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

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 1, 2021

New Issue

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

$227,295,000*
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2021, SERIES A

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

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

Tax Exemption Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 7-9.*
Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 9.*

Redemption* The Bonds maturing on or after May 1, 2029 are callable at par on May 1, 2028 or any date thereafter—*See page 2.*
The Bonds maturing on May 1, are subject to mandatory sinking fund redemption at par—*See page 3.*

Security General obligations of the State of Wisconsin–*See page 2.*

Purpose Bond proceeds are being used for various general governmental purposes—*See pages 3-4.*

Interest Payment Dates May 1 and November 1

First Interest Payment Date November 1, 2021

Denominations Multiples of $5,000

Closing/Settlement On or about , 2021

Bond Counsel Foley & Lardner LLP

Registrar/Paying Agent Secretary of Administration

Issuer Contact Wisconsin Capital Finance Office
(608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov

Book-Entry System The Depository Trust Company—*See pages 4-5.*

2020 Annual Report This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.

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

CUSIP	Due (May 1)*	Principal Amount*	Interest Rate	First Optional Call Date (May 1)*	Call Price*
	2022	$ 8,590,000		Not Callable	-
	2023	8,635,000		Not Callable	-
	2024	8,715,000		Not Callable	-
	2025	8,825,000		Not Callable	-
	2026	8,985,000		Not Callable	-
	2027	9,200,000		Not Callable	-
	2028	9,555,000		Not Callable	-
	2029	10,010,000		2028	100%
	2030	10,590,000		2028	100
	2031	11,210,000		2028	100
	2032	10,085,000		2028	100
	2033	10,625,000		2028	100
	2034	11,190,000		2028	100
	2035	11,820,000		2028	100
	2036	12,435,000		2028	100
	2037	13,775,000		2028	100
	2038	14,805,000		2028	100
	2039	15,425,000		2028	100
	2040	16,065,000		2028	100
	2041	16,755,000		2028	100

Purchase Price: $

, 2021

* Preliminary; subject to change. The Capital Finance Director will most likely, after selection of the winning bid, adjust the principal amounts of some or all maturities, or mandatory sinking fund payments, which could change the aggregate par amount of the Bonds. See "Adjustment of Principal Amounts and Purchase Price" in the Official Notice of Sale. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

ELECTRONIC BIDS FOR THE BONDS WILL BE RECEIVED AT 9:30 AM (CENTRAL TIME) ON JUNE 8, 2021

This document is called an official statement because it is the only document the State has authorized for providing information about the Bonds. This document is not an offer or solicitation for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, and anything else related to the offering.

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

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

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

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

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

TABLE OF CONTENTS

STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	**Term of Office Expires**
Governor Tony Evers, Chairperson	January 9, 2023
Representative Rob Swearingen, Vice Chairperson	January 9, 2023
Senator Andre Jacque	January 9, 2023
Senator Jerry Petrowski	January 9, 2023
Senator Janis Ringhand	January 9, 2023
Representative Jill Billings	January 9, 2023
Representative Robert Wittke	January 9, 2023
Ms. Summer Strand, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Member	
Mr. Kevin Trinastic, State Ranking Architect Department of Administration	——
Building Commission Secretary	
Ms. Naomi De Mers, Administrator Division of Facilities Development Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

OTHER PARTICIPANTS

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

DEBT MANAGEMENT AND DISCLOSURE

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

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

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

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

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

* The Building Commission is composed of eight voting members. The Governor serves as the chairperson. Each house of the Wisconsin State Legislature appoints three members. State law provides for the two major political parties to be represented in the membership from each house. One citizen member is appointed by the Governor and serves at the Governor's pleasure.

SUMMARY DESCRIPTION OF BONDS

Selected information is presented on this page for the convenience of the reader. To make an informed investment decision regarding the Bonds, a prospective investor should read the entire Official Statement.	
Description:	State of Wisconsin General Obligation Bonds of 2021, Series A
Principal Amount:	$227,295,000*
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (on or about , 2021)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2021
Maturities:	May 1, 2022-2041*—*See front cover.*
Redemption*:	*Optional*—The Bonds maturing on or after May 1, 2029 are callable at par on May 1, 2028 or any date thereafter—*See page 2.*
	Sinking Fund—The Bonds maturing on May 1, are subject to mandatory sinking fund redemption at par—*See page 3.*
Form:	Book-entry-only—*See pages 4-5.*
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of May 31, 2021, general obligations of the State were outstanding in the principal amount of $6,879,207,189.
Additional General Obligation Debt:	The State may issue additional general obligation debt —*See page 5*.
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 7-9.*
	Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 9.*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP—*See page C-1.*
2020 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020.
Bidding Requirements*:	A bid must be for all of the Bonds. A good-faith deposit must be provided for the winning bid in the amount of $4,546,000. The award will be made at the lowest true-interest-cost rate for the Bonds calculated to the expected dated date—*See Official Notice of Sale.*

* Preliminary; subject to change. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

OFFICIAL STATEMENT

$227,295,000*
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2021, SERIES A

INTRODUCTION

This Official Statement provides information about the $227,295,000* General Obligation Bonds of 2021, Series A **(Bonds)**, which are being issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2020 **(2020 Annual Report)**.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to an authorizing resolution that the State of Wisconsin Building Commission **(Commission)** adopted on May 26, 2021.

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

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

THE STATE

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

Information concerning the State, its financial condition, and its general obligation debt is included as APPENDIX A, which incorporates by reference Parts II and III of the 2020 Annual Report. APPENDIX A also makes updates and additions to Parts II and III of the 2020 Annual Report, including but not limited to:

- Additional information about the State's response, and federal assistance relating, to the COVID-19 pandemic.
- 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 Legislative Fiscal Bureau **(LFB)** on January 26, 2021 **(January 2021 LFB Report)**, and status of typical review of estimated General Fund tax collections by LFB in May of odd-numbered years.
- Information about the executive budget for the 2021-23 biennium and Legislative Joint Committee on Finance actions relating to such budget.
- General Fund information for the 2020-21 fiscal year through April 30, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2020-21 fiscal year and the 2021-22 fiscal year, which is presented on a cash basis.

* Preliminary; subject to change.

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

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

THE BONDS

General

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

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

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

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

Security

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

Redemption Provisions*

Optional Redemption

The Bonds maturing on or after May 1, 2029 may be redeemed on May 1, 2028 or any date thereafter, in whole or in part in multiples of $5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem the Bonds, and the Capital Finance Director of the State may direct the amounts and maturities of any Bonds to be redeemed.

* Preliminary; subject to change. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

Mandatory Sinking Fund Redemption

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

Redemption Date (May 1)	Principal Amount

[a] Stated maturity

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

Selection of Bonds

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

Notice of Redemption

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

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

Registration and Payment of Bonds

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

Ratings

The following ratings have been assigned to the Bonds:

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

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

Application of Bond Proceeds

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

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

Book-Entry-Only Form

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

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

Payment

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

Notices and Voting Rights

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

Redemption

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

Discontinued Service

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

Further Information

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

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

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

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

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

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

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is $4,598,526,806, and the cumulative debt limit is $30,656,845,375. Funding or refunding obligations are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of May 31, 2021, general obligations of the State were outstanding in the principal amount of $6,879,207,189. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans for Calendar Year 2021

General Obligations

The Bonds will be the fourth series of general obligations to be issued in calendar year 2021. The State has previously issued three series of general obligation refunding bonds in the aggregate principal amount of $666 million for the refunding of general obligation bonds previously issued for general governmental purposes.

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

- Up to $550 million of 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 such general obligation refunding bonds and 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 May 31, 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.

Other Obligations

The State has issued one series of transportation revenue obligations in calendar year 2021 in the principal amount of $149 million for the financing of transportation facilities and highway projects. The Commission has authorized the issuance of up to $300 million of transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

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

The State 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 does not currently intend to issue operating notes for the 2020-21 or 2021-22 fiscal years.

Underwriting

The Bonds were purchased through competitive bidding on , 2021 by the following account **(Underwriters)**:

The Underwriters paid $, and their bid resulted in a true-interest-cost rate to the State of %.

Reference Information About the Bonds

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

Legal Opinions

Bond Opinion

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

Attorney General

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

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

$227,295,000*
State of Wisconsin
General Obligation Bonds of 2021, Series A

Dated Date: Date of Delivery
First Interest Date: November 1, 2021
Delivery/Settlement Date: On or about , 2021

CUSIP	Due (May 1)*	Principal Amount*	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)*	Call Price*
	2022	$ 8,590,000				Not Callable	-
	2023	8,635,000				Not Callable	-
	2024	8,715,000				Not Callable	-
	2025	8,825,000				Not Callable	-
	2026	8,985,000				Not Callable	-
	2027	9,200,000				Not Callable	-
	2028	9,555,000				Not Callable	-
	2029	10,010,000				2028	100%
	2030	10,590,000				2028	100
	2031	11,210,000				2028	100
	2032	10,085,000				2028	100
	2033	10,625,000				2028	100
	2034	11,190,000				2028	100
	2035	11,820,000				2028	100
	2036	12,435,000				2028	100
	2037	13,775,000				2028	100
	2038	14,805,000				2028	100
	2039	15,425,000				2028	100
	2040	16,065,000				2028	100
	2041	16,755,000				2028	100

* Preliminary; subject to change. The Capital Finance Director may, after selection of the winning bid, adjust the principal amount of any or all maturities, or mandatory sinking fund payments, which could change the aggregate par amount of the Bonds. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

Legal Investment

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

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

Other Legal Matters

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

TAX MATTERS

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The State must comply with certain requirements of the Internal

Revenue Code for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the Bonds are issued. No provision is made for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds is included in gross income.

The opinion of Bond Counsel will be based on legal authorities that are current as of its date, will cover certain matters not directly addressed by those authorities, and will represent Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It will not be binding on the Internal Revenue Service **(IRS)** or the courts and will not be a guaranty of result. As to questions of fact, Bond Counsel will rely upon certified proceedings and certifications of public officials and others without independently undertaking to verify them.

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

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

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

Original Issue Discount Bonds

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

Original issue discount on tax-exempt obligations accrues on a constant-yield-to-maturity method based on regular compounding. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in the obligations. The adjusted tax basis will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the obligations.

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

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

Premium Bonds

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

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

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

State of Wisconsin Income and Franchise Taxes

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

CONTINUING DISCLOSURE

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

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

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

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

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

Dated: June , 2021

STATE OF WISCONSIN

Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

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

Naomi De Mers, Secretary
State of Wisconsin Building Commission

APPENDIX A

CERTAIN INFORMATION ABOUT THE STATE

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

- Additional information about the State's response, and federal assistance relating, to the COVID-19 pandemic.
- 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 Legislative Fiscal Bureau **(LFB)** on January 26, 2021 **(January 2021 LFB Report)**, and status of typical review of estimated General Fund tax collections by LFB in May of odd-numbered years.
- Information about the executive budget for the 2021-23 biennium and Legislative Joint Committee on Finance actions relating to such budget.
- General Fund information for the 2020-21 fiscal year through April 30, 2021, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 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.

Part III of the 2020 Annual Report contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2020 Annual Report and the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020 were both filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic

Municipal Market Access (**EMMA**) system. The 2020 Annual Report and the Comprehensive Annual Financial Report are also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin" and the State investor relations web site. The Capital Finance Office web site and the State investor relations web site are located at the following respective addresses:

doa.wi.gov/capitalfinance
wisconsinbonds.com

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

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

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 may include changes or additions that were released after the date of the Preliminary Official Statement (June 1, 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 April 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 $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 $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 $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 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

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

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. Starting April 5, 2021, all State individuals ages 16 and older became eligible for the vaccination, and as of May 24, 2021, nearly 42% of Wisconsin residents were fully vaccinated.

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

As stated in the 2020 Annual Report, the pandemic and the emergency responses resulted 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 and cancellations have ended in many parts of the State, some restrictions 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.

It is not possible at present to project with a reasonable degree of certainty the impact on State revenues, expenditures, reserves, budget, or financial position. While it may be some time before it can determine the full economic and financial impact of the COVID-19 pandemic, the State intends to file any appropriate reports from the Department of Revenue **(DOR)** or LFB with the MSRB through its EMMA system.

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

Typical May 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 has not completed this review, which is expected to be completed in June, 2021. If any updates of the estimated General Fund tax collections and condition statement for the 2020-21 fiscal year are released, the State will file such information with the MSRB through its EMMA system, and make a copy available from the State as provided on page A-2.

Enacted Legislation – Impact on General Fund Condition Statement

On February 18, 2021 Governor Evers signed into law 2021 Wisconsin Act 1 that will, among other provisions, change the State tax treatment of certain loan forgiveness and other business financial assistance, including the PPP under the CARES Act, in a manner that is consistent with recent changes in the Federal tax treatment of such items. LFB has estimated that the fiscal impact of 2021 Wisconsin Act 1 will would be a reduction in General Fund tax collections by $254 million in the 2020-21 fiscal year. This would result in a $127 million reduction in the transfer to the budget stabilization fund from the amount that was estimated in the January 2021 LFB Report, and a net $127 million decrease to the projected General Fund ending balance for the 2020-21 fiscal year.

January 2021 LFB Report – General Fund Condition Statement

The January 2021 LFB Report 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 Department of Administration report released on November 20, 2020 (**November 2020 DOA Report**). The January 2021 LFB Report did not reflect the impact from 2021 Wisconsin Act 1 (described above).

The estimated General Fund condition statement for fiscal year 2020-21 from the January 2021 LFB Report is provided on the next page, with comparisons to the actual fiscal year 2019-20 statement as reported in the Annual Fiscal Report, and fiscal year 2020-21estimates from the enacted budget for the 2019-21 biennium (2019 Wisconsin Act 9) and the November 2020 DOA Report. The estimated General Fund condition statement provided in the January 2021 LFB Report and on the next page does not reflect the provisions of 2021 Wisconsin Act 1 or the receipt of ARPA funds.

The January 2021 LFB Report included an estimated 2020-21 fiscal year deposit of $232 million into the Budget Stabilization Fund, reflecting revenue estimates in the 2020-21 fiscal year being higher than estimated in 2019 Wisconsin Act 9. This estimated deposit in the January 2021 LFB Report did not reflect the impact from 2021 Wisconsin Act 1.

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

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

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

[1] Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Does not reflect the ending actual General Fund balance of the 2019-20 fiscal year of $1,172 million, as included in the Annual Fiscal Report (budgetary basis) released on October 15, 2020.
[2] 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 2021-21 fiscal year.

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

Typical May 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 has not completed this review, which is expected to be completed in June, 2021. If any updates of the estimated General Fund tax collections for the 2020-21 fiscal year are released, the State will file such information with the MSRB through its EMMA system, and make a copy available from the State as provided on page A-2.

Enacted Legislation – Impact on General Fund Tax Collections

On February 18, 2021, Governor Evers signed into law 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 has estimated that the fiscal impact of the act will be a reduction in General Fund tax collections by $254 million in the 2020-21 fiscal year.

January 2021 LFB Report – General Fund Tax Collections

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

The following table sets forth the estimated General Fund tax revenues for the 2020-21 fiscal year as included in the January 2021 LFB Report. The table also includes, for comparison, the actual General Fund tax collections for the 2019-20 fiscal year, as reported in the Annual Fiscal Report, and the estimated General Fund tax collections for the 2020-21 fiscal year included in 2019 Wisconsin Act 9 and the November 2020 DOA Report. The estimated General Fund tax revenues do not reflect the provisions of 2021 Wisconsin Act 1.

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

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

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

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

[2] 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 2021-21 fiscal year.

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.

Joint Committee on Finance Actions; 2021-23 Budget

JCF completed its public hearings related to the budget for the 2021-23 biennium. JCF has announced that it intends to prepare its own version of the biennial budget bill and will start from budgetary base (the budget for the 2019-21 biennium) rather than the Governor's executive budget for the 2021-23 biennium. JCF has completed executive sessions on some parts of the budget for the 2021-23 biennium, but has not yet approved any amendment to the legislation that reflected the executive budget.

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 A-2.

The following table includes the estimated General Fund condition statement for the 2021-22 and 2022-23 fiscal years, as detailed in the Governor's executive budget for the 2021-23 biennium.

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

	2021-22 Fiscal Year Executive Budget[1]	2022-23 Fiscal Year Executive Budget[1]
Revenues		
Opening Balance	$ 1,894.6	$ 803.2
Taxes	18,909.0	19,752.9
Department Revenues		
Tribal Gaming	2.0	25.2
Other	503.6	519.1
Total Available	$21,309.3	$21,100.4
Appropriations		
Gross Appropriations	$20,715.5	$21,121.5
Compensation Reserves	54.1	117.8
Transfers	47.3	49.4
Less: Lapses	(310.8)	(331.0)
Net Appropriations	$20,506.0	$20,957.8
Balances		
Gross Balance	$ 803.2	$ 142.7
Less: Req. Statutory Balance	(90.0)	(95.0)
Net Balance, June 30	$ 713.2	$ 47.7

[1] Does not reflect the provision of 2021 Wisconsin Act 1, which was enacted after introduction of the executive budget and is expected to have an impact on General Fund tax collection in the 2020-21, 2021-22, and 2022-23 fiscal years.

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

Typical May 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 has not completed this review, which is expected to be completed in June, 2021. If any updates of estimated General Fund tax collections for the 2021-22 and 2022-23 fiscal years are released, the State will file such information with the MSRB through its EMMA system, and make a copy available from the State as provided on page A-2.

Enacted Legislation – Impact on General Fund Tax Collections

On February 18, 2021, Governor Evers signed into law 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 has estimated that the fiscal impact of 2021 Wisconsin Act 1 will be a reduction in General Fund tax collections by $215 million in the 2021-22 fiscal year and $71 million in the 2022-23 fiscal year.

January 2021 LFB Report – General Fund Tax Collections

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

The table on the following page provides a summary of estimated General Fund tax collections for the 2021-22 and 2022-23 fiscal years as included in the January 2021 LFB Report. For comparison purposes, the following table also provides the estimated collections from the November 2020 DOA Report. The estimated General Fund tax revenues do not reflect the provisions of 2021 Wisconsin Act 1.

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

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 April 30, 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.

The projections and estimates for the 2021-22 fiscal year 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 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.

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

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

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 APRIL 30, 2021
PROJECTED GENERAL FUND CASH FLOW; MAY 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	$ 6,764,839
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	6,764,839	6,363,495
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	4,656,230	5,923,418
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	$ 367,868	$ 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	478,881	567,903
Corporate Income	377,480	29,663	350,353	72,663	157,653	443,606	132,314	38,854	283,476	402,919	63,561	346,779
Public Utility	60	118	3,834	30,610	182,006	299	275	139	29	6,473	181,822	2,478
Excise	67,935	61,898	62,035	58,703	58,311	54,357	54,798	47,094	47,088	59,350	48,121	59,641
Insurance	517	3,284	43,569	363	2,272	44,814	829	19,350	20,302	47,549	3,742	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	$ 1,143,995	$ 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	$ 2,588,416	$ 826,896
Other & Transfers	610,506	242,009	744,684	652,743	338,374	550,208	446,451	672,542	747,141	493,877	350,251	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	$ 2,938,667	$ 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	$ 4,082,662	$ 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	$ 271,905	$ 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	826,034	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	365,253	492,382
Tax Refunds	259,526	152,805	127,730	140,980	145,815	224,203	108,326	459,157	744,604	581,972	210,985	155,252
Debt Service	249,099	2,107	-	221,579	76	36,330	-	-	-	410,233	103,166	-
Miscellaneous	687,438	796,579	633,154	768,190	560,554	1,289,353	691,549	788,052	604,464	686,003	481,004	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	$ 2,258,347	$ 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, 2021 Wisconsin Act 1, and the anticipated receipt of ARPA federal funds, including a receipt of $1.6 billion in May 2021. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds. . Temporary reallocations of cash are not included.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from $1.3 billion to $1.9 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	$ 6,363,495	$ 4,539,194	$ 4,723,172	$ 5,382,009	$ 5,529,632	$ 4,614,113	$ 3,448,932	$ 4,672,153	$ 4,643,521	$ 2,862,892	$ 3,076,599	$ 4,743,828
Ending Balance[(c)]	4,539,194	4,723,172	5,382,009	5,529,632	4,614,113	3,448,932	4,672,153	4,643,521	2,862,892	3,076,599	4,743,828	3,688,544
Lowest Daily Balance[(c)]	4,539,194	3,904,573	3,549,585	4,668,409	4,238,296	2,602,884	3,118,583	3,681,539	2,626,374	2,007,307	3,071,619	3,028,637
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 586,474	$ 902,067	$ 947,282	$ 637,419	$ 949,906	$ 767,628	$ 1,273,061	$ 770,204	$ 908,411	$ 1,380,382	$ 870,670	$ 918,657
Sales & Use	655,643	623,260	620,707	620,741	598,039	561,720	693,494	513,839	482,102	602,323	526,437	621,988
Corporate Income	62,478	39,313	334,453	64,680	59,818	328,092	88,111	69,886	250,569	253,649	57,412	313,228
Public Utility	41	48	1,520	28,355	190,703	296	171	63	22	6,941	184,724	3,375
Excise	60,154	62,685	62,223	54,908	57,611	53,526	53,392	48,458	47,061	58,068	47,381	59,514
Insurance	394	3,824	43,099	361	2,170	44,970	2,062	23,888	22,268	47,190	3,234	44,404
Subtotal Tax Receipts	$ 1,365,184	$ 1,631,197	$ 2,009,284	$ 1,406,464	$ 1,858,247	$ 1,756,232	$ 2,110,291	$ 1,426,338	$ 1,710,433	$ 2,348,553	$ 1,689,858	$ 1,961,166
NON-TAX RECEIPTS												
Federal	$ 1,033,985	$ 793,277	$ 1,171,590	$ 821,568	$ 875,485	$ 942,825	$ 1,066,936	$ 1,044,823	$ 915,422	$ 893,378	$ 2,427,758	$ 888,367
Other & Transfers	584,617	354,632	795,290	694,821	347,994	500,536	577,190	701,007	633,562	614,123	336,600	574,534
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,618,602	$ 1,147,909	$ 1,966,880	$ 1,516,389	$ 1,223,479	$ 1,443,361	$ 1,644,126	$ 1,745,830	$ 1,548,984	$ 1,507,501	$ 2,764,358	$ 1,462,901
TOTAL RECEIPTS	$ 2,983,786	$ 2,779,106	$ 3,976,164	$ 2,922,853	$ 3,081,726	$ 3,199,593	$ 3,754,417	$ 3,172,168	$ 3,259,417	$ 3,856,054	$ 4,454,216	$ 3,424,067
DISBURSEMENTS												
Local Aids	$ 1,639,182	$ 170,131	$ 961,194	$ 140,299	$ 1,517,857	$ 1,490,667	$ 275,334	$ 369,873	$ 2,114,263	$ 126,037	$ 345,658	$ 2,163,185
Income Maintenance	1,340,986	989,277	954,203	992,204	986,386	1,157,431	1,013,630	1,007,712	1,042,554	1,128,771	987,000	664,180
Payroll and Related	639,920	343,430	423,088	459,357	465,619	646,206	373,749	465,619	462,488	578,364	346,612	517,245
Tax Refunds	95,256	128,460	104,899	142,985	142,458	227,037	117,641	539,884	645,189	603,198	194,616	140,444
Debt Service	278,450	2,315	-	324,812	2,316	-	-	2,315	-	287,710	89,295	-
Miscellaneous	814,293	961,516	873,943	715,573	882,609	843,433	750,843	815,396	775,552	918,267	823,807	994,297
TOTAL DISBURSEMENTS	$ 4,808,087	$ 2,595,129	$ 3,317,327	$ 2,775,230	$ 3,997,245	$ 4,364,774	$ 2,531,197	$ 3,200,799	$ 5,040,046	$ 3,642,347	$ 2,786,988	$ 4,479,351

(a) The projections and estimates in this table 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. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds. Temporary reallocations of cash are not included.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from $1.3 billion to $1.8 billion for the 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.

Source: Wisconsin Department of Administration.

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

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

	Actual 2016-17 Fiscal Year	Actual 2017-18 Fiscal Year	Actual 2018-19 Fiscal Year	Actual 2019-20 Fiscal Year	FY21 YTD Actual thru April-21; Estimated May-21 thru June-21[(b)]
RECEIPTS					
Tax Receipts					
Individual Income	$ 9,487,657	$ 9,837,742	$ 10,557,272	$ 10,138,020	$ 11,468,214
Sales	5,549,486	5,867,099	6,132,089	6,253,771	6,674,569
Corporate Income	1,151,868	1,070,879	1,519,561	1,551,402	2,699,321
Public Utility	415,784	416,406	415,047	409,513	408,143
Excise	708,762	689,653	681,262	667,055	679,331
Insurance	204,510	207,953	218,304	242,228	230,226
Total Tax Receipts	$ 17,518,067	$ 18,089,732	$ 19,523,535	$ 19,261,989	$ 22,159,804
Non-Tax Receipts					
Federal	$ 9,396,361	$ 9,214,957	$ 10,093,533	$ 12,725,759	$ 13,648,565
Other and Transfers	5,673,340	6,113,708	6,241,726	5,887,398	$ 6,383,204
Total Non-Tax Receipts	$ 15,069,701	$ 15,328,665	$ 16,335,259	$ 18,613,157	$ 20,031,769
TOTAL RECEIPTS	$ 32,587,768	$ 33,418,397	$ 35,858,794	$ 37,875,146	$ 42,191,573
DISBURSEMENTS					
Local Aids	$ 9,223,782	$ 9,202,809	$ 9,698,906	$ 9,917,134	$ 10,431,386
Income Maintenance	9,186,111	9,370,303	9,747,283	10,126,849	10,893,767
Payroll & Related	5,000,390	5,174,225	5,333,395	5,633,397	5,616,202
Tax Refunds	2,550,017	2,703,269	2,785,514	2,992,617	3,311,355
Debt Service	891,234	908,172	914,688	875,340	1,022,590
Miscellaneous	5,427,066	5,902,369	6,396,205	6,811,025	8,581,094
TOTAL DISBURSEMENTS	$ 32,278,600	$ 33,261,147	$ 34,875,991	$ 36,356,362	$ 39,856,394
NET CASH FLOW	$ 309,168	$ 157,250	$ 982,803	$ 1,518,784	$ 2,335,179

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

(b) The projections and estimates for the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the November 2020 DOA Report, the January 2021 LFB Report, 2021 Wisconsin Act 1, and the anticipated receipt of ARPA federal funds, including a receipt of $1.6 billion in May 2021. The projections and estimates also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

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 April 30, 2021
(Amounts in Thousands)

	2019-20 Fiscal Year through April 30, 2020	2020-21 Fiscal Year through April 30, 2021				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY19 Actual to FY20 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 8,681,605	$ 10,068,691	$ 9,356,571	$ 712,120	$ 712,120	$ 1,387,086
Sales	5,274,311	5,627,785	5,292,267	335,518	335,518	353,474
Corporate Income	1,371,892	2,288,981	1,730,840	558,141	558,141	917,089
Public Utility	226,136	223,843	224,809	(966)	(966)	(2,293)
Excise	572,277	571,569	548,340	23,229	23,229	(708)
Insurance	196,738	182,849	191,255	(8,406)	(8,406)	(13,889)
Total Tax Receipts	$ 16,322,959	$ 18,963,718	$ 17,344,082	$ 1,619,636	$ 1,619,636	$ 2,640,759
Non-Tax Receipts						
Federal	$ 10,721,384	$ 10,233,253	$ 9,180,061	$ 1,053,192	$ 1,053,192	$ (488,131)
Other and Transfers	5,212,773	5,498,535	5,457,546	40,989	40,989	285,762
Total Non-Tax Receipts	$ 15,934,157	$ 15,731,788	$ 14,637,607	$ 1,094,181	$ 1,094,181	$ (202,369)
TOTAL RECEIPTS	$ 32,257,116	$ 34,695,506	$ 31,981,689	$ 2,713,817	$ 2,713,817	$ 2,438,390
DISBURSEMENTS						
Local Aids	$ 7,802,616	$ 8,190,442	$ 7,927,320	$ (263,122)	$ (263,122)	$ 387,826
Income Maintenance	8,824,573	9,464,411	9,126,181	(338,230)	(338,230)	639,838
Payroll & Related	4,621,967	4,758,567	5,015,120	256,553	256,553	136,600
Tax Refunds	2,673,971	2,945,118	3,043,180	98,062	98,062	271,147
Debt Service	874,360	883,094	907,363	24,269	24,269	8,734
Miscellaneous	5,752,310	7,541,666	7,494,486	(47,180)	(47,180)	1,789,356
TOTAL DISBURSEMENTS	$ 30,549,797	$ 33,783,298	$ 33,513,650	$ (269,648)	$ (269,648)	$ 3,233,501
2020-21 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 2,444,169	$ 2,444,169	

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

(b) The projections and estimates for the 2020-21 fiscal year reflect 2019 Wisconsin Act 9, the November 2020 DOA Report, the January 2021 LFB Report, 2021 Wisconsin Act 1, and the anticipated receipt of ARPA federal funds, including a receipt of $1.6 billion in May 2021. The projections and estimates also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds.

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

Source: Wisconsin Department of Administration.

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 April 30, 2021 – Actual
May 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	4,082,662	2,258,347
	June	6,764,839	3,413,405	3,814,749
	July	6,363,495	2,983,786	4,808,087
	August	4,539,194	2,779,106	2,595,129
	September	4,723,172	3,976,164	3,317,327
	October	5,382,009	2,922,853	2,775,230
	November	5,529,632	3,081,726	3,997,245
	December	4,614,113	3,199,593	4,364,774
2022	January	3,448,932	3,754,417	2,531,197
	February	4,672,153	3,172,168	3,200,799
	March	4,643,521	3,259,417	5,040,046
	April	2,862,892	3,856,054	3,642,347
	May	3,076,599	4,454,216	2,786,988
	June	4,743,828	3,424,067	4,479,351

(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 years (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. 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 April 30, 2021 — Actual
May 31, 2021 to June 30, 2022 — Projected [(c)]
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (**LGIP**) and the second table does include such balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of $2.7 billion during November 2016 to a high of $5.7 billion during March 2021. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2019	2020	2021	2022
January		$ 1,910	$ 1,866	$ 1,866
February		1,208	2,030	2,030
March		1,633	2,000	1,815
April		1,716	2,008	2,008
May		1,670	1,670	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

Month (Last Day)	2019	2020	2021	2022
January		$ 6,502	$ 7,130	$ 7,130
February		6,603	7,602	7,602
March		6,970	7,988	7,988
April		6,990	7,428	6,990
May		6,469	6,469	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 for the 2020-21 and 2021-22 fiscal years (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 Recovery Fund that are required to pass through the State). They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining CARES Act and ARPA federal funds. Temporary reallocations of cash are not included.

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 April 30, 2021 compared with previous year[b]

	Annual Fiscal Report Revenues 2019-20 Fiscal Year[b]	Projected Revenues 2020-21 Fiscal Year[c]	Recorded Revenues July 1, 2019 to April 30, 2020[d]	Recorded Revenues July 1, 2020 to April 30, 2021[e]
Individual Income Tax	$ 8,742,266,000	$ 9,142,000,000	$ 6,225,528,888	$ 6,898,890,064
General Sales and Use Tax	5,836,215,000	5,960,500,000	4,310,790,882	4,583,918,577
Corporate Franchise and Income Tax	1,607,873,000	1,205,400,000	1,115,943,311	1,865,921,018
Public Utility Taxes	357,152,000	36,400,000	198,205,254	194,073,721
Excise Taxes	679,503,000	671,200,000	525,890,383	506,997,489
Inheritance Taxes	41,000	-	41,353	-
Insurance Company Taxes	217,381,000	211,000,000	196,029,126	181,424,206
Miscellaneous Taxes	91,693,000	97,500,000	274,342,833	348,808,117
SUBTOTAL........................	$ 17,532,124,000	$ 17,324,000,000	$ 12,846,772,029	$ 14,580,033,193
Federal and Other Inter-Governmental Revenues[f]	13,645,746,000	11,414,533,600	11,034,745,691	10,891,237,249
Dedicated and Other Revenues[g]	6,807,021,000	8,556,987,900	5,656,863,151	6,593,971,155
TOTAL..............................	$ 37,984,891,000	$ 37,295,521,500	$ 29,538,380,871	$ 32,065,241,597

(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, 2021 Wisconsin Act 1, or the expected receipt of $1.6 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 April 30, 2021 compared with previous year[(b)]

	Annual Fiscal Report Expenditures 2019-20 Fiscal Year[(b)]	Appropriations 2020-21 Fiscal Year[(c)]	Recorded Expenditures July 1, 2019 to April 30, 2020 [(d)]	Recorded Expenditures July 1, 2020 to April 30, 2021 [(e)]
Commerce	$ 219,272,000	$ 426,164,200	$ 168,299,760	$ 363,556,108
Education	14,251,611,000	14,807,614,500	11,323,901,527	11,432,897,859
Environmental Resources	369,140,000	321,903,300	266,129,072	254,380,611
Human Relations & Resources	16,534,263,000	16,219,499,200	13,478,227,120	15,699,298,373
General Executive	1,344,836,000	1,355,233,900	1,020,365,821	2,359,139,559
Judicial	147,819,000	148,435,600	122,789,688	125,849,083
Legislative	75,475,000	79,301,700	58,654,344	58,593,365
General Appropriations	2,741,870,000	2,993,886,700	2,598,714,237	2,688,933,712
TOTAL	$ 35,684,286,000	$ 36,352,039,100	$ 29,037,081,569	$ 32,982,648,669

(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

	2021		2020		2019		2018		2017		2016	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
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			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			5.3	6.5	3.2	3.4	2.8	3.7	2.7	3.9	3.4	4.5
Annual Average			6.6	8.1	3.1	3.7	3.0	3.9	3.3	4.4	4.0	4.9

[a] Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.

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

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

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

Table III-4

PER CAPITA STATE GENERAL OBLIGATION DEBT

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

[a] As of January 1.

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

Legislative Fiscal Bureau

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State of Wisconsin

January 26, 2021

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

Dear Senator Marklein and Representative Born:

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

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

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

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

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

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

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

TABLE 1

Estimated 2020-21 General Fund Condition Statement

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

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

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

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

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

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

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

TABLE 2

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

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

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

General Fund Tax Revenues

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

Review of the National Economy in 2020

This office prepared updated revenue estimates for the 2019-21 biennium in January, 2020, based on the January, 2020, IHS Markit forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 2.1% in 2020 and 2021. The moderate growth forecast was expected to be driven by consumer spending and nonresidential fixed investment, bolstered by strong labor markets, increased spending for hiring on the 2020 decennial census, increased automobile production following the end of a strike at the General Motors Company, and the expectation that Boeing 737 MAX shipments would resume in April of 2021.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

National Economic Forecast

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

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

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

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

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

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

TABLE 3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund Taxes

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

TABLE 4

Projected General Fund Tax Collections
($ in Millions)

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

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

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

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

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

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

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

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

General Sales and Use Tax. State sales and use tax revenues totaled $5,836.2 million in 2019-20, and are estimated at $5,915.0 million in 2020-21. The estimate represents growth of 1.4% over the prior year. Sales tax collections through December, 2020, are 1.3% higher than the same period in 2019. Adjusting for law changes since the January, 2020, estimate, year-to-date growth is approximately 0.1%. The lower estimated annual growth in 2020-21 reflects changes to state and federal law, including the repeal, effective July 1, 2020, of the state's imposition of sales tax on internet access services (estimated at $166 million), pursuant to 2017 Act 59. This reduction is partly offset by additional revenues estimated from the 2019 Act 10 provision that requires marketplace providers to collect and remit sales tax.

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

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

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

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

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

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

Insurance Premiums Taxes. Insurance premiums taxes were $217.4 million in 2019-20. Revenues are projected to decrease to $211.0 million in 2020-21, and increase to $218.0 million in 2021-22 and $226.0 million in 2022-23. It is anticipated that collections resulting from certain retaliation amendments totaling more than $10 million last Spring may not repeat. Thus, collections in 2020-21 are forecast to decline 2.9%. The estimates are otherwise based on growth in year-to-date insurance premiums tax collections, historic collections growth trends, and projected growth in consumer spending on insurance.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were $91.8 million in 2019-20, of which 84% was generated from the real estate transfer fee. Based on the economic forecast for the housing sector, as well as collections through December, 2020, miscellaneous taxes are projected to increase to $111.0 million in 2020-21, which represents a 20.9% increase from 2019-20 collections. As previously mentioned, this large increase is driven by elevated demand for housing due to low mortgage rates, as well as rising house prices. Housing starts and sales of new and existing houses are projected to decline starting in 2021-22. However, the continued rise in prices of existing houses is expected to slightly offset this decline until 2022-23. As a result, miscellaneous taxes are estimated to increase by 0.9% to $112.0 million in 2021-22 and decrease by 0.9% to $111.0 million in 2022-23.

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

Sincerely,

Bob Lang

Robert Wm. Lang
Director

RWL/lb
cc: Members, Wisconsin Legislature

APPENDIX B

GENERAL OBLIGATION ISSUANCE STATUS REPORT
MAY 31, 2021

			Credit to Capital Improvement Fund			
Program Purpose	**Legislative Authorization**	**General Obligations Issued to Date**	**Interest Earnings**[a]	**Premium** [a]	**G.O. Bonds of 2021, Series A**[b]	**Total Authorized Unissued Debt**
University of Wisconsin; academic facilities	$ 3,024,031,100	$ 2,316,178,196	$ 13,084,724	$ 105,732,731	$ 61,000,000	$ 528,035,449
University of Wisconsin; self-amortizing facilities	3,176,722,100	2,488,147,043	2,967,557	95,506,065	54,738,000	535,363,435
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,088,850,000	921,962,995	410,794	38,644,695	16,684,000	111,147,516
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	659,783,200	654,448,380		4,536,236	520,000	278,584
Safe drinking water loan program	74,950,000	69,215,595	123	2,183,403		3,550,879
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,043	165,649		6
Natural resources; nonpoint source compliance	50,550,000	33,560,223	2,498	3,424,952	2,594,000	10,968,327
Natural resources; environmental repair	57,000,000	50,296,300	203,594	576,357	1,100,000	7,673,748
Natural resources; urban nonpoint source cost-sharing	57,600,000	46,437,969	31,189	2,339,687	2,298,000	6,493,155
Natural resources; contaminated sediment removal	36,000,000	28,635,461		2,042,780		5,321,759
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	14,708,548	161	1,073,223	1,239,000	2,948,268
Natural resources; segregated revenue supported dam safety projects	6,600,000	6,571,582	617	27,795		6
Natural resources; pollution abatement and sewage collection facilities, ORAP funding	145,060,325	145,010,325	50,000			
Natural resources; pollution abatement and sewage collection facilities	893,493,400	874,927,239	18,513,077			53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow	200,600,000	194,312,599	6,287,401			
Natural resources; recreation projects	56,055,000	56,053,994	1,006			
Natural resources; local parks land acquisition and development	2,490,000	2,447,741	42,259			
Natural resources; recreation development	23,061,500	22,919,742	141,325	68		365
Natural resources; land acquisition	45,608,600	45,116,929	491,671			
Natural resources; Wisconsin natural areas heritage program	2,500,000	2,445,793	17,174			37,033
Natural resources; segregated revenue supported facilities	123,958,000	99,150,428	93,544	5,375,711	4,503,000	14,835,317

General Obligation Issuance Status Report–Continued
MAY 31, 2021

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Bonds of 2021, Series A[b]	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities	$ 16,514,100	$ 12,118,556	$ 21,753	$ 194,609	$ 2,743,000	$ 1,436,182
Natural resources; ice age trail	750,000	750,000				
Natural resources; dam safety projects	29,500,000	20,640,657	51,291	1,875,688	1,166,000	5,766,364
Natural resources; segregated revenue supported land acquisition	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program	231,000,000	229,270,377	1,306,879	137,654	34,000	251,090
Transportation; administrative facilities	8,890,400	8,759,479	33,943			96,978
Transportation; accelerated bridge improvements	46,849,800	46,849,800				
Transportation; major interstate bridge construction	272,000,000	235,980,986	64	36,018,642		308
Transportation; rail passenger route development	89,000,000	66,084,243	3,016	1,342,987		21,569,754
Transportation; accelerated highway improvements	185,000,000	185,000,000				
Transportation; connecting highway improvements	15,000,000	15,000,000				
Transportation; federally aided highway facilities	10,000,000	10,000,000				
Transportation; highway projects	41,000,000	41,000,000				
Transportation; major highway and rehabilitation projects	565,480,400	565,480,400				
Transportation; Southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects	1,413,550,000	1,242,015,671	3,018,078	104,142,229	20,000,000	44,374,022
Transportation; state highway rehabilitation projects, southeast megaprojects	820,063,700	781,604,780	1,182,897	37,275,422		601
Transportation; major highway projects	100,000,000	98,948,179		1,051,814		7
Transportation; state highway rehabilitation, certain projects	141,000,000	134,924,101		6,075,854		45
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval	305,227,664	260,693,759	141,819	44,391,381		705
Transportation; southeast Wisconsin freeway megaprojects subject to contingency	252,400,000	194,516,574	94,291	30,704,780	11,100,000	15,984,355
Transportation; harbor improvements	152,000,000	107,964,917	234,581	7,640,378	4,220,000	31,940,124
Transportation; rail acquisitions and improvements	280,300,000	203,945,053	5,187	20,364,370	3,625,000	52,360,390
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000				
Corrections; correctional facilities	951,679,900	864,602,297	11,468,918	8,588,123	25,700,000	41,320,562

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 31, 2021

			Credit to Capital Improvement Fund			
Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings[a]	Premium [a]	G.O. Bonds of 2021, Series A[b]	Total Authorized Unissued Debt
Corrections; self-amortizing facilities and equipment	$ 2,116,300	$ 2,115,438	$ 99			$ 763
Corrections; juvenile correctional facilities	28,652,200	28,538,452	108,861	$ 988		3,899
Secured residential care centers for children and youth	80,000,000				$ 183,000	79,817,000
Health services; mental health and secure treatment facilities	298,429,100	195,231,591	895,996	6,552,625		95,748,888
Agriculture; soil and water	75,075,000	65,631,561	9,110	3,790,205	3,300,000	2,344,124
Agriculture; conservation reserve enhancement	28,000,000	21,275,180	3,160	1,185,149		5,536,511
Administration; Black Point Estate	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund	245,000,000	168,336,809		11,613,796		65,049,395
Building commission; previous lease rental authority	143,071,600	143,068,654				2,946
Building commission; refunding tax-supported general obligation debt	2,102,086,430	2,102,086,530				
Building commission; refunding self-amortizing general obligation debt	272,863,033	272,863,033				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005	250,000,000	250,000,000				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2011	474,000,000	473,651,084				348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013	264,200,000	263,420,000				780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt	7,510,000,000	6,810,158,916				699,841,084
Building commission; housing state departments and agencies	943,639,300	760,664,572	2,356,097	39,619,041	10,700,000	130,299,590
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			
Building commission; project contingencies	47,961,200	47,445,936	64,761	221,173		229,330
Building commission; capital equipment acquisition	125,660,000	123,912,309	740,327	340,645		666,719
Building commission; discount sale of debt	90,000,000	73,045,307			4,090,000	12,864,693
Building commission; discount sale of debt (higher education bonds)	100,000,000	99,988,833 [c]				11,167
Building commission; other public purposes	2,955,419,200	2,497,999,860	8,728,619	85,093,209	33,230,000	330,367,512

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 31, 2021

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Bonds of 2021, Series A[b]	Total Authorized Unissued Debt
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities……………….	$ 10,000,000	$ 10,000,000				
Norskedalen Nature and Heritage Center……….	1,048,300					$ 1,048,300
Bond Health Center……………………………..	1,000,000	983,307		$ 16,682		11
Lac du Flambeau Indian Tribal Cultural Center..	250,000	210,495		39,504		1
Dane County; livestock facilities……………….	9,000,000	7,577,838		1,422,134		28
K I Convention Center…………………………	2,000,000	1,725,394		274,522		84
HR Academy, Inc.……………………………..	1,500,000	1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator………………..………….	45,000,000	33,909,754		926,706		10,163,540
AIDS Resource Center of Wisconsin, Inc…………………………………..	800,000	800,000				
Bradley Center Sports and Entertainment Corporation………………………	5,000,000	4,869,946		130,053		1
Medical College of Wisconsin; community medical education facilities……….	7,384,300	6,231,707	$ 3,011	741,998		407,584
Family justice center……………………………	10,625,000	9,109,385		1,515,566		49
Marquette University; dental clinic and education facility…………….	25,000,000	23,942,583	818	1,056,495		104
Civil War exhibit at the Kenosha Public Museums………………………………..	500,000	500,000				
AIDS Network, Inc.……………………………	300,000	300,000				
Wisconsin Maritime Center of Excellence………	5,000,000	4,383,263		616,673		64
Hmong cultural centers………………………….	250,000	250,000				
Milwaukee Police Athletic League; youth activities center………………………….	1,000,000	1,000,000				
Children's research institute…………………….	10,000,000	10,000,000				
Domestic Abuse Intervention Services, Inc.……	560,000	476,628		83,327		45
Carroll University……………………………	3,000,000	2,393,760		403,102		203,138
Wisconsin Agricultural Education Center, Inc…	5,000,000	4,522,862		477,090		48
Eau Claire Confluence Arts, Inc…………………	15,000,000	13,461,714		1,537,698		588
Administration; school educational technology infrastructure financial assistance………………	71,911,300	71,480,216	431,066			18
Myrick Hixon EcoPark, Inc…………………….	500,000	500,000				
Madison Children's Museum……………………	250,000	250,000				
Administration; public library educational technology infrastructure financial assistance………..……………………	269,000	268,918	42			40
Educational communications board; educational communications facilities…………………………………………	24,169,000	24,112,683	38,515	11,925		5,877
LaCrosse Center…………………………………	5,000,000				$ 5,000,000	
St. Ann Center for Intergenerational Care, Inc., Bucyrus Campus…………………………	5,000,000	4,245,324		754,625		51
Brown County innovation center………………	5,000,000	4,076,363		730,969	48,000	144,668
Building Commission; projects….......................	25,000,000					25,000,000
Building Commission; center…...........................	15,000,000					15,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 31, 2021

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Bonds of 2021, Series A[b]	Total Authorized Unissued Debt
Grand Opera House in Oshkosh	$ 500,000	$ 500,000				
Aldo Leopold climate change classroom and interactive laboratory	500,000	485,000		$ 14,992		$ 8
Historical society; self-amortizing facilities	1,029,300	1,029,156	$ 3,896			
Historical society; historic records	26,650,000	23,165,436	137	3,320,412		164,015
Historical society; historic sites	9,591,800	9,067,114	847	291,750	$ 182,000	50,089
Historical society; museum facility	74,384,400	4,362,469				70,021,931
Historical society; Wisconsin history center	16,000,000	8,775,977	457	1,376,465		5,847,101
Public instruction; state school, state center and library facilities	19,738,900	11,845,469	32,509	467,826		7,393,096
Military affairs; armories and military facilities	60,097,100	43,205,312	198,829	2,078,102		14,614,857
Veterans affairs; veterans facilities	20,169,000	10,095,618	50,593	144,761	563,000	9,315,028
Veterans affairs; self-amortizing mortgage loans	2,122,542,395	2,122,542,395				
Veterans affairs; refunding bonds	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities	83,518,800	45,912,766	2,427	4,994,778	2,000,000	30,608,829
State fair park board; board facilities	14,787,100	14,769,363	1			17,736
State fair park board; housing facilities	11,000,000	10,999,985	15			
State fair park board; self-amortizing facilities	55,187,100	52,699,335	22,401	13,596		2,451,768
Total	$35,675,584,947	$ 31,286,640,378	$ 74,220,810	$733,291,865	$ 268,470,000	$ 3,315,815,745

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

[b] Preliminary; subject to change. Amounts include aggregate of par amount of Bonds issued and purchase premium expected to be received from the sale of the Bonds and credited to the Capital Improvement Fund.

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

Source: Department of Administration.

APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

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

Subject: **$227,295,000***
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2021, SERIES A

We have acted as bond counsel in connection with the issuance by the State of Wisconsin **(State)** of its $227,295,000* General Obligation Bonds of 2021, Series A, dated the date hereof **(Bonds)**. The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission **(Commission)** on May 26, 2021 (**Resolution)**.

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

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

1. The Bonds are valid and binding general obligations of the State.

2. The Resolution has been duly adopted by the Commission is a valid and binding obligation of the State, enforceable upon the State as provided in the Resolution.

3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. We express no opinion about other federal tax law consequences regarding the Bonds.

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

* Preliminary; subject to change.

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

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

Very truly yours,

FOLEY & LARDNER LLP


FORWARD
E PLURIBUS UNUM