 Series 1 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, as the securities depository for the 2021 Series 1 Bonds, The Depository Trust Company, New York, New York (DTC). See **“THE 2021 SERIES 1 BONDS; Book-Entry-Only Form”**.

The 2021 Series 1 Bonds will be dated their date of delivery (expected to be August 12, 2021) and will bear interest from that date payable on January 1 and July 1 of each year, beginning on January 1, 2022.

Interest on the 2021 Series 1 Bonds will be computed on the basis of a 30-day month and a 360-day year. So long as such 2021 Series 1 Bonds are in book-entry-only form, payments of principal and interest for each 2021 Series 1 Bond will be paid to the securities depository.

The 2021 Series 1 Bonds are issued as fully-registered bonds without coupons in the principal denominations of \$5,000 or any multiples thereof.

The Bank of New York Mellon Trust Company, N.A., or its successor, is the trustee for the 2021 Series 1 Bonds (**Trustee**). In addition, the Trustee is the registrar (**Registrar**) and paying agent (**Paying Agent**) for the 2021 Series 1 Bonds.

Optional Redemption at Par

The 2021 Series 1 Bonds maturing on or after July 1, 2032 are subject to optional redemption, at the option of the Commission, on July 1, 2031 or any date after that date, in whole or in part in integral multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the date of redemption.

In the event of partial redemption, the Commission shall direct the amounts and maturity or maturities of the 2021 Series 1 Bonds to be redeemed.

Optional Redemption With Make-Whole Redemption Premium

The 2021 Series 1 Bonds may be redeemed on any Business Day, in whole or in part in multiples of \$5,000, in such principal amounts and from such maturities as the Commission may determine, at a redemption price (**Make-Whole Redemption Price**) equal to the greater of:

- (A) 100% of the principal amount of the 2021 Series 1 Bonds to be redeemed, or
- (B) the sum of the present values of the applicable remaining payments of principal and interest on the 2021 Series 1 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such 2021 Series 1 Bonds are to be redeemed, discounted to the date of redemption of such 2021 Series 1 Bonds on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus (i) 5 basis points (.05%) for the 2021 Series 1 Bonds maturing in the years 2024 and 2027 through and including 2030, (ii) 10 basis points (.10%) for the 2021 Series 1 Bonds maturing in the years 2031 through and including 2034, and (iii) 15 basis points (.15%) for the 2021 Series 1 Bonds maturing on and after July 1, 2035,

plus, in each case, accrued interest on the 2021 Series 1 Bonds to be redeemed to the date fixed for redemption.

For purposes of determining the Make-Whole Redemption Price:

- (i) "Treasury Rate" means, with respect to any redemption date for a particular 2021 Series 1 Bond, the yield to maturity of United States Treasury securities (excluding inflation indexed securities) with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available not less than ten Business Days nor more than 45 calendar days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)), most nearly equal to the period from the redemption date to the maturity date of the 2021 Series 1 Bond to be redeemed, as determined by the Designated Consultant. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.
- (ii) "Designated Consultant" means an independent accounting firm, investment banking firm, or financial advisor retained by the State at the State's expense.
- (iii) "Business Day" means a day which is not (1) a Saturday or Sunday, (2) a day on which commercial banks are required or authorized by law to be closed in the State, or (3) a day on

which The New York Stock Exchange is closed for the entire day or federal reserve banks are closed.

In the event of partial redemption, the Commission shall direct the amounts and maturity or maturities of the 2021 Series 1 Bonds to be redeemed.

Selection of 2021 Series 1 Bonds for Redemption

The 2021 Series 1 Bonds shall be called for redemption in multiples of \$5,000 and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be selected for redemption in part. If the 2021 Series 1 Bonds are in book-entry form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of the 2021 Series 1 Bonds affected thereby shall be made solely by DTC and the DTC Participants in accordance with their then prevailing rules. If the 2021 Series 1 Bonds are in certificated form and less than all of a particular maturity are to be redeemed, selection shall be by lot.

Notice of Redemption

So long as the 2021 Series 1 Bonds are in book-entry form, a notice of the redemption of any 2021 Series 1 Bonds shall be sent to the securities depository not less than 30 days or more than 60 days prior to the date of redemption.

Interest on any 2021 Series 1 Bond so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for.

Ratings

The following ratings are assigned to the 2021 Series 1 Bonds:

<u>Rating</u>	<u>Rating Agency</u>
AA+	Fitch Ratings
AAA	Kroll Bond Rating Agency, Inc.
AA+	S&P Global Ratings

Any explanation of what a rating means may only be obtained from the rating organization giving the rating. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time. No one can offer any assurance that a rating will be maintained for any period of time. Any downgrade or withdrawal of a rating may adversely affect the market price of the 2021 Series 1 Bonds and the Outstanding Bonds. The State may elect not to continue requesting ratings on the 2021 Series 1 Bonds and the Outstanding Bonds from any particular rating organization or may elect to request ratings on the 2021 Series 1 Bonds and the Outstanding Bonds from a different rating organization.

Book-Entry-Only Form

The 2021 Series 1 Bonds are being initially issued in book-entry-only form. Purchasers of the 2021 Series 1 Bonds will not receive bond certificates but instead will have their ownership 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 securities depository for the 2021 Series 1 Bonds. Ownership of the 2021 Series 1 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 2021 Series 1 Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The Trustee will make all payments of principal of, interest on, and any redemption premium on the 2021 Series 1 Bonds to DTC. Owners of the 2021 Series 1 Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State and Trustee will provide notices and other communications about the 2021 Series 1 Bonds to DTC. Owners of the 2021 Series 1 Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but rather will give a proxy through the DTC Participants.

Redemption

If less than all of the 2021 Series 1 Bonds of a given maturity or Sinking Fund Installment is to be redeemed, DTC's practice is to determine by lottery the amount of the 2021 Series 1 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 and a successor securities depository were not obtained, 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 and Trustee are not responsible for any information available on DTC's web site. That information may be subject to change without notice.

The State and Trustee are not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the 2021 Series 1 Bonds or to follow the procedures established by DTC for its book-entry system.

Provisions Upon Discontinuance of Book-Entry-Only System

In the event the 2021 Series 1 Bonds were not in book-entry-only form, how the 2021 Series 1 Bonds are paid, redeemed, and transferred would differ as described below.

Payment

Payment of principal would be made by check or draft issued upon presentation and surrender of the 2021 Series 1 Bonds at the office of the Paying Agent. Payment of interest due on the 2021 Series 1 Bonds would be made by check or draft mailed to the registered owner shown in the registration books on the Record Date, which is the 15th day of the month (whether or not a business day) preceding the Interest Payment Date.

Redemption

If less than all of a particular maturity of the 2021 Series 1 Bonds is to be redeemed, selection for redemption would be by lot. Any notice of the redemption of any 2021 Series 1 Bonds would be mailed not less than 30 days prior to the date of redemption to the registered owners of any 2021 Series 1 Bonds to be redeemed. Interest on any 2021 Series 1 Bond called for redemption would cease to accrue on the redemption date so long as the 2021 Series 1 Bond was paid or money was on deposit with the Registrar or Paying Agent for its payment.

Transfer

Any 2021 Series 1 Bond would be transferred by the person in whose name it is registered, in person or by his duly authorized legal representative, upon surrender of the 2021 Series 1 Bond to the Registrar for cancellation, together with a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any 2021 Series 1 Bond is surrendered for transfer, the Registrar shall deliver 2021 Series 1 Bonds in like aggregate principal amount, interest rate, and maturity. The Registrar may require the 2021 Series 1 Bondholder requesting the transfer to pay any tax, fee or other governmental charge required to be paid with respect to the transfer and may charge a sum sufficient to pay the cost of preparing such 2021 Series 1 Bond. The Registrar shall not be obliged to make any transfer or exchange of 2021 Series 1 Bonds:

- (1) after the 15th day of the month preceding an Interest Payment Date for such 2021 Series 1 Bonds,
- (2) during the 15 days preceding the date of the mailing of a notice of redemption of such 2021 Series 1 Bonds selected for redemption, or
- (3) after such 2021 Series 1 Bonds have been called for redemption.

SECURITY FOR THE BONDS

General

Information concerning the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program (**Program**), security for the Bonds (as defined herein), sources of payment, vehicles subject to registration, past and projected vehicle registration fees, past and projected other vehicle registration-related fees, registration fee collection procedures, the Reserve Fund, additional Bonds, and the Department is included as **APPENDIX A**, which includes by reference Part V of the 2020 Annual Report. **APPENDIX A** also includes certain updates to Part V of the 2020 Annual Report.

Prior Bonds

The Legislature has authorized the issuance of \$4.326 billion of revenue obligations to finance the costs of Projects, excluding revenue obligations issued to refund Outstanding Bonds and Notes. After the issuance of the 2021 Series 1 Bonds, approximately \$209 million of legislative authority will remain unissued.

The following is a summary of the Transportation Revenue Bonds which are currently Outstanding Bonds within the meaning of the General Resolution:

<u>Bond Issue</u>	<u>Dated Date</u>
Transportation Revenue Bonds, 2012 Series 1 (2012 Series 1 Bonds)	April 25, 2012
Transportation Revenue Bonds, 2012 Series 2 (2012 Series 2 Bonds)	June 28, 2012
Transportation Revenue Bonds, 2013 Series 1 (2013 Bonds)	March 6, 2013
Transportation Revenue Refunding Bonds, 2014 Series 2 (2014 Series 2 Bonds)	December 10, 2014
Transportation Revenue Refunding Bonds, 2015 Series 1 (2015 Series 1 Bonds)	April 30, 2015
Transportation Revenue Bonds, 2015 Series A (2015 Series A Bonds)	December 10, 2015
Transportation Revenue Bonds, 2017 Series 1 (2017 Series 1 Bonds)	May 31, 2017
Transportation Revenue Refunding Bonds, 2017 Series 2 (2017 Series 2 Bonds)	December 21, 2017
Transportation Revenue Bonds, 2019 Series A (2019 Bonds)	April 4, 2019
Transportation Revenue Refunding Bonds, 2020 Series 1 (Taxable) (2020 Bonds)	July 30, 2020
Transportation Revenue Bonds, 2021 Series A (2021 Series A Bonds)	March 31, 2021

These Outstanding Bonds (collectively, **Prior Bonds**), and the 2021 Series 1 Bonds, together with any future additional Bonds issued by the State pursuant to the General Resolution, are referred to collectively as the **Bonds**. As of July 1, 2021, the amount of outstanding Prior Bonds was \$1,694,310,000.

The 2021 Series 1 Bonds are issued on a parity with the Prior Bonds and any future additional parity Bonds issued by the State pursuant to the General Resolution. See “RISK FACTORS” in Part V of the 2020 Annual Report, which is incorporated by reference in **APPENDIX A**.

The State has previously issued various series of Transportation Revenue Commercial Paper Notes (collectively, **Notes**). As of July 1, 2021, there are no Outstanding Notes, but the State may issue additional Notes in the future. Such Notes would be issued pursuant to the General Resolution and pursuant to Series Resolutions that provide that the payment of the Notes by the State from Program Income is junior and subordinate to the Bonds. The Commission expects to authorize the issuance of additional Bonds to pay for the funding of any such Notes. If and when issued, the additional Bonds issued to fund any Notes may be on a parity with the Prior Bonds, the 2021 Series 1 Bonds, and any additional parity Bonds issued by the State pursuant to the provisions and conditions of the General Resolution.

Security

The Bonds are revenue obligations of the State payable solely from the Redemption Fund created by the General Resolution. The 2021 Series 1 Bonds, the Prior Bonds, and any additional parity Bonds issued by the State pursuant to the General Resolution, are secured by a first lien pledge of Program Income (as defined below), and the funds created by the General Resolution pledged to the payment of interest, principal, and Redemption Price on the Bonds. The Bonds are not general obligations of the State.

The Bonds shall be revenue obligations of the State payable solely out of the Redemption Fund. The State is not generally liable on the Bonds, and the Bonds shall not be a debt of the State for any purpose whatsoever. See “RISK FACTORS” in Part V of the 2020 Annual Report, which is incorporated by reference in [APPENDIX A](#).

Program Income consists mainly of vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes, including the recently added fees for hybrid-electric vehicles and electric vehicles (**Registration Fees**). Program Income also includes certain other vehicle registration-related fees added pursuant to 2003 Wisconsin Act 33 and a supplement to the General Resolution adopted on October 15, 2003 (**Other Registration-Related Fees**). See [APPENDIX A](#).

Other Registration-Related Fees include many types of fees that are enumerated in the Wisconsin Statutes, however, many of the Other Registration-Related Fees result in insignificant or sporadic annual revenues. Given this insignificant and sporadic nature, the State is currently providing continuing disclosure on some, but not all, Other Registration-Related Fees. These specific Other Registration-Related Fees include vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees. See [APPENDIX A](#).

Any Notes issued in the future, and any other obligations to be issued on parity with the Notes, are also revenue obligations of the State payable from Program Income deposited into the Subordinated Debt Service Fund authorized by the General Resolution and created pursuant to the Series Resolutions for the Notes. The pledge of Program Income to the Subordinated Debt Service Fund is subordinate and junior to the pledge of Program Income to the payment of principal and interest on the Bonds.

Flow of Funds

Program Income is collected by the Trustee, or the Department as agent of the Trustee, continuously throughout the entire fiscal year, and deposited as received outside the State Treasury in an account with the Trustee defined as the **Redemption Fund**. Program Income deposited into the Redemption Fund is not subject to legislative appropriation. Program Income is further defined to include all the interest earned or gain realized from the investment of the Redemption Fund. Program Income received by the Trustee in the Redemption Fund is to be used for the following purposes and in the following order of priority:

- (1) to pay interest on all Outstanding Bonds,
- (2) to pay the principal or Redemption Price of all Outstanding Bonds,
- (3) to maintain the Debt Service Reserve Requirement, if any, in the Reserve Fund,
- (4) to pay, from the Program Expense Fund, direct administrative expenses (**Program Expenses**) of the State’s program of financing Projects, and
- (5) to pay, from the Subordinated Debt Service Fund, principal of and interest on any Notes and any other obligations issued on a parity with the Notes.

Starting on the date a series of Bonds is issued and also on each Redemption Fund Deposit Day (the 1st day of January, April, July, and October), all Program Income is deposited into the Redemption Fund and then into the funds and accounts established under, and in the order of priority and amounts required by, the General Resolution. Program Income received by the Trustee in the Redemption Fund is used in the above order.

With respect to payment of debt service on the Bonds, 50% of interest due on each January 1 must be deposited into the respective debt service accounts starting on each of the preceding Redemption Fund Deposit Days of July 1 and October 1 until funded, 50% of interest due on each July 1 must be deposited into the respective debt service accounts starting on each of the preceding Redemption Fund Deposit Days of January 1 and April 1 until funded, and 25% of principal due on each July 1 must be deposited into the respective debt service accounts starting on each of the preceding Redemption Fund Deposit Days of July 1, October 1, January 1, and April 1 until funded. For Bonds that are issued between the Redemption Fund Deposit Days, Program Income is deposited into the debt service account for such Bonds to meet the above requirements starting on the date of issuance of such Bonds until funded at the required level.

Program Income in excess of the amount needed for such purposes is to be continuously transferred to the Transportation Fund held by the Department free of the lien of the pledge of the General Resolution and will be used by the Department for any of its authorized purposes.

State Pledge and Agreement

In the General Resolution, the State pledges and agrees with the Bondholders that the State will not limit or alter its powers to fulfill the terms of any agreements (made in the General Resolution or in the Bonds) with the Bondholders, or in any way impair the rights and remedies of the Bondholders until the Bonds, together with interest, including interest on any unpaid installments of interest thereon, and Redemption Price thereof, and all costs and expenses in connection with any action or proceeding by or on behalf of the Bondholders, are fully met and discharged.

Reserve Fund

The General Resolution creates a Reserve Fund for the Bonds; however, the required balance of the Reserve Fund is \$0.00.

The State pursuant to each Series Resolution specifies the Debt Service Reserve Requirement, if any, for each Series of Bonds. The individual Debt Service Reserve Requirement for each Series of the Outstanding Bonds are combined to determine the aggregate Debt Service Reserve Requirement for the Reserve Fund. If all of the Bonds of a Series cease to be Outstanding, then the aggregate Debt Service Reserve Requirement is reduced by the Debt Service Reserve Requirement attributable to that Series of Bonds. Since 2003, the State has not specified a Debt Service Reserve Requirement for any Series of Bonds that have been issued. The State will continue this practice in connection with the issuance of the 2021 Series 1 Bonds. Accordingly, the Debt Service Reserve Requirement for the 2021 Series 1 Bonds is \$0.00. Furthermore, the State does not currently expect to specify a Debt Service Reserve Requirement for any future Series of additional Bonds; however, the State reserves the right to change its practice and no representation is made as to the amount of the Debt Service Reserve Requirement that the State may specify for any future Series of additional Bonds.

In the event that the Reserve Fund were to be funded in connection with a future Series of Bonds, the General Resolution provides that it shall be used to make up any deficiency in the Redemption Fund for the payment of principal of and interest on all of the-then Outstanding Bonds. If there is a deficiency in the Reserve Fund, the Trustee shall, after setting aside in the Principal and Interest Account the applicable amount required to be deposited therein, deposit Program Income into the Reserve Fund in an amount sufficient to remedy such deficiency.

Additional Bonds

The General Resolution authorizes the issuance of additional Bonds for the purpose of paying the costs of Projects, funding reserves, paying costs of issuance, and refunding Outstanding Bonds. The issuance of transportation revenue obligations to finance the costs of Projects beyond the remaining legislative authorized amount requires additional legislative authorization; over the past ten years such additional legislative authorization has been provided biennially as part of the State's biennial budget process. See **“SECURITY FOR THE BONDS; Prior Bonds”**.

In addition, except in the case of additional Bonds issued to refund Outstanding Bonds (such as the 2021 Series 1 Bonds), additional Bonds may be issued only if Program Income for any 12 consecutive calendar months of the preceding 18 calendar months was at least equal to 2.25 times the maximum aggregate Principal and Interest Requirement in any Bond Year for all Outstanding Bonds. The General Resolution defines **Outstanding Bonds**, as of any particular date, as all Bonds previously delivered and expected to be delivered (such as the 2021 Series 1 Bonds), except (1) any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Registrar, (2) any Bond deemed to have been defeased pursuant to the General Resolution, and (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the requirements of the General Resolution or any Series Resolution.

SUMMARY OF THE GENERAL RESOLUTION

A summary of certain provisions of the General Resolution is included as **APPENDIX A**, which includes by reference Part V of the 2020 Annual Report.

BORROWING PROGRAM

The 2021 Series 1 Bonds will be the second series of transportation revenue obligations to be issued in calendar year 2021. The State issued \$148 million of transportation revenue obligations in the first quarter of calendar year 2021 for the financing of Projects.

Approximately \$34 million of authorization of the Commission will remain for additional transportation revenue obligations for the financing of Projects. The amount and timing of any issuance and sale of additional transportation revenue obligations for the financing of Projects depend on the expenditures for such projects.

After the issuance of the 2021 Series 1 Bonds, approximately \$157 million of authorization of the Commission will remain for additional transportation revenue refunding obligations to refund outstanding transportation revenue bonds. The Commission likely will be asked to authorize the issuance of additional transportation revenue refunding obligations. The amount and timing of any additional issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

Other Obligations

The State has issued four series of general obligation bonds in this calendar year in the aggregate principal amount of \$886 million. Three series of general obligation refunding bonds have been issued in the aggregate principal amount of \$666 million and one series of general obligations for general governmental purposes has been issued in the par amount of \$221 million.

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

- Up to \$550 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 \$292 million as of July 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 additional general obligations for general governmental purposes during this calendar year. The amount and timing of issuance in this calendar year of general obligations for these purposes depend on disbursements from the State Capital Improvement Fund for authorized purposes.

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 additional 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 \$32 million. The State may sell and issue additional master lease certificates of participation in this calendar year to fund or refund additional outstanding master lease certificates of participation and/or to finance leased items. The amount and timing of any issuance of master lease certificates of participation depend, among other factors, on market conditions and originations in the State's master lease program.

The State has not issued any environmental improvement fund revenue bonds in this calendar year. The Commission has authorized up to \$100 million of environmental improvement fund revenue bonds. The amount and timing of any issuance of environmental improvement fund revenue bonds in calendar year 2021 depend on several factors, but may occur in the third quarter of calendar year 2021.

The State does not currently intend to issue operating notes for the 2021-22 fiscal year.

UNDERWRITING

The 2021 Series 1 Bonds are being purchased by the **Underwriters**, for which Morgan Stanley & Co. LLC is acting as the **Representative**. The Underwriters have agreed, subject to certain conditions, to purchase the 2021 Series 1 Bonds at an aggregate purchase price of \$142,555,888.54, reflecting an underwriters' discount of \$624,111.46.

The Underwriters have agreed to reoffer the 2021 Series 1 Bonds at the public offering prices or yields set forth on the **inside front cover**. The 2021 Series 1 Bonds may be offered and sold to certain dealers (including dealers depositing such 2021 Series 1 Bonds into investment trusts) at prices lower than such public offering prices, and such prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the 2021 Series 1 Bonds if any 2021 Series 1 Bonds are purchased.

Certain of the Underwriters may have entered into retail distribution agreements with third party broker-dealers, under which the Underwriters may distribute municipal securities to retail investors through the respective financial advisors or electronic trading platforms of such third party broker-dealers. As part of these arrangements, the Underwriters may share a portion of their underwriting compensation with such third party broker-dealers.

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

If an Underwriter or its affiliate is an owner of Refunded Bonds, that Underwriter or affiliate would receive a portion of the proceeds from the issuance of the 2021 Series 1 Bonds in connection with the redemption of those Refunded Bonds.

Certain legal matters will be passed upon for the Underwriters by their counsel, Burke, Warren, MacKay & Serritella, P.C.

CUSIP NUMBERS, REOFFERING YIELDS, PRICES, AND OTHER INFORMATION

Information about the 2021 Series 1 Bonds is provided for reference in the [table on the inside front cover](#) of this Official Statement. CUSIP numbers have been assigned to this issue by CUSIP Global Services. The CUSIP number for each maturity has been obtained from a source the State believes to be reliable, but the CUSIP numbers are subject to change after issuance of the 2021 Series 1 Bonds, and neither the State nor the Underwriter is responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices for the 2021 Series 1 Bonds.

LEGALITY FOR INVESTMENT

State law provides that the 2021 Series 1 Bonds are legal investments for the following:

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

PENDING LITIGATION

The State and its officers and employees are defendants in numerous lawsuits. It is not expected that the pending litigation will be finally determined so as to result individually or in the aggregate in a final judgment against the State which would materially affect the payment of interest on, principal of, or Redemption Price of the 2021 Series 1 Bonds.

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the 2021 Series 1 Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. 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 2021 Series 1 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 2021 Series 1 Bonds, (2) the validity of the 2021 Series 1 Bonds or any proceedings or authority by which the same have been issued, sold, executed and delivered, or (3) the pledge or application of any moneys or security provided for the payment of the 2021 Series 1 Bonds, the existence of the Department or its power to charge and collect Registration Fees and Other Registration-Related Fees and pledge them for the payment of the 2021 Series 1 Bonds.

In the event certificated 2021 Series 1 Bonds are issued, the certificate of the Attorney General will be printed on the reverse side of each 2021 Series 1 Bond.

LEGALITY

All legal matters incident to the authorization, issuance, and delivery of the 2021 Series 1 Bonds are subject to the opinion of Quarles & Brady LLP (**Bond Counsel**), whose approving opinion, substantially in the forms shown in [APPENDIX C](#), will be delivered on the date of issue of the 2021 Series 1 Bonds. In the event certificated 2021 Series 1 Bonds are issued, the opinion will be printed on the reverse side of each 2021 Series 1 Bond.

Quarles & Brady LLP has also been retained by the State to serve as Disclosure Counsel to the State with respect to the 2021 Series 1 Bonds. Although, as counsel to the State, Quarles & Brady LLP has assisted

the State with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the 2021 Series 1 Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the 2021 Series 1 Bonds for any investor.

TAX MATTERS

Federal Tax Considerations

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of 2021 Series 1 Bonds by certain persons. This summary does not consider all the possible federal income tax consequences of the purchase, ownership, or disposition of the 2021 Series 1 Bonds and is not intended to reflect the individual tax position of any beneficial owner.

In the opinion of Bond Counsel, under existing law interest on the 2021 Series 1 Bonds is included in gross income for federal income tax purposes. Bond Counsel will deliver a legal opinion with respect to the 2021 Series 1 Bonds substantially in the form as set forth in [APPENDIX C](#).

State Tax Considerations

The interest on the 2021 Series 1 Bonds is not exempt from current Wisconsin income or franchise taxes.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. has been employed by the State to perform professional services in the capacity of financial advisor (**Financial Advisor**). The Financial Advisor has provided advice on the plan of finance, selection of the Refunded Bonds, and structure of the 2021 Series 1 Bonds, and has also reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. The Financial Advisor has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations was independently verified by the Verification Agent. These computations, which were provided by the Underwriters, indicate that the projected receipts from the Government Obligations, together with an initial cash deposit, are sufficient to make all payments of the principal of, and premium (if any) and interest on, the Refunded Bonds to become due on or before their respective redemption or maturity dates. In addition the computations indicate that the composite yield of the Escrow Fund is less than yield on the Refunded Bonds.

The Verification Agent relied upon assumptions and information supplied by the Underwriters on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the applicable debt service requirements of the Refunded Bonds or the 2021 Series 1 Bonds will be paid as described in its report.

CONTINUING DISCLOSURE

The State has made an undertaking to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offerings of the 2021 Series 1 Bonds, to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (**Rule 15c2-12**). In the undertaking, the State has agreed for the benefit of the beneficial owners of the 2021 Series 1 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 will send the report to the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market

Access (EMMA) system. The State will also provide to the MSRB through its EMMA system 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) and the Addendum Describing Annual Report for Transportation Revenue Bonds, is included by reference as part of this Official Statement.

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

Department of Administration
Capital Finance Office
Attn: Capital Finance Director
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: July 13, 2021

STATE OF WISCONSIN

/s/ TONY EVERS

Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

/s/ NAOMI DE MERS

Naomi De Mers, Secretary
State of Wisconsin Building Commission

/s/ CRAIG THOMPSON

Craig Thompson, Secretary-Designee
State of Wisconsin Department of Transportation

APPENDIX A

INFORMATION ABOUT THE TRANSPORTATION REVENUE BOND PROGRAM

This Appendix includes by reference information concerning the State of Wisconsin Transportation Revenue Bond Program, contained in [Part V 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 certain updates and additions to the information presented in Part V of the 2020 Annual Report.

[Part V of the 2020 Annual Report](#) contains information concerning the Transportation Revenue Bond Program, security for the Bonds, sources of payment, vehicle registration fees, other vehicle registration-related fees, registration fee collection procedures, the Reserve Fund, additional Bonds, the Wisconsin Department of Transportation (**Department** or **WisDOT**), and a summary of the General Resolution. Part V of the 2020 Annual Report also includes the independent auditor's reports and audited statements of cash receipts and disbursements for the years ended June 30, 2020 and June 30, 2019 for the Transportation Revenue Obligation Program.

The 2020 Annual Report has been filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system and is also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin". The Capital Finance Office web site and the State's investor relations website is located at the following addresses:

doa.wi.gov/capitalfinance
wisconsinbonds.com

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

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

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

COVID-19 Update (Pages 145-146). Update with the following information:

The Wisconsin Department of Health Services (**DHS**) is working to get COVID-19 vaccines to Wisconsinites as equitably, quickly, and safely as possible, and is following prioritization guidelines from the federal Advisory Committee on Immunization Practices and the State Disaster Medical Advisory Committee. All State individuals ages 12 and older are eligible for the vaccination, and as of June 28, 2021, nearly 47% of Wisconsin residents were fully vaccinated.

The 2020 Annual Report noted that the pandemic and the emergency responses had resulted in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced aggregate demand for certain services, worker layoffs, furloughs and reductions

in hours, and supply shortages. While these closures, cancellations, and restrictions have ended in many parts of the State, some lingering situations related to those restrictions may still remain. 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 Department of Revenue (**DOR**), the Legislative Fiscal Bureau (**LFB**), or the Department with the MSRB through its EMMA system.

Parallel to the emergency responses by the State and others at the start of the pandemic, 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.

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.

A Wisconsin citizen filed a lawsuit in the State Supreme Court challenging the validity of the Governor's Executive Orders and Emergency Orders. On March 31, 2021, the State Supreme Court ruled that the Governor did not have the authority to declare multiple emergencies, spanning more than 60 days, relating to the COVID-19 pandemic. The ruling struck down Executive Order #105 and Emergency Order #1, including the requirement for use of face coverings. The Court's ruling did not address pandemic related orders imposed at the county or local level, which may remain in effect. Any future actions by Governor Evers or DHS to impose state-wide restrictions would have to be approved by the Legislature prior to implementation.

Registration Fees—Table V-3; Debt Service of Outstanding Transportation Revenue Bonds and Estimated Revenue Coverage (Page 152). Replace with the following updated table:

The table on the following page shows the forecasted coverage of annual debt service on the Outstanding Bonds following the issuance of the 2021 Series 1 Bonds, based on the Department's estimate of Program Income for 2021-28. There can be no assurance that the estimated vehicle registration and other vehicle registration-related fees will be realized in the amounts shown.

**Estimated Debt Service on the 2021 Series 1 Bonds
and Estimated Coverage for Outstanding Bonds^{(a)(b)}**

Maturity (July 1)	Estimated Program Income ^{(a)(b)}			2021 Series 1 Bonds			Total Outstanding Bonds ^{(a)(b)}			Coverage Ratio
	Estimated Registration Fees (Millions)	Estimated Certain Other Registration- Related Fees (Millions)	Total Program Income (Millions)	Principal	Interest	Debt Service	Total Principal	Total Interest	Total Debt Service	
2021	\$679.82	\$218.53	\$898.35				\$124,745,000	\$70,693,847	\$195,438,847	4.60
2022	693.85	225.36	919.21		\$2,471,198.19	\$2,471,198.19	145,685,000	69,346,485	215,031,485	4.27
2023	697.88	232.09	929.97		2,788,813.00	2,788,813.00	137,645,000	60,907,320	198,552,320	4.68
2024	683.21	249.55	932.76	\$8,930,000.00	2,788,813.00	11,718,813.00	131,820,000	56,300,798	188,120,798	4.96
2025	679.56	241.68	921.24		2,738,179.90	2,738,179.90	126,565,000	51,790,863	178,355,863	5.17
2026	694.84	235.22	930.06		2,738,179.90	2,738,179.90	113,955,000	47,166,145	161,121,145	5.77
2027	691.22	221.95	913.17	2,640,000.00	2,738,179.90	5,378,179.90	130,555,000	42,514,479	173,069,479	5.28
2028	701.47	235.17	936.64	2,675,000.00	2,703,516.70	5,378,516.70	118,945,000	36,222,267	155,167,267	6.04
2029				2,715,000.00	2,664,381.45	5,379,381.45	124,995,000	30,502,139	155,497,139	
2030				2,760,000.00	2,620,479.90	5,380,479.90	117,720,000	24,474,770	142,194,770	
2031				16,715,000.00	2,573,090.70	19,288,090.70	109,805,000	18,806,919	128,611,919	
2032				11,165,000.00	2,277,736.66	13,442,736.66	98,815,000	13,984,807	112,799,807	
2033				11,380,000.00	2,069,286.10	13,449,286.10	87,900,000	10,805,202	98,705,202	
2034				11,600,000.00	1,845,441.50	13,445,441.50	74,265,000	8,694,319	82,959,319	
2035				30,325,000.00	1,605,669.50	31,930,669.50	48,110,000	6,757,520	54,867,520	
2036				30,985,000.00	948,526.76	31,933,526.76	49,660,000	5,211,127	54,871,127	
2037				11,290,000.00	261,589.30	11,551,589.30	30,810,000	3,683,139	34,493,139	
2038							20,400,000	2,542,000	22,942,000	
2039							21,320,000	1,622,300	22,942,300	
2040							10,845,000	660,600	11,505,600	
2041							11,175,000	335,250	11,510,250	
				<u>\$143,180,000</u>	<u>\$35,833,082</u>	<u>\$179,013,082</u>	<u>\$1,710,990,000</u>	<u>\$492,328,448</u>	<u>\$2,203,318,448</u>	

(a) The estimated Program Income for the 2020-21 through 2022-23 fiscal years reflect revenue projections completed by the Department and the Legislative Fiscal Bureau in Spring 2021, and for the 2023-24 fiscal years reflect revenue projections completed by the Department in August 2020. See "REGISTRATION FEES; Estimated Future Registration Fees" and "OTHER REGISTRATION-RELATED FEES; Actual and Estimated Other Registration-Related Fees" in the 2020 Annual Report for discussion of updates, as of November 1, 2020. Electric vehicle fees, hybrid-electric fees, and all fee increases and changes included as part of 2019 Wisconsin Act 9, are included in the revenue projections. 2019 Act 9 updated the definition of hybrid-electric vehicles, so such vehicle types will pay the additional annual Registration Fee, effective October 1, 2019. In addition, the estimated Program Income is subject to further modifications to reflect the continued impact from the effects of the COVID-19 pandemic; see "COVID-19 UPDATE" in the 2020 Annual Report and this Appendix A, Excludes interest earnings.

(b) Assumes that no additional Bonds will be issued and continuation of current Registration Fees and Other Registration-Related Fees. Estimates of Program Income and coverage beyond the 2027-28 fiscal year are not currently available.

Registration Fees—Table V-7; Actual Year-to-Date Registration and Other Registration-Related Fees (Page 155). Update with the following information.

ACTUAL YEAR-TO-DATE REGISTRATION AND OTHER REGISTRATION-RELATED FEES^(a)

**Months of July-May
(Amounts in Millions)**

Fiscal Year	Non-IRP Fees	Pledged IRP Fees	Certain Other Registration- Related Fees^(b)	Total
2016	\$435.9	\$84.0	\$97.0	\$617.0
2017	436.4	90.5	100.1	627.0
2018	451.4	87.6	100.0	639.0
2019	449.1	86.0	99.5	634.7
2020 ^(c)	490.2	113.3	160.1	763.5
2021 ^(c)	504.9	104.5	216.5	826.0

^(a) Includes Registration Fees (Non-IRP Fees and Pledged IRP Fees) and certain Other Registration-Related Fees for the first seven months of the current and previous five fiscal years. Fiscal year totals of such fees are included in Tables V-6 and V-9, respectively, of the 2020 Annual Report.

^(b) Includes Title Transaction Fees, Customer Service Fees, and Personalized License Plates Fees.

^(c) The 2019-21 biennial budget (2019 Wisconsin Act 9) increased various Registration Fees and certain Other Registration-Related Fees effective October 1, 2019.

Registration Fees—Table V-8; Projected Registration Fee Revenues (Page 157). Update with the following information.

PROJECTED REGISTRATION FEE REVENUES^(a)

(Amounts in Millions)

Fiscal Year (June 30)	Revenues^(b)	% Change
2021	\$679.82	1.39%
2022	693.85	2.16
2023	697.88	0.58
2024	683.21	(2.10)
2025	679.56	(0.53)
2026	694.84	2.25
2027	691.22	(0.52)
2028	701.47	1.48

^(a) 2019 Wisconsin Act 9 increased various vehicle Registration Fees, effective October 1, 2019. Authorized increases include \$10 increase in the automobile fee and increase in light truck fees ranging from \$16 to \$25. 2019 Wisconsin Act 9 also clarified the definition for hybrid-electric vehicles. Estimates for the 2020-21 through 2022-23 fiscal years reflect revenue projections completed by the Department and the Legislative Fiscal Bureau in Spring 2021, and for the 2023-24 fiscal years, reflect revenue projections completed by the Department in August 2020.

^(b) Includes both International Registration Plan (IRP) and non-IRP Registration Fees pursuant to Section 341.25, Wisconsin Statutes. Does not include Other Registration-Related Fees, which are addressed later in this Part V of the 2020 Annual Report.

Other Registration-Related Fees—Table V-9; Actual and Projected Other Registration-Related Fees (Page 162). Update with the following information.

Fiscal Year (June 30)	Title Transaction Fees	Counter Service Fees and Personalized License Plates	Subtotal	Other Miscellaneous Vehicle Registration- Related Fees	Total Registration Related Fees
2010	\$72,424,500	\$ 8,356,111	\$80,780,610	\$10,112,364	\$90,892,975
2011	73,817,627	7,736,294	81,553,920	11,479,369	93,033,289
2012	86,902,865	8,082,787	94,985,652	12,301,192	107,286,844
2013	88,495,798	7,650,431	96,146,230	12,528,951	108,675,181
2014	92,478,346	7,838,488	100,316,834	13,337,226	113,654,059
2015	97,129,227	7,678,806	104,808,033	14,070,323	118,878,356
2016	99,096,834	8,131,116	107,227,950	14,637,440	121,865,390
2017	102,512,996	8,094,194	110,607,190	16,388,407	126,995,597
2018	101,808,955	8,428,165	110,237,121	16,373,234	126,610,355
2019	101,267,018	8,011,573	109,278,591	16,871,478	126,150,069
2020 ^(b)	172,985,152	6,919,501	179,904,653	16,515,111	196,419,764
2021	212,781,700	5,751,856	218,533,556	16,651,000	235,184,556
2022	219,189,900	6,172,600	225,362,500	16,789,900	242,152,400
2023	226,227,600	5,859,900	232,087,500	16,931,800	249,019,300
2024	242,815,900	6,730,500	249,546,400	17,076,800	266,623,200
2025	234,990,300	6,687,400	241,677,700	17,224,900	258,902,600
2026	228,573,500	6,645,800	235,219,300	17,376,200	252,595,500
2027	215,347,200	6,605,800	221,953,000	17,530,900	239,483,900
2028	228,605,100	6,567,400	235,172,500	17,688,900	252,861,400

(a) Estimates for the 2020-21 through 2022-23 fiscal years reflect revenue projections completed by the Department and the Legislative Fiscal Bureau in Spring 2021, and for the 2023-24 fiscal years, reflect revenue projections completed by the Department in August 2020. Furthermore, as described in "COVID-19 UPDATE", estimates are subject to further modifications to reflect the continued impact from the effects of the COVID-19 pandemic.

(b) 2019 Wisconsin Act 9 increased various vehicle registration fees, effective October 1, 2019. Authorized increases include a \$95 increase in the standard title fee to \$164.50 from \$69.50.

Source: Wisconsin Department of Transportation

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APPENDIX B

CERTAIN INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin (**State**), contained in [Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020 \(2020 Annual Report\)](#), which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2020 Annual Report, including but not limited to:

- Additional information about the State’s response, and federal assistance relating, to the COVID-19 pandemic.
- Estimated General Fund condition statement for the 2020-21 fiscal year and estimated General Fund tax collections for the 2020-21, 2021-22, and 2022-23 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on June 8, 2021 (**June 2021 LFB Report**).
- Enacted legislation that will affect General Fund tax collections in the 2020-21, 2021-22, and 2022-23 fiscal years (**2021 Wisconsin Act 1**).
- Estimated General Fund condition statement for the 2020-21 fiscal year and estimated General Fund tax collections for the 2020-21, 2021-22, and 2022-23 fiscal years, as included in a report provided by the LFB on January 26, 2021 (**January 2021 LFB Report**).
- Information about the executive budget for the 2021-23 biennium along with Legislative Joint Committee on Finance, Legislative, and Governor actions relating to such budget.
- General Fund information for the 2020-21 fiscal year through May 31, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2020-21 fiscal year and 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.

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 (July 9, 2021). Any such change or addition is 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 results, 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. As of May 19, 2021, the State had 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 to set aside approximately \$2.5 billion of the ARPA funds for investment in the economic well-being of families, workers, small business owners, and communities, with \$50 million

going to support the tourism industry and \$600 million to support other businesses. In addition to the economic recovery plans, the Governor intended that \$200 million of the ARPA funds be used for infrastructure and \$500 million go towards the continued statewide pandemic response efforts. The Governor has not released details on how the revised expected ARPA funding amount will impact this intended allocation. 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**) is working to get COVID-19 vaccines to Wisconsinites as equitably, quickly, and safely as possible, and is following prioritization guidelines from the federal Advisory Committee on Immunization Practices and the State Disaster Medical Advisory Committee. All State individuals ages 12 and older are eligible for the vaccination, and as of June 28, 2021, nearly 47% of Wisconsin residents were fully vaccinated.

The 2020 Annual Report noted that the pandemic and the emergency responses had resulted in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced aggregate demand for certain services, worker layoffs, furloughs and reductions in hours, and supply shortages. While these closures, cancellations, and restrictions have ended in many parts of the State, some lingering situations related to those restrictions may still remain. It is likely that the full financial impact of COVID-19 on the State, the State's economy, and the State's financial position will change as circumstances and events evolve. The State intends to file any appropriate reports from the DOR or LFB that address State revenues, expenditures, and financial position with the MSRB through its EMMA system.

Parallel to the emergency responses by the State and others at the start of the pandemic, 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.

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.

A Wisconsin citizen filed a lawsuit in the State Supreme Court challenging the validity of the Governor's Executive Orders and Emergency Orders. On March 31, 2021, the State Supreme Court ruled that the Governor did not have the authority to declare multiple emergencies, spanning more than 60 days, relating to the COVID-19 pandemic. The ruling struck down Executive Order #105 and Emergency Order #1, including the requirement for use of face coverings. The Court's ruling did not address pandemic related orders imposed at the county or local level, which may remain in effect. Any future actions by Governor Evers or DHS to impose state-wide restrictions would have to be approved by the Legislature prior to implementation.

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

was also a different bill that will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the paycheck protection program (PPP) under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. It is expected that both houses of the Legislature will continue to consider other bills related to the pandemic.

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

June 2021 LFB Memorandum – General Fund Tax Collections

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

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

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

A complete copy of the June 2021 LFB Report is included at the end of this Appendix B. 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 **B-2**. While the June 2021 LFB Report included an estimated General Fund condition statement for the 2021- 23 biennium, that condition statement was potentially misleading, in that it reflects only those actions on the 2021-23 biennial budget that had been completed by JCF as of June 7, 2021.

Enacted Legislation – Impact on General Fund Condition Statement

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

January 2021 LFB Report – General Fund Condition Statement

The January 2021 LFB Report included revised estimates for the fiscal year 2020-21 General Fund condition statement and estimated General Fund tax collections for fiscal year 2020-21 and the 2021-23 biennium. The January 2021 LFB Report projected a General Fund net balance at the end of fiscal year 2020-21 of \$1,766 million. This estimate was \$630 million higher than the estimated balance in the November 2020 DOA Report. The January 2021 LFB Report did not reflect the impact from 2021 Wisconsin Act 1 (described above).

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

	2019-20 Fiscal Year Annual Fiscal Report	2020-21 Fiscal Year			
		2019 Wisconsin Act 9 ¹	November 2020 DOA Report	January 2021 LFB Report ²	June 2021 LFB Report
Revenues					
Opening Balance	\$1,086.9	\$ 792.3	\$1,172.3	\$1,172.4	\$1,172.4
Prior Year Continuing Bal	97.1				
Taxes	17,532.1	17,654.8	17,664.1	18,101.5	19,253.8
Department Revenues					
Tribal Gaming	5.3	24.9			
Other	<u>528.3</u>	<u>530.8</u>	<u>528.9</u>	<u>530.3</u>	<u>537.4</u>
Total Available	\$19,249.7	\$ 19,002.7	\$19,365.4	\$19,804.2	\$20,963.6
Appropriations					
Gross Appropriations	\$18,849.9	\$19,201.8	\$18,962.6	\$19,190.0	\$18,860.0
Biennial Appropriation Adj.				(3.4)	
Sum Sufficient Reestimates			(16.2)	(257.5)	
Compensation Reserves	3.7	94.5	94.5	94.6	94.6
Transfers	149.1	44.1	57.2	275.8	852.1
Less: Lapses	<u>(525.3)</u>	<u>(451.8)</u>	<u>(954.6)</u>	<u>(1,346.7)</u>	<u>(1,453.3)</u>
Net Appropriations	\$18,077.4	\$18,888.6	\$18,143.5	\$17,952.8	\$18,353.2
Balances					
Gross Balance	\$1,172.4	\$ 114.2	\$1,221.9	\$1,851.4	\$2,610.4
Less: Req. Statutory Balance	<u>n/a</u>	<u>(85.0)</u>	<u>(85.0)</u>	<u>(85.0)</u>	<u>(85.0)</u>
Net Balance, June 30	\$1,172.4	\$ 29.2	\$1,136.9	\$1,766.4	\$2,525.4

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 and the estimated transfer to the Budget Stabilization Fund from \$232 million to \$105 million, or the receipt of ARPA funds.

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

June 2021 LFB Memorandum – General Fund Tax Collections

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

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

A complete copy of the June 2021 LFB Report is included at the end of this Appendix B. 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 B-2. While the June 2021 LFB Report included an estimated General Fund condition statement for the 2021- 23 biennium, that condition statement was potentially misleading,

in that it reflects only those actions on the 2021-23 biennial budget that had been completed by JCF as of June 7, 2021.

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

	2020-21 Fiscal Year				
	2019-20 Annual <u>Fiscal Report</u>	2019 <u>Wisconsin Act 9¹</u>	November 2020 <u>DOA Report</u>	January 2021 <u>LFB Report²</u>	June 2021 <u>LFB Report</u>
Individual Income	\$8,742.3	\$ 9,142.0	\$8,543.1	\$8,640.0	\$9,250.0
Sales and Use	5,836.2	5,960.5	5,919.6	5,915.0	6,325.0
Corp. Income & Franchise	1,607.9	1,205.4	1,864.0	2,205.0	2,330.0
Public Utility	357.1	364.0	359.2	352.0	356.0
Excise					
Cigarettes	523.5	507.0	512.4	507.0	507.0
Tobacco Products	91.4	94.0	88.9	90.0	93.0
Liquor & Wine	54.8	56.0	59.2	60.0	65.0
Vapor Products	1.3	3.2	1.4	1.3	1.3
Beer	8.5	8.9	8.7	9.2	9.5
Insurance Company	217.4	211.0	211.1	211.0	201.0
Miscellaneous Taxes	<u>91.7</u>	<u>102.7</u>	<u>96.5</u>	<u>111.0</u>	<u>116.0</u>
TOTAL	\$17,532.1	\$17,654.8	\$17,664.1	\$18,101.5	\$19,253.8

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 and the estimated transfer to the Budget Stabilization Fund from \$232 million to \$105 million, or the receipt of ARPA funds.

Enacted Legislation – Impact on General Fund Tax Collections

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

January 2021 LFB Report – General Fund Tax Collections

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

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. The following includes an update that occurred after the date of the Preliminary Official Statement (July 9, 2021).

Governor Enactment of 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). At this time, LFB has released a summary of the partial vetoes of 2021 Wisconsin Act 28, which includes as Table 3 the General Fund condition statement for the 2021-22 and 2022-23 fiscal years, as included in the enacted biennial budget. The LFB summary of partial vetoes of 2021 Wisconsin Act 58 has been filed with the MSRB through its EMMA system, and is also available from the State as provided on page B-2. At this time, a detailed summary of the enacted 2021-23 biennial budget is not available. When such summary information is available after the date of this Official Statement, it will be filed with the MSRB through the EMMA system and will also be available at the following website:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2021_23_biennial_budget/

The web site identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. In addition, certain information on the enacted 2021-23 biennial budget is available from the State as provided on page B-2.

Legislative and Joint Committee on Finance Actions; 2021-23 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.

The following table includes the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years from the biennial budget bill that was approved by JCF, and also includes, for comparison, the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years from the Governor's executive budget.

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

	2021-22 Fiscal Year	2021-22 Fiscal Year	2022-23 Fiscal Year	2022-23 Fiscal Year
	<u>Executive Budget¹</u>	<u>JCF Approved Budget</u>	<u>Executive Budget¹</u>	<u>JCF Approved Budget</u>
Revenues				
Opening Balance	\$ 1,894.6	\$ 2,520.4	\$ 803.2	\$ 1,336.5
Taxes	18,909.0	17,887.0	19,752.9	19,457.9
Department Revenues				
Tribal Gaming	2.0	0.0	25.2	20.8
Other	<u>503.6</u>	<u>484.4</u>	<u>519.1</u>	<u>471.4</u>
Total Available	\$21,309.3	\$20,891.7	\$21,100.4	\$21,286.5
Appropriations				
Gross Appropriations	\$20,715.5	\$19,304.3	\$21,121.5	\$19,753.7
Compensation Reserves	54.1	41.9	117.8	106.0
Transfers	47.3		49.4	
Transportation Fund		178.9		97.3
Budget Stabilization Fund		0.0		550.0
Building Trust Fund		15.0		0.0
MA Trust Fund		174.7		527.8
UI Trust Fund		60.0		60.0
Less: Lapses	<u>(310.8)</u>	<u>(219.6)</u>	<u>(331.0)</u>	<u>(267.1)</u>
Net Appropriations	\$20,506.0	\$19,555.2	\$20,957.8	\$20,827.6
Balances				
Gross Balance	\$ 803.2	\$ 1,336.5	\$ 142.7	\$ 458.9
Less: Req. Statutory Balance	<u>(90.0)</u>	<u>(90.0)</u>	<u>(95.0)</u>	<u>(95.0)</u>
Net Balance, June 30	\$ 713.2	\$ 1,246.5	\$ 47.7	\$ 363.9

¹ Does not reflect the provision 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 collection in the 2020-21, 2021-22, and 2022-23 fiscal years.

Both detailed and summary information about the JCF-approved budget bill for the 2021-23 biennium can also be obtained from the following web site:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2021_23_biennial_budget/

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

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 has released its 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/

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 [B-2](#).

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

June LFB Report – General Fund Tax Collections

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

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

A complete copy of the June 2021 LFB Report is included at the end of this Appendix B. 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 [B-2](#). While the June 2021 LFB Report included an estimated General Fund condition statement for the 2021- 23 biennium, that condition statement was potentially misleading, in that it reflects only those actions on the 2021-23 biennial budget that had been completed by JCF as of June 7, 2021.

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

	2021-22 Fiscal Year			2022-23 Fiscal Year		
	November 2020	January 2021	June 2021	November 2020	January 2021	June 2021
	<u>DOA Report</u>	<u>LFB Report¹</u>	<u>LFB Report²</u>	<u>DOA Report</u>	<u>LFB Report¹</u>	<u>LFB Report²</u>
Individual Income	\$ 8,867.3	\$8,900.0	\$9,720.0	\$ 9,258.8	\$9,340.0	\$10,140.0
Sales and Use	6,146.5	6,310.0	6,640.0	6,332.4	6,595.0	6,845.0
Corp. Income & Franchise	1,653.6	1,730.0	1,910.0	1,704.8	1,835.0	2,160.0
Public Utility	363.8	359.0	354.0	366.3	361.0	352.0
Excise						
Cigarettes	514.3	494.0	494.0	509.1	483.0	483.0
Tobacco Products	89.0	92.0	96.0	92.7	96.0	100.0
Liquor & Wine	57.9	57.0	60.0	59.2	58.0	61.0
Vapor Products	1.5	1.7	1.7	1.5	2.0	2.0
Beer	8.7	8.7	8.9	8.6	8.7	8.8
Insurance Company	218.7	218.0	209.0	231.9	226.0	217.0
Miscellaneous Taxes	<u>95.5</u>	<u>112.0</u>	<u>117.0</u>	<u>97.5</u>	<u>111.0</u>	<u>114.0</u>
TOTAL	\$18,016.8	\$18,282.4	\$19,610.6	\$18,662.8	\$19,115.7	\$20,482.8

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 the provisions of the from the biennial budget bill that was approved by JCF or the biennial budget bill signed into law on July 8, 2021.

Enacted Legislation – Impact on General Fund Tax Collections

On February 18, 2021, Governor Evers signed into law as 2021 Wisconsin Act 1, which will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the PPP under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. LFB had estimated that the fiscal impact of 2021 Wisconsin Act 1 will be a reduction in General Fund tax collections by \$215 million in the 2021-22 fiscal year and \$71 million in the 2022-23 fiscal year. The June 2021 LFB Report discussed above reflects the provisions of 2021 Wisconsin Act 1.

January 2021 LFB Report – General Fund Tax Collections

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

General Fund Information; General Fund Cash Flow (Part II; Pages 47-60). The following tables provide updates and additions to various tables containing General Fund information for the 2020-21 fiscal year; actual General Fund information through May 31, 2021, and projections for the remainder of the 2020-21 fiscal year and the 2021-22 fiscal year, are presented primarily on a cash basis.

The projections and estimates for the remainder of the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the November 2020 DOA Report, the January 2021 LFB Report, the provisions of 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 for the 2021-22 fiscal year reflect the June 2021 LFB Report, January 2021 LFB Report, 2021 Wisconsin Act 1, the Governor's proposed executive budget for the 2021-23 biennium, 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 passthrough the State). The following tables also reflect the receipt of approximately \$2.0 billion of federal funds pursuant to the CARES Act, which the State has allocated, and continues to allocate, to State and local government expenditures related to the COVID-19 pandemic. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month. The following tables may show negative balances on a cash basis. The State can have a negative cash balance at the end of a fiscal year.

The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect and may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect.

If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

Table II-11; General Fund Cash Flow (Part II; Page 51). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2020 TO MAY 31, 2021
PROJECTED GENERAL FUND CASH FLOW; JUNE 1, 2021 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	6,748,140
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	6,308,063
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	\$ 1,031,655
Sales & Use	613,948	575,493	559,024	560,717	571,237	518,068	653,992	492,389	453,031	629,886	583,691	567,903
Corporate Income	377,480	29,663	350,353	72,663	157,653	443,606	132,314	38,854	283,476	402,919	70,779	346,779
Public Utility	60	118	3,834	30,610	182,006	299	275	139	29	6,473	185,796	2,478
Excise	67,935	61,898	62,035	58,703	58,311	54,357	54,798	47,094	47,088	59,350	55,659	59,641
Insurance	517	3,284	43,569	363	2,272	44,814	829	19,350	20,302	47,549	2,160	43,635
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	\$ 2,052,091
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	\$ 826,896
Other & Transfers	610,506	242,009	744,684	652,743	338,374	550,208	446,451	672,542	747,141	493,877	553,649	534,418
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	\$ 1,361,314
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	\$ 3,413,405
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	\$ 1,969,039
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	603,322
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	492,382
Tax Refunds	259,526	152,805	127,730	140,980	145,815	224,203	108,326	459,157	744,604	581,972	395,074	155,252
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	594,754
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	\$ 3,814,749

(a) 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, 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. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds. Temporary

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from \$1.3 billion to \$1.9 billion for the 2020-21 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged and are expected to continue to average approximately \$25 million during each fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation for the 2020-21 fiscal year, based on 2019 Wisconsin Act 9, are approximately \$1.728 billion and \$576 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration.

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

PROJECTED GENERAL FUND CASH FLOW; JULY 1, 2021 TO JUNE 30, 2022^(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	\$ 6,748,140	\$ 5,083,971	\$ 5,428,442	\$ 6,320,122	\$ 6,630,246	\$ 5,858,470	\$ 4,901,934	\$ 6,342,750	\$ 6,418,653	\$ 4,819,551	\$ 5,240,996	\$ 7,399,682
Ending Balance ^(c)	5,083,971	5,428,442	6,320,122	6,630,246	5,858,470	4,901,934	6,342,750	6,418,653	4,819,551	5,240,996	7,399,682	6,517,650
Lowest Daily Balance ^(c)	5,083,971	4,519,024	4,328,567	5,647,147	5,441,330	3,914,133	4,660,597	5,394,051	4,548,619	4,008,311	5,240,996	5,795,717
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 630,447	\$ 939,763	\$ 999,254	\$ 684,187	\$ 990,226	\$ 809,744	\$ 1,342,907	\$ 812,461	\$ 958,251	\$ 1,467,912	\$ 1,150,285	\$ 969,057
Sales & Use	651,756	619,566	617,028	617,062	594,494	558,390	689,383	510,794	479,244	598,753	562,237	618,301
Corporate Income	65,470	41,196	350,472	67,778	62,683	343,806	92,332	73,233	262,570	265,797	60,161	328,231
Public Utility	40	47	1,492	27,825	187,142	291	168	62	22	6,812	182,591	3,310
Excise	60,511	63,058	62,592	55,234	57,954	53,844	53,709	48,746	47,341	58,413	50,150	59,868
Insurance	394	3,831	43,176	362	2,174	45,050	2,065	23,931	22,307	47,274	2,694	44,486
Subtotal Tax Receipts	\$ 1,408,618	\$ 1,667,461	\$ 2,074,014	\$ 1,452,448	\$ 1,894,673	\$ 1,811,125	\$ 2,180,564	\$ 1,469,227	\$ 1,769,735	\$ 2,444,961	\$ 2,008,118	\$ 2,023,253
NON-TAX RECEIPTS												
Federal	\$ 1,150,153	\$ 882,400	\$ 1,303,216	\$ 913,870	\$ 973,845	\$ 1,048,750	\$ 1,186,804	\$ 1,162,207	\$ 1,018,269	\$ 993,749	\$ 2,576,454	\$ 988,179
Other & Transfers	596,690	361,955	811,713	709,170	355,180	510,872	589,109	715,483	646,645	626,805	418,853	586,399
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,746,843	\$ 1,244,355	\$ 2,114,929	\$ 1,623,040	\$ 1,329,025	\$ 1,559,622	\$ 1,775,913	\$ 1,877,690	\$ 1,664,914	\$ 1,620,554	\$ 2,995,307	\$ 1,574,578
TOTAL RECEIPTS	\$ 3,155,461	\$ 2,911,816	\$ 4,188,943	\$ 3,075,488	\$ 3,223,698	\$ 3,370,747	\$ 3,956,477	\$ 3,346,917	\$ 3,434,649	\$ 4,065,515	\$ 5,003,425	\$ 3,597,831
DISBURSEMENTS												
Local Aids	\$ 1,642,338	\$ 174,076	\$ 964,350	\$ 143,455	\$ 1,521,802	\$ 1,493,823	\$ 279,279	\$ 373,029	\$ 2,117,419	\$ 129,193	\$ 349,603	\$ 2,166,328
Income Maintenance	1,349,797	995,706	960,385	998,695	992,825	1,165,042	1,020,252	1,014,272	1,049,366	1,136,182	1,034,000	668,398
Payroll and Related	642,631	346,141	425,799	462,068	468,330	648,917	376,460	468,330	465,199	581,075	349,323	519,955
Tax Refunds	126,100	127,714	109,254	150,620	164,421	211,263	120,159	631,695	658,577	629,960	228,794	168,083
Debt Service	278,450	2,315	-	324,812	2,316	-	-	2,315	-	287,710	89,295	-
Miscellaneous	780,314	921,394	837,475	685,714	845,780	808,238	719,512	781,372	743,190	879,950	793,725	957,099
TOTAL DISBURSEMENTS	\$ 4,819,630	\$ 2,567,346	\$ 3,297,263	\$ 2,765,364	\$ 3,995,474	\$ 4,327,283	\$ 2,515,662	\$ 3,271,013	\$ 5,033,751	\$ 3,644,070	\$ 2,844,740	\$ 4,479,863

(a) The projections and estimates in this table reflect the January 2021 LFB Report, the Governor's proposed executive budget for the 2021-23 biennium 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), and the June 2021 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

(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 2020-21 fiscal year and 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 Governor's proposed executive budget for the 2021-23 biennium), are approximately \$1.8 billion and \$605 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.

Table II-12; Historical General Fund Cash Flow (Part II; Page 52). Replace with the following updated table.

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

	<u>Actual</u> 2016-17 <u>Fiscal Year</u>	<u>Actual</u> 2017-18 <u>Fiscal Year</u>	<u>Actual</u> 2018-19 <u>Fiscal Year</u>	<u>Actual</u> 2019-20 <u>Fiscal Year</u>	FY21 YTD Actual thru May-21; Estimated June-21 thru June-21^(b)
RECEIPTS					
Tax Receipts					
Individual Income	\$ 9,487,657	\$ 9,837,742	\$ 10,557,272	\$ 10,138,020	\$ 12,145,294
Sales	5,549,486	5,867,099	6,132,089	6,253,771	6,779,379
Corporate Income	1,151,868	1,070,879	1,519,561	1,551,402	2,706,539
Public Utility	415,784	416,406	415,047	409,513	412,117
Excise	708,762	689,653	681,262	667,055	686,869
Insurance	204,510	207,953	218,304	242,228	228,644
Total Tax Receipts	\$ 17,518,067	\$ 18,089,732	\$ 19,523,535	\$ 19,261,989	\$ 22,958,842
Non-Tax Receipts					
Federal	\$ 9,396,361	\$ 9,214,957	\$ 10,093,533	\$ 12,725,759	\$ 13,755,800
Other and Transfers	5,673,340	6,113,708	6,241,726	5,887,398	6,586,602
Total Non-Tax Receipts	\$ 15,069,701	\$ 15,328,665	\$ 16,335,259	\$ 18,613,157	\$ 20,342,402
TOTAL RECEIPTS	\$ 32,587,768	\$ 33,418,397	\$ 35,858,794	\$ 37,875,146	\$ 43,301,244
DISBURSEMENTS					
Local Aids	\$ 9,223,782	\$ 9,202,809	\$ 9,698,906	\$ 9,917,134	\$ 10,469,203
Income Maintenance	9,186,111	9,370,303	9,747,283	10,126,849	11,000,010
Payroll & Related	5,000,390	5,174,225	5,333,395	5,633,397	5,648,133
Tax Refunds	2,550,017	2,703,269	2,785,514	2,992,617	3,495,444
Debt Service	891,234	908,172	914,688	875,340	973,718
Miscellaneous	5,427,066	5,902,369	6,396,205	6,811,025	8,994,912
TOTAL DISBURSEMENTS	\$ 32,278,600	\$ 33,261,147	\$ 34,875,991	\$ 36,356,362	\$ 40,581,420
NET CASH FLOW	\$ 309,168	\$ 157,250	\$ 982,803	\$ 1,518,784	\$ 2,719,824

- (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 \$1.2 billion in May 2021. The projections and estimates also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the June 2021 LFB Report. The projections and estimates do not reflect any specific disbursement of remaining CARES Act and ARPA federal funds.

Source: Wisconsin Department of Administration.

Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 54). Replace with the following updated table.

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR ^(a)
(Cash Basis)
As of May 31, 2021
(Amounts in Thousands)**

	2019-20 Fiscal Year through April 30, 2020		2020-21 Fiscal Year through May 31, 2021				Difference FY19 Actual to FY20 Actual
	Actual	Actual	Estimate ^(b)	Variance	Adjusted Variance ^(c)		
RECEIPTS							
Tax Receipts							
Individual Income	\$ 9,147,389	\$ 11,113,639	\$ 9,724,439	\$ 1,389,200	\$ 1,389,200	\$ 1,966,250	
Sales	5,712,768	6,211,476	5,771,148	440,328	440,328	498,708	
Corporate Income	1,413,194	2,359,760	1,794,401	565,359	565,359	946,566	
Public Utility	402,845	409,639	406,631	3,008	3,008	6,794	
Excise	611,650	627,228	596,461	30,767	30,767	15,578	
Insurance	198,614	185,009	194,997	(9,988)	(9,988)	(13,605)	
Total Tax Receipts	\$ 17,486,460	\$ 20,906,751	\$ 18,488,077	\$ 2,418,674	\$ 2,418,674	\$ 3,420,291	
Non-Tax Receipts							
Federal	\$ 11,608,950	\$ 12,928,904	\$ 11,768,477	\$ 1,160,427	\$ 1,160,427	\$ 1,319,954	
Other and Transfers	5,409,922	6,052,184	5,807,797	244,387	244,387	642,262	
Total Non-Tax Receipts	\$ 17,018,872	\$ 18,981,088	\$ 17,576,274	\$ 1,404,814	\$ 1,404,814	\$ 1,962,216	
TOTAL RECEIPTS	\$ 34,505,332	\$ 39,887,839	\$ 36,064,351	\$ 3,823,488	\$ 3,823,488	\$ 5,382,507	
DISBURSEMENTS							
Local Aids	\$ 8,089,616	\$ 8,500,164	\$ 8,199,225	\$ (300,939)	\$ (300,939)	\$ 410,548	
Income Maintenance	9,637,155	10,396,688	9,952,215	(444,473)	(444,473)	759,533	
Payroll & Related	5,067,786	5,155,751	5,380,373	224,622	224,622	87,965	
Tax Refunds	2,850,029	3,340,192	3,254,165	(86,027)	(86,027)	490,163	
Debt Service	875,340	937,388	1,010,529	73,141	73,141	62,048	
Miscellaneous	6,222,557	8,436,488	7,975,490	(460,998)	(460,998)	2,213,931	
TOTAL DISBURSEMENTS	\$ 32,742,483	\$ 36,766,671	\$ 35,771,997	\$ (994,674)	\$ (994,674)	\$ 4,024,188	
2020-21 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$ 2,828,814	\$ 2,828,814		

- (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 \$1.2 billion in May 2021. The projections and estimates also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the June 2021 LFB Report. The projections and estimates do not reflect any specific disbursement of remaining CARES Act and ARPA federal funds.
- (c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed which may result in large variances. This column includes adjustments to the variances, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration.

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

GENERAL FUND MONTHLY CASH POSITION ^(a)
July 1, 2019 through May 31, 2021 – Actual
June 1, 2021 through June 30, 2022 – Estimated^(b)
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts	Disbursements
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	3,413,405	3,814,749
	July.....	6,748,140	3,155,461	4,819,630
	August.....	5,083,971	2,911,816	2,567,346
	September.....	5,428,442	4,188,943	3,297,263
	October.....	6,320,122	3,075,488	2,765,364
	November.....	6,630,246	3,223,698	3,995,474
	December.....	5,858,470	3,370,747	4,327,283
2022	January.....	4,901,934	3,956,477	2,515,662
	February.....	6,342,750	3,346,917	3,271,013
	March.....	6,418,653	3,434,649	5,033,751
	April.....	4,819,551	4,065,515	3,644,070
	May.....	5,240,996	5,003,425	2,844,740
	June.....	7,399,682	3,597,831	4,479,863

- (a) The General Fund balances presented in this table are not based on generally accepted accounting principles (GAAP).
- (b) The projections and estimates for the 2020-21 and 2021-22 fiscal year (cash basis) reflect the January 2021 LFB Report, 2021 Wisconsin Act 1, the Governor's proposed executive budget for the 2021-23 biennium, 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. The projections and estimates for the 2021-22 fiscal year also reflect the June 2021 LFB Report. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

Source: Wisconsin Department of Administration.

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

**CASH BALANCES IN FUNDS AVAILABLE FOR
 TEMPORARY REALLOCATION ^{(a) (b)}
 July 31, 2019 to May 31, 2021 — Actual
 June 30, 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	1,815
April		1,716	2,008	1,716
May		1,670	2,063	1,670
June		1,806	1,806	1,806
July	\$1,783	1,575	1,575	
August	1,776	1,627	1,627	
September	2,025	1,783	1,783	
October	1,907	1,620	1,620	
November	1,801	1,672	1,672	
December	1,967	1,873	1,873	

Available Balances; Includes Balances in the LGIP

<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	6,970
April		6,990	7,428	6,990
May		6,469	7,529	6,469
June		6,524	6,524	6,524
July	\$6,804	7,004	7,004	
August	5,839	6,087	6,087	
September	5,600	5,970	5,970	
October	5,474	5,410	5,410	
November	5,213	5,418	5,418	
December	6,137	6,549	6,549	

- ^(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 in for the 2020-21 and 2021-22 fiscal years (cash basis) reflect the June 2021 LFB Report, January 2021 LFB Report, 2021 Wisconsin Act 1, 2021 Wisconsin Act 2, the Governor's proposed executive budget for the 2021-23 biennium 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. 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 of remaining CARES Act and ARPA federal funds. Temporary reallocations of cash are not included.

Source: Wisconsin Department of Administration.

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

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2020 to May 31, 2021 compared with previous year^(b)

	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 May 31, 2020 ^(d)	Recorded Revenues July 1, 2020 to May 31, 2021 ^(e)
Individual Income Tax	\$ 8,742,266,000	\$ 9,142,000,000	\$ 6,576,330,564	\$ 7,634,254,341
General Sales and Use Tax	5,836,215,000	5,960,500,000	4,724,383,218	5,130,699,177
Corporate Franchise and Income Tax	1,607,873,000	1,205,400,000	1,151,045,486	1,921,363,222
Public Utility Taxes	357,152,000	36,400,000	374,911,160	377,709,792
Excise Taxes	679,503,000	671,200,000	563,633,443	562,163,711
Inheritance Taxes	41,000	-	41,353	-
Insurance Company Taxes	217,381,000	211,000,000	173,788,072	156,899,054
Miscellaneous Taxes	91,693,000	97,500,000	305,348,791	386,985,287
SUBTOTAL.....	<u>\$ 17,532,124,000</u>	<u>\$ 17,324,000,000</u>	<u>\$ 13,869,482,088</u>	<u>\$ 16,170,074,584</u>
Federal and Other Inter- Governmental Revenues ^(f)	13,645,746,000	11,414,533,600	12,220,411,327	13,783,060,486
Dedicated and Other Revenues ^(g)	<u>6,807,021,000</u>	<u>8,556,987,900</u>	<u>6,031,001,940</u>	<u>6,935,814,328</u>
TOTAL.....	<u>\$ 37,984,891,000</u>	<u>\$ 37,295,521,500</u>	<u>\$ 32,120,895,355</u>	<u>\$ 36,888,949,397</u>

- (a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the restated Annual Fiscal Report (budgetary basis) for the 2019-20 fiscal year, dated October 15, 2020.
- (c) The estimates in this table for the 2020-21 fiscal year (cash basis) reflect 2019 Wisconsin Act 9, but do not reflect 2019 Wisconsin Act 7 or 2019 Wisconsin Act 10, the November 2020 DOA Report, the January 2021 LFB Report, the June 2021 LFB Report, 2021 Wisconsin Act 1, or the expected receipt of \$1.2 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. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (e) The amounts shown are 2020-21 fiscal year general purpose revenues and program revenues taxes as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration.

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 60). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2020 to May 31, 2021 compared with previous year^(b)

	Annual Fiscal Report Expenditures <u>2019-20 Fiscal Year^(b)</u>	Appropriations <u>2020-21 Fiscal Year^(c)</u>	Recorded Expenditures July 1, 2019 to May 31, 2020 ^(d)	Recorded Expenditures July 1, 2020 to May 31, 2021 ^(e)
Commerce.....	\$ 219,272,000	\$ 426,164,200	\$ 183,236,750	\$ 377,236,986
Education.....	14,251,611,000	14,807,614,500	11,995,807,109	12,127,059,754
Environmental Resources.....	369,140,000	321,903,300	273,505,825	290,577,212
Human Relations & Resources	16,534,263,000	16,219,499,200	14,790,621,324	17,418,889,629
General Executive.....	1,344,836,000	1,355,233,900	1,081,830,185	2,683,236,256
Judicial.....	147,819,000	148,435,600	132,659,710	135,389,524
Legislative.....	75,475,000	79,301,700	64,864,380	65,141,581
General Appropriations.....	2,741,870,000	2,993,886,700	2,689,565,181	2,838,097,499
TOTAL.....	<u>\$ 35,684,286,000</u>	<u>\$ 36,352,039,100</u>	<u>\$ 31,212,090,464</u>	<u>\$ 35,935,628,442</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 2019-20 fiscal year, dated October 15, 2020.
- (c) The appropriations included in this table reflect the 2019-21 biennial budget (2019 Wisconsin Act 9), but do not reflect 2019 Wisconsin Act 7 or 2019 Wisconsin Act 10.
- (d) The amounts shown are 2019-20 fiscal year expenditures as recorded by all State agencies.
- (e) The amounts shown are 2020-21 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration.

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.

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	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	2.7	3.3	3	3.7	3.2	4.1	4.2	4.7
May	3.9	5.5	11.9	13	2.7	3.4	2.7	3.6	3	4.1	3.7	4.5
June			8.9	11	3.5	3.8	3.5	4.2	3.6	4.5	4.4	5.1
July			7.1	11	3.4	4	3.2	4.1	3.4	4.6	4	5.1
August			6.1	8.5	3.3	3.8	2.9	3.9	3.3	4.5	3.8	5
September			4.6	7.7	2.9	3.3	2.4	3.6	2.7	4.1	3.4	4.8
October			5.2	6.6	2.8	^{3.3}	2.4	3.5	2.5	3.9	3.3	4.7
November			4.7	6.4	3.0	3.3	2.5	3.5	2.6	3.9	3.3	4.4
December			<u>5.3</u>	<u>6.5</u>	<u>3.2</u>	<u>3.4</u>	<u>2.8</u>	<u>3.7</u>	<u>2.7</u>	<u>3.9</u>	<u>3.4</u>	<u>4.5</u>
Annual												
Average			6.6	8.1	3.1	3.7	3.0	3.9	3.3	4.4	4.0	4.9

^(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

Legislative Fiscal Bureau

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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 written in a cursive, somewhat stylized font.

Robert Wm. Lang
Director

RWL/SE/lb

cc: Members, Wisconsin Legislature

APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon delivery of the 2021 Series 1 Bonds, Quarles & Brady, LLP, Milwaukee, Wisconsin expects to deliver to the State a legal opinion in substantially the following form:

[Letterhead of Quarles & Brady LLP]

State of Wisconsin Building Commission
101 East Wilson Street, 7th Floor
Madison, WI 53702

RE: \$143,180,000 State of Wisconsin **(State)**
Transportation Revenue Refunding Bonds, 2021 Series 1 (Taxable)
dated August 12, 2021 **(2021 Series 1 Bonds)**

We have acted as bond counsel to the State in connection with the issuance of the 2021 Series 1 Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including a certified copy of the transcript of proceedings of record of the State of Wisconsin Building Commission **(Commission)** preliminary to and in connection with the issuance of the 2021 Series 1 Bonds.

The 2021 Series 1 Bonds have been authorized and issued pursuant to Subchapter II of Chapter 18 **(Revenue Obligations Act)** and Section 84.59 **(Act)** of the Wisconsin Statutes as now in force; the resolution of the Commission adopted June 26, 1986, entitled “1986 State of Wisconsin Building Commission Resolution 9, State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution” **(General Resolution)**, as amended and supplemented by certain resolutions of the Commission adopted March 19, 1998, August 9, 2000, and October 15, 2003 (collectively, **Amending Resolutions**); and a resolution of the Commission adopted May 26, 2021 and the determinations of the Capital Finance Director made thereunder in the report to the Commission, dated August 11, 2021 (collectively, **Series Resolution**) (hereafter, the General Resolution, as amended by the Amending Resolutions, shall be referred to as the **General Resolution** and the General Resolution and the Series Resolution shall be referred to collectively as the **Resolutions**).

The 2021 Series 1 Bonds are issued on a parity with certain outstanding transportation revenue bonds **(Prior Bonds)**. The 2021 Series 1 Bonds are issued to pay the costs of refunding certain outstanding Prior Bonds.

Pursuant to the Revenue Obligations Act, the Act and the General Resolution, the State, acting through the Commission, is authorized to issue transportation revenue bonds in addition to, but on a parity with the Prior Bonds and the 2021 Series 1 Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We have examined a sample of the 2021 Series 1 Bonds and find the same to be in proper form.

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

- (1) The State has valid right and lawful authority to finance transportation facilities and major highway projects by the adoption of the Resolutions, to perform its obligations under the terms and conditions of the Resolutions, and to issue the 2021 Series 1 Bonds.

- (2) The Resolutions have been duly and lawfully adopted by the Commission, are in full force and effect, and constitute valid and binding obligations of the State enforceable upon the State in accordance with their terms.
- (3) The 2021 Series 1 Bonds are valid and binding revenue bonds of the State secured by a pledge in the manner and to the extent set forth in the General Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution on a parity with the Prior Bonds. The General Resolution creates the valid pledge which it purports to create of the Program Income (as defined in the General Resolution) and of monies and securities on deposit in any of the Funds (as defined in the General Resolution) established under the General Resolution, including the investments, if any, thereof, subject to the application thereof to the purposes and on the conditions permitted by the General Resolution.
- (4) The 2021 Series 1 Bonds have been lawfully authorized and issued in accordance with the Constitution and statutes of the State, including the Revenue Obligations Act and the Act and in accordance with the Resolutions.
- (5) The 2021 Series 1 Bonds do not constitute a debt or grant or loan of credit of the State, and the State shall not be generally liable thereon, nor shall the 2021 Series 1 Bonds be payable out of any funds other than those provided therefor pursuant to the Resolutions and the Act. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or the interest on the 2021 Series 1 Bonds.
- (6) The interest on the 2021 Series 1 Bonds is included for federal income tax purposes in the gross income of the owners of the 2021 Series 1 Bonds. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2021 Series 1 Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the 2021 Series 1 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2021 Series 1 Bonds other than as expressly set forth herein.

Except as expressly set forth in (3) above regarding the priority of the 2021 Series 1 Bonds with respect to other obligations of the State under the Act, we express no opinion regarding the perfection or priority of the lien on Program Income or other Funds established under the General Resolution.

The rights of the owners of the 2021 Series 1 Bonds and the enforceability of the 2021 Series 1 Bonds and the Resolutions may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights and may be also subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX D
OUTSTANDING BONDS
REFUNDED BY THE 2021 SERIES 1 BONDS

<u>Series</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP^(a)</u>	<u>Call Date</u>	<u>Call Price</u>
2013 Series 1	\$ 16,055,000	5.00%	7/1/2024	977123 S90	7/1/2023	100%
	13,905,000	4.00	7/1/2031	977123 E53	7/1/2023	100
2015 Series A	\$ 18,485,000	5.00%	7/1/2035	977123 P44	7/1/2024	100%
	19,410,000	5.00	7/1/2036	977123 P51	7/1/2024	100
2017 Series 1	\$ 8,620,000	5.00%	7/1/2032	977123 R26	7/1/2024	100%
	9,055,000	5.00	7/1/2033	977123 R34	7/1/2024	100
	9,505,000	5.00	7/1/2034	977123 R42	7/1/2024	100
	9,980,000	5.00	7/1/2035	977123 R59	7/1/2024	100
	10,480,000	5.00	7/1/2036	977123 R67	7/1/2024	100
	11,005,000	5.00	7/1/2037	977123 R75	7/1/2024	100
	\$ 126,500,000					

^(a) The CUSIP number for each refunded bond has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers.

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