

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, including all appendices attached hereto.

\$267,305,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2024, SERIES C

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—*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, 2035 are callable at par on May 1, 2034 or on 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 May 1, 2025

Denominations Multiples of \$5,000

Closing/Settlement On or about September 26, 2024

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.*

2023 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 22, 2023.

The Bonds were sold at competitive sale on September 10, 2024. 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 M93	2026	\$19,870,000	5.00%	Not Callable	—
97705M N27	2027	20,365,000	5.00	Not Callable	—
97705M N35	2028	20,910,000	5.00	Not Callable	—
97705M N43	2029	9,005,000	5.00	Not Callable	—
97705M N50	2030	9,320,000	5.00	Not Callable	—
97705M N68	2031	9,660,000	5.00	Not Callable	—
97705M N76	2032	10,060,000	5.00	Not Callable	—
97705M N84	2033	10,455,000	5.00	Not Callable	—
97705M N92	2034	10,870,000	5.00	Not Callable	—
97705M P25	2035	11,455,000	5.00	2034	100%
97705M P33	2036	10,505,000	5.00	2034	100
97705M P41	2037	11,060,000	5.00	2034	100
97705M P58	2038	11,670,000	5.00	2034	100
97705M P66	2039	12,325,000	5.00	2034	100
97705M P74	2040	13,015,000	5.00	2034	100
97705M P82	2041	13,760,000	5.00	2034	100
97705M P90	2042	14,520,000	5.00	2034	100
97705M Q24	2043	15,310,000	5.00	2034	100
97705M Q32	2044	16,145,000	5.00	2034	100
97705M Q40	2045	17,025,000	5.00	2034	100

Purchase Price: \$302,776,473.23

September 10, 2024

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 André Jacque	January 6, 2025
Senator Joan Ballweg	January 6, 2025
Senator Brad Pfaff	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. Amy Johnson
Capital Finance Officer
(608) 267-0739

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 2024, Series C
Principal Amount:	\$267,305,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about September 26, 2024)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2025
Maturities:	May 1, 2026-2045— <i>See front cover.</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2035 are callable at par on May 1, 2034 or on 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 September 1, 2024, general obligations of the State were outstanding in the principal amount of \$6,604,683,000.
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— <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>
2023 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 22, 2023.

OFFICIAL STATEMENT
\$267,305,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2024, SERIES C
INTRODUCTION

This Official Statement provides information about the \$267,305,000 General Obligation Bonds of 2024, Series C (**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 22, 2023 (**2023 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to 2024 State of Wisconsin Building Commission Resolution 5, adopted on August 7, 2024 by the State of Wisconsin Building Commission (**Commission**).

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 2023 Annual Report. **APPENDIX A** also makes updates and additions to Part II of the 2023 Annual Report, including:

- Estimated General Fund condition statement and estimated General Fund tax collections for the 2023-24 and 2024-25 fiscal years, as included in a report provided by LFB on January 24, 2024 (**January 2024 LFB Report**).
- Estimated General Fund condition statement for the 2023-24 and 2024-25 fiscal years, as included in a memorandum provided by the Legislative Fiscal Bureau (**LFB**) on May 22, 2024 (**May 2024 LFB Memo**).
- Preliminary General Fund tax collection data for the 2023-24 fiscal year, as released by the State of Wisconsin Department of Revenue and summarized in a memorandum provided by LFB on August 28, 2024 (**August 2024 LFB Memo**).
- General Fund information for the 2023-24 fiscal year through June 30, 2024, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2024-25 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 September 26, 2024) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on May 1, 2025.

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 on parity with all other outstanding general obligations issued by the State.

Redemption Provisions

Optional Redemption or Purchase

The Bonds maturing on or after May 1, 2035 may be redeemed on May 1, 2034 or on any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to 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 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 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 \$6,805,610,378, and the cumulative debt limit is \$45,370,735,850. 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 September 1, 2024, general obligations of the State were outstanding in the principal amount of \$6,604,683,000. 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 seventh series of general obligations to be issued or sold in calendar year 2024, including:

- one series of general obligation bonds in the principal amount of \$248 million, for general governmental purposes;
- two series of general obligation refunding bonds in the aggregate principal amount of \$702 million, for payment of the purchase price and refunding of general obligations previously issued for general governmental purposes;
- one series of general obligations in the principal amount of \$46 million, for payment of the purchase price and funding of general obligations previously issued for general governmental purposes; and
- two series of general obligation refunding bonds in the aggregate principal amount of \$343 million, for the refunding of general obligations previously issued for general government purposes.

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

- Up to \$500 million of general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of 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**), which were outstanding in the aggregate principal amount of \$153 million as of September 1, 2024. The amount and timing of any issuance of general obligations for the funding of the EMCP 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, including the refunding of outstanding general obligations previously issued for governmental purposes, in calendar year 2024. The amount and timing of any sale and issuance in calendar year 2024 of any additional general obligations for this purpose depend on disbursements from the State Capital Improvement Fund for authorized purposes.

Other Obligations

The State has issued two series of transportation revenue refunding bonds in calendar year 2024, in the aggregate principal amount of \$251 million, for the refunding of outstanding transportation revenue bonds. The authorization, sale, and issuance of any additional 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 not issued any general fund annual appropriation refunding bonds in calendar year 2024. The amount and timing of any issuance of any general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State has issued one series of environmental improvement fund revenue bonds in calendar year 2024, in the principal amount of \$150 million, for the purpose of making loans under the State's Environmental Improvement Fund. The Commission has authorized up to \$150 million of additional environmental improvement bonds in 2024. The sale and issuance of any additional environmental improvement fund revenue bonds depend, among other factors, on disbursement of funds from the State's Environmental Improvement Fund and market conditions. The Commission has authorized up to \$150 million of environmental improvement bonds to refund outstanding environmental improvement bonds. The sale and issuance of any environmental improvement fund revenue refunding bonds depend, among other factors, on market conditions.

The State issued its Master Lease Certificate of Participation of 2024, Series A (Revolving Credit Agreement) in calendar year 2024 to the lender under the Revolving Credit Agreement between the State and such lender, the proceeds of which are used by the State for the initial funding of lease schedules under the Master Lease. The amount and timing of any other 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 2024-25 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on September 10, 2024 by the following account (**Underwriters**): Morgan Stanley & Co. LLC (book-running manager); Raymond James & Associates, Inc.; Fidelity Capital Markets; Samuel A. Ramirez & Co., Inc.; American Veterans Group, PBC; R. Sealaus & Co., LLC; SumRidge Partners, LLC; Advisors Asset Management, Inc.; Siebert Williams Shank & Co., LLC; Intercoastal Capital Markets, Inc.; Loop Capital Markets, LLC; Robert W. Baird & Co. Incorporated; FHN Financial Capital Markets; and Cabrera Capital Market LLC.

The Underwriters paid \$302,776,473.23, and their bid resulted in a true-interest-cost rate to the State of 3.4625%.

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.

\$267,305,000
State of Wisconsin
General Obligation Bonds of 2024, Series C

Dated Date: Date of Delivery

First Interest Payment Date: May 1, 2025

Delivery/Settlement Date: On or about September 26, 2024

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705M M93	2026	\$19,870,000	5.00%	2.39%	104.064	Not Callable	–
97705M N27	2027	20,365,000	5.00	2.38	106.558	Not Callable	–
97705M N35	2028	20,910,000	5.00	2.37	109.015	Not Callable	–
97705M N43	2029	9,005,000	5.00	2.37	111.389	Not Callable	–
97705M N50	2030	9,320,000	5.00	2.43	113.371	Not Callable	–
97705M N68	2031	9,660,000	5.00	2.51	115.049	Not Callable	–
97705M N76	2032	10,060,000	5.00	2.63	116.221	Not Callable	–
97705M N84	2033	10,455,000	5.00	2.68	117.706	Not Callable	–
97705M N92	2034	10,870,000	5.00	2.73	119.049	Not Callable	–
97705M P25	2035	11,455,000	5.00	2.78	118.585 ^(a)	2034	100%
97705M P33	2036	10,505,000	5.00	2.82	118.215 ^(a)	2034	100
97705M P41	2037	11,060,000	5.00	2.86	117.847 ^(a)	2034	100
97705M P58	2038	11,670,000	5.00	2.93	117.205 ^(a)	2034	100
97705M P66	2039	12,325,000	5.00	3.02	116.387 ^(a)	2034	100
97705M P74	2040	13,015,000	5.00	3.11	115.575 ^(a)	2034	100
97705M P82	2041	13,760,000	5.00	3.21	114.681 ^(a)	2034	100
97705M P90	2042	14,520,000	5.00	3.28	114.060 ^(a)	2034	100
97705M Q24	2043	15,310,000	5.00	3.34	113.531 ^(a)	2034	100
97705M Q32	2044	16,145,000	5.00	3.40	113.005 ^(a)	2034	100
97705M Q40	2045	17,025,000	5.00	3.46	112.482 ^(a)	2034	100

^(a) These Bonds are priced to the May 1, 2034 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. 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.

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**). The State has agreed to file the Annual Report with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system by December 27th of each year. 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 2023 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: September 10, 2024

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 22, 2023 \(2023 Annual Report\)](#), which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2023 Annual Report, including but not limited to:

- Estimated General Fund condition statement and estimated General Fund tax collections for the 2023-24 and 2024-25 fiscal years, as included in a report provided by LFB on January 24, 2024 (**January 2024 LFB Report**).
- Estimated General Fund condition statement for the 2023-24 and 2024-25 fiscal years, as included in a memorandum provided by the Legislative Fiscal Bureau (**LFB**) on May 22, 2024 (**May 2024 LFB Memo**).
- Preliminary General Fund tax collection data for the 2023-24 fiscal year, as released by the State of Wisconsin Department of Revenue (**DOR**) and summarized in a memorandum provided by LFB on August 28, 2024 (**August 2024 LFB Memo**).
- General Fund information for the 2023-24 fiscal year through June 30, 2024, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the 2024-25 fiscal year, which is presented on a cash basis.

[Part II of the 2023 Annual Report](#) contains general information about the State. More specifically, that part presents information about the following matters:

- 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 2022-23 fiscal year and summary of 2023-25 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, 2023, 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 2023 Annual Report.

[Part III of the 2023 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 2023 Annual Report and the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 were both filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. The 2023 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 2023 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 2023 Annual Report. The State is not obligated to update or provide such reports at any time in the future.

After publication and filing of the 2023 Annual Report, certain changes or events have occurred that affect items discussed in the 2023 Annual Report. Listed below, by reference to particular sections of Part II of the 2023 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 any of 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 any of the State’s undertakings.

State Budget; Budget for 2023-25 Biennium (Part II; Pages 35-37). Update with the following information.

January 2024 LFB Report – General Fund Condition Statement

The January 2024 LFB Report includes an updated estimated General Fund condition statement for each fiscal year of the 2023-25 biennium. The net General Fund balance for the end of the biennium (June 30, 2025) is projected to be \$3.2 billion. This is \$810.8 million lower than the balance that was projected at the time of the enactment of 2023 Wisconsin Act 19, as modified to incorporate the fiscal year 2022-23 ending balance as shown in the State's Annual Fiscal Report for fiscal year 2022-23.

A complete copy of the January 2024 LFB Report, which includes a national economic forecast and its application to the State’s General Fund tax revenue estimates, is included at the end of this Appendix A. In addition, the State has filed the January 2024 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

May 2024 LFB Memo – General Fund Condition Statement

The May 2024 LFB Memo includes the most recent updated estimated General Fund condition statement for each fiscal year of the 2023-25 biennium. The net General Fund balance for the end of the biennium (June 30, 2025) is projected to be \$3.0 billion. This is \$930.8 million lower than the balance that was projected at the time

of the enactment of the 2023-25 biennial budget (**2023 Wisconsin Act 19**), as modified to incorporate the fiscal year 2022-23 ending balance as shown in the State's Annual Fiscal Report for fiscal year 2022-23, and \$120.0 million lower than the balance that was projected in the January 2024 LFB Report.

The State has filed the May 2024 LFB Memo 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 the estimated General Fund condition statement for each fiscal year of the 2023-25 biennium, as shown in the May 2024 LFB Memo. The table also includes, for comparison, the estimated General Fund condition statement for each year of the 2023-25 biennium, as included in the January 2024 LFB Report and in 2023 Wisconsin Act 19.

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

	2023-24 Fiscal Year			2024-25 Fiscal Year		
	2023 Wisconsin Act 19 ^(a)	January 2024 LFB Report	May 2024 LFB Memo	2023 Wisconsin Act 19 ^(a)	January 2024 LFB Report	May 2024 LFB Memo
Revenues						
Opening Balance	\$6,877.0	\$7,073.2	\$7,073.0	\$4,346.5	\$3,808.2	\$3,801.0
Taxes	21,250.7	21,055.5	21,054.0	22,013.6	21,772.2	21,682.0
Departmental Revenues						
Tribal Gaming	-0.0-	-0.0-	-0.0-	8.9	-0.0-	-0.0-
Other	832.6	781.9	797.0	726.5	674.0	674.0
Total Available	\$28,960.2	\$28,910.6	\$28,924.0	\$27,095.6	\$26,254.4	\$26,157.0
Appropriations						
Gross Appropriations	\$22,651.2	\$22,710.6	\$22,742.0	\$21,040.9	\$21,053.0	\$21,117.0
Sum Sufficient Reestimates	-0.0-	10.4	-0.0-	-0.0-	41.7	-0.0-
Transfers						
Capital Improvement Fund	1,234.1	1,657.4	1,657.4	-0.0-	-0.0-	-0.0-
PFAS Trust Fund	110.0	110.0	110.0	-0.0-	-0.0-	-0.0-
Local Government Fund	-0.0-	-0.0-	-0.0-	1,563.4	1,563.4	1,563.0
Innovation Fund	-0.0-	-0.0-	-0.0-	303.0	303.0	303.0
Transportation Fund	642.9	-0.0-	-0.0-	106.8	-0.0-	-0.0-
EV Sales Tax	-0.0-	39.3	39.0	-0.0-	55.1	55.0
0.25% Transfer	-0.0-	48.1	48.0	-0.0-	51.7	52.0
Other	-0.0-	555.5	556.0	-0.0-	-0.0-	-0.0-
Compensation Reserves	311.2	311.2	311.0	397.9	397.9	398.0
Less: Lapses	(335.6)	(340.1)	(340.0)	(384.2)	(468.3)	(468.0)
Net Appropriations	\$24,613.7	\$25,102.4	\$25,123.0	\$23,027.8	\$22,997.5	\$23,020.0
Balances						
Gross Balance	\$4,346.5	\$3,808.2	\$3,801.0	\$4,067.8	\$3,257.0	\$3,137.0
Less: Req. Statutory Balance	(100.0)	(100.0)	(100.0)	(105.0)	(105.0)	(105.0)
Net Balance, June 30	\$4,246.5	\$3,708.2	\$3,701.0	\$3,962.8	\$3,152.0	\$3,032.0

^(a) Adjusted to reflect the fiscal year 2022-23 ending balance as shown in the Annual Fiscal Report for fiscal year 2022-23.

State Budget; Estimated General Fund Tax Collections for 2023-25 Biennium (Part II; Pages 37-38).
Update with the following information.

January 2024 LFB Report – General Fund Tax Collections

The January 2024 LFB Report also includes updated estimated General Fund tax collections for each fiscal year of the 2023-25 biennium. The estimated General Fund tax collections are \$21.056 billion for the 2023-24 fiscal year and \$21.772 billion for the 2024-25 fiscal year. These amounts are \$195.2 million and \$241.4 million, respectively, lower than the estimated General Fund tax collections as included in 2023 Wisconsin Act 19.

A complete copy of the January 2024 LFB Report, which includes a national economic forecast and its application to the State’s General Fund tax revenue estimates, is included at the end of this Appendix A. In addition, the State has filed the January 2024 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

May 2024 LFB Memo – General Fund Tax Collections

The May 2024 LFB Memo also includes updated estimated General Fund tax collections for each fiscal year of the 2023-25 biennium. The estimated General Fund tax collections are \$21.054 billion for the 2023-24 fiscal year and \$21.682 billion for the 2024-25 fiscal year. These amounts are \$1.5 million and \$90.2 million, respectively, lower than the estimated General Fund tax collections as included in the January 2024 LFB Report and are \$196.7 million and \$331.6 million, respectively, lower than the estimated General Fund tax collections as included in 2023 Wisconsin Act 19.

The State has filed the August 2024 LFB Memo with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

August 2024 LFB Memo – General Fund Tax Collections

The August 2024 LFB Memo indicates that preliminary General Fund tax collections for fiscal year 2023-24, as reported by DOR, were \$21.330 billion. This amount is \$275.6 million, or 1.3%, higher than the estimate included in the May LFB 2024 Memo and \$274.1 million, or 1.3%, higher than the estimate included in the January 2024 LFB Report.

The State has filed the August 2024 LFB Memo with the MSRB through its EMMA system, and a copy is available from the State as provided on page [A-2](#).

The preliminary General Fund tax collections are subject to final review prior to publication of the Annual Fiscal Report (budgetary basis) for the 2023-24 fiscal year.

The following table provides the estimated General Fund tax collections for each fiscal year of the 2023-25 biennium, as shown in the January 2024 LFB Report, and preliminary General Fund tax collections for the 2023-24 fiscal year, as shown in the August 2024 LFB Memo. The table also includes, for comparison, the estimated General Fund tax collections for each year of the 2023-25 biennium, as included in a report provided by LFB dated May 15, 2023 (**May 2023 LFB Report**) and in 2023 Wisconsin Act 19.

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

	2023-24 Fiscal Year				2024-25 Fiscal Year		
	May 2023 LFB Report	2023 Wisconsin Act 19	January 2024 LFB Report	August 2024 LFB Memo	May 2023 LFB Report	2023 Wisconsin Act 19	January 2024 LFB Report
Individual Income	\$9,710.0	\$9,623.2	\$9,540.0	\$9,717.6	\$10,160.0	\$10,075.8	\$9,910.0
Sales and Use	7,655.0	7,639.5	7,605.0	7,587.5	7,835.0	7,816.9	7,810.0
Corp. Income & Franchise	2,720.0	2,680.6	2,590.0	2,702.1	2,840.0	2,808.2	2,715.0
Public Utility	374.0	374.0	405.0	399.5	370.0	370.0	408.0
Excise							
Cigarettes	420.0	418.6	413.0	402.7	407.0	405.2	397.0
Tobacco Products	91.0	91.0	89.0	85.7	93.0	93.0	90.0
Vapor Products	7.7	7.7	8.0	7.1	8.5	8.5	8.8
Liquor & Wine	69.0	69.0	71.0	68.3	71.0	71.0	74.0
Beer	8.1	8.1	7.5	8.0	8.0	8.0	7.4
Insurance Company	236.0	236.0	224.0	242.6	246.0	246.0	232.0
Miscellaneous Taxes	103.0	103.0	103.0	108.5	111.0	111.0	120.0
TOTAL	\$21,393.8	\$21,250.7	\$21,055.5	\$21,329.6	\$22,149.5	\$22,013.6	\$21,772.2

^(a) The May 2024 LFB Memo included the estimated General Fund tax revenue collection of \$21,054 million for the 2023-24 fiscal year and \$21,682 million for the 2024-25 fiscal year, but did not contain a breakdown by the above tax categories.

General Fund Information; General Fund Cash Flow (Part II; Pages 45-57). The following tables provide updates and additions to various tables containing General Fund information for the 2023-24 fiscal year. Actual General Fund information for the 2023-24 fiscal year through June 30, 2024, are presented primarily on a cash basis.

The projections and estimates for the 2023-24 fiscal year reflect 2023 Wisconsin Act 19 and the January 2024 LFB Report, but do not reflect the May 2024 LFB Memo. 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 48). Replace with the following updated table.

ACTUAL 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	\$8,389,368	\$8,634,796	\$8,930,571	\$9,455,780	\$8,509,015	\$7,804,442	\$8,792,220	\$7,837,556	\$6,036,635	\$7,708,620	\$7,213,381
Ending Balance ^(c)	8,389,368	8,634,796	8,930,571	9,455,780	8,509,015	7,804,442	8,792,220	7,837,556	6,036,635	7,708,620	7,213,381	6,656,153
Lowest Daily Balance ^(c)	7,201,322	7,506,076	7,911,966	8,662,429	8,426,429	6,698,668	6,965,240	7,600,232	6,036,635	6,036,635	6,821,849	5,832,406
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$871,685	\$712,899	\$798,932	\$1,176,992	\$730,364	\$665,574	\$1,559,761	\$799,680	\$740,436	\$2,158,570	\$785,689	\$838,503
Sales & Use	752,650	723,039	727,920	736,650	687,633	653,475	789,293	601,262	599,061	683,651	679,755	758,441
Corporate Income	82,589	39,512	533,816	85,351	54,848	487,917	157,349	49,832	325,558	445,156	98,420	496,421
Public Utility	17	62	2,882	25,197	199,221	893	25	60	14	906	209,392	23,189
Excise	57,510	55,098	52,727	51,193	53,146	48,851	43,044	43,220	42,642	41,659	46,314	67,441
Insurance	387	4,565	45,602	291	1,509	47,252	2,052	37,190	19,714	61,210	2,221	53,645
Subtotal Tax Receipts	\$1,764,838	\$1,535,175	\$2,161,879	\$2,075,674	\$1,726,721	\$1,903,962	\$2,551,524	\$1,531,244	\$1,727,425	\$3,391,152	\$1,821,791	\$2,237,640
NON-TAX RECEIPTS												
Federal	\$1,373,896	\$1,337,511	\$1,294,000	\$1,083,071	\$1,164,127	\$1,128,772	\$1,164,624	\$1,229,816	\$1,208,571	\$1,187,010	\$1,238,871	\$1,477,617
Other & Transfers	523,789	369,264	969,561	845,678	119,967	913,140	779,694	640,763	432,598	618,016	576,712	765,647
Note Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Subtotal Non-Tax Receipts	\$1,897,685	\$1,706,775	\$2,263,561	\$1,928,749	\$1,284,094	\$2,041,912	\$1,944,318	\$1,870,579	\$1,641,169	\$1,805,026	\$1,815,583	\$2,243,264
TOTAL RECEIPTS	\$3,662,523	\$3,241,950	\$4,425,440	\$4,004,423	\$3,010,815	\$3,945,874	\$4,495,842	\$3,401,823	\$3,368,594	\$5,196,178	\$3,637,374	\$4,480,904
DISBURSEMENTS												
Local Aids	\$1,630,110	\$318,576	\$1,216,910	\$236,835	\$1,120,388	\$1,679,665	\$326,306	\$850,750	\$2,106,581	\$255,141	\$688,185	\$2,217,332
Income Maintenance	989,427	1,072,190	974,615	995,020	988,920	1,320,682	974,392	1,147,018	1,129,145	1,008,954	1,191,137	1,209,802
Payroll and Related	501,697	526,920	441,286	456,032	697,624	589,678	651,802	456,194	573,943	693,990	726,422	577,119
Tax Refunds	79,868	188,860	143,321	163,274	203,365	248,195	132,145	584,224	614,615	606,205	150,513	193,695
Debt Service	302,546	-0-	86	251,775	2,997	-0-	-0-	-0-	-0-	376,312	24,193	-0-
Miscellaneous	211,195	889,976	1,353,447	1,376,278	944,286	812,227	1,423,419	1,318,301	745,231	583,591	1,352,163	840,184
TOTAL DISBURSEMENTS	\$3,714,843	\$2,996,522	\$4,129,665	\$3,479,214	\$3,957,580	\$4,650,447	\$3,508,064	\$4,356,487	\$5,169,515	\$3,524,193	\$4,132,613	\$5,038,132

(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 are anticipated to range from \$895 million to \$1.6 billion for the 2023-24 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These deposits have averaged and are expected to continue to average approximately \$25 million during each fiscal year.
 (c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect, with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation for the 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 49). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW^(a)
ACTUAL FISCAL YEARS 2019-20 TO 2023-24
(Amounts in Thousands)

	<u>Actual 2019-20 Fiscal Year</u>	<u>Actual 2020-21 Fiscal Year</u>	<u>Actual 2021-22 Fiscal Year</u>	<u>Actual 2022-23 Fiscal Year</u>	<u>Actual 2023-24 Fiscal Year</u>
RECEIPTS					
Tax Receipts					
Individual Income	\$10,138,020	\$12,322,447	\$12,254,052	\$11,750,439	\$11,839,085
Sales	6,253,771	6,825,242	7,600,527	7,956,224	8,392,830
Corporate Income	1,551,402	2,753,782	2,936,462	2,749,861	2,856,769
Public Utility	409,513	409,860	425,920	445,929	461,858
Excise	667,055	683,307	663,646	627,036	602,845
Insurance	242,228	230,169	248,367	254,035	275,638
Total Tax Receipts	\$19,261,989	\$23,224,807	\$24,128,974	\$23,783,524	\$24,429,025
Non-Tax Receipts					
Federal	\$12,725,759	\$13,868,008	\$16,491,256	\$15,187,860	\$14,887,886
Other and Transfers	5,887,398	6,572,553	7,105,946	7,651,149	7,554,829
Total Non-Tax Receipts	\$18,613,157	\$20,440,561	\$23,597,202	\$22,839,009	\$22,442,715
TOTAL RECEIPTS	\$37,875,146	\$43,665,368	\$47,726,176	\$46,622,533	\$46,871,740
DISBURSEMENTS					
Local Aids	\$9,917,134	\$10,460,416	\$11,147,436	\$11,265,373	\$12,646,779
Income Maintenance	10,126,849	11,040,922	12,596,315	13,025,890	13,001,302
Payroll & Related	5,633,397	5,689,539	6,014,346	6,350,183	6,892,707
Tax Refunds	2,992,617	3,533,245	4,195,231	3,446,260	3,308,280
Debt Service	875,340	973,718	961,923	953,479	957,909
Miscellaneous	6,811,025	9,486,768	11,871,707	10,587,954	11,850,298
TOTAL DISBURSEMENTS	\$36,356,362	\$41,184,608	\$46,786,958	\$45,629,139	\$48,657,275
NET CASH FLOW	\$1,518,784	\$2,480,760	\$939,218	\$993,394	(\$1,785,535)

^(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 51). 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, 2024
 (Amounts in Thousands)**

	2023-24 Fiscal Year through June 30, 2024					Difference 2023-24 Fiscal Year Actual to 2022-23 Fiscal Year Actual
	2022-23 Fiscal Year through June 30, 2023	Actual	Estimate ^(b)	Variance	Adjusted Variance ^(c)	
RECEIPTS						
Tax Receipts						
Individual Income	\$11,750,439	\$11,839,085	\$11,783,375	\$55,710	\$55,710	\$88,646
Sales	7,956,224	8,392,830	8,131,638	261,192	261,192	436,606
Corporate Income	2,749,861	2,856,769	2,673,936	182,833	182,833	106,908
Public Utility	445,929	461,858	438,067	23,791	23,791	15,929
Excise	627,036	602,845	606,483	(3,638)	(3,638)	(24,191)
Insurance	254,035	275,638	258,732	16,906	16,906	21,603
Total Tax Receipts	\$23,783,524	\$24,429,025	\$23,892,231	\$536,794	\$536,794	\$645,501
Non-Tax Receipts						
Federal	\$15,187,860	\$14,887,886	\$16,620,647	(\$1,732,761)	(\$1,732,761)	(\$299,974)
Other and Transfers	7,651,149	7,554,829	8,343,897	(789,068)	(789,068)	(96,320)
Total Non-Tax Receipts	\$22,839,009	\$22,442,715	\$24,964,544	(\$2,521,829)	(\$2,521,829)	(\$396,294)
TOTAL RECEIPTS	\$46,622,533	\$46,871,740	\$48,856,775	(\$1,985,035)	(\$1,985,035)	\$249,207
DISBURSEMENTS						
Local Aids	\$11,265,373	\$12,646,779	\$11,925,111	\$721,668	\$721,668	\$1,381,406
Income Maintenance	13,025,890	13,001,302	14,443,177	(1,441,875)	(1,441,875)	(24,588)
Payroll & Related	6,350,183	6,892,707	6,604,190	288,517	288,517	542,524
Tax Refunds	3,446,260	3,308,280	3,672,714	(364,434)	(364,434)	(137,980)
Debt Service	953,479	957,909	972,407	(14,498)	(14,498)	4,430
Miscellaneous	10,587,954	11,850,298	15,721,369	(3,871,071)	(3,871,071)	1,262,344
TOTAL DISBURSEMENTS	\$45,629,139	\$48,657,275	\$53,338,968	(\$4,681,693)	(\$4,681,693)	\$3,028,136
2023-24 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$2,696,658	\$2,696,658	

- (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 2023-24 fiscal year reflect 2023 Wisconsin Act 19 and the January 2024 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 2024 LFB Memo.
- (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 52). Replace with the following updated table.

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

Starting Date	Starting Balance	Receipts	Disbursements
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	3,662,523	3,714,843
August	8,389,368	3,241,950	2,996,522
September	8,634,796	4,425,440	4,129,665
October	8,930,571	4,004,424	3,479,214
November	9,455,781	3,010,816	3,958,580
December	8,509,015	3,945,874	4,650,447
2024 January	7,804,442	4,495,842	3,508,064
February	8,792,220	3,401,823	4,356,487
March	7,837,556	3,368,594	5,169,515
April	6,036,635	5,196,178	3,524,193
May	7,708,620	3,637,374	4,132,613
June	7,213,381	4,480,904	5,038,132

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

Source: Department of Administration

Table II-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 53). Replace with the following updated table.

**CASH BALANCES IN FUNDS AVAILABLE FOR
TEMPORARY REALLOCATION^{(a)(b)}
July 31, 2021 to June 30, 2024
(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 reallocations, 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 \$3.412 billion during November 2019 to a high of \$7.752 billion during March 2024. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP				
Month (Last Day)	2021	2022	2023	2024
January		\$2,273	\$2,958	\$3,444
February		2,428	3,024	3,549
March		2,282	3,124	3,416
April		2,211	3,159	3,355
May		2,285	3,225	3,344
June		2,812	3,420	3,394
July	\$2,243	2,711	2,534	
August	2,067	2,443	2,732	
September	2,148	2,671	2,889	
October	2,011	2,408	2,908	
November	2,085	2,678	3,134	
December	2,209	3,008	3,352	

Available Balances; Includes Balances in the LGIP				
Month (Last Day)	2021	2022	2023	2024
January		\$7,971	\$8,574	\$10,552
February		8,200	9,110	10,879
March		8,664	9,708	11,168
April		8,085	9,212	10,597
May		7,783	8,814	10,124
June		8,845	9,194	10,233
July	\$8,383	9,343	9,135	
August	7,160	7,786	8,321	
September	6,915	7,507	8,386	
October	6,410	6,986	8,247	
November	6,342	7,121	8,350	
December	7,238	7,846	9,520	

(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.

Source: Department of Administration

Table II-16; General Fund Recorded Revenues (Part II; Page 55). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES^(a)

(Agency-Recorded Basis)

July 1, 2023 to June 30, 2024 compared with previous year

	Annual Fiscal Report Revenues 2022-23 Fiscal Year^(b)	Projected Revenues 2023-24 Fiscal Year^(c)	Recorded Revenues July 1, 2022 to June 30, 2023^(d)	Recorded Revenues July 1, 2023 to June 30, 2024^(e)
Individual Income Tax	\$9,414,700,000	\$9,623,200,000	\$8,916,955,610	\$9,910,758,527
General Sales and Use Tax	7,456,100,000	7,639,500,000	6,670,179,022	7,559,960,994
Corporate Franchise and Income Tax	2,748,500,000	2,680,600,000	2,390,374,926	2,504,639,311
Public Utility Taxes	401,200,000	374,000,000	401,200,594	399,524,945
Excise Taxes	617,800,000	594,400,000	562,928,846	572,114,056
Inheritance Taxes	-0-	-0-	-0-	-0-
Insurance Company Taxes	223,100,000	236,000,000	223,119,358	242,578,484
Miscellaneous Taxes	112,600,000	103,000,000	381,277,610	151,417,767
SUBTOTAL	\$20,974,000,000	\$21,250,700,000	\$19,546,035,966	\$21,340,994,084
Federal and Other Inter-Governmental Revenues ^(f)	17,216,415,000	12,833,045,700	\$16,942,686,728	16,180,270,398
Dedicated and Other Revenues ^(g)	9,003,260,000	10,016,718,100	8,857,573,378	9,759,862,124
TOTAL	\$47,193,675,000	\$44,100,463,800	\$45,346,296,072	\$47,281,126,606

- (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 2022-23 fiscal year dated October 16, 2023.
- (c) The estimates in this table for the 2023-24 fiscal year (cash basis) reflect 2023 Wisconsin Act 19, but do not reflect the January 2024 LFB Report and the May 2024 LFB Memo.
- (d) The amounts shown are the 2022-23 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this 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 2023-24 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this 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 57). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2023 to June 30, 2024 compared with previous year

	Annual Fiscal Report Expenditures 2022-23 Fiscal Year^(b)	Estimated Appropriations 2023-24 Fiscal Year^(c)	Expenditures July 1, 2022 to June 30, 2023^(d)	Expenditures July 1, 2023 to June 30, 2024^(e)
Commerce	\$481,364,000	\$478,506,500	\$645,334,974	\$686,885,881
Education	16,545,575,000	16,180,769,900	16,501,839,762	18,137,304,063
Environmental Resources	321,890,000	216,980,400	307,220,555	454,232,995
Human Relations & Resources	21,814,811,000	20,361,638,800	21,676,037,202	22,548,386,033
General Executive	2,453,087,000	1,782,876,800	2,350,556,092	2,551,775,029
Judicial	159,857,000	166,706,000	160,032,428	172,463,334
Legislative	81,909,000	92,156,300	81,914,899	91,103,341
General Appropriations	2,814,516,000	3,430,384,600	3,532,276,167	4,957,249,211
TOTAL	\$44,673,009,000	\$42,710,019,300	\$45,255,212,079	\$49,599,399,886

- (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 2022-23 fiscal year, dated October 16, 2023.
- (c) The appropriations included in this table reflect 2023 Wisconsin Act 19, but do not reflect the January 2024 LFB Report and the May 2024 LFB Memo.
- (d) 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 2022-23 fiscal year that were recorded by state agencies in July, August, and September 2023.
- (e) The amounts shown are 2023-24 fiscal year expenditures as recorded by all State agencies. The amounts shown are as of June 30, 2024, and do not include expenditures for the 2022-23 fiscal year that were recorded by state agencies in July and August 2024..

Source: Department of Administration

State Obligations; Employee Pension Funds (Part II; Pages 71-73). Update with the following information and replace the second table with the following updated table.

Annual annuity adjustments for the remainder of calendar year 2024 were announced by the Wisconsin Retirement System (WRS) on March 6, 2024 and include an increase of 3.6% for retirees in the WRS Core Retirement Trust, or Core Fund, and an increase of 15.0% 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>
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	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Source: Department of Employee Trust Funds

Table II-39; Unemployment Rate Comparison (Part II; Page 93). Replace with the following updated table.

Table II-39
UNEMPLOYMENT RATE COMPARISON^{(a)(b)}
2019 to 2024

	2024		2023		2022		2021		2020		2019	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	2.8	4.1	3.0	3.9	3.5	4.4	5.1	6.8	3.6	4.0	3.7	4.4
February	3.3	4.2	3.3	3.9	3.7	4.1	5.3	6.6	3.5	3.8	3.7	4.1
March	3.5	3.9	3.1	3.6	3.4	3.8	5.0	6.2	3.9	4.5	3.7	3.9
April	3.0	3.5	2.7	3.1	2.9	3.3	4.4	5.7	14.0	14.4	3.1	3.3
May	3.0	3.7	2.8	3.4	2.6	3.4	3.8	5.5	10.6	13.0	3.0	3.4
June	3.3	4.3	3.5	3.8	3.3	3.8	4.5	6.1	9.1	11.2	3.7	3.8
July	3.3	4.5	3.2	3.8	3.1	3.8	4.0	5.7	7.9	10.5	3.5	4.0
August			3.4	3.9	3.0	3.8	3.7	5.3	6.1	8.5	3.3	3.8
September			2.9	3.6	2.5	3.3	2.9	4.6	5.3	7.7	2.7	3.3
October			2.8	3.6	2.3	3.4	2.5	4.3	4.5	6.6	2.6	3.3
November			2.7	3.5	2.3	3.4	2.4	3.9	4.4	6.4	2.7	3.3
December			2.9	3.5	2.3	3.3	2.5	3.7	4.6	6.5	2.8	3.4
Annual Average			3.0	3.6	2.9	3.6	3.9	5.3	6.4	8.1	3.2	3.7

^(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

Legislative Fiscal Bureau

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January 24, 2024

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

Dear Representative Born and Senator Marklein:

In January of each year, this office conducts a review of the status of the state's general fund and presents its findings to the Legislature. In the even-numbered years, this analysis includes an examination of economic forecasts and tax collection and expenditure data of the current fiscal year, and projections for each year of the current biennium. We have now completed that review.

Based upon our analysis, we project the closing, net general fund balance at the end of this biennium (June 30, 2025) to be \$3,152.0 million. This is \$439.1 million below the net balance that was projected at the time of enactment of the 2023-25 biennial budget, as modified to: (1) incorporate the 2022-23 ending balance (2023-24 opening balance) as shown in the Annual Fiscal Report; (2) include the fiscal effect of all legislation enacted to date in the current legislative session (2023 Acts 1 to 86); and (3) incorporate the effect of the negotiated agreement between the leadership of the majority party of the Legislature and the UW System, as approved by the UW Board of Regents.

The \$439.1 million is the net result of: (1) a decrease of \$422.3 million in estimated tax collections; (2) a decrease of \$53.2 million in departmental revenues (non-tax receipts deposited into the general fund); (3) a \$52.1 million increase in sum sufficient appropriations; and (4) an increase of \$88.5 million in the amounts that are estimated to lapse (revert) to the general fund.

The biennial GPR appropriation for the Medical Assistance program is currently projected to end the biennium with a surplus of \$56.5 million, according to the most recent quarterly report on the status of the program's budget prepared by the Department of Health Services. Some utilization and enrollment factors are both slightly below budget estimates, and some are slightly above, but on balance the Department anticipates a surplus. This amount is relatively small in

relation to the total GPR budget for the program (less than 0.7%), and could change as actual enrollment and program costs vary from current estimates. Nevertheless the general fund condition estimate presented in this memorandum includes the Department's surplus estimate in the total of projected appropriation lapses.

The following table reflects the 2023-25 general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1

2023-25 General Fund Condition Statement

	<u>2023-24</u>	<u>2024-25</u>
Revenues		
Opening Balance, July 1	\$7,073,240,000	\$3,808,230,500
Taxes	21,055,500,000	21,772,200,000
Departmental Revenues		
Tribal Gaming Revenues	0	0
Other	<u>781,892,000</u>	<u>674,013,700</u>
Total Available	\$28,910,632,000	\$26,254,444,200
 Appropriations, Transfers, and Reserves		
Gross Appropriations	\$22,710,632,700	\$21,052,961,400
Sum Sufficient Reestimates	10,399,300	41,663,300
Transfers to:		
Building Program	1,657,354,900	0
PFAS Trust Fund	110,000,000	0
Local Government Fund	0	1,563,380,000
Innovation Fund	0	303,000,000
Transportation Fund:		
EV Sales Tax	39,300,000	55,100,000
0.25% Transfer	48,112,000	51,700,000
Other	555,523,900	0
Compensation Reserves	311,180,900	397,930,000
Less Lapses	<u>-340,102,200</u>	<u>-468,283,100</u>
Net Appropriations	\$25,102,401,500	\$22,997,451,600
 Balances		
Gross Balance	\$3,808,230,500	\$3,256,992,600
Less Required Statutory Balance	<u>-100,000,000</u>	<u>-105,000,000</u>
Net Balance, June 30	\$3,708,230,500	\$3,151,992,600

Table 1 incorporates the fiscal effects of all bills enacted to date in the current legislative session (through 2023 Act 86), and the negotiated agreement between the majority party of the Legislature and the UW System, as approved by the UW Board of Regents. The table does not include the impact of any enrolled bills or bills that are pending before the Legislature.

Review of the National Economy in 2023

This office prepared revenue estimates for the 2023-25 biennium in January, 2023, based on the January, 2023, S&P Global Market Intelligence (S&P Global) forecast for the U.S. economy. The forecast predicted that a mild recession, beginning in the first quarter of 2023, would result in a peak-to-trough decline in real gross domestic product (GDP) of 0.6%. Assuming recovery would begin in the third quarter of 2023, S&P Global projected minimal real GDP growth of 0.5% in 2023, followed by growth of 1.8% in 2024 and 2.0% in 2025. The forecast anticipated that the Federal Reserve's tightening of financial conditions would ease both the tight labor market and high inflation.

The January, 2023, S&P Global forecast was based on the following assumptions. First, the forecast assumed the Public Health Emergency (PHE) would be extended through mid-June, 2023, and anticipated that the transition of COVID-19 from pandemic to endemic would continue. Second, the forecast incorporated all legislation enacted prior to December 29, 2022, and assumed real discretionary funding would be extended at federal fiscal year 2022 levels. That forecast did not include the economic effects of the Consolidated Appropriations Act of 2023 (CAA23). Third, strong revenues and federal financial support provided by federal pandemic relief monies and the Infrastructure Investment and Jobs Act (IIJA) would prevent state and local governments from experiencing a fiscal contraction. Fourth, the Federal Reserve was expected to raise its policy rate to a range of 4.75% to 5.00% by March, 2023, and allow its balance sheet to decline by about one-third by 2024. Fifth, the forecast assumed that the existing tariffs between the U.S. and China would remain in effect. Sixth, growth in real, trade-weighted foreign GDP was expected to slow from 3.3% in 2022 to 1.4% in 2023, and foreign measures of inflation were expected to recede from 5.9% in 2022 to 2.3% by 2025. S&P Global assumed that foreign sovereign bond yields would increase from 0.3% in 2020 to 2.7% in 2023, as central banks tightened monetary policy to combat inflation. Seventh, it was estimated that the price of Brent crude oil would ease to \$87 by 2024, down from \$101 in 2022. Finally, S&P Global assumed that farm prices, which were elevated in 2022, would ease in 2023.

S&P Global's January, 2023, forecast also included an optimistic and pessimistic scenario. The optimistic forecast scenario was that a more robust consumer and business response to the IIJA and a quicker resolution to the Russia-Ukraine conflict would result in stronger productivity and consumer spending growth, lower energy prices, and increased business fixed investment. In the optimistic scenario, real GDP growth would remain positive throughout 2023. The downside risk to the forecast was that the U.S. would experience a deeper recession in 2023 with weaker consumer spending than assumed in the baseline forecast.

In May, this office reviewed additional tax collection data and S&P Global's May economic forecast. The estimates were revised downward, primarily based on weaker than expected collections for the corporate income/franchise tax, the individual income tax, and the cigarette tax through April, 2023. The May revisions also incorporated S&P Global's May, 2023, forecast for the U.S. economy,

which generally reflected expectations of stronger economic growth in 2023, paired with slower growth in 2024 and 2025, relative to January, 2023. The forecast no longer anticipated a 2023 recession. The forecast for real GDP growth was increased accordingly, from 0.5% to 1.2% in 2023, relative to the January, 2023, estimate. However, growth expectations decreased slightly over the remainder of the forecast period, from 1.8% to 0.9% in 2024 and from 2.0% to 1.6% in 2025. Sales of new and existing homes and housing starts in 2023 were revised up significantly, from -26.5% to -15.5% and from -23.4% to -13.9%, respectively. Forecasted 2023 growth was also revised up in May to reflect changes to the following indicators: (a) consumer prices, which were up 0.3 percentage points; (b) personal income (up 1.2 percentage points); (c) nonfarm payrolls (up 1.3 percentage points); (d) economic profits (up 5.3 percentage points); and (e) nominal consumer spending (up 0.6 percentage points). In addition, the unemployment rate was adjusted down from 4.6% to 3.6% in 2023 and from 4.8% to 4.3% in 2024, and adjusted up slightly in 2025.

Several key assumptions in the May forecast differed from those of the January forecast. In May, the PHE was expected to end on May 11, one month earlier than anticipated in the January forecast. The May forecast incorporated the economic impact of the CAA23 (not included in the January forecast) and assumed student loan forbearance would expire on July 1. The new forecast expected the Federal Reserve to raise its policy rate to a range of 5.00% to 5.25% (25 basis points higher than assumed in January). The May forecast anticipated growth of real, trade-weighted foreign GDP and foreign measures of inflation to be higher than assumed in January. Finally, the price of Brent crude oil was expected to decline from \$101 per barrel in 2022 to \$84 per barrel in 2024 (slightly lower than anticipated in January).

As mentioned, the May forecast no longer anticipated a 2023 recession and assumed positive GDP growth throughout the year. S&P Global now estimates real GDP grew by 2.4% in 2023, exceeding its May expectations by 1.2 percentage points.

The Federal Reserve remained dedicated to returning the inflation rate to 2.0%. In pursuit of this objective, it increased the federal funds rate four more times in 2023 (11 times since March, 2022), to a range of 5.25% to 5.50% by December, 2023. This range is higher than the January, 2023, forecast by 50 basis points. In total, the federal funds rate was increased by 100 basis points over the year. As predicted, the Federal Reserve maintained its plan to reduce its balance sheet by one-third through 2024, by allowing up to \$35 billion worth of agency debt and mortgage-backed securities and \$60 billion worth of Treasuries it holds to mature each month without reinvesting the proceeds back into the marketplace.

As the federal funds rate increased, the value of existing Treasuries held by banks decreased. Tightening monetary policy contributed to a brief banking crisis that began in March of 2023, when Silicon Valley Bank began selling investments, such as Treasuries, at a loss to fulfill increasing customer withdrawals of cash. This action raised concern among the bank's customers, leading to a bank run and the subsequent failure of Silicon Valley Bank. Signature Bank and First Republic Bank faced similar circumstances and both failed by the end of April. Following these failures, the Federal Reserve and the U.S. Treasury took a number of actions to restore confidence in the banking system, including: (a) providing emergency loans to banks in distress; (b) promising all customers of the failed banks that they would receive all of their deposits back; and (c) hinting at a pause from the federal funds rate increases.

The 30-year, conventional, fixed mortgage rate continued to rise with the federal funds rate in 2023. In contrast to historically low mortgage rates in 2020 and 2021 (2.68% in December, 2020), the average monthly rate peaked at 7.62% in October, 2023, the highest rate since November, 2000, and ended the year at 6.82%. High mortgage rates and persistently high house prices, particularly for existing homes, significantly impacted demand for existing houses. Additionally, supply of existing houses was also impacted, as many owners who had previously locked in much lower interest rates on their home loans were reluctant to sell. S&P Global estimates that sales of existing houses declined 19.6% in 2023, generally consistent with the previous forecast.

In response to the tightening of monetary policy and the easing of supply chain issues, the consumer price index (CPI) declined from 5.8% growth in quarter one of 2023 to 3.2% in the fourth quarter. Over the year, the CPI averaged 4.1%, just slightly lower than predicted in May. Growth in food prices eased in 2023, but remained elevated (5.8%). Energy prices declined 4.8% in 2023, as U.S. oil production increased to a record high of 13.2 million barrels per day. Likewise, the price of Brent crude oil eased from \$101 in 2022 to \$83 in 2023, slightly lower than predicted in May. Core CPI (which excludes food and energy prices) increased 4.8% over 2023, driven (as predicted) by a 6.2% increase in prices for nonenergy services.

The U.S. and Wisconsin labor markets remained strong through 2023, although they loosened slightly as the year progressed. Wisconsin's unemployment rate fell to a record low of 2.4% in April and May of 2023, then rose to 3.3% by December. By comparison, the national unemployment rate declined to 3.4% in January and April, and ended the year at 3.7%. As predicted in May, the national unemployment rate averaged 3.6% for the year. U.S. nonfarm payrolls increased 2.3% for the year, just slightly above the May, 2023, forecast. Personal income increased 5.2%, while wage and salary disbursements increased 6.2%, both growing 0.3 percentage points slower than previously forecasted.

Nominal consumer spending growth eased as inflation began to moderate, but still increased 6.0% in 2023 (1.9 percentage points higher than CPI growth). As such, consumer spending was the primary driver of the economy, contributing 1.5 percentage points to real GDP growth. Despite strikes at General Motors, Ford, and Stellantis, as well as rising interest rates, light vehicle sales increased 12.0% in 2023, exceeding the May forecast for growth by 4.2 percentage points. This increase in light vehicle sales is attributable to improved global supply chains, compared to issues caused by the shortage of computer chips and other manufacturing disruptions seen in the preceding year.

President Biden's federal loan forgiveness plan, which would have provided student loan forgiveness of up to \$10,000 (\$20,000 for Pell Grant recipients) for qualifying individuals, faced a number of lawsuits and was halted by an injunction issued by a federal court in November, 2022. The Biden Administration requested a ruling from the U.S. Supreme Court, which resulted in the plan being struck down in June, 2023. The Court ruled that the President did not have the authority to instruct the Secretary of Education to cancel such a large amount of consumer debt without authorization from Congress. On June 7, 2023, Congress enacted a law ending and preventing further extensions of the student loan payment pause and interest deferral (which began in March, 2020). Consequently, student loan interest resumed on September 1, 2023, with the first payments coming due in October (three months later than assumed in the previous forecast).

Although it is too soon to tell whether the Federal Reserve's actions have successfully reduced inflation without causing a recession, it can be concluded that the U.S. avoided a recession in 2023. As inflation eased, consumer spending remained steady and unemployment rates remained low. The stock market recovered strongly, with the S&P 500 and Dow Jones Industrial Average increasing 24.2% and 13.7%, respectively, over the year. In contrast with declines predicted in prior forecasts, real household net worth stayed flat in 2023, up just 0.1% compared to 2022. The University of Michigan Consumer Sentiment index recovered from its record low of 50.0 in June, 2022, but remained low relative to levels seen prior to 2022. In December, 2023, the Consumer Sentiment index averaged 69.7.

The conflict between Russia and Ukraine continued in 2023, with significant casualties on both sides. According to the United States Department of State, as of December 27, 2023, the U.S. had provided approximately \$44.2 billion in military assistance to Ukraine since the full-scale invasion on February 24, 2022. In the Middle East, another conflict arose on October 7, 2023, when Hamas, an Islamist militant movement in the Palestinian territory, launched a coordinated land, sea, and air assault against Israel. Both conflicts are ongoing as of this writing.

United States lawmakers had difficulty agreeing on decisions related to debt and spending in 2023, resulting in various bills that delayed such decisions until a later date. The U.S. reached its debt ceiling of \$31.4 trillion in January, 2023, and extraordinary measures were taken to borrow funds without breaching the debt ceiling. To address this issue, the Fiscal Responsibility Act of 2023 (FRA23), enacted on June 3, 2023, suspended the debt limit through January 1, 2025. Further, to avoid a government shutdown, Congress passed a series of temporary funding bills to fund the government beginning on October 1, 2023. At present, temporary funding is provided to U.S. government agencies through March 8, 2024 (March 1 for certain agencies).

National Economic Forecast

Under the January, 2024, forecast, S&P Global predicts modest GDP growth, supported by an easing of financial conditions. Real GDP growth is forecast to slow relative to 2023, but to continue growing 1.7% in 2024 and 1.5% in 2025. S&P Global believes that a period of below-trend growth is necessary to lower inflation to 2%. While labor markets are projected to remain tight into 2024, the forecast assumes that economic conditions will achieve sustained 2% inflation by late 2025.

The 2024 forecast is based on the following key assumptions. First, the forecast assumes that the debt ceiling, which was suspended through 2024 by the FRA23, is raised before the end of 2024, and legislation is passed in time to avoid a government shutdown. FRA23 established statutory caps governing discretionary budget authority through fiscal year 2025, which are assumed to grow at the rate of inflation after 2025. Second, it assumes that state and local budgets have returned to deficit, after having been supported by stimulus relief measures in 2021 and 2022. However, unspent pandemic-era and IJA funds are expected to mitigate pressures to reduce state and local spending. Third, S&P Global anticipates that the Federal Reserve will: (a) cut its policy rate four times in 2024, beginning in March, to a range of 4.25% to 4.50% by December of 2024, and to a range of 2.50% to 2.75% by early 2026; and (b) continue shrinking its balance sheet by about one third, from a high of \$8.97 trillion in April, 2022. Fourth, the forecast assumes that tariffs enacted by the U.S. and China since 2017 will remain in effect. Fifth, it assumes that growth in real, trade-weighted foreign GDP

will slow from 2.0% in 2023 to 1.8% in 2024, then rebound to 2.5% by 2026. Foreign CPI inflation is expected to fall to 2.4% by 2026 (from 5.9% in 2022), and foreign sovereign bond yields are expected to grow to 2.8% in 2024 as central banks around the world tighten monetary policy. Finally, it is estimated that the price of Brent crude oil will decline from \$101 per barrel in 2022 to \$76 per barrel in 2025, increase to \$87 by 2027, then rise at roughly the rate of inflation.

The forecast is summarized in Table 2, which reflects S&P Global's January, 2024, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

TABLE 2
Summary of National Economic Indicators
S&P Global Baseline Forecast, January, 2024
(\$ in Billions)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Nominal Gross Domestic Product	\$25,744.1	\$27,316.6	\$28,335.0	\$29,385.1
Percent Change	9.1%	6.1%	3.7%	3.7%
Real Gross Domestic Product	\$21,822.0	\$22,341.4	\$22,721.9	\$23,063.8
Percent Change	1.9%	2.4%	1.7%	1.5%
Consumer Prices (Percent Change)	8.0%	4.1%	2.7%	2.0%
Personal Income	\$21,840.8	\$22,965.7	\$24,050.8	\$25,243.9
Percent Change	2.0%	5.2%	4.7%	5.0%
Nominal Personal Consumption Expenditures	\$17,511.7	\$18,556.8	\$19,276.9	\$19,898.1
Percent Change	9.2%	6.0%	3.9%	3.2%
Economic Profits	\$3,208.7	\$3,209.3	\$3,234.9	\$3,259.2
Percent Change	9.8%	0.0%	0.8%	0.7%
Unemployment Rate	3.6%	3.6%	4.0%	4.1%
Total Nonfarm Payrolls (Millions)	152.6	156.2	157.4	157.8
Percent Change	4.3%	2.3%	0.8%	0.2%
Light Vehicle Sales (Millions of Units)	13.75	15.41	15.79	16.52
Percent Change	-8.0%	12.0%	2.5%	4.6%
Sales of New and Existing Homes (Millions of Units)	5.718	4.750	4.806	5.433
Percent Change	-17.1%	-16.9%	1.2%	13.0%
Housing Starts (Millions of Units)	1.551	1.406	1.391	1.366
Percent Change	-3.4%	-9.3%	-1.1%	-1.8%

Consumer Prices. CPI slowed to 4.1% in 2023, down from 8.0% in 2022. As predicted, core CPI, which excludes food and energy prices, exceeded overall CPI, growing 4.8% in 2023. S&P Global expects average annual CPI growth to slow to 2.7% in 2024, and return to the Federal Reserve's long-term inflation target of 2.0% by 2025. Core CPI growth is expected to ease more slowly, growing at a rate of 3.0% in 2024 and 2.4% in 2025. The forecast predicts that core CPI growth will again be driven by increases in the price of services, as prices of commodities (goods such as clothing and vehicles) are expected to decline slightly in 2024 and 2025. The average price of new vehicles peaked in 2023 at \$45,400, despite the easing of supply chain issues. S&P Global projects that the average new vehicle price will ease to \$43,300 in 2024 and \$41,100 in 2025.

Personal Consumption. Nominal PCE grew 6.0% in 2023, with growth in spending on services (7.4%) exceeding spending on goods (3.2%). Spending on services made up 66.7% of all consumer spending, still short of its pre-pandemic level (68.6% in 2019). S&P Global projects that the shift from spending on goods to spending on services will continue, with services making up 67.6% of all expenditures in 2024 and 68.3% in 2025.

S&P Global anticipates that nominal PCE growth will ease to 3.9% in 2024 and 3.2% in 2025, as inflation continues to slow. Sales of light vehicles increased 12% in 2023, and are projected to continue growing 2.5% in 2024 and 4.6% in 2025. Supported by modest growth in real disposable income, real (inflation-adjusted) PCE is projected to grow 1.8% in 2024 and 1.2% in 2025.

Employment. The national unemployment rate averaged 3.6% over 2023, consistent with the May, 2023, projections, but improved by 1.0 percentage point compared to the January, 2023, projections. S&P Global now expects the labor market to remain tight until late 2024, at which point conditions will begin to ease. The unemployment rate is projected to increase to 4.0% in 2024, 4.1% in 2025, and peak in 2027 at 4.4% (equal to S&P Global's estimate of the full-employment rate). Overall, average annual nonfarm payrolls are expected to remain relatively flat through 2025, growing just 0.8% in 2024 and 0.2% in 2025. S&P Global estimates that the U.S. labor force participation rate increased slightly to 62.6% in 2023, and will peak at 62.7% in 2024 before beginning a gradual decline through the rest of the forecast period.

Personal Income. Personal income grew 5.2% in 2023, slightly less than previously expected (5.5% in the May forecast), stemming from slower growth in wages and salary disbursements of 6.2% (compared to 6.5% forecast in May). Going forward, personal income is expected to continue growing, increasing 4.7% in 2024 and 5.0% in 2025. S&P Global projects that wage and salary disbursements will grow at a slightly slower pace of 4.5% in 2024 and 3.8% in 2025.

Real disposable income growth turned positive in 2023 (4.2%), after declining 6.0% in 2022, and is expected to continue increasing 2.7% and 2.9% in 2024 and 2025, respectively. Real household net worth remained flat (0.1%) in 2023 and is projected to grow 4.0% in 2024, supported by a 12.0% increase in household holdings of equities (such as stocks and bonds). Real net worth is projected to decline 0.3% in 2025, as inflation slightly outpaces growth in household financial assets.

Housing. Housing starts declined 9.3% in 2023, improved from the 13.9% decline estimated in May, 2023. The average price of existing homes remained flat in 2023 (higher than the previous forecast of an 8.4% decline), whereas the average price of new homes declined 4.8% (lower than the

May, 2023, estimate of -1.9%). Overall, sales of new and existing homes declined 16.9% in 2023, driven largely by the decline in existing home sales.

Going forward, S&P Global estimates a continued decline in housing starts in 2024 (-1.1%) and 2025 (-1.8%). Sales of new and existing homes are expected to remain relatively flat in 2024, increasing just 1.2%, and experience a stronger recovery of 13.0% in 2025. S&P Global anticipates that as mortgage rates decrease, the inventory of existing homes offered for sale will increase. The average price of existing homes is projected to grow 4.7% in 2024 and 7.9% in 2025.

Monetary Policy. As mentioned, the Federal Reserve increased the federal funds rate four times in 2023, with the last increase (25 basis points) occurring in July. The Federal Reserve continued to monitor the inflation rate and economic activity through the rest of the year and determined further rate increases were not necessary in 2023, remaining cognizant of lags with which monetary policy affects such indicators. In addition, the Federal Reserve reduced its balance sheet of agency debt, mortgage-backed securities, and Treasuries by \$838 billion in 2023, to approximately \$7.7 trillion.

It is anticipated that the Federal Reserve will not increase the federal funds rate in 2024. S&P Global now expects that the Federal Reserve will begin lowering the federal funds rate (by 25 basis points) in March, with three more reductions to follow in 2024. It is estimated that the rate will be lowered to a range of 4.25% to 4.50% by December, 2024.

Business Investment. S&P Global estimates that growth in nominal nonresidential fixed investment grew 8.2% in 2023, higher than the May, 2023, estimate of 6.5% growth. Growth in 2023 was led by investment in structures (19.1%), particularly in manufacturing (73.2%), followed by investment in intellectual property products (6.3%), and equipment (4.4%). The forecast anticipates that growth in nominal nonresidential fixed investment will slow to 3.2% in 2024 and 2.8% in 2025.

Inventories increased by an estimated \$37.3 billion (1.3%) in 2023 (from quarter four of 2022 to quarter four of 2023), up significantly from the \$8.2 billion decline estimated in May, 2023. Going forward, S&P Global anticipates that inventories will continue to increase another \$25.2 billion in 2024 and \$62.8 billion in 2025.

International Trade. Net exports contributed 0.51 percentage points to real GDP growth in 2023, as the slight increase in nominal exports (0.9%) and the decline in nominal imports (3.5%) improved the U.S. balance of trade. The volume of both imports and exports was lower than anticipated in the previous forecast.

S&P Global predicts that growth in imports (4.0%) will exceed growth in exports (3.8%) in 2024, resulting in a trade deficit of \$847.0 billion in 2024 (\$40.3 billion more than in 2023). This deficit is expected to lessen to \$774.3 billion in 2025, with exports increasing 6.2% compared to a 3.0% increase for imports. As such, net exports are expected to detract 0.06 percentage points from real GDP growth in 2024, before contributing 0.15 percentage points to growth in 2025.

Corporate Profits. Corporate before-tax book profits decreased by an estimated 0.2% in 2023, and are forecast to grow 3.4% in 2024 and 2.0% in 2025. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and are not affected by federal tax laws),

were unchanged in 2023 (3.4 percentage points less than forecasted in May). S&P Global forecasts that economic profits will increase 0.8% in 2024 and 0.7% in 2025. The current forecast assumes that the effective federal corporate tax rate for all industries was 13.7% in 2023, and will decline slightly to 13.6% in 2024 and 13.4% in 2025.

Under current law, the temporary 100% bonus depreciation provision enacted by the Tax Cuts and Jobs Act of 2017 will continue to phase out, with the bonus depreciation percentage declining to 80% in 2023, 60% in 2024, 40% in 2025, 20% for 2026, and 0% for property placed in service after 2026. S&P Global predicts that this phase-out will increase the after-tax cost of capital, reducing investment spending in the coming years under the forecast. However, Congress is currently considering legislation to extend this bonus depreciation provision.

Fiscal Policy. The federal budget deficit is expected to decrease from \$423.8 billion in federal fiscal year 2023 to \$378.6 billion in 2024, then increase to \$410.1 billion in 2025. S&P Global estimates that spending by the federal government contributed 0.25 percentage points to real GDP growth in 2023, but will contribute just 0.06 and 0.03 percentage points in 2024 and 2025, respectively. State and local government spending contributed 0.41 percentage points to GDP growth in 2023, and is projected to contribute another 0.19 percentage points in 2024 and 0.02 percentage points in 2025.

Alternative Scenarios. S&P Global's January, 2024, forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, S&P Global assigns a 15% probability that productivity and consumer spending will be stronger than assumed in the baseline. It assumes that the banking sector continues to support the economy through credit growth. An easing in the Russia-Ukraine conflict and in the conflict in the Middle East will allow for lower energy prices, with the price of Brent crude oil falling \$2 lower than the baseline in 2024. Real GDP grows 2.4% in 2024 and 2.0% in 2025, 0.7 percentage points and 0.5 percentage points above the baseline, respectively, in part due to reduced uncertainty over a government shutdown in 2024. Consumer spending increases 2.6% in 2024 and 1.8% in 2025, compared to 1.8% and 1.2%, respectively, in the baseline forecast, partly due to lower energy prices and strong credit expansion. Under the optimistic scenario, strong demand and elevated cash flows allow business fixed investment to increase 1.9 percentage points more than the baseline in both 2024 and 2025.

Under the pessimistic scenario, to which S&P Global assigns a 30% probability, a shallow recession occurs as tightening lending standards, due to balance sheet issues in the banking sector, restrain spending and production. It assumes that higher energy prices result from a worsening in the conflicts in Ukraine and the Middle East, affecting businesses and households. Real consumer spending grows only 0.6% in 2024 (including a decline during the first half of the year) and 0.9% in 2025, compared to 1.8% and 1.2%, respectively, under the baseline. Real GDP grows 0.9 percentage points and 0.3 percentage points slower than the baseline in 2024 and 2025, respectively. Under the pessimistic scenario, business fixed investment declines each year (-0.2% in 2024 and -0.8% in 2025) compared to growth under the baseline. The unemployment rate rises to 6.2% by mid-2025, and the price of Brent crude oil averages \$103 in 2024 and \$92 in 2025, \$20 and \$16 higher than the baseline, respectively. In response, the Federal Reserve lowers the federal funds rate more quickly than in the baseline, reaching a range of 0.50% to 0.75% by mid-2026.

General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2023-24 and 2024-25. The previous estimates are the general fund tax estimates included in Act 19, adjusted to reflect subsequent law changes.

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

	2022-23 <u>Actual</u>	<u>Previous Estimates</u>		<u>Revised Estimates</u> January, 2024	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Individual Income	\$9,414.7	\$9,613.9	\$10,073.7	\$9,540.0	\$9,910.0
General Sales and Use	7,456.1	7,639.5	7,816.9	7,605.0	7,810.0
Corporate Income/Franchise	2,748.5	2,679.4	2,807.2	2,590.0	2,715.0
Public Utility	401.2	374.0	370.0	405.0	408.0
Excise					
Cigarette	444.7	418.6	405.2	413.0	397.0
Tobacco Products	88.3	91.0	93.0	89.0	90.0
Vapor Products	7.1	7.7	8.5	8.0	8.8
Liquor and Wine	69.4	68.9	70.2	71.0	74.0
Beer	8.3	8.1	8.2	7.5	7.4
Insurance Company	223.1	236.0	246.0	224.0	232.0
Miscellaneous Taxes	<u>112.6</u>	<u>103.0</u>	<u>111.0</u>	<u>103.0</u>	<u>120.0</u>
Total	\$20,974.0	\$21,240.1	\$22,009.9	\$21,055.5	\$21,772.2
Change from Prior Year		\$266.1	\$769.8	\$81.5	\$716.7
Percent Change		1.3%	3.6%	0.4%	3.4%

In total, these amounts are \$422.3 million lower than the previous estimates. The percentage difference is 1.0% lower. The majority of the reduction (99.3%) is attributed to lower projections for individual income taxes, which are \$237.6 million lower than the previous forecast, and corporate income/franchise taxes, which are \$181.6 million lower. The remaining \$3.1 million reduction is comprised of reduced estimates for sales and use taxes, insurance premiums taxes, and excise taxes on cigarettes, tobacco products, and beer, offset by increased estimates for utility taxes, miscellaneous taxes, and excise taxes on vapor products and liquor.

Individual Income Tax. Total individual income tax collections were \$9,414.7 million in 2022-23, an increase of 2.2% over the prior year. Actual revenues in 2022-23 were 0.4% (\$35.3 million) lower than this office's previous estimates. Based on preliminary collections information through December, 2023, total year-to-date income tax collections are higher by 2.3% (\$99.0 million) than such receipts during the same time period one year ago.

Over the remainder of 2023-24, individual income tax revenues are projected to increase by 0.6% relative to the same time period in the prior year. A significant factor impacting this

deceleration is the income tax rate reductions enacted under 2023 Act 19, the 2023-25 biennial budget act, which lowered the marginal rates for the two bottom brackets from 3.54% and 4.65% to 3.50% and 4.40%, respectively, beginning in tax year 2023. In addition, the individual income tax withholding tables were last updated on January 1, 2022, since which time significant inflation has occurred. While the taxable income amounts applicable to each bracket are adjusted each year for inflation (8.3% adjustment for tax year 2023), no such indexing has occurred in the withholding tables since 2022. As a result, wages that have merely grown with inflation in the interim would inaccurately suggest, for withholding purposes, that a comparatively greater amount of tax is owed. All else equal, these two factors are expected to create higher refunds when taxpayers file their tax year 2023 individual income tax returns in 2023-24.

An additional factor projected to increase 2023-24 refunds is the resumption of student loan payments (first due in October, 2023). Under federal and state law, student loan interest is deductible from gross income. Student loan repayments, and the accrual of interest on those loans, had been paused for eligible loans since March, 2020. The resumption of student loan payments in October of 2023 is expected to increase deductions taken for the interest on those loans when affected borrowers file their state income tax returns in 2023-24 and 2024-25.

Preliminary data on estimated payments made in January, 2024, suggest that such collections will be lower than those in January, 2023. Historically, January is a significant month for estimated payments, so these lower preliminary collections to date reduce the overall individual income tax estimate in 2023-24. On an annual basis, individual income tax revenues are projected to increase by 1.3% to \$9,540.0 million in 2023-24, which represents a decline of 0.8% relative to the prior estimate.

In 2024-25, total income tax collections are estimated to increase by 3.9% to \$9,910.0 million, which is 1.6% lower than the previous estimate. This decline relative to the prior estimate is primarily attributable to altered assumptions for capital gains realizations throughout 2024, which are now expected to be weaker than previously forecast.

General Sales and Use Tax. State sales and use tax revenues totaled \$7,456.1 million in 2022-23, which was an increase of 6.8% over the prior year. Sales tax revenues are estimated at \$7,605.0 million in 2023-24 and \$7,810.0 in 2024-25, constituting annual growth of 2.0% in 2023-24 and 2.7% in 2024-25. These estimates represent revenue decreases of \$34.5 million in 2023-24 and \$6.9 million in 2024-25, relative to the prior estimates. The decreased estimates are based on lower than previously anticipated 2022-23 collections (\$23.9 million less than the previous forecast) and lower sales tax collections year-to-date. Sales tax collections through December, 2023, are just 1.7% higher than the same period in the prior year, below the 2.5% growth for 2023-24 previously estimated and lagging behind S&P Global's estimates of taxable consumer spending. As such, the revised estimates have been lowered in each year.

Corporate Income/Franchise Tax. Corporate income/franchise taxes were \$2,748.5 million in 2022-23, which was 7.1% less than collections in the previous year. Corporate tax revenues are projected to continue to decline to \$2,590.0 million in 2023-24 (a decrease of 5.8%), and then increase to \$2,715.0 million in 2024-25 (an increase of 4.8%). Compared to previous estimates, this is a downward revision of \$89.4 million and \$92.2 million in 2023-24 and 2024-25, respectively.

The estimate for 2023-24 primarily reflects year-to-date corporate estimated payments, which declined notably (5.8%) compared to the same period through December of last year, as well as a sharp decline in year-to-date pass-through entity tax payments made by partnerships (down 39%). Overall, corporate tax collections are 8.3% lower through December, 2023, relative to the previous year. The estimate also reflects the fiscal effects of law changes enacted to date (including provisions of federal tax law), such as changes made to state and federal law impacting awards for the state supplement to the federal historic rehabilitation credit. Based on anticipated growth in before-tax book profits, and adjusting for law changes, collections are forecast to increase by 4.8% in 2024-25.

Public Utility Taxes. Revenues from public utility taxes totaled \$401.2 million in 2022-23, \$10.2 million higher than previously estimated, and are estimated at \$405.0 million in 2023-24 and \$408.0 million in 2024-25. Year-over-year, these amounts represent an increase of 0.9% in 2023-24 and 0.7% in 2024-25. Relative to the previous estimates, these estimates reflect an increase of \$31.0 million in 2023-24 and \$38.0 million in 2024-25.

The higher overall utility tax estimates are primarily attributable to increased estimates for taxes on private light, heat, and power (PLHP) companies and telecommunications companies. PLHP company tax collections in 2022-23 exceeded the prior estimate by \$11.1 million, partly resulting from the actual 2023 tax assessment exceeding estimates by \$18.7 million. A higher 2023 tax assessment impacts collections for both 2022-23 and 2023-24. In addition, estimates of growth in sales of electricity and natural gas by Wisconsin PLHP companies in 2023 have improved since the previous forecast, further increasing estimates for both 2023-24 and 2024-25.

Since enactment of 2019 Act 128, which provided an exemption from the telecommunications utility tax for certain property providing broadband internet service in rural areas beginning with property installed in 2020, the value of remaining taxable personal property has declined each year. However, the 2023 tax assessment for telecommunications companies exceeded previous estimates by \$11.8 million, driven by an unexpected increase in the value of taxable personal property. This information has led us to revise up our estimates of the future value of taxable personal property held by telecommunications companies, therefore increasing tax estimates over the biennium.

Finally, the Department of Revenue (DOR) has recently determined that, as a result of the personal property tax repeal under 2023 Act 12, the gross revenues utility tax collected from car line companies would be considered federally prohibited. In response, DOR plans to refund \$0.4 million of 2023 payments to all taxpayers in 2023-24 and no longer collect the car line company utility tax in 2024-25. This determination was not considered during deliberations of Act 12.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), other tobacco products, vapor products, and beer. Total excise tax revenues in 2022-23 were \$617.8 million, of which \$444.7 million (72.0%) was from the excise tax on cigarettes. Total excise taxes declined 5.6% in 2022-23, driven by declines of 7.8% and 6.5% in cigarette and tobacco products tax revenues, respectively. Total excise tax revenues are estimated to decrease by 4.7% to \$588.5 million in 2023-24 and by 1.9% to \$577.2 million in 2024-25. Compared to the previous estimates, these amounts are lower by \$5.8 million in 2023-24 and \$7.9 million in 2024-25.

Cigarette tax revenues are estimated at \$413.0 million in 2023-24 and \$397.0 million in

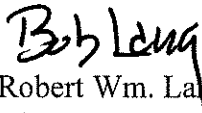
2024-25, constituting annual revenue declines of 7.1% and 3.9%, respectively. These estimates are lower than previously forecast by \$5.6 million in 2023-24 and \$8.2 million in 2024-25. These revisions are largely due to lower than anticipated year-to-date growth in sales of cigarette packs (-7.8%), and a persistent downward trend in annual revenues.

Insurance Premiums Taxes. Insurance premiums taxes were \$223.1 million in 2022-23, \$3.9 million lower than previously estimated. Revenues are projected to increase to \$224.0 million in 2023-24 and \$232.0 million in 2024-25 (growth rates of 0.4% and 3.6%, respectively). Compared to previous estimates, this revision is \$12.0 million lower in 2023-24 and \$14.0 million lower in 2024-25. The new estimates reflect: (a) that actual collections for 2022-23 were lower than had been originally forecast; (b) a decline in year-to-date collections (1.4%) compared to the previous year despite a forecasted increase in national spending on insurance premiums; and (c) trends in historic premiums tax collections.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee (RETF), municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were \$112.6 million in 2022-23, of which 87.8% was generated from the RETF. Total miscellaneous tax collections in 2022-23 represented a decline of 17.0% from the prior fiscal year, largely due to rising mortgage rates, which limited both supply of, and demand for, houses. Miscellaneous tax revenues are estimated at \$103.0 million in 2023-24 and \$120.0 million in 2024-25, which is higher than the previous estimate by \$9.0 million in 2024-25. The revised estimate in 2024-25 reflects improved housing market indicators, as compared to the May, 2023, forecast. A combination of a larger volume of existing homes offered for sale and higher existing home prices than previously projected is expected to increase the total RETF collected in 2024-25.

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

Sincerely,


Robert Wm. Laug
Director

RWL/lb

cc: Members, Wisconsin Legislature

APPENDIX B
GENERAL OBLIGATION ISSUANCE STATUS REPORT
September 1, 2024

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund^(a)		G.O. Bonds of 2024, Series C^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
University of Wisconsin; academic facilities	\$3,564,643,100	\$2,778,538,190	\$13,084,724	\$159,967,070	\$84,999,019	\$528,054,097
University of Wisconsin; self-amortizing facilities	3,535,738,100	2,759,074,223	2,967,557	133,037,132	48,049,445	592,609,743
Natural resources; Warren Knowles-Gaylord Nelson stewardship 2000 program	1,178,850,000	995,632,029	410,794	47,962,172	10,783,876	124,061,129
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818	-0-	-0-	139,438
Clean water fund program	659,783,200	655,062,282	-0-	4,641,114	-0-	79,804
Safe drinking water loan program	74,950,000	69,215,472	123	2,183,403	-0-	3,551,002
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,043	165,649	-0-	6
Natural resources; nonpoint source	57,050,000	43,521,594	2,498	4,605,294	-0-	8,920,614
Natural resources; environmental repair	57,000,000	52,962,122	203,594	883,312	-0-	2,950,972
Natural resources; urban nonpoint source cost-sharing	61,600,000	55,676,641	31,189	3,507,635	-0-	2,384,535
Natural resources; contaminated sediment removal	40,000,000	33,392,678	-0-	2,438,427	-0-	4,168,895
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	16,557,874	161	1,378,643	-0-	2,032,522
Natural resources; segregated revenue-supported dam safety projects	6,600,000	6,571,582	617	27,795	-0-	6
Natural resources; pollution abatement and sewage collection facilities, ORAP funding	145,060,325	145,010,325	50,000	-0-	-0-	-0-
Natural resources; pollution abatement and sewage collection facilities	893,493,400	874,927,239	18,513,077	-0-	-0-	53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow	200,600,000	194,312,599	6,287,401	-0-	-0-	-0-
Natural resources; recreation projects	56,055,000	56,053,994	1,006	-0-	-0-	-0-
Natural resources; local parks land acquisition and development	2,490,000	2,447,741	42,259	-0-	-0-	-0-
Natural resources; recreation development	36,323,200	22,919,742	141,325	68	669,992	12,592,073

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2024, Series C ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Natural resources; land acquisition	\$45,608,600	\$45,116,929	\$491,671	-0-	-0-	-0-
Natural resources; Wisconsin natural areas heritage program	2,500,000	2,445,793	17,174	-0-	-0-	\$37,033
Natural resources; segregated revenue-supported facilities	188,110,400	111,986,519	93,544	\$7,308,183	\$1,805,979	66,916,175
Natural resources; general fund supported administrative facilities	16,514,100	14,370,211	21,753	685,914	\$1,016,988	419,234
Natural resources; ice age trail	750,000	750,000	-0-	-0-	-0-	-0-
Natural resources; dam safety projects	39,500,000	29,013,249	51,291	2,609,962	-0-	7,825,498
Natural resources; segregated revenue-supported land acquisition	2,500,000	2,500,000	-0-	-0-	-0-	-0-
Natural resources; Warren Knowles-Gaylord Nelson stewardship program	231,000,000	229,300,484	1,306,879	144,011	-0-	248,626
Transportation; administrative facilities	8,890,400	8,759,479	33,943	-0-	-0-	96,978
Transportation; accelerated bridge improvements	46,849,800	46,849,800	-0-	-0-	-0-	-0-
Transportation; major interstate bridge construction	624,800,000	235,980,986	64	34,027,801	-0-	354,791,149
Transportation; rail passenger route development	89,000,000	73,336,497	3,016	2,929,745	-0-	12,730,742
Transportation; accelerated highway improvements	185,000,000	185,000,000	-0-	-0-	-0-	-0-
Transportation; connecting highway improvements	15,000,000	15,000,000	-0-	-0-	-0-	-0-
Transportation; federally aided highway facilities	10,000,000	10,000,000	-0-	-0-	-0-	-0-
Transportation; highway projects	41,000,000	41,000,000	-0-	-0-	-0-	-0-
Transportation; major highway and rehabilitation projects	565,480,400	565,480,400	-0-	-0-	-0-	-0-
Transportation; southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects	1,453,550,000	1,290,986,479	3,018,078	110,920,632	2,799,968	45,824,843
Transportation; state highway rehabilitation projects, southeast megaprojects	820,063,700	781,605,306	1,182,897	37,275,497	-0-	-0-
Transportation; major highway projects	100,000,000	98,948,179	-0-	1,051,814	-0-	7
Transportation; state highway rehabilitation, certain projects	141,000,000	134,924,101	-0-	6,075,854	-0-	45

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2024, Series C ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval	\$305,227,664	\$261,219,637	\$141,819	\$43,501,043	\$360,996	\$4,169
Transportation; design-build projects	20,000,000	14,281,382	-0-	1,786,549	3,923,955	8,114
Transportation; southeast Wisconsin freeway megaprojects subject to contingency	252,400,000	208,329,958	94,291	33,302,158	-0-	10,673,593
Transportation; harbor improvements	167,300,000	134,568,513	234,581	12,418,004	8,124,906	11,953,996
Transportation; rail acquisitions and improvements and intermodal freight facilities	300,300,000	221,790,823	5,187	24,166,186	5,799,933	48,537,871
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000	-0-	-0-	-0-	-0-
Corrections; correctional facilities	989,501,800	901,920,047	11,468,918	16,669,808	19,999,769	39,443,258
Corrections; self-amortizing facilities and equipment	2,116,300	2,115,438	99	-0-	-0-	763
Corrections; juvenile correctional facilities	74,443,200	32,453,338	108,861	486,081	-0-	41,394,920
Secured residential care centers for children and youth	80,000,000	7,917,255	-0-	1,090,716	23,999,723	46,992,306
Health services; mental health and secure treatment facilities	358,796,500	286,483,485	895,996	16,899,835	7,999,908	46,517,276
Agriculture; soil and water	82,075,000	74,738,984	9,110	4,982,643	132,998	2,211,265
Agriculture; conservation reserve enhancement	28,000,000	21,388,345	3,160	1,065,484	-0-	5,543,011
Administration; Black Point Estate	1,600,000	1,598,655	445	-0-	-0-	900
Administration; energy conservation projects; capital improvement fund	295,000,000	186,399,462	-0-	13,625,980	999,988	93,974,570
Building commission; previous lease rental authority	143,071,600	143,068,654	-0-	-0-	-0-	2,946
Building commission; refunding tax-supported general obligation debt	2,102,086,430	2,102,086,530	-0-	-0-	-0-	-0-
Building commission; refunding self-amortizing general obligation debt	272,863,033	272,863,033	-0-	-0-	-0-	-0-
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005	250,000,000	250,000,000	-0-	-0-	-0-	-0-
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2011	474,000,000	473,651,084	-0-	-0-	-0-	348,916

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2024, Series C ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2013.....	\$264,200,000	\$263,420,000	-0-	-0-	-0-	\$780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	11,235,000,000	8,510,996,046	-0-	-0-	-0-	2,724,003,954
Building commission; housing state departments and agencies.....	1,007,603,300	784,449,769	\$2,356,097	\$42,933,565	\$2,999,965	174,863,904
Building commission; 1 West Wilson Street parking ramp.....	15,100,000	14,805,521	294,479	-0-	-0-	-0-
Building commission; project contingencies.....	47,961,200	47,519,700	64,761	227,408	-0-	149,331
Building commission; capital equipment acquisition.....	125,660,000	123,961,256	740,327	343,697	-0-	614,720
Building commission; discount sale of debt.....	90,000,000	73,492,486	-0-	-0-	-0-	16,507,514
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(c)	-0-	-0-	-0-	11,167
Building commission; other public purposes.....	3,313,406,900	2,871,999,045	8,728,619	125,976,351	65,999,207	240,703,678
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities.....	10,000,000	10,000,000	-0-	-0-	-0-	-0-
Norskedalen Nature and Heritage Center.....	1,048,300	-0-	-0-	-0-	-0-	1,048,300
Bond Health Center.....	1,000,000	983,307	-0-	16,682	-0-	11
Lac du Flambeau Indian Tribal Cultural Center.....	250,000	210,495	-0-	39,504	-0-	1
Dane County; livestock facilities.....	9,000,000	7,577,838	-0-	1,422,134	-0-	28
K I Convention Center.....	2,000,000	1,725,394	-0-	274,522	-0-	84
HR Academy, Inc.....	1,500,000	1,500,000	-0-	-0-	-0-	-0-
Medical College of Wisconsin, Inc.; biomedical research and technology incubator; cancer research facility.....	45,000,000	33,909,754	-0-	926,706	-0-	10,163,540
AIDS Resource Center of Wisconsin, Inc.....	800,000	800,000	-0-	-0-	-0-	-0-
Bradley Center Sports and Entertainment Corporation.....	5,000,000	4,869,946	-0-	130,053	-0-	1
Medical College of Wisconsin, Inc.; community medical education facilities.....	7,384,300	6,492,766	3,011	785,486	-0-	103,037
Family justice center.....	10,625,000	9,109,385	-0-	1,515,566	-0-	49
Marquette University; dental clinic and education facility.....	25,000,000	23,942,671	818	1,056,507	-0-	4

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2024, Series C ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Civil War exhibit at the Kenosha Public Museums	\$500,000	\$500,000	-0-	-0-	-0-	-0-
AIDS Network, Inc.	300,000	300,000	-0-	-0-	-0-	-0-
Wisconsin Maritime Center of Excellence	5,000,000	4,383,263	-0-	\$616,673	-0-	\$64
Milwaukee Police Athletic League; youth activities center	1,000,000	1,000,000	-0-	-0-	-0-	-0-
Hmong cultural center	250,000	250,000	-0-	-0-	-0-	-0-
Children's research institute	10,000,000	10,000,000	-0-	-0-	-0-	-0-
Domestic Abuse Intervention Services, Inc.	560,000	476,628	-0-	83,327	-0-	45
Carroll University	3,000,000	2,393,935	-0-	403,127	-0-	202,938
Wisconsin Agriculture Education Center, Inc.	5,000,000	4,522,862	-0-	477,090	-0-	48
Eau Claire Confluence Arts, Inc.	15,000,000	13,462,195	-0-	1,537,766	-0-	39
Psychiatric and behavioral health treatment beds; Marathon County	5,000,000	4,492,343	-0-	507,623	-0-	34
Administration; school educational technology infrastructure financial assistance	71,911,300	71,480,216	\$431,066	-0-	-0-	18
Myrick Hixon EcoPark, Inc.	500,000	500,000	-0-	-0-	-0-	-0-
Madison Children's Museum	250,000	250,000	-0-	-0-	-0-	-0-
Administration; public library educational technology infrastructure financial assistance ..	269,000	268,918	42	-0-	-0-	40
La Crosse Center	5,000,000	4,104,366	-0-	895,560	-0-	74
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus	5,000,000	4,245,324	-0-	754,625	-0-	51
Brown County innovation center	5,000,000	4,128,541	-0-	740,590	-0-	130,869
Beyond Vision; VisABILITY Center	5,000,000	4,681,064	-0-	318,917	-0-	19
Building Commission; projects	25,000,000	6,120,448	-0-	543,457	\$1,999,977	16,336,118
Center	15,000,000	13,701,388	-0-	1,295,419	-0-	3,193
Museum of nature and culture	40,000,000	-1,751,017-	-0-	-248,982-	1,999,977	36,000,024
Educational communications board; educational communications facilities	24,169,000	24,112,683	38,515	11,925	-0-	5,877
Grand Opera House in Oshkosh	500,000	500,000	-0-	-0-	-0-	-0-
Aldo Leopold climate change classroom and interactive laboratory	500,000	485,000	-0-	14,992	-0-	8
Historical society; self-amortizing facilities	1,029,300	1,029,156	3,896	-0-	-0-	-0-
Historical society; historic records	26,650,000	22,951,919	137	3,169,487	2,299,973	-0-

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2024, Series C ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Historical society; historic sites	\$17,912,800	\$9,252,929	\$847	\$329,933	-0-	\$8,329,091
Historical society; museum facility	74,384,400	6,988,995	-0-	373,473	\$2,499,971	64,521,961
Historical society; Wisconsin history center	16,000,000	8,642,568	457	1,360,780	-0-	5,996,195
Public instruction; state school, state center and library facilities	37,350,600	11,845,469	32,509	467,826	-0-	25,004,796
Military affairs; armories and military facilities ..	81,922,400	49,319,740	198,829	2,639,429	1,059,988	28,704,414
Veterans affairs; veterans facilities	27,359,900	12,201,930	50,593	392,411	1,399,984	13,314,982
Veterans affairs; self-amortizing mortgage loans	2,122,542,395	2,122,542,395	-0-	-0-	-0-	-0-
Veterans affairs; refunding bonds	1,015,000,000	761,594,245	-0-	-0-	-0-	253,405,755
Veterans affairs; self-amortizing facilities	103,852,100	53,847,141	2,427	6,067,090	-0-	43,935,442
State fair park board; board facilities	14,787,100	14,769,363	1	-0-	-0-	17,736
State fair park board; housing facilities	11,000,000	10,999,985	15	-0-	-0-	-0-
State fair park board; self-amortizing facilities ...	67,537,100	54,383,465	22,401	229,459	1,049,988	11,851,787
Total	\$41,700,791,247	\$34,597,812,511	\$74,220,810	\$932,949,756	\$302,776,473	\$5,794,807,065

- (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

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

\$267,305,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2024, SERIES C

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$267,305,000 General Obligation Bonds of 2024, Series C, 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 2024 State of Wisconsin Building Commission Resolution 5 adopted on August 7, 2024 (**Resolution**) by the State of Wisconsin Building Commission (**Commission**).

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. 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 September 10, 2024 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

