

OFFICIAL STATEMENT

New Issue

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

\$271,360,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2023, SERIES B

Dated: Date of Delivery

Due: May 1, as shown below

Ratings AAA Kroll Bond Rating Agency, LLC
 Aa1 Moody’s Investors Service, Inc.
 AA+ S&P Global Ratings

Tax Exemption Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022—*See page 8.*

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, 2033 are callable at par on May 1, 2032 or any date thereafter—*See page 2.*

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

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

Interest Payment Dates May 1 and November 1

First Interest Payment Date November 1, 2023

Denominations Multiples of \$5,000

Closing/Settlement On or about August 31, 2023

Bond Counsel Foley & Lardner LLP

Registrar/Paying Agent Secretary of Administration

Issuer Contact Wisconsin Capital Finance Office

(608) 267-1836; DOACapitalFinanceOffice@wisconsin.gov

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

2022 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, 2022.

The Bonds were sold at competitive sale on August 15, 2023. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705M C78	2025	\$11,470,000	5.00%	Not Callable	–
97705M C86	2026	11,800,000	5.00	Not Callable	–
97705M C94	2027	12,140,000	5.00	Not Callable	–
97705M D28	2028	11,130,000	5.00	Not Callable	–
97705M D36	2029	11,505,000	5.00	Not Callable	–
97705M D44	2030	11,890,000	5.00	Not Callable	–
97705M D51	2031	12,290,000	5.00	Not Callable	–
97705M D69	2032	12,745,000	5.00	Not Callable	–
97705M D77	2033	13,415,000	5.00	2032	100%
97705M D85	2034	14,125,000	5.00	2032	100
97705M D93	2035	11,470,000	5.00	2032	100
97705M E27	2036	12,155,000	5.00	2032	100
97705M E35	2037	12,895,000	5.00	2032	100
97705M E43	2038	13,645,000	5.00	2032	100
97705M E50	2039	14,370,000	5.00	2032	100
97705M E68	2040	15,140,000	5.00	2032	100
97705M E76	2041	15,960,000	5.00	2032	100
97705M E84	2042	16,840,000	5.00	2032	100
97705M E92	2043	17,725,000	5.00	2032	100
97705M F26	2044	18,650,000	5.00	2032	100

Purchase Price: \$301,807,891.07

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

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State’s permission. The State is the author of this document and is responsible for its accuracy and completeness. The 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.

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members

	Term of Office Expires
Governor Tony Evers, Chairperson	January 4, 2027
Representative Rob Swearingen, Vice Chairperson	January 6, 2025
Senator Andre Jacque	January 6, 2025
Senator Joan Ballweg	January 6, 2025
Senator Robert Wirch	January 6, 2025
Representative Jill Billings	January 6, 2025
Representative Robert Wittke	January 6, 2025
Ms. Barb Worcester, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Member

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

Ms. Naomi De Mers, Administrator Division of Facilities Development Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration
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OTHER PARTICIPANTS

Mr. Joshua L. Kaul State Attorney General	January 4, 2027
Ms. Kathy K. Blumenfeld, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

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

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

Ms. Katherine Miller
Deputy Capital Finance Director
(608) 266-2305

Ms. Andrea Ceron
Capital Finance Officer
(608) 267-0374

Ms. Jessica Fandrich
Capital Finance Officer
(608) 267-2734

Ms. Rachel Liegel
Capital Finance Officer
(608) 267-7399

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

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 2023, Series B
Principal Amount:	\$271,360,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about August 31, 2023)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2023
Maturities:	May 1, 2025-2044— <i>See front cover.</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2033 are callable at par on May 1, 2032 or any date thereafter— <i>See page 2.</i>
Form:	Book-entry-only— <i>See page 4.</i>
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of August 1, 2023, general obligations of the State were outstanding in the principal amount of \$6,743,191,000.
Additional General Obligation Debt:	The State may issue additional general obligation debt— <i>See page 5.</i>
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022— <i>See page 8.</i> Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 9.</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1.</i>
2022 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, 2022.

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OFFICIAL STATEMENT
\$271,360,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2023, SERIES B
INTRODUCTION

This Official Statement provides information about the \$271,360,000 General Obligation Bonds of 2023, Series B (**Bonds**), which are being issued by the State of Wisconsin (**State**). This Official Statement incorporates by reference, and makes updates and additions to, **Parts I, II, and III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2022 (**2022 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 August 9, 2023.

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 2022 Annual Report. **APPENDIX A** also makes updates and additions to Part II of the 2022 Annual Report, including:

- Information about the enacted budget for the 2023-25 biennium (**2023 Wisconsin Act 19**).
- Estimated General Fund condition statement for the 2022-23 fiscal year and estimated General Fund tax collections for the 2022-23, 2023-24, and 2024-25 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on May 15, 2023 (**May 2023 LFB Report**).
- General Fund information for the 2022-23 fiscal year through June 30, 2023, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2023-24 fiscal year, which is presented on a cash basis.

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

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 267-1836
Mail: State of Wisconsin Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Websites: doa.wi.gov/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 August 31, 2023) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on November 1, 2023.

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 or Purchase

The Bonds maturing on or after May 1, 2033 may be redeemed on May 1, 2032 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.

Bonds that are subject to optional redemption may instead be purchased by the State at a purchase price equal to par (100% of the principal amount to be purchased), plus accrued interest to the purchase date. Bonds so purchased may be remarketed by the State.

Any such redemption or purchase is conditioned on the receipt by the Paying Agent of sufficient funds to pay the redemption or purchase price.

Selection of Bonds

If less than all the Bonds are to be redeemed or purchased at the option of the State, the particular maturities of the Bonds to be redeemed or purchased will be determined by the Capital Finance Director.

So long as the Bonds are in book-entry-only form, selection of the beneficial owners affected by the redemption or purchase 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, notice of any redemption or purchase in lieu of redemption will be sent to the securities depository between 20 and 60 days before the redemption date.

Any notice of redemption (or purchase in lieu of redemption) may provide that the State retains the right to rescind the notice, and the related redemption or purchase, by giving a notice of rescission to the securities depository at any time prior to the scheduled redemption or purchase 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 or purchase price of, and interest on, the Bonds on each payment date will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration.

Ratings

The following ratings have been assigned to the Bonds:

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

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

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 or purchase price of, and interest on, the Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

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

Redemption or Purchase

If less than all the Bonds of a given maturity are being redeemed or purchased in lieu of redemption, DTC's practice is to determine by lottery the amount of the Bonds to be redeemed or purchased 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 website. 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 (or purchased in lieu of redemption) and paid would differ from the descriptions above. Bonds would be selected for redemption or purchase by lot. Notice of any redemption or purchase would be mailed, postage prepaid, between 20 and 60 days before the redemption date, to the registered owners of any Bonds to be redeemed or purchased. Any notice of redemption (or purchase in lieu of redemption) could provide that the State retains the right to rescind the notice, and the related redemption or purchase, by giving a notice of rescission to the affected registered owners at any time prior to the scheduled redemption or purchase date.

Payment of principal or purchase price 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 \$6,319,902,398, and the cumulative debt limit is \$42,132,682,650. 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 August 1, 2023, general obligations of the State were outstanding in the principal amount of \$6,743,191,000. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans

General Obligations

The Bonds will be the fifth series of general obligations to be issued in this calendar year. The State has previously issued two series of general obligations in calendar year 2023, in the aggregate principal amount of \$621 million, for the refunding of general obligations previously issued for general governmental purposes. The State has also issued two series of general obligations in the aggregate principal amount of \$338 million for general governmental purposes.

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

- Up to \$500 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of any additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding general obligation extendible municipal commercial paper notes (**EMCP Notes**) and variable rate demand obligation notes (**VRDO Notes**), which were outstanding in the aggregate principal amount of \$244 million as of August 1, 2023. The amount and timing of any issuance of general obligations for the funding of the EMCP or VRDO Notes depend on a decision to fund such obligations with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

The Commission likely will be asked to authorize the issuance of additional general obligations for general governmental purposes in calendar year 2024. The amount and timing of issuances in calendar year 2024 of general obligations for this purpose depend on disbursements from the State Capital Improvement Fund for authorized purposes.

Other Obligations

In calendar year 2023, the State has issued one series of transportation revenue obligations in the principal amount of \$143 million for the financing of transportation facilities and highway projects and one series of transportation revenue obligations in the principal amount of \$187 million for the refunding of outstanding transportation revenue bonds. The State also sold one series of transportation revenue refunding bonds in calendar year 2023, in the principal amount of \$43 million, for delivery on or about April 2, 2024. The

authorization, sale, and issuance of any transportation revenue obligations for the financing of transportation facilities and highway projects depend on the expenditures for such projects and market conditions. The Commission has authorized up to \$300 million of transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any additional issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

The State has issued one series of general fund annual appropriation refunding bonds in the principal amount of \$384 million in calendar year 2023. The amount and timing of any issuance of any additional general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State has not issued any environmental improvement fund revenue bonds in calendar year 2023. The Commission has authorized up to \$150 million of environmental improvement fund revenue bonds for the purpose of making loans under the State's Environmental Improvement Fund. The sale and issuance of any environmental improvement fund revenue bonds depend, among other factors, on disbursement of funds from the State's Environmental Improvement Fund and market conditions.

The State has issued one series of master lease certificates of participation in the principal amount of \$19 million in calendar year 2023. The amount and timing of any additional issuance of master lease certificates of participation depend, among other factors, on originations in the State's master lease program and market conditions.

The State does not currently intend to issue operating notes for the 2023-24 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on August 15, 2023 by the following account (**Underwriters**): Morgan Stanley & Co. LLC (book-running manager); Raymond James & Associates, Inc.; Fidelity Capital Markets; FHN Financial Capital Markets; SumRidge Partners, LLC; Samuel A. Ramirez & Co., Inc.; Advisors Asset Management, Inc.; American Veterans Group, PBC; R. Seelaus & Co., LLC; and Siebert Williams Shank & Co., LLC.

The Underwriters paid \$301,807,891.07, and their bid resulted in a true-interest-cost rate to the State of 3.7740%.

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

Reference Information About the Bonds

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

\$271,360,000
State of Wisconsin
General Obligation Bonds of 2023, Series B

Dated Date: Date of Delivery

First Interest Payment Date: November 1, 2023

Delivery/Settlement Date: On or about August 31, 2023

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705M C78	2025	\$11,470,000	5.00%	3.22%	102.861	Not Callable	–
97705M C86	2026	11,800,000	5.00	3.04	104.979	Not Callable	–
97705M C94	2027	12,140,000	5.00	2.92	107.178	Not Callable	–
97705M D28	2028	11,130,000	5.00	2.87	109.237	Not Callable	–
97705M D36	2029	11,505,000	5.00	2.86	111.117	Not Callable	–
97705M D44	2030	11,890,000	5.00	2.82	113.160	Not Callable	–
97705M D51	2031	12,290,000	5.00	2.79	115.155	Not Callable	–
97705M D69	2032	12,745,000	5.00	2.80	116.821	Not Callable	–
97705M D77	2033	13,415,000	5.00	2.85	116.403 ^(a)	2032	100%
97705M D85	2034	14,125,000	5.00	2.90	115.987 ^(a)	2032	100
97705M D93	2035	11,470,000	5.00	2.98	115.324 ^(a)	2032	100
97705M E27	2036	12,155,000	5.00	3.13	114.094 ^(a)	2032	100
97705M E35	2037	12,895,000	5.00	2.29	112.799 ^(a)	2032	100
97705M E43	2038	13,645,000	5.00	3.41	111.839 ^(a)	2032	100
97705M E50	2039	14,370,000	5.00	3.46	111.441 ^(a)	2032	100
97705M E68	2040	15,140,000	5.00	3.51	111.046 ^(a)	2032	100
97705M E76	2041	15,960,000	5.00	3.57	110.574 ^(a)	2032	100
97705M E84	2042	16,840,000	5.00	3.64	110.026 ^(a)	2032	100
97705M E92	2043	17,725,000	5.00	3.68	109.714 ^(a)	2032	100
97705M F26	2044	18,650,000	5.00	3.71	109.481 ^(a)	2032	100

^(a) These Bonds are priced to the May 1, 2032 first optional call date.

Legal Investment

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

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

Legal Opinions

Bond Opinion

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

Attorney General

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

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

Other Legal Matters

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

TAX MATTERS

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. The State must comply with certain requirements of the Internal Revenue Code for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the Bonds are issued. No provision is made for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds is included in gross income.

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

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

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, owners of the Bonds would have little or no right to participate in an IRS examination of the Bonds. Moreover, it may not be practicable to obtain judicial review of IRS positions with which the State disagrees. Any action of the IRS,

including selection of the Bonds for examination, the conduct or conclusion of such an examination, or an examination of obligations presenting similar tax issues, may affect the marketability of the Bonds.

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

Premium Bonds

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

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

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

State of Wisconsin Income and Franchise Taxes

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

CONTINUING DISCLOSURE

The State has made an undertaking to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934. In the undertaking, the State has agreed, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By December 27th 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 2022 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) 267-1836
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 any such failure to the MSRB. In the last five years, the State has not failed to comply in any material respect with the undertaking, or any similar undertaking.

Dated: August 15, 2023

STATE OF WISCONSIN

/s/ TONY EVERS

Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

/s/ KATHY K. BLUMENFELD

Kathy K. Blumenfeld, Secretary
State of Wisconsin Department of Administration

/s/ NAOMI DE MERS

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, 2022 \(2022 Annual Report\)](#), which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2022 Annual Report, including but not limited to:

- Information about the enacted budget for the 2023-25 biennium (**2023 Wisconsin Act 19**).
- Estimated General Fund condition statement for the 2022-23 fiscal year and estimated General Fund tax collections for the 2022-23, 2023-24, and 2024-25 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on May 15, 2023 (**May 2023 LFB Report**).
- General Fund information for the 2022-23 fiscal year through June 30, 2023, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2023-24 fiscal year, which is presented on a cash basis.

[Part II of the 2022 Annual Report](#) contains general information about the State. More specifically, that part presents information about the following matters:

- COVID-19 update
- Environmental, social, and governance factors
- 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 2021-22 fiscal year and summary of 2021-23 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, 2022, 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 2022 Annual Report.

[Part III of the 2022 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 2022 Annual Report and the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 were both filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. The 2022 Annual Report and the Annual Comprehensive Financial Report are also available from the part of the Capital Finance Office website called "Official Disclosure for Bonds, Notes,

and Other Securities Issued by the State of Wisconsin” and the State investor relations website. The Capital Finance Office website and the State investor relations website are located at the following respective addresses:

doa.wi.gov/capitalfinance

wisconsinbonds.com

Copies of the 2022 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) 267-1836
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 website 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 2022 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2022 Annual Report, certain changes or events have occurred that affect items discussed in the 2022 Annual Report. Listed below, by reference to particular sections of Part II of the 2022 Annual Report, are changes or additions to the information contained in those particular sections. When changes occur, the State may or may not (unless required to do so under the State’s undertakings) file notices with the MSRB. However, the State has filed, and expects to continue to file, additional and other voluntary information with the MSRB, some of which may not be listed event notices required to be filed under the State’s undertakings.

State Budget; Budget for 2022-23 Fiscal Year (Part II; Pages 39-40). Update with the following information.

May 2023 LFB Report – General Fund Condition Statement

The May 2023 LFB Report includes an estimated General Fund condition statement for the 2022-23 fiscal year. The following table includes this estimated General Fund condition statement for the 2022-23 fiscal year and shows a projected ending net balance of \$6,782 million.

The following table also includes, for comparison, the actual General Fund condition statement for the 2021-22 fiscal year, as reported in the State’s Annual Fiscal Report, and the estimated General Fund condition statement for the 2022-23 fiscal year from the 2021-23 biennial budget (**2021 Wisconsin Act 58**), a report provided by the Department of Administration (**DOA**) on November 21, 2022 (**November 2022 DOA Report**), and a report provided by LFB on January 25, 2023 (**January 2023 LFB Report**).

A complete copy of the May 2023 LFB Report is included at the end of this Appendix A. In addition, the State has filed the May 2023 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on this page [A-2](#).

ESTIMATED GENERAL FUND CONDITION STATEMENT
2022-23 FISCAL YEAR
(in Millions)

	2021-22 Fiscal Year Annual Fiscal Report	2022-23 Fiscal Year			
		2021 Wisconsin Act 58 ¹	November 2022 DOA Report	January 2023 LFB Report	May 2023 LFB Report
Revenues					
Opening Balance	\$2,581.1	\$1,352.3	\$4,298.9	\$4,298.9	\$4,298.9
Prior Year Continuing Balance	62.8				
Taxes	20,548.4	19,457.9	21,292.6	21,353.3	20,988.1
Departmental Revenues					
Tribal Gaming	-0.0-	20.8	-0.0-	-0.0-	-0.0-
Other	569.7	471.4	716.3	712.0	712.0
Total Available	\$23,762.0	\$21,302.3	\$26,307.8	\$26,364.3	\$25,999.1
Appropriations					
Gross Appropriations	\$19,376.7	\$19,752.7	\$19,722.6	\$19,731.4	\$19,731.4
MA Biennial Adjustment	-0.0-	-0.0-	-0.0-	-0.0-	-0.0-
Sum Sufficient Re-estimates	-0.0-	-0.0-	-0.0-	45.3	36.8
Compensation Reserves	18.2	105.9	106.0	106.0	106.0
Transfers	428.5				
Transportation Fund		97.3	97.3	97.3	97.3
Building Trust Fund		-0.0-	-0.0-	-0.0-	-0.0-
MA Trust Fund		527.8	527.8	527.8	527.8
UI Trust Fund		60.0	60.0	60.0	60.0
Less: Lapses	(360.4)	(267.0)	(782.2)	(1,303.9)	(1,437.1)
Net Appropriations	\$19,463.0	\$20,276.7	\$19,731.4	\$19,263.8	\$19,122.1
Balances					
Gross Balance	\$4,298.9	\$1,025.6	\$6,576.4	\$7,100.5	\$6,877.0
Less: Req. Statutory Balance	n/a	(95.0)	(95.0)	(95.0)	(95.0)
Net Balance, June 30	\$4,298.9	\$930.6	\$6,481.4	\$7,005.5	\$6,782.0

¹ Adjusted to reflect the fiscal year 2020-21 ending balance as shown in the Annual Fiscal Report for fiscal year 2020-21 and DOR's updated individual income tax withholding tables that were effective January 1, 2022.

January 2023 LFB Report – General Fund Condition Statement

The January 2023 LFB Report includes an estimated General Fund condition statement for the 2022-23 fiscal year. The preceding table includes this estimated General Fund condition statement for the 2022-23 fiscal year and shows a projected ending net balance of \$7,006 million.

The State has filed the January 2023 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

State Budget; Estimated General Fund Tax Collections for 2022-23 Fiscal Year (Part II; Pages 40-41). Update with the following information.

May 2023 LFB Report – General Fund Tax Collections

The May 2023 LFB Report includes estimated General Fund tax collections for the 2022-23 fiscal year, which are \$20.988 billion, an increase of \$440 million (or 2.1%) from collections for the 2021-22 fiscal year, and a decrease of \$365 million (or 1.7%) from the projections in the January 2023 LFB Report.

The following table sets forth the estimated General Fund tax revenues for the 2022-23 fiscal year as included in the May 2023 LFB Report. The table also includes, for comparison, the actual General Fund tax collections for the 2021-22 fiscal year, as reported in the State’s Annual Fiscal Report, and the estimated General Fund tax collections for the 2022-23 fiscal year included in 2021 Wisconsin Act 58, the November 2022 DOA Report, and the January 2023 LFB Report.

A complete copy of the May 2023 LFB Report is included at the end of this Appendix A. In addition, the State has filed the May 2023 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 COLLECTION
2022-23 FISCAL YEAR
(in Millions)**

	2022-23 Fiscal Year				
	2021-22 Annual Fiscal Report	2021 Wisconsin Act 58 ¹	November 2022 DOA Report	January 2023 LFB Report	May 2023 LFB Report
Individual Income	\$9,214.4	\$9,115.6	\$9,609.0	\$9,610.0	\$9,450.0
Sales and Use	6,978.3	6,844.5	7,493.8	7,480.0	7,480.0
Corp. Income & Franchise	2,960.0	2,160.0	2,805.7	2,910.0	2,715.0
Public Utility	383.6	352.0	391.7	391.0	391.0
Excise					
Cigarettes	482.4	483.0	460.3	451.0	437.0
Tobacco Products	94.4	100.0	90.9	92.0	90.0
Vapor Products	4.1	2.0	4.5	5.6	7.0
Liquor & Wine	64.9	61.0	68.5	68.0	68.0
Beer	8.9	8.8	8.8	8.7	8.1
Insurance Company	221.8	217.0	237.6	230.0	227.0
Miscellaneous Taxes	135.6	114.0	121.9	107.0	115.0
TOTAL	\$20,548.4	\$19,457.9	\$21,292.6	\$21,353.3	\$20,988.1

¹ Adjusted to reflect DOR’s updated individual income tax withholding tables, which were effective January 1, 2022.

January 2023 LFB Report – General Fund Tax Collections

The January 2023 LFB Report includes estimates General Fund tax collections for the 2022-23 fiscal year, which are \$21.353 billion, an increase of \$805 million (or 3.9%) from collections for the 2021-22 fiscal year, and an increase of \$61 million from the November 2022 DOA Report.

The State has filed the January 2023 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

State Budget; Budget for 2023-25 Biennium (Part II, Page 41). Update with the following information.

Enacted 2023-25 Biennial Budget

On July 5, 2023, the Governor signed 2023 Wisconsin Act 19 into law, with certain vetoes. On July 31, 2023, the LFB released a detailed summary of provisions for 2023 Wisconsin Act 19, which is available at the following website:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2023_25_biennial_budget/102_summary_of_provisions_2023_act_19_july_2023_entire_document.pdf

The website identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. In addition, the State has filed the comparative summary of 2023 Wisconsin Act 19 with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

The following table includes the estimated General Fund condition statement for the 2023-24 and 2024-25 fiscal years from 2023 Wisconsin Act 19 and also includes, for comparison, the estimated General Fund condition statement for the 2023-24 and 2024-25 fiscal years from the Governor’s executive budget for the 2023-25 biennium.

ESTIMATED GENERAL FUND CONDITION STATEMENT
2023-24 and 2024-25 FISCAL YEARS
(in Millions)

	2023-24 Fiscal Year		2024-25 Fiscal Year	
	Executive Budget	2023 Wisconsin Act 19	Executive Budget	2023 Wisconsin Act 19
Revenues				
Opening Balance	\$7,098.8	\$6,877.0	\$1,908.3	\$4,346.5
Taxes	21,730.5	21,250.7	22,545.2	22,013.6
Departmental Revenues				
Tribal Gaming	-0.0-	-0.0-	-0.0-	8.9
Other	715.6	832.6	566.4	726.5
Total Available	\$29,544.9	\$28,960.2	\$25,019.9	\$27,095.6
Appropriations				
Gross Appropriations	\$24,227.5	\$22,651.2	\$23,934.9	\$21,040.9
Compensation Reserves	365.3	311.2	581.6	397.9
Transfers				
Transportation Fund	137.3	642.9	173.4	106.8
Capital Improvement Fund	1,955.0	1,234.1	-0.0-	-0.0-
PFAS Trust Fund	-0.0-	110.0	-0.0-	-0.0-
Local Government Fund	-0.0-	-0.0-	-0.0-	1,563.4
Innovation Fund	-0.0-	-0.0-	-0.0-	303.0
Budget Stabilization Fund	500.0	-0.0-	-0.0-	-0.0-
Transportation Facilities Revenue Obligation Repayment Fund	379.4	-0.0-	-0.0-	-0.0-
Family and Medical Leave Benefits Insurance Fund	243.4	-0.0-	-0.0-	-0.0-
Artistic Endowment Fund	100.0	-0.0-	-0.0-	-0.0-
Veterans Homes Institutional Operations Account	10.0	-0.0-	-0.0-	-0.0-
Less: Lapses	(281.2)	(335.6)	(304.2)	(384.2)
Net Appropriations	\$27,636.6	\$24,613.7	\$24,385.8	\$23,027.8
Balances				
Gross Balance	\$1,908.3	\$4,346.5	\$634.1	\$4,067.8
Less: Req. Statutory Balance	(600.0)	(100.0)	(600.0)	(105.0)
Net Balance, June 30	\$1,308.3	\$4,246.5	\$34.1	\$3,962.8

Legislative and Joint Committee on Finance Actions – 2023-25 Biennial Budget

On June 29, 2023, the Legislature approved its version of the biennial 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 2023-25 biennium that was after January 31, 2023. Governor Evers submitted the executive budget for the 2023-25 biennium on February 15, 2023. The Governor's executive budget bill was introduced in both houses of the Legislature and referred to the Legislature's Joint Committee on Finance for review. Both detailed and summary information about the Governor's executive budget for the 2023-25 biennium can be obtained from the following website:

<https://doa.wi.gov/Pages/2023-25-Executive-Budget%20ASE.aspx>

The website identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement.

In addition, LFB completed an initial review of the Governor's executive budget for the 2023-25 biennium and released a summary of its review, which was filed with the MSRB through its EMMA system and available from the State as provided on page [A-2](#). The summary can also be obtained from the following website:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2023_25_biennial_budget/502_summary_of_governor_s_budget_recommendations_march_2023_entire_document.pdf

The website identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement.

State Budget; Revenue Projections for the 2023-24 and 2024-25 Fiscal Years (Part II; Pages 41-42). Update with the following information.

Enacted 2023-25 Biennial Budget

On July 5, 2023, the Governor signed 2023 Wisconsin Act 19 into law, with some vetoes. On July 31, 2023, the LFB Released a detailed summary of provisions for 2023 Wisconsin Act 19, which is available at the following website:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2023_25_biennial_budget/102_summary_of_provisions_2023_act_19_july_2023_entire_document.pdf

The website identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement. In addition, the State has filed the comparative summary of 2023 Wisconsin Act 19 with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

The following table provides a summary of estimated General Fund tax collections for the 2023-24 and 2024-25 fiscal years, as included in 2023 Wisconsin Act 19. For comparison purposes, the following table also provides the estimated collections from the November 2022 DOA Report and the January 2023 LFB Report.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2023-24 and 2024-25 FISCAL YEARS
(in Millions)

	2023-24 Fiscal Year			2024-25 Fiscal Year		
	November 2022	January 2023	2023 Wisconsin Act 19	November 2022	January 2023	2023 Wisconsin Act 19
	DOA Report	LFB Report		DOA Report	LFB Report	
Individual Income	\$9,631.0	\$9,770.0	\$9,623.2	\$10,107.4	\$10,300.0	\$10,075.8
Sales and Use	7,691.1	7,600.0	7,639.5	7,913.9	7,780.0	7,816.9
Corp. Income & Franchise	2,915.5	2,850.0	2,680.6	3,051.4	2,970.0	2,808.2
Public Utility	389.9	372.0	374.0	401.7	377.0	370.0
Excise						
Cigarettes	443.5	439.0	418.6	427.8	427.0	405.2
Tobacco Products	89.5	94.0	91.0	87.7	96.0	93.0
Vapor Products	4.6	6.2	7.7	4.7	6.8	8.5
Liquor & Wine	70.0	69.0	69.0	71.9	71.0	71.0
Beer	8.6	8.6	8.1	8.6	8.6	8.0
Insurance Company	252.9	237.0	236.0	267.8	245.0	246.0
Miscellaneous Taxes	119.9	96.0	103.0	128.7	110.0	111.0
TOTAL	\$21,616.5	\$21,541.8	\$21,250.7	\$22,471.6	\$22,391.4	\$22,013.6

May 2023 LFB Report – General Fund Tax Collections

The May 2023 LFB Report includes estimates of the General Fund tax collections for the 2023-24 and 2024-25 fiscal years. For the 2023-24 fiscal year, the May 2023 LFB Report anticipates General Fund tax collections of \$21.394 billion, or an increase of \$406 million (or 1.9%) from its 2022-23 fiscal year projections. The May 2023 LFB Report also anticipates General Fund tax collections of \$22.150 billion in the 2024-25 fiscal year, an increase of \$756 million (or 3.5%) from its projection for the 2023-24 fiscal year.

A complete copy of the May 2023 LFB Report is included at the end of this Appendix A. In addition, the State has filed the May 2023 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

January 2023 LFB Report – General Fund Tax Collections

The January 2023 LFB Report includes estimates of the General Fund tax collections for the 2023-24 and 2024-25 fiscal years. For the 2023-24 fiscal year, the January 2023 LFB Report anticipates General Fund tax collections of \$21.542 billion, an increase of \$189 million (or 0.9%) from the 2022-23 fiscal year projections. For the 2024-25 fiscal year, the January 2023 LFB Report anticipates General Fund tax collections of \$22.391 billion, an increase of \$850 million (or 3.9%) from the 2023-24 fiscal year projections. The State has filed the January 2023 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 49-61). The following tables provide updates and additions to various tables containing General Fund information for the 2022-23 fiscal year. Actual General Fund information for the 2022-23 fiscal year through June 30, 2023 is presented primarily on a cash basis.

The projections and estimates for the 2023-24 fiscal year reflect the May 2023 LFB Report and 2023 Wisconsin Act 58. 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 52). Replace with the following updated tables.

**ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2022 TO JUNE 30, 2023
(Amounts in Thousands)**

	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023
BALANCES^{(a)(b)}												
Beginning Balance	\$7,448,294	\$6,481,766	\$7,374,437	\$8,273,661	\$8,985,797	\$8,833,231	\$7,910,953	\$9,375,701	\$9,311,439	\$7,388,777	\$8,624,113	\$9,376,971
Ending Balance ^(c)	6,481,766	7,374,437	8,273,661	8,985,797	8,833,231	7,910,953	9,375,701	9,311,439	7,388,777	8,624,113	9,376,971	8,441,688
Lowest Daily Balance ^(c)	6,481,766	6,465,145	6,716,729	7,922,761	8,536,885	6,786,556	7,852,673	8,717,724	7,388,777	7,286,294	8,395,386	8,240,856
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$557,765	\$940,270	\$1,014,964	\$937,124	\$693,179	\$882,819	\$1,554,764	\$692,182	\$667,254	\$1,864,660	\$985,826	\$959,632
Sales & Use	730,331	714,420	716,342	716,845	717,090	422,602	770,095	576,288	549,584	653,771	651,457	737,399
Corporate Income	77,895	51,093	551,029	73,137	60,320	497,117	152,180	42,485	318,414	430,632	65,625	429,934
Public Utility	56	45	410	28,438	182,139	471	16	-0-	6	1,138	229,369	3,841
Excise	62,605	51,765	61,274	57,560	50,721	53,349	47,377	57,162	28,332	50,489	46,255	60,147
Insurance	71	3,594	47,330	88	1,618	48,139	1,787	20,625	29,482	52,200	2,950	46,151
Subtotal Tax Receipts	\$1,428,723	\$1,761,187	\$2,391,349	\$1,813,192	\$1,705,067	\$1,904,497	\$2,526,219	\$1,388,742	\$1,593,072	\$3,052,890	\$1,981,482	\$2,237,104
NON-TAX RECEIPTS												
Federal	\$1,583,249	\$928,121	\$1,445,889	\$1,172,246	\$1,136,969	\$1,172,246	\$1,069,587	\$1,424,051	\$1,298,678	\$965,234	\$1,423,392	\$1,568,198
Other & Transfers	704,783	466,738	1,032,798	605,163	430,744	728,479	686,865	765,772	536,732	487,761	396,573	808,741
Note Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Subtotal Non-Tax Receipts	\$2,288,032	\$1,394,859	\$2,478,687	\$1,777,409	\$1,567,713	\$1,900,725	\$1,756,452	\$2,189,823	\$1,835,410	\$1,452,995	\$1,819,965	\$2,376,939
TOTAL RECEIPTS	\$3,716,755	\$3,156,046	\$4,870,036	\$3,590,601	\$3,272,780	\$3,805,222	\$4,282,671	\$3,578,565	\$3,428,482	\$4,505,885	\$3,801,447	\$4,614,043
DISBURSEMENTS												
Local Aids	\$1,534,618	\$272,191	\$1,032,158	\$157,360	\$1,003,549	\$1,551,760	\$219,007	\$852,057	\$2,059,699	\$118,328	\$372,606	\$2,092,040
Income Maintenance	962,942	1,029,140	1,087,929	994,371	999,551	1,296,202	1,003,724	1,065,808	1,210,820	995,338	1,095,704	1,284,361
Payroll and Related	468,755	435,856	466,938	519,146	532,331	656,499	582,684	503,227	511,991	525,562	523,366	623,828
Tax Refunds	123,554	152,073	149,046	182,740	150,039	312,107	191,441	476,771	719,475	579,188	217,056	192,770
Debt Service	289,654	68	-0-	266,475	2,273	-0-	-0-	-0-	-0-	374,904	18,513	1,592
Miscellaneous	1,303,760	374,047	1,234,741	758,373	737,603	910,932	821,067	744,964	849,159	677,229	821,344	1,354,735
TOTAL DISBURSEMENTS	\$4,683,283	\$2,263,375	\$3,970,812	\$2,878,465	\$3,425,346	\$4,727,500	\$2,817,923	\$3,642,827	\$5,351,144	\$3,270,549	\$3,048,589	\$5,549,326

- (a) Temporary reallocations of cash are not included.
- (b) The General Fund cash balances presented in this schedule are not based on GAAP. The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds were anticipated to range from \$1.5 billion to \$2.2 billion for the 2022-23 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 2022-23 fiscal year (based on 2021 Wisconsin Act 58), were approximately \$1.778 billion and \$593 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: Department of Administration

PROJECTED GENERAL FUND CASH FLOW; JULY 1, 2023 TO JUNE 30, 2024^(a)
(Amounts in Thousands)

	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024
BALANCES^{(a)(b)}												
Beginning Balance	\$8,441,688	\$7,052,064	\$7,268,837	\$7,161,013	\$7,879,597	\$7,160,747	\$5,767,953	\$7,115,200	\$6,605,992	\$4,695,670	\$5,278,754	\$5,366,796
Ending Balance ^(c)	7,052,064	7,268,837	7,161,013	7,879,597	7,160,747	5,767,953	7,115,200	6,605,992	4,695,670	5,278,754	5,366,796	3,849,159
Lowest Daily Balance ^(c)	6,987,707	6,371,638	6,534,523	6,576,085	6,789,731	5,002,744	5,530,848	6,183,921	4,209,528	3,843,903	4,253,029	3,031,811
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$790,302	\$808,379	\$854,121	\$1,093,155	\$791,302	\$684,486	\$1,610,480	\$773,198	\$702,605	\$1,970,611	\$931,151	\$848,786
Sales & Use	740,232	711,219	704,950	714,415	689,872	591,871	784,390	582,748	550,532	685,798	653,091	733,248
Corporate Income	97,918	46,339	453,469	86,277	84,265	486,125	137,105	63,084	364,188	428,278	69,678	438,199
Public Utility	41	38	1,656	27,971	188,139	400	113	38	15	5,232	200,554	2,344
Excise	58,018	55,142	57,495	52,564	51,248	51,042	48,419	46,484	39,900	52,222	45,744	54,061
Insurance	277	3,731	48,425	275	2,877	49,282	2,333	25,252	26,769	52,372	3,441	49,073
Subtotal Tax Receipts	\$1,686,788	\$1,624,848	\$2,120,116	\$1,974,657	\$1,807,703	\$1,863,206	\$2,582,840	\$1,490,804	\$1,684,009	\$3,194,513	\$1,903,659	\$2,125,711
NON-TAX RECEIPTS												
Federal	\$1,660,550	\$1,078,453	\$1,250,047	\$1,406,398	\$1,197,365	\$1,362,825	\$1,422,032	\$1,481,807	\$1,412,279	\$1,237,070	\$1,498,958	\$1,612,863
Other & Transfers	711,111	446,835	1,006,880	723,087	468,606	743,374	656,325	881,262	776,368	541,668	478,384	909,997
Note Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Subtotal Non-Tax Receipts	\$2,371,661	\$1,525,288	\$2,256,927	\$2,129,485	\$1,665,971	\$2,106,199	\$2,078,357	\$2,363,069	\$2,188,647	\$1,778,738	\$1,977,342	\$2,522,860
TOTAL RECEIPTS	\$4,058,449	\$3,150,136	\$4,377,043	\$4,104,142	\$3,473,674	\$3,969,405	\$4,661,197	\$3,853,873	\$3,872,656	\$4,973,251	\$3,881,001	\$4,648,571
DISBURSEMENTS												
Local Aids	\$1,665,010	\$172,160	\$1,072,713	\$210,253	\$1,123,774	\$1,564,392	\$294,296	\$842,075	\$2,124,343	\$187,525	\$352,781	\$2,305,517
Income Maintenance	1,446,068	1,088,683	1,116,996	1,116,810	1,128,595	1,437,345	1,106,905	1,190,963	1,255,381	1,210,210	1,249,118	1,229,783
Payroll and Related	479,782	482,286	526,015	526,416	677,193	575,481	532,466	534,594	534,355	533,205	720,426	481,971
Tax Refunds	129,447	147,596	123,485	165,321	153,552	265,258	141,051	610,491	756,454	727,760	265,363	186,936
Debt Service	308,724	625	-0-	268,053	3,468	-0-	-0-	625	-0-	352,080	38,832	-0-
Miscellaneous	1,419,042	1,042,013	1,645,658	1,098,705	1,105,942	1,519,723	1,239,232	1,184,333	1,112,445	1,379,387	1,166,439	1,962,001
TOTAL DISBURSEMENTS	\$5,448,073	\$2,933,363	\$4,484,867	\$3,385,558	\$4,192,524	\$5,362,199	\$3,313,950	\$4,363,081	\$5,782,978	\$4,390,167	\$3,792,959	\$6,166,208

- (a) The projections and estimates in this table reflect the May 2023 LFB Report and 2023 Wisconsin Act 19. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining ARPA federal funds. Temporary reallocations of cash are not included.
- (b) The General Fund cash balances presented in this schedule are not based on 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 \$1.1 billion to \$1.5 billion for the 2023-24 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 2023-24 fiscal year (based on 2023 Wisconsin Act 19), are approximately \$2.039 billion and \$680 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: Department of Administration

Table II-12; Historical General Fund Cash Flow (Part II; Page 53). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW^(a)
ACTUAL FISCAL YEARS 2018-19 TO 2022-23
(Amounts in Thousands)

	Actual 2018-19 Fiscal Year	Actual 2019-20 Fiscal Year	Actual 2020-21 Fiscal Year	Actual 2021-22 Fiscal Year	Actual 2022-23 Fiscal Year
RECEIPTS					
Tax Receipts					
Individual Income	\$10,557,272	\$10,138,020	\$12,322,447	\$12,254,052	\$11,750,439
Sales	6,132,089	6,253,771	6,825,242	7,600,527	7,956,224
Corporate Income	1,519,561	1,551,402	2,753,782	2,936,462	2,749,861
Public Utility	415,047	409,513	409,860	425,920	445,929
Excise	681,262	667,055	683,307	663,646	627,036
Insurance	218,304	242,228	230,169	248,367	254,035
Total Tax Receipts	\$ 19,523,535	\$ 19,261,989	\$ 23,224,807	\$24,128,974	\$23,783,524
Non-Tax Receipts					
Federal	\$10,093,533	\$12,725,759	\$13,868,008	\$16,491,256	\$15,187,860
Other and Transfers	6,241,726	5,887,398	6,572,553	7,105,946	7,651,149
Total Non-Tax Receipts	\$16,335,259	\$18,613,157	\$20,440,561	\$23,597,202	\$22,839,009
TOTAL RECEIPTS	\$35,858,794	\$37,875,146	\$43,665,368	\$47,726,176	\$46,622,533
DISBURSEMENTS					
Local Aids	\$9,698,906	\$9,917,134	\$10,460,416	\$11,147,436	\$11,265,373
Income Maintenance	9,747,283	10,126,849	11,040,922	12,596,315	13,025,890
Payroll & Related	5,333,395	5,633,397	5,689,539	6,014,346	6,350,183
Tax Refunds	2,785,514	2,992,617	3,533,245	4,195,231	3,446,260
Debt Service	914,688	875,340	973,718	961,923	953,479
Miscellaneous	6,396,205	6,811,025	9,486,768	11,871,707	10,587,954
TOTAL DISBURSEMENTS	\$34,875,991	\$36,356,362	\$41,184,608	\$46,786,958	\$45,629,139
NET CASH FLOW	\$982,803	\$1,518,784	\$2,480,760	\$939,218	\$993,394

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

Source: 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 55). 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 June 30, 2023
(Amounts in Thousands)**

	<u>2021-22 Fiscal Year through June 30, 2022</u>	<u>2022-23 Fiscal Year through June 30, 2023</u>				Difference FY23 Actual to FY22 Actual
	<u>Actual</u>	<u>Actual</u>	<u>Estimate^(b)</u>	<u>Variance</u>	<u>Adjusted Variance^(c)</u>	
RECEIPTS						
Tax Receipts						
Individual Income	\$12,254,052	\$11,750,439	\$12,234,983	(\$484,544)	(\$484,544)	(\$503,613)
Sales	7,600,527	7,956,224	8,039,026	(82,802)	(82,802)	\$355,697
Corporate Income	2,936,462	2,749,861	2,966,706	(216,845)	(216,845)	(\$186,601)
Public Utility	425,920	445,929	431,070	14,859	14,859	\$20,009
Excise	663,646	627,036	644,268	(17,232)	(17,232)	(\$36,610)
Insurance	248,367	254,035	257,440	(3,405)	(3,405)	\$5,668
Total Tax Receipts	\$24,128,974	\$23,783,524	\$24,573,493	(\$789,969)	(\$789,969)	(\$345,450)
Non-Tax Receipts						
Federal	\$16,491,256	\$15,187,860	\$14,746,775	\$441,085	\$441,085	(\$1,303,396)
Other and Transfers	7,105,946	7,651,149	7,123,437	527,712	527,712	545,203
Total Non-Tax Receipts	\$23,597,202	\$22,839,009	\$21,870,212	\$968,797	\$968,797	(\$758,193)
TOTAL RECEIPTS	\$47,726,176	\$46,622,533	\$46,443,705	\$178,828	\$178,828	(\$1,103,643)
DISBURSEMENTS						
Local Aids	\$11,147,436	\$11,265,373	\$11,282,020	\$16,647	\$16,647	\$117,937
Income Maintenance	12,596,315	13,025,890	12,602,653	(423,237)	(423,237)	\$429,575
Payroll & Related	6,014,346	6,350,183	6,147,063	(203,120)	(203,120)	\$335,837
Tax Refunds	4,195,231	3,446,260	2,475,746	(970,514)	(970,514)	(\$748,971)
Debt Service	961,923	953,479	948,128	(5,351)	(5,351)	(\$8,444)
Miscellaneous	11,871,707	10,587,954	14,167,146	3,579,192	3,579,192	(\$1,283,753)
TOTAL DISBURSEMENTS	\$46,786,958	\$45,629,139	\$47,622,756	\$1,993,617	\$1,993,617	(\$1,157,819)
2022-23 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$2,172,445	\$2,172,445	

- (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 2022-23 fiscal year reflect 2021 Wisconsin Act 58 and the January 2023 LFB Report. The projections and estimates do not reflect any specific disbursement of remaining ARPA federal funds. The projections and estimates also do not reflect the May 2023 LFB Report.
- (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: Department of Administration

Table II-14; General Fund Monthly Cash Position (Part II; Page 56). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2021 through June 30, 2023 – Actual
July 1, 2023 through June 30, 2024 – Estimated^(b)
(Amounts in Thousands)

<u>Starting Date</u>		<u>Starting Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	
2021	July	\$6,509,076	\$3,479,185	\$4,895,076	
	August	5,093,185	3,422,769	2,312,286	
	September	6,203,668	3,667,999	4,206,441	
	October	5,665,226	3,652,864	2,606,399	
	November	6,711,691	3,575,707	3,125,687	
	December	7,161,711	3,970,348	4,478,086	
	2022	January	6,653,973	4,135,853	2,790,391
		February	7,999,435	3,342,386	3,965,194
		March	7,376,627	3,995,960	5,192,203
		April	6,180,384	4,604,906	4,287,085
		May	6,498,205	5,022,704	2,919,450
		June	8,601,459	4,855,495	6,008,660
July		7,448,294	3,716,755	4,683,283	
August		6,481,766	3,156,046	2,263,375	
September		7,374,437	4,870,036	3,970,812	
October		8,273,661	3,590,601	2,878,465	
November		8,985,797	3,272,780	3,425,346	
December		8,833,231	3,805,222	4,727,500	
2023	January	7,910,953	4,282,671	2,817,923	
	February	9,375,701	3,578,565	3,642,827	
	March	9,311,439	3,428,482	5,351,144	
	April	7,388,777	4,505,885	3,270,549	
	May	8,624,113	3,801,447	3,048,589	
	June	9,376,971	4,614,043	5,549,326	
	July	8,441,688	4,058,449	5,448,073	
	August	7,052,064	3,150,136	2,933,363	
	September	7,268,837	4,377,043	4,484,867	
	October	7,161,013	4,104,142	3,385,558	
	November	7,879,597	3,473,674	4,192,524	
	December	7,160,747	3,969,405	5,362,199	
2024	January	5,767,953	4,661,197	3,313,950	
	February	7,115,200	3,853,873	4,363,081	
	March	6,605,992	3,872,656	5,782,978	
	April	4,695,670	4,973,251	4,390,167	
	May	5,278,754	3,881,001	3,792,959	
	June	5,366,796	4,648,571	6,166,208	

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

(b) The projections and estimates for the 2023-24 fiscal year (cash basis) reflect 2023 Wisconsin Act 19 and the May 2023 LFB Report.

Source: Department of Administration

Table II-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 57). Replace with the following updated table.

**CASH BALANCES IN FUNDS AVAILABLE FOR
TEMPORARY REALLOCATION^{(a)(b)}
July 31, 2021 to June 30, 2023 — Actual
July 31, 2023 to June 30, 2024 — 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 \$2.799 billion during October 2018 to a high of \$6.632 billion during July 2022. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP				
<u>Month (Last Day)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
January		\$2,273	\$2,958	\$2,958
February		2,428	3,024	3,024
March		2,282	3,124	1,815
April		2,211	3,159	1,716
May		2,285	3,225	1,670
June		2,812	1,806	1,806
July.....	\$2,243	2,711	2,711	
August	2,067	2,443	2,443	
September	2,148	2,671	2,671	
October	2,011	2,408	2,408	
November.....	2,085	2,678	2,678	
December	2,209	3,008	3,008	

Available Balances; Includes Balances in the LGIP				
<u>Month (Last Day)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
January		\$7,971	\$8,574	\$8,574
February		8,200	9,110	9,110
March		8,664	9,708	6,970
April		8,085	9,212	6,990
May		7,783	8,814	6,469
June		8,845	6,524	6,524
July.....	\$8,383	9,343	9,343	
August	7,160	7,786	7,786	
September	6,915	7,507	7,507	
October	6,410	6,986	6,986	
November.....	6,342	7,121	7,121	
December	7,238	7,846	7,846	

- (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 2023-24 fiscal year (cash basis) reflect 2023 Wisconsin Act 19 and the May 2023 LFB Report.

Source: Department of Administration

Table II-16; General Fund Recorded Revenues (Part II; Page 59). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2022 to June 30, 2023 compared with previous year

	Annual Fiscal Report Revenues 2021-22 Fiscal Year ^(b)	Projected Revenues 2022-23 Fiscal Year ^(c)	Recorded Revenues July 1, 2021 to June 30, 2022 ^(d)	Recorded Revenues July 1, 2022 to June 30, 2023 ^(e)
Individual Income Tax	\$9,214,400,000	\$9,115,564,000	\$8,728,522,950	\$8,916,955,610
General Sales and Use Tax	6,978,300,000	6,844,500,000	6,210,102,250	6,670,179,022
Corporate Franchise and Income Tax	2,960,000,000	2,160,000,000	2,620,476,439	2,390,374,926
Public Utility Taxes	383,600,000	352,000,000	384,092,439	401,200,594
Excise Taxes	654,700,000	654,800,000	595,325,642	562,928,846
Inheritance Taxes	-0-	-0-	-0-	-0-
Insurance Company Taxes	221,800,000	217,000,000	221,799,922	223,119,358
Miscellaneous Taxes	135,600,000	114,000,000	450,860,610	381,277,610
SUBTOTAL	\$20,548,400,000	\$19,457,864,000	\$19,211,180,252	\$19,546,035,966
Federal and Other Inter- Governmental Revenues ^(f)	18,570,506,000	12,720,421,900	18,382,819,255	16,942,686,728
Dedicated and Other Revenues ^(g) ..	8,957,779,000	7,128,404,200	8,636,517,957	8,857,573,378
TOTAL	\$48,076,685,000	\$39,306,690,100	\$46,230,517,465	\$45,346,296,072

- (a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2021-22 fiscal year dated October 14, 2022.
- (c) The estimates in this table for the 2022-23 fiscal year (cash basis) reflect 2021 Wisconsin Act 58, but do not reflect the January 2023 LFB Report and the May 2023 LFB Report.
- (d) The amounts shown are the 2021-22 fiscal year general purpose revenues and program revenues taxes as recorded by State agencies. The amounts shown are as of June 30, 2022, and do not include revenues for the 2021-22 fiscal year that were recorded by State agencies in July, August, and September 2022. There may be differences between the tax revenues shown in this table and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (e) The amounts shown are the 2022-23 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. The amounts shown are as of June 30, 2023, and do not include revenues for the 2022-2023 fiscal year that were recorded by State agencies in July and August 2023. There may be differences between the tax revenues shown in this table and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Department of Administration

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 61). Replace with the following updated table.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2022 to June 30, 2023 compared with previous year^(b)**

	Annual Fiscal Report Expenditures 2021-22 Fiscal Year ^(b)	Estimated Appropriations 2022-23 Fiscal Year ^(c)	Expenditures July 1, 2021 to June 30, 2022 ^(d)	Expenditures July 1, 2022 to June 30, 2023 ^(e)
Commerce	\$ 558,080,000	\$ 424,046,700	\$430,645,283	\$645,334,974
Education	15,957,498,000	15,431,359,300	15,792,103,955	16,501,839,762
Environmental Resources	305,660,000	285,123,800	304,773,976	307,220,555
Human Relations & Resources	21,598,080,000	17,629,648,700	21,916,485,328	21,676,037,202
General Executive	3,745,808,000	1,262,292,000	3,124,080,971	2,350,556,092
Judicial	154,578,000	152,077,300	156,444,520	160,032,428
Legislative	81,703,000	87,774,000	81,700,721	81,914,899
General Appropriations	2,768,023,000	3,057,063,100	3,195,871,310	3,532,276,167
TOTAL	\$ 45,169,430,000	\$ 38,329,384,900	\$45,002,106,064	\$45,255,212,079

- (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 2021-22 fiscal year, dated October 14, 2022.
- (c) The appropriations included in this table reflect 2021 Wisconsin Act 58, but do not reflect the January 2023 LFB Report and the May 2023 LFB Report.
- (d) The amounts shown are 2021-22 fiscal year expenditures as recorded by all State agencies. The amounts shown are as of June 30, 2022, and do not include expenditures for the 2021-22 fiscal year that were recorded by State agencies in July, August, and September 2022.
- (e) The amounts shown are 2022-23 fiscal year expenditures as recorded by all State agencies. The amounts shown are as of June 30, 2023, and do not include expenditures for the 2022-2023 fiscal year that were recorded by State agencies in July and August 2023.

Source: Department of Administration

State Obligations; Employee Pension Funds (Part II; Pages 75-77). Updated with the following information and table.

Annual annuity adjustments for the remainder of calendar year 2023 were announced by the Wisconsin Retirement System (WRS) on March 8, 2023 and include an increase of 1.6% for retirees in the WRS Core Retirement Trust, or Core Fund, and a decrease of 21.0% for retirees in the WRS Variable Retirement Trust, or Variable Fund. The following table includes the Core Fund and Variable Fund annuity adjustments granted during the previous 10 years.

**WISCONSIN RETIREMENT SYSTEM
SUMMARY OF ANNUITY ADJUSTMENTS**

<u>Year</u>	<u>Core Fund</u>	<u>Variable Fund</u>
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	4.7	15.0

Source: Department of Employee Trust Funds

Table II-39; Unemployment Rate Comparison (Part II; Page 97). Replace with the following updated and revised table.

Table II-39
UNEMPLOYMENT RATE COMPARISON^{(a)(b)}
2018 to 2023

	<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>	
	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>	<u>Wis.</u>	<u>U.S.</u>
January	2.7	3.9	3.2	4.4	4.7	6.8	3.3	4.0	3.3	4.4	3.1	4.5
February	2.8	3.9	3.3	4.1	5.1	6.6	3.3	3.8	3.5	4.1	3.4	4.4
March	2.5	3.6	3.1	3.8	4.8	6.2	3.8	4.5	3.5	3.9	3.3	4.1
April	2.3	3.1	2.8	3.3	4.3	5.7	14.1	14.4	3.0	3.3	2.9	3.7
May	2.7	3.4	2.8	3.4	4.1	5.5	10.5	13.0	3.1	3.4	2.8	3.6
June	3.4	3.8	3.5	3.8	4.5	6.1	8.7	11.2	3.7	3.8	3.5	4.2
July			3.1	3.8	3.9	5.7	8.0	10.5	3.5	4.0	3.2	4.1
August			3.2	3.8	3.7	5.3	6.1	8.5	3.3	3.8	3.0	3.9
September			2.8	3.3	3.1	4.6	5.5	7.7	3.0	3.3	2.6	3.6
October			2.6	3.4	2.7	4.3	4.5	6.6	2.8	3.3	2.6	3.5
November			2.5	3.4	2.5	3.9	4.4	6.4	2.8	3.3	2.6	3.5
December			2.2	3.3	2.4	3.7	4.5	6.5	2.8	3.4	2.7	3.7
Annual Average			2.9	3.6	3.8	5.3	6.4	8.1	3.2	3.7	3.0	3.9

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

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State of Wisconsin

May 15, 2023

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:

On January 25, 2023, this office distributed its estimates of general fund revenues and expenditures for the 2022-23 fiscal year and tax collection projections for each year of the next biennium. Recently, tax collection data for April, 2023, became available and S&P Global released its May, 2023, forecast of the national economy.

Based upon our review of the collections data and the new economic forecast, we believe that tax collections will be lower than the January 25 report by \$365.2 million in 2022-23, \$148.0 million in 2023-24, and \$241.9 million in 2024-25. The three-year reduction is \$755.1 million, or -1.16%.

2022-23

Although general fund tax collections are estimated to be \$365.2 million below the previous projection, that amount is offset by anticipated expenditure reductions of \$141.7 million above those of our January report. The \$141.7 million consists of a reduction in debt service payments (\$8.5 million), a lapse from the appropriation of the State Public Defender (\$9.7 million), and an increased lapse of \$123.5 million in the GPR appropriation for the Medical Assistance (MA) program.

The net result of these estimates is that the projected gross balance in the general fund for 2022-23 will be \$6,877.0 million, which is \$223.5 million lower than the January projection of \$7,100.5 million.

The total estimated GPR lapse in MA is projected at \$898.3 million. Of this amount, \$774.8 million was included in the January report. Most of the MA budget surplus that has accumulated during the biennium is attributable to an enhanced federal matching rate that has been in effect longer than was anticipated at the time of the Legislature's deliberations on the 2021-23 budget. The increase in this lapse from the prior estimate is primarily due to an increase in revenues available for

MA expenditures in the medical assistance trust fund, and higher collections of drug manufacturer rebate revenue, which are used to offset program expenditures.

The general fund condition statement for 2022-23, which incorporates the information of this report, is shown in Table 1.

TABLE 1
Estimated 2022-23 General Fund Condition Statement

	<u>2022-23</u>
Revenues	
Opening Balance, July 1	\$4,298,919,000
Taxes	20,988,100,000
Departmental Revenues	
Tribal Gaming	0
Other	<u>712,036,300</u>
Total Available	\$25,999,055,300
 Appropriations, Transfers, and Reserves	
Gross Appropriations	\$19,731,372,000
Sum Sufficient Reestimates	36,759,800
Transfers to:	
Transportation Fund	97,289,300
MA Trust Fund	527,783,700
UI Trust Fund	60,000,000
Compensation Reserves	105,951,600
Less Lapses	<u>-1,437,059,700</u>
Net Appropriations	\$19,122,096,700
 Balances	
Gross Balance	\$6,876,958,600
Less Required Statutory Balance	<u>-95,000,000</u>
Net Balance, June 30	\$6,781,958,600

General Fund Tax Collections

S&P Global's May, 2023, economic forecast projects stronger economic growth in nominal terms than the January forecast, which was used in preparing the earlier tax revenue estimates. Personal income, personal consumption expenditures (PCE), employment, nominal gross domestic product (GDP), and economic profits are expected to improve in 2023 through 2025, compared to the January forecast. Inflation expectations, as measured by the consumer price index (CPI), have increased over the three-year period relative to January, resulting in limited change to real GDP

under the May forecast. The January forecast had anticipated a mild recession in the first and second quarter of 2023, whereas the May forecast no longer anticipates a recession in 2023. In general, the higher forecast is primarily driven by higher estimates for 2023 than previously estimated, with lower growth rates in 2024 and 2025 relative to the January forecast. Table 2 outlines the May, 2023, economic forecast by S&P Global.

TABLE 2

**Summary of National Economic Indicators
IHS Markit Baseline Forecast May, 2023
(\$ in Billions)**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Nominal Gross Domestic Product	\$25,462.7	\$26,806.3	\$27,792.1	\$28,862.3
Percent Change	9.2%	5.3%	3.7%	3.9%
Real Gross Domestic Product	\$20,014.1	\$20,251.3	\$20,439.6	\$20,765.4
Percent Change	2.1%	1.2%	0.9%	1.6%
Consumer Prices (Percent Change)	8.0%	4.2%	2.5%	2.2%
Personal Income	\$21,809.0	\$23,017.0	\$23,954.3	\$24,921.3
Percent Change	2.4%	5.5%	4.1%	4.0%
Nominal Personal Consumption Expenditures	\$17,357.2	\$18,316.2	\$18,903.7	\$19,608.5
Percent Change	9.1%	5.5%	3.2%	3.7%
Economic Profits	\$2,952.6	\$3,053.1	\$2,986.0	\$3,011.0
Percent Change	6.6%	3.4%	-2.2%	0.8%
Unemployment Rate	3.6%	3.6%	4.3%	4.8%
Total Nonfarm Payrolls (Millions)	152.6	155.7	155.6	155.4
Percent Change	4.3%	2.0%	-0.1%	-0.1%
Light Vehicle Sales (Millions of Units)	13.79	14.86	15.70	16.52
Percent Change	-7.7%	7.8%	5.6%	5.2%
Sales of New and Existing Homes (Millions of Units)	5.721	4.832	4.687	5.101
Percent Change	-17.1%	-15.5%	-3.0%	8.8%
Housing Starts (Millions of Units)	1.554	1.338	1.320	1.409
Percent Change	-3.2%	-13.9%	-1.3%	6.8%

The May forecast is based on the following key assumptions. First, the Public Health Emergency (PHE) ends on May 11 (one month earlier than anticipated in the January forecast). Second, the federal debt ceiling is raised in time to avoid a default, a federal budget is passed in time to avoid a federal government shutdown in October, and all federal legislation enacted to date is incorporated into the forecast. The May forecast incorporates the economic impact of the Consolidated Appropriations Act of 2023 (not included in the January forecast), does not include President Biden's plan to cancel a portion of student loan debt, and assumes student loan forbearance expires on July 1. Third, state and local governments experience a limited contraction in spending,

with lower tax receipts offset by: (a) federal pandemic relief monies provided under the Infrastructure Investment and Jobs Act; and (b) declining Medicaid benefits, once enhanced eligibility expires with the PHE. Fourth, the Federal Reserve is expected to raise its policy rate to a range of 5% to 5.25% (25 basis points higher than assumed in January) and allow its balance sheet to decline by about one third through 2024. Fifth, the forecast assumes that the current tariffs between the U.S. and China remain in effect. Sixth, growth of real, trade-weighted foreign GDP slows from 3.3% in 2022 to 1.9% in 2023 (higher compared to January), and foreign measures of inflation are expected to recede from 5.9% in 2022 to 2.8% in 2023 (slightly higher compared to January). Finally, the price of Brent crude is expected to decline from \$101 per barrel in 2022 to \$84 per barrel in 2024 (slightly lower than anticipated in January).

However, the improved forecast for nominal economic growth is more than offset by weaker than expected collections to date. Since this office distributed its estimates of general fund tax collections on January 25, 2023, withholding taxes under the individual income tax, estimated payments and refunds under the corporate income/franchise tax, and cigarette taxes have been the largest contributors to weaker than anticipated growth over the past four months.

Table 3 shows the revised general fund tax collection estimates for 2022-23 and the two years of the next biennium. It should be noted that these revenue estimates reflect current state and federal law, and do not incorporate any of the tax law changes proposed by the Governor in his 2023-25 budget recommendations.

TABLE 3
Projected General Fund Tax Collections
Under Current Law
(\$ in Millions)

	<u>2021-23 Biennium</u>		<u>2023-25 Biennium</u>	
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Individual Income	\$9,214.4	\$9,450.0	\$9,710.0	\$10,160.0
General Sales and Use	6,978.3	7,480.0	7,655.0	7,835.0
Corporate Income/Franchise	2,960.0	2,715.0	2,720.0	2,840.0
Public Utility	383.6	391.0	374.0	370.0
Excise				
Cigarette	482.4	437.0	420.0	407.0
Tobacco Products	94.4	90.0	91.0	93.0
Vapor Products	4.1	7.0	7.7	8.5
Liquor and Wine	64.9	68.0	69.0	71.0
Beer	8.9	8.1	8.1	8.0
Insurance Company	221.8	227.0	236.0	246.0
Miscellaneous Taxes	<u>135.6</u>	<u>115.0</u>	<u>103.0</u>	<u>111.0</u>
Total	\$20,548.4	\$20,988.1	\$21,393.8	\$22,149.5
Change from Prior Year		\$439.7	\$405.7	\$755.7
Percent Change		2.1%	1.9%	3.5%

Based on our review of collections data and the economic forecast, general fund taxes will be lower than previous estimates by \$365.2 million in 2022-23, \$148.0 million in 2023-24, and \$241.9 million in 2024-25. The three-year decrease is \$755.1 million, or 1.16%, primarily reflecting a lower forecast for the corporate income/franchise tax (\$455 million), the individual income tax (\$360.0 million), and the cigarette tax (\$53 million). Estimated revenues from the tobacco products tax, utility tax, insurance tax, and beer tax have also been reduced (\$17.7 million). These reductions are partly offset by an increased forecast over the three year period for the general sales and use tax (\$110 million), miscellaneous taxes (\$16 million), and the vapor products tax (\$4.6 million). The estimate for the liquor tax has not been changed.

Individual Income Tax. Total individual income tax collections are estimated at \$9,450 million in 2022-23, which represents a decline of 1.7% relative to the January estimate. Growth in year-to-date adjusted withholding collections through April, 2023, relative to the same time period a year prior (-5.9%), is significantly lower than forecast in January. Year-to-date through April, final payments made by taxpayers for tax year 2022, and tax amounts withheld from nonresident members of pass-through entities, are both considerably lower than the forecasted level in January. However, adjusted withholding collections (not including pass-through withholding) are expected to grow by 7.2% over the rest of the year, buoyed by strong near-term projections for wages and salaries.

The January forecast included an assumption that capital gains realizations would decline significantly in tax year 2022 relative to tax year 2021. It appears that this trend has impacted 2022-23 estimated payments as anticipated, which are 16.8% lower through April than the same period in 2021-22. As in January, these estimates assume capital gains realizations will decline further in tax year 2023, and begin to rebound in tax year 2024.

Total individual income tax collections are projected to grow by 5.2% for the remainder of 2022-23 relative to the same time period in 2021-22, driven primarily by expected increases in withholding collections, and a significant decline in total refunds paid to taxpayers. The decline in 2022-23 refunds is partially attributable to the withholding table update that took effect on January 1, 2022, which incorporated several individual income tax reductions enacted since 2014 (the last time the tables were updated). The resulting lower withholding throughout tax year 2022 translates to lower refunds in 2022-23, all else equal.

In 2023-24, total individual income tax revenues are estimated to increase to \$9,710 million, representing annual growth of 2.8%. Most of the annual revenue increase in 2023-24 is attributable to projected growth in wages and salaries, which would increase withholding collections. Estimated revenue growth is partly offset by lower projections for estimated payments, associated with year-over-year declines in capital gains realizations predicted for tax year 2023. In 2024-25, total revenues are projected to increase to \$10,160 million, constituting annual growth of 4.6%. Continued steady growth in withholding and an anticipated rebound in tax year 2024 capital gains realizations (which would strengthen estimated payments) are two primary factors contributing to higher revenue growth in 2024-25.

General Sales and Use Tax. State sales and use tax revenues are estimated at \$7,480 million in 2022-23, which represents growth of 7.2% over the prior year. Sales tax revenues are estimated at \$7,655 million in 2023-24 and \$7,835 million in 2024-25, reflecting growth of 2.3% and 2.4%, respectively. The estimates have been increased by \$55 million in 2023-24 and 2024-25, relative to

the January estimates.

The May forecast for taxable PCE in 2023-24 is 0.8 percentage points higher than in the January forecast, which has contributed to the increase in estimated sales tax revenues for fiscal year 2023-24, relative to January. While the projected growth in taxable PCE in the May forecast for 2024-25 exhibits a similar trend to the January forecast, estimated revenues in that year have been increased based on the higher estimated amount in the preceding year.

Corporate Income/Franchise Tax. Corporate income/franchise tax revenues are now projected to be \$2,715 million in 2022-23, \$2,720 million in 2023-24, and \$2,840 million in 2024-25, which reflects reduced annual collections of 8.3% in 2022-23 and annual growth of 0.2% in 2023-24 and 4.4% in 2024-25. Compared to the previous estimates, the reestimates represent decreased revenues of \$195 million in 2022-23 and \$130 million in 2023-24 and 2024-25 (-\$455 million total).

Collections year-to-date have decreased 6.5% due to: (a) weak March and April estimated payments (-12.5% combined) that are \$80 million lower than last year; and (b) refunds that have remained elevated and are \$133 million higher relative to last year (70.5%). It is expected that estimated payments and refunds will exhibit continued weakness over the remainder of the year, but improve after the Fall relative to the prior year. Further, the short term growth outlook remains muted, with economic profits forecast to decline slightly by 0.6% in 2023-24 and 0.9% in 2024-25 (an increase relative to the January forecast of -2.0% and -0.6%, respectively), and before-tax book profits forecast to show modest growth of 2.9% in 2023-24 and 0.5% in 2024-25 (a change relative to the January forecast of 0.8% and -0.7%, respectively).

Public Utility Taxes. Public utility tax revenues are estimated at \$391 million in 2022-23, \$374 million in 2023-24, and \$370 million in 2024-25. These estimates have been increased \$2 million in 2023-24 and decreased \$7 million in 2024-25, relative to the January forecast. The decline in 2024-25 is largely explained by a decline in the anticipated 2024 statewide net property tax rate that is imposed on ad valorem utility taxpayers. This decline is slightly offset by an improved forecast of electricity sales, which positively impacts tax revenues from gross revenues utilities providing such services (private and municipal light, heat, and power companies and electric cooperatives).

Excise Taxes. Excise tax revenues are estimated at \$610.1 million in 2022-23, \$595.8 million in 2023-24, and \$587.5 million in 2024-25, which represents a decline of 6.8% in 2022-23, 2.3% in 2023-24, and 1.4% in 2024-25. These estimates are lower than the previous estimates by \$15.2 million in 2022-23, \$21.0 million in 2023-24, and \$21.9 million in 2024-25.

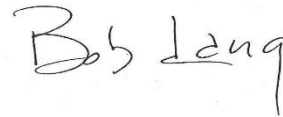
The majority of the excise tax decline is due to a downward revision in the cigarette tax forecast, with revenues now estimated at \$437 million in 2022-23, \$420 million in 2023-24, and \$407 million in 2024-25. These estimates represent a decline of 9.4% in 2022-23, 3.9% in 2023-24, and 3.1% in 2024-25. When cigarette tax revenues were estimated in January, it was assumed that cigarette tax revenues would continue to decline, but at a slower pace than had been seen year-to-date (-8.0%). However, cigarette tax collections are now down 9.5% year-to-date. This reestimate reflects the ongoing trend of larger declines in cigarette consumption. Weaker than expected tobacco and beer tax collections since January further contributed to the downward revision in excise tax revenues, but were partly offset by an upward revision in vapor.

Insurance Premiums Taxes. Insurance premiums taxes are now projected to be \$227 million in 2022-23, \$236 million in 2023-24, and \$246 million in 2024-25. Compared to the previous estimates, the revised estimates represent decreases in insurance premiums tax revenues of \$3 million in 2022-23 and \$1 million in 2023-24, and an increase of \$1 million in 2024-25. The new estimates reflect year-to-date collections, which have grown by 2.3% through April (lower than the previous forecast).

Miscellaneous Taxes. Miscellaneous tax revenues are estimated at \$115 million in 2022-23, \$103 million in 2023-24, and \$111 million in 2024-25, with revenues declining by 15.2% in 2022-23, and 10.4% in 2023-24, followed by growth of 7.8% in 2024-25. The estimates have increased \$8 million in 2022-23, \$7 million in 2023-24, and \$1 million in 2024-25, relative to the January estimates. The real estate transfer fee makes up the majority of miscellaneous taxes and is the reason for the increased estimates. The January forecast projected a steeper decline in the sales volume and price of existing houses compared to the May forecast. Similarly, real estate transfer fee collections have been stronger than previously anticipated since December, 2022. These factors have increased the overall forecast of miscellaneous tax revenues.

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

Sincerely,

A handwritten signature in black ink that reads "Bob Lang". The signature is written in a cursive, slightly slanted style.

Robert Wm. Lang
Director

RWL/lb

cc: Members, Wisconsin Legislature

APPENDIX B
GENERAL OBLIGATION ISSUANCE STATUS REPORT
August 1, 2023

Credit to Capital Improvement Fund

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings^(a)	Premium^(a)	G.O. Bonds of 2023, Series B^(b)	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	\$3,564,643,100	\$2,665,741,415	\$13,084,724	\$145,764,367	\$69,999,511	\$670,053,083
University of Wisconsin; self-amortizing facilities	3,425,519,100	2,715,110,089	2,967,557	127,209,499	16,161,787	564,070,168
Natural resources; Warren Knowles-Gaylord Nelson stewardship 2000 program	1,178,850,000	977,093,267	410,794	45,335,504	12,985,109	143,025,326
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818	—	—	139,438
Clean water fund program	659,783,200	655,062,282	—	4,641,114	—	79,804
Safe drinking water loan program	74,950,000	69,215,472	123	2,183,403	—	3,551,002
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,043	165,649	—	6
Natural resources; nonpoint source	57,050,000	43,321,416	2,498	4,582,674	222,798	8,920,614
Natural resources; environmental repair	57,000,000	52,962,122	203,594	883,312	—	2,950,972
Natural resources; urban nonpoint source cost-sharing	61,600,000	52,287,414	31,189	3,075,176	1,885,687	4,320,534
Natural resources; contaminated sediment removal	40,000,000	28,243,805	—	2,070,334	4,828,466	4,857,395
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	16,531,171	161	1,468,672	—	1,969,196
Natural resources; segregated revenue supported dam safety projects	6,600,000	6,571,582	617	27,795	—	6
Natural resources; pollution abatement and sewage collection facilities, ORAP funding	145,060,325	145,010,325	50,000	—	—	—
Natural resources; pollution abatement and sewage collection facilities	893,493,400	874,927,239	18,513,077	—	—	53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow	200,600,000	194,312,599	6,287,401	—	—	—
Natural resources; recreation projects	56,055,000	56,053,994	1,006	—	—	—
Natural resources; local parks land acquisition and development	2,490,000	2,447,741	42,259	—	—	—
Natural resources; recreation development	36,323,200	22,919,742	141,325	68	—	13,262,065
Natural resources; land acquisition	45,608,600	45,116,929	491,671	—	—	—
Natural resources; Wisconsin natural areas heritage program	2,500,000	2,445,793	17,174	—	—	37,033
Natural resources; segregated revenue supported facilities	188,110,400	106,752,687	93,544	6,658,342	3,597,675	71,008,152
Natural resources; general fund supported administrative facilities	16,514,100	14,370,211	21,753	685,914	—	1,436,222
Natural resources; ice age trail	750,000	750,000	—	—	—	—
Natural resources; dam safety projects	39,500,000	29,013,249	51,291	2,609,962	—	7,825,498

APPENDIX B – Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
August 1, 2023

Credit to Capital Improvement Fund

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings^(a)	Premium^(a)	G.O. Bonds of 2023, Series B^(b)	Total Authorized Unissued Debt
Natural resources; segregated revenue supported land acquisition	\$2,500,000	\$2,500,000	—	—	—	—
Natural resources; Warren Knowles-Gaylord Nelson stewardship program	231,000,000	229,300,484	\$1,306,879	\$144,011	—	\$248,626
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	624,800,000	235,980,986	64	34,027,801	—	354,791,149
Transportation; rail passenger route development	89,000,000	72,819,072	3,016	2,856,171	—	13,321,741
Transportation; accelerated highway improvements	185,000,000	185,000,000	—	—	—	—
Transportation; connecting highway improvements	15,000,000	15,000,000	—	—	—	—
Transportation; federally aided highway facilities	10,000,000	10,000,000	—	—	—	—
Transportation; highway projects	41,000,000	41,000,000	—	—	—	—
Transportation; major highway and rehabilitation projects	565,480,400	565,480,400	—	—	—	—
Transportation; Southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects	1,453,550,000	1,277,157,041	3,018,078	109,000,090	\$1,749,988	62,624,803
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	253,723,619	141,819	42,653,118	8,308,942	400,166
Transportation; design-build projects	20,000,000	—	—	—	9,307,935	10,692,065
Transportation; southeast Wisconsin freeway megaprojects subject to contingency	252,400,000	208,329,958	94,291	33,302,158	—	10,673,593
Transportation; harbor improvements	167,300,000	130,866,823	234,581	11,999,723	4,119,971	20,078,902
Transportation; rail acquisitions and improvements and intermodal freight facilities	300,300,000	220,720,747	5,187	24,045,270	1,190,992	54,337,804
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000	—	—	—	—
Corrections; correctional facilities	989,501,800	899,906,377	11,468,918	16,383,479	—	61,743,026
Corrections; self-amortizing facilities and equipment	2,116,300	2,115,438	99	—	—	763

APPENDIX B – Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
August 1, 2023

Credit to Capital Improvement Fund

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings^(a)	Premium^(a)	G.O. Bonds of 2023, Series B^(b)	Total Authorized Unissued Debt
Corrections; juvenile correctional facilities	\$74,443,200	\$28,725,691	\$108,861	\$13,745	\$2,199,985	\$43,394,918
Secured residential care centers for children and youth	80,000,000	597,727	—	110,264	2,299,984	76,992,025
Health services; mental health and secure treatment facilities	358,796,500	216,078,476	895,996	8,305,236	53,999,623	79,517,169
Agriculture; soil and water	82,075,000	72,852,200	9,110	4,769,441	2,099,985	2,344,264
Agriculture; conservation reserve enhancement	28,000,000	21,388,345	3,160	1,065,484	—	5,543,011
Administration; Black Point Estate ..	1,600,000	1,598,655	445	—	—	900
Administration; energy conservation projects; capital improvement fund	295,000,000	175,617,840	—	12,407,686	11,999,916	94,974,558
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 before July 1, 2011	474,000,000	473,651,084	—	—	—	348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2013	264,200,000	263,420,000	—	—	—	780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt	11,235,000,000	8,110,221,046	—	—	—	3,124,778,954
Building commission; housing state departments and agencies	1,007,603,300	775,465,084	2,356,097	41,918,320	9,999,930	177,863,869
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479	—	—	—
Building commission; project contingencies	47,961,200	47,492,746	64,761	224,362	30,000	149,331
Building commission; capital equipment acquisition	125,660,000	123,961,256	740,327	343,697	—	614,720
Building commission; discount sale of debt	90,000,000	73,492,486	—	—	—	16,507,514
Building commission; discount sale of debt (higher education bonds) ..	100,000,000	99,988,833 ^(c)	—	—	—	11,167
Building commission; other public purposes	3,313,406,900	2,712,978,080	8,728,619	106,611,238	65,001,745	420,087,218
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

APPENDIX B – Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
August 1, 2023

Credit to Capital Improvement Fund

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings^(a)	Premium^(a)	G.O. Bonds of 2023, Series B^(b)	Total Authorized Unissued Debt
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; cancer research facility	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	6,492,285	\$3,011	785,418	—	103,586
Family justice center	10,625,000	9,109,385	—	1,515,566	—	49
Marquette University; dental clinic and education facility	25,000,000	23,942,583	818	1,056,495	—	104
Civil War exhibit at the Kenosha Public Museums	500,000	500,000	—	—	—	—
AIDS Network, Inc.	300,000	300,000	—	—	—	—
Wisconsin Maritime Center of Excellence	5,000,000	4,383,263	—	616,673	—	64
Milwaukee Police Athletic League; youth activities center	1,000,000	1,000,000	—	—	—	—
Hmong cultural center	250,000	250,000	—	—	—	—
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 Agriculture Education Center, Inc.	5,000,000	4,522,862	—	477,090	—	48
Eau Claire Confluence Arts, Inc.	15,000,000	13,461,714	—	1,537,698	—	588
Psychiatric and behavioral health treatment beds; Marathon County Administration; school educational technology infrastructure financial assistance	5,000,000	—	—	—	\$4,999,965	35
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
La Crosse Center	5,000,000	4,104,366	—	895,560	—	74
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus	5,000,000	4,245,324	—	754,625	—	51
Brown County innovation center	5,000,000	4,125,127	—	740,204	3,800	130,869
Beyond Vision; VisABILITY Center	5,000,000	4,680,976	—	318,905	—	119
Building Commission; projects	25,000,000	3,245,348	—	218,578	3,199,978	18,336,096

APPENDIX B – Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
August 1, 2023

Credit to Capital Improvement Fund

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>	<u>G.O. Bonds of 2023, Series B^(b)</u>	<u>Total Authorized Unissued Debt</u>
Center.....	\$15,000,000	\$6,447,397	—	\$434,457	\$6,499,955	\$1,618,191
Museum of nature and culture.....	40,000,000	—	—	—	—	40,000,000
Educational communications board; educational communications facilities.....	24,169,000	24,112,683	\$38,515	11,925	—	5,877
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	22,951,919	137	3,169,487	—	528,457
Historical society; historic sites.....	17,912,800	9,252,929	847	329,933	—	8,329,091
Historical society; museum facility..	74,384,400	4,362,469	—	—	—	70,021,931
Historical society; Wisconsin history center.....	16,000,000	8,642,568	457	1,360,780	—	5,996,195
Public instruction; state school, state center and library facilities.....	37,350,600	11,845,469	32,509	467,826	—	25,004,796
Military affairs; armories and military facilities.....	81,922,400	46,266,793	198,829	2,284,997	3,037,379	30,134,402
Veterans affairs; veterans facilities...	27,359,900	12,049,191	50,593	375,152	169,999	14,714,965
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.....	103,852,100	52,942,563	2,427	5,964,875	1,006,793	43,935,442
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.....	67,537,100	52,699,335	22,401	13,596	899,994	13,901,774
Total.....	\$41,590,572,247	\$33,677,877,510	\$74,220,810	\$868,587,031	\$301,807,891	\$6,668,079,005

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

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

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

Source: Department of Administration

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APPENDIX C
EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

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

\$271,360,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2023, SERIES A

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$271,360,000 General Obligation Bonds of 2023, 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 August 9, 2023 (**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; however, interest on the Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. We express no opinion about other federal tax law consequences regarding the Bonds.

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

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated August 15, 2023 or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

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

Very truly yours,

Foley & Lardner LLP

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