

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.

\$474,830,000

STATE OF WISCONSIN GENERAL OBLIGATION BONDS OF 2026, SERIES A

Dated: Date of Delivery

Due: May 1, as shown below

Ratings AAA Kroll Bond Rating Agency, LLC
Aa1 Moody's Ratings
AA+ S&P Global Ratings

Tax Exemption Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (**Code**) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code—*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, 2036 are callable at par on November 1, 2035 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, 2026

Denominations Multiples of \$5,000

Closing/Settlement On or about February 5, 2026

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*.

2025 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 19, 2025—*See page 1, page 10, and APPENDIX A*.

The Bonds were sold at competitive sale on January 20, 2026. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP (97705M)	Due (May 1)	Principal Amount	Interest Rate	First Optional Call Date (November 1)	Call Price
U86	2027	\$20,885,000	5.00%	Not Callable	—
U94	2028	21,370,000	5.00	Not Callable	—
V28	2029	21,890,000	5.00	Not Callable	—
V36	2030	16,815,000	5.00	Not Callable	—
V44	2031	17,335,000	5.00	Not Callable	—
V51	2032	17,955,000	5.00	Not Callable	—
V69	2033	18,610,000	5.00	Not Callable	—
V77	2034	19,325,000	5.00	Not Callable	—
V85	2035	20,150,000	5.00	Not Callable	—
V93	2036	21,180,000	5.00	2035	100%
W27	2037	21,985,000	5.00	2035	100
W35	2038	257,330,000	5.00	2035	100

Purchase Price: \$545,324,689.82

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

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

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

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

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

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

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members

	Term of Office Expires
Governor Tony Evers, Chairperson	January 4, 2027
Representative Rob Swearingen, Vice Chairperson	January 4, 2027
Senator André Jacque	January 4, 2027
Senator Mary Felzkowski	January 3, 2029
Senator Brad Pfaff	January 3, 2029
Representative Jill Billings	January 4, 2027
Representative Robert Wittke	January 4, 2027
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 2026, Series A
Principal Amount:	\$474,830,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about February 5, 2026)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2026
Maturities:	May 1, 2027-38— <i>See front cover.</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2036 are callable at par on November 1, 2035 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 January 1, 2026, the State had general obligations outstanding in the principal amount of \$6,656,852,000.
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, waters, 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 excludable from gross income for federal income tax purposes under Section 103 of the Code and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code— <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>
2025 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 19, 2025— <i>See page 1, page 10, and APPENDIX A.</i>

OFFICIAL STATEMENT
\$474,830,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2026, SERIES A

INTRODUCTION

This Official Statement provides information about the \$474,830,000 General Obligation Bonds of 2026, Series A (**Bonds**), which are being issued by the State of Wisconsin (**State**) and includes by reference information concerning the State contained in **Parts II and III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 19, 2025 (**2025 Annual Report**), including certain updates. See “**THE STATE**”.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to 2025 State of Wisconsin Building Commission Resolution 8 adopted on December 17, 2025 (**Resolution**) 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 2025 Annual Report. **APPENDIX A** also makes updates and additions to Part II of the 2025 Annual Report, including but not limited to:

- General Fund information for the 2025-26 fiscal year through December 31, 2025, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2025-26 fiscal year, which is presented on a cash basis.
- Estimated General Fund condition statement and estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in a report provided by the Legislative Fiscal Bureau on January 15, 2026.

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 February 5, 2026) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on May 1, 2026.

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, 2036 may be redeemed on November 1, 2035 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 (as defined below) 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 Agency</u>
AAA	Kroll Bond Rating Agency, LLC
Aa1	Moody's Ratings
AA+	S&P Global Ratings

Explanations of what a rating means may only be obtained from the rating agency 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 agency or may elect to request ratings on the Bonds from a different rating agency.

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 \$7,371,133,601, and the cumulative debt limit is \$49,140,890,670. 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 January 1, 2026, the State had general obligations outstanding in the principal amount of \$6,656,852,000. 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 first series of general obligations to be issued by the State in calendar year 2026. In addition, the Commission has authorized the issuance of the following general obligations:

- Up to \$500 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The State intends to issue a Preliminary Official Statement on or about January 23, 2026, for the negotiated sale of general obligations for the refunding of general obligations previously issued for general governmental purposes on or about February 10, 2026, with delivery on or about February 26, 2026. In addition, the Commission will be asked on February 4, 2026 to authorize up to \$500 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of any additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding general obligation extendible municipal commercial paper notes (**EMCP Notes**), which were outstanding in the aggregate principal amount of \$127 million as of January 1, 2026. The amount and timing of any issuance of general obligations for the funding of the EMCP Notes depend on a decision to fund such obligations with a different form of variable-rate obligations or with bonds bearing fixed interest rates. The State does not currently expect to issue EMCP Notes in calendar year 2026.

The Commission likely will be asked to authorize the issuance of additional general obligations for general governmental purposes in calendar year 2026. The amount and timing of any sale and issuance of any general obligations for general governmental purposes depend on disbursements from the State Capital Improvement Fund for authorized purposes.

Other Obligations – Transportation Revenue Obligations

The State has not issued any transportation revenue obligations in calendar year 2026. The Commission has an outstanding authorization of up to \$50 million of transportation revenue obligations and will be asked on February 4, 2026 to authorize up to \$125 million of additional transportation revenue obligations, in each case for the financing of transportation facilities and highway projects. The authorization, sale, and issuance of any transportation revenue obligations for the financing of transportation facilities and highway projects depend on the expenditures for such projects and market conditions. The Commission has authorized up to \$300 million of

transportation revenue refunding obligations to refund outstanding transportation revenue bonds. The amount and timing of any issuance of additional transportation revenue refunding obligations depend, among other factors, on market conditions.

Other Obligations – General Fund Annual Appropriation Bonds

The State has not issued any general fund annual appropriation refunding bonds in calendar year 2026. The amount and timing of any issuance of any general fund annual appropriation refunding bonds depend on, among other factors, market conditions.

Other Obligations – Environmental Improvement Fund Revenue Bonds

The State has not issued any environmental improvement fund revenue bonds in calendar year 2026. The Commission has an outstanding authorization of up to \$50 million of environmental improvement fund revenue bonds and will be asked on February 4, 2026 to authorize up to \$150 million of additional environmental improvement fund revenue bonds, in each case for the purpose of making loans under the State's Environmental Improvement Fund. The sale and issuance of any environmental improvement fund revenue bonds for the purpose of making loans under the State's Environmental Improvement Fund depend on, among other factors, the timing and amount of disbursements from the environmental improvement fund and market conditions.

Other Obligations – Master Lease Certificates of Participation

The State has not issued any master lease certificates of participation in calendar year 2026. The amount and timing of any issuance of master lease certificates of participation depend on, among other factors, originations in the State's master lease program and market conditions.

Underwriting

The Bonds were purchased through competitive bidding on January 20, 2026 by Jefferies LLC (**Underwriter**).

The Underwriter paid \$545,324,689.82, and their bid resulted in a true-interest-cost rate to the State of 3.1437%.

Reference Information About the Bonds

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

\$474,830,000
State of Wisconsin
General Obligation Bonds of 2026, Series A

Dated Date: Date of Delivery

First Interest Payment Date: May 1, 2026

Delivery/Settlement Date: On or about February 5, 2026

CUSIP (97705M)	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (November 1)	Call Price
U86	2027	\$20,885,000	5.00%	2.230%	103.362	Not Callable	—
U94	2028	21,370,000	5.00	2.250	105.968	Not Callable	—
V28	2029	21,890,000	5.00	2.220	108.638	Not Callable	—
V36	2030	16,815,000	5.00	2.280	110.927	Not Callable	—
V44	2031	17,335,000	5.00	2.310	113.198	Not Callable	—
V51	2032	17,955,000	5.00	2.399	114.984	Not Callable	—
V69	2033	18,610,000	5.00	2.470	116.672	Not Callable	—
V77	2034	19,325,000	5.00	2.530	118.261	Not Callable	—
V85	2035	20,150,000	5.00	2.640	119.232	Not Callable	—
V93	2036	21,180,000	5.00	2.750	119.104 ^(a)	2035	100%
W27	2037	21,985,000	5.00	2.870	117.981 ^(a)	2035	100
W35	2038	257,330,000	5.00	3.030	116.502 ^(a)	2035	100

^(a) These Bonds are priced to the November 1, 2035 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 Foley & Lardner LLP (**Bond Counsel**). 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

Federal Tax Considerations

Opinion of Bond Counsel

In the opinion of Bond Counsel, as more fully described below, under existing law and assuming continuing compliance by the State with certain tax covenants, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (**Code**), and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Bond Counsel are subject to the condition that the State complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be excludable from gross income for federal income tax purposes under Section 103 of the Code. The State has covenanted in the Resolution and the Tax Certificate of the State delivered on the date of delivery of the Bonds, as supplemented (**Tax Certificate**) to comply with such requirements.

The scope of the foregoing opinions of Bond Counsel is limited to matters addressed above and no opinion is expressed by Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. In rendering such opinions, Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the State with respect to matters affecting the excludability of interest on the Bonds from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the State with the applicable requirements of the Code as to such tax matters and the procedures, agreements and covenants set forth in the Resolution and the Tax Certificate that must be met subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes.

Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the State to comply with such requirements may cause the interest on the Bonds to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs or is ascertained.

Bond Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including,

without limitation, changes that adversely affect the excludability of interest on the Bonds, even if such actions, inactions or changes come to Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result, and is not binding on the Internal Revenue Service (**IRS**) or the courts.

Prospective investors should also be aware that ownership of the Bonds may result in adverse tax consequences under the laws of various states and local jurisdictions. Other than as described below, Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to any state and local tax consequences to them of owning the Bonds.

Premium Bonds

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity 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, 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.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with "excess net passive income" and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. The foregoing items do not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Bonds. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Bonds.

State Tax Considerations

General

In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Bonds.

State of Wisconsin Income and Franchise Taxes

Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes.

Miscellaneous Tax Considerations

Tax legislation or administrative actions by tax authorities and court decisions, at either the federal, state or local level, may adversely affect the tax-exempt status of interest on the Bonds under federal, state or local law or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation (whether currently proposed, proposed in the future or enacted), administrative actions or court decisions could affect the market price or marketability of the Bonds.

It is not possible to predict whether any tax legislation or administrative actions by tax authorities or court decisions having an impact on the federal, state or local income tax treatment of the Bonds may or may not occur and Bond Counsel expresses no view with respect thereto. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any tax legislation or administrative actions by taxing authorities or court decisions having an impact on the federal, state or local income tax treatment of the Bonds.

No private letter ruling has been or will be sought by the State from the IRS with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether or not the IRS will open an audit of the Bonds to determine whether the interest thereon is includable in gross income for federal income tax purposes or as to whether the IRS would agree with the opinions of Bond Counsel, as described herein. If the IRS opens an audit of the Bonds, under current IRS procedures, the IRS will treat the State as the taxpayer, and the owners of the Bonds may have no right to participate.

The Resolution does not require the State to redeem the Bonds or to pay any additional interest or penalty in the event the interest on the Bonds becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE INVESTORS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

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 2025 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: January 20, 2026

STATE OF WISCONSIN

/s/ TONY EVER

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 19, 2025 \(2025 Annual Report\)](#), which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2025 Annual Report, including but not limited to:

- General Fund information for the 2025-26 fiscal year through December 31, 2025, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2025-26 fiscal year, which is presented on a cash basis.
- Estimated General Fund condition statement and estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on January 15, 2026 ([January 2026 LFB Report](#)).

[Part II of the 2025 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 2024-25 fiscal year and summary of 2025-27 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, 2025, 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 2025 Annual Report.

[Part III of the 2025 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 2025 Annual Report, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, and the January 2026 LFB Report were filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. A complete copy of the January 2026 LFB Report, which includes national economic indicators and their application to the State's General Fund tax revenue estimates, is included at the end of this Appendix. The 2025 Annual Report, the Annual Comprehensive Financial Report, and the January 2026 LFB 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 2025 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 debt 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 2025 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 2025 Annual Report, certain changes or events have occurred that affect items discussed in the 2025 Annual Report. Listed below, by reference to particular sections of Part II of the 2025 Annual Report, are changes or additions to the information contained in those particular sections. When changes occur, the State may or may not (unless required to do so under the State's undertakings) file notices with the MSRB. However, the State has filed, and expects to continue to file, additional and other voluntary information with the MSRB, some of which may not be listed event notices required to be filed under the State's undertakings.

This Official Statement may include changes or additions that were released after the date of the Preliminary Official Statement (January 13, 2026). Any such changes or additions are identified accordingly.

STATE BUDGET; Budget for 2025-27 Biennium (Part II; Pages 37-38). Update with the following information, some of which became available after the date of the Preliminary Official Statement (January 13, 2026).

January 2026 LFB Report – General Fund Condition Statement

The January 2026 LFB Report includes an updated estimated General Fund condition statement for the 2025-26 and 2026-27 fiscal years. The net General Fund balance for the end of the biennium (June 30, 2027) is projected to be \$2.374 billion. This is \$1.718 billion higher than the balance that was projected at the time of the enactment of the 2025-27 biennial budget (**2025 Wisconsin Act 15**), as adjusted to incorporate the fiscal year 2024-25 ending balance as shown in the State's Annual Fiscal Report for fiscal year 2024-25.

The following table provides the estimated General Fund condition statement for the 2025-26 and 2026-27 fiscal years, as included in the January 2026 LFB Report. The table also includes, for comparison, the estimated General Fund condition statement for the 2025-26 and 2026-27 fiscal years, as included in 2025 Wisconsin Act 15.

ESTIMATED GENERAL FUND CONDITION STATEMENTS
2025-26 AND 2026-27 FISCAL YEARS^(a)
(in Millions)

	2025-26 Fiscal Year		2026-27 Fiscal Year	
	2025 Wisconsin Act 15^(b)	January 2026 LFB Report	2025 Wisconsin Act 15^(b)	January 2026 LFB Report
Revenues				
Opening Balance	\$4,337.7	\$4,605.6	\$1,925.0	\$3,003.6
Taxes	21,960.5	22,685.7	22,607.1	23,242.5
Department Revenues				
Tribal Gaming	12.2	12.2	14.9	14.0
Other	661.0	708.3	512.8	570.6
Total Available	\$26,971.4	\$28,011.7	\$25,132.3	\$26,830.7
Appropriations				
Gross Appropriations	\$22,722.7	\$22,734.8	\$22,968.7	\$23,006.3
Compensation Reserves	159.9	159.9	225.8	225.8
Transfers				
Building Program	326.5	326.5	–	–
Local Government Fund	1,587.0	1,587.0	1,622.8	1,622.8
Transportation Fund	662.9	662.9	85.0	85.0
Veterans Homes	5.1	5.1	–	–
Mental Health Institutional	15.8	15.8	–	–
Less: Lapses	(433.5)	(484.0)	(540.4)	(597.7)
Net Appropriations	\$25,046.4	\$25,008.1	\$24,361.8	\$24,342.2
Balances				
Gross Balance	\$1,925.0	\$3,003.6	\$770.5	\$2,488.5
Less: Req. Statutory Balance	(110.0)	(110.0)	(115.0)	(115.0)
Net Balance, June 30	\$1,815.0	\$2,893.6	\$655.5	\$2,373.5

^(a) Numbers may not sum to total due to rounding.

^(b) Adjusted to reflect the fiscal year 2024-25 ending balance as shown in the Annual Fiscal Report for fiscal year 2024-25.

Source: Department of Administration (DOA)

STATE BUDGET; Estimated General Fund Tax Collections for 2025-27 Biennium (Part II; Pages 38-39).

Update with the following information, some of which became available after the date of the Preliminary Official Statement (January 13, 2026).

January 2026 LFB Report – General Fund Tax Collections

The January 2026 LFB Report also includes updated estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years. The estimated General Fund tax collections are \$22.686 billion for the 2025-26 fiscal year and \$23.243 billion for the 2026-27 fiscal year. These amounts are \$741.3 million and \$625.8 million, respectively, higher than the estimated General Fund tax collections as included in 2025 Wisconsin Act 15, as adjusted to reflect subsequent law changes and automatically adopted provisions of the federal One Big Beautiful Bill Act (OBBA).

The following tables provide the updated estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in the January 2026 LFB Report. The table also includes, for comparison, the General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in a statutorily required report

released by DOA on November 20, 2024 (**November 2024 DOA Report**), a report released by LFB dated January 29, 2025 (**January 2025 LFB Report**), in a report released by LFB dated May 15, 2025 (**May 2025 LFB Report**), and in 2025 Wisconsin Act 15.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2025-26 FISCAL YEAR
(in Millions)

	November 2024 DOA Report	January 2025 LFB Report	May 2025 LFB Report	2025 Wisconsin Act 15^(a)	January 2026 LFB Report
Individual Income	\$10,655.2	\$11,140.0	\$10,451.1	\$9,874.3	\$10,330.0
Sales and Use	7,861.6	8,140.0	7,831.6	8,083.3	8,083.3
Corporate Income & Franchise	2,846.5	2,415.0	2,761.7	2,650.6	2,935.0
Public Utility	387.2	404.0	387.5	404.0	412.0
Excise					
Cigarettes	348.5	348.0	369.6	348.0	348.0
Tobacco Products	92.4	85.0	83.0	85.0	78.0
Vapor Products	7.3	7.2	8.0	7.2	5.5
Liquor & Wine	72.8	74.0	72.9	74.0	76.0
Beer	8.0	8.2	8.4	8.2	7.9
Insurance Company	260.7	270.0	268.8	285.0	276.0
Miscellaneous Taxes	117.0	121.0	120.0	124.8	134.0
TOTAL	\$22,657.2	\$23,012.4	\$22,362.6	\$21,944.4	\$22,685.7

^(a) Adjusted to reflect subsequent law changes and automatically adopted provisions of the OBBBA.

Source: DOA

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2026-27 FISCAL YEAR
(in Millions)

	November 2024 DOA Report	January 2025 LFB Report	May 2025 LFB Report	2025 Wisconsin Act 15^(a)	January 2026 LFB Report
Individual Income	\$10,731.0	\$11,880.0	\$11,820.0	\$10,353.1	\$10,665.0
Sales and Use	8,113.5	8,375.0	8,375.0	8,249.3	8,249.3
Corporate Income & Franchise	2,923.2	1,785.0	1,785.0	2,691.1	3,000.0
Public Utility	377.1	394.0	394.0	394.0	401.0
Excise					
Cigarettes	316.5	326.0	326.0	326.0	322.0
Tobacco Products	95.5	84.0	84.0	84.0	76.0
Vapor Products	7.3	7.3	7.3	7.3	6.4
Liquor & Wine	74.7	76.0	76.0	76.0	80.0
Beer	8.0	8.1	8.1	8.1	7.8
Insurance Company	271.1	275.0	294.0	294.0	291.0
Miscellaneous Taxes	122.0	129.0	134.0	133.8	144.0
TOTAL	\$23,039.9	\$23,339.4	\$23,303.4	\$22,616.7	\$23,242.5

^(a) Adjusted to reflect subsequent law changes and automatically adopted provisions of the OBBBA.

Source: DOA

GENERAL FUND INFORMATION; General Fund Cash Flow (Part II; Pages 47-59). The following tables provide updates and additions to various tables containing General Fund information for the 2025-26 fiscal year.

Actual General Fund information for the 2025-26 fiscal year through December 31, 2025, and projections for the remainder of the 2025-26 fiscal year, are presented primarily on a cash basis.

The projections and estimates for the 2025-26 fiscal year reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report. 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 50). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2025 TO DECEMBER 31, 2025
PROJECTED GENERAL FUND CASH FLOW; JANUARY 1, 2026 TO JUNE 30, 2026
(Amounts in Thousands)

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026
BALANCES^{(a)(b)}												
Beginning Balance	\$6,194,075	\$5,100,999	\$5,188,695	\$6,295,100	\$6,755,920	\$5,409,219	\$5,396,118	\$6,797,762	\$6,500,537	\$4,838,982	\$5,896,871	\$6,002,923
Ending Balance ^(c)	5,100,999	5,188,695	6,295,100	6,755,920	5,409,219	5,396,118	6,797,762	6,500,537	4,838,982	5,896,871	6,002,923	4,034,964
Lowest Daily Balance ^(c)	4,818,695	4,354,040	4,948,894	5,709,948	4,985,157	3,823,309	5,396,118	6,038,144	4,381,352	4,600,092	5,320,551	3,759,282
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$899,748	(\$20,576)	\$1,368,222	\$881,129	\$626,709	\$1,169,820	\$1,265,566	\$613,237	\$980,934	\$1,492,223	\$803,977	\$1,006,561
Sales & Use	826,281	(148,991)	724,908	703,875	677,253	636,034	560,612	501,180	476,812	591,342	575,099	633,114
Corporate Income	93,011	(8,918)	550,223	74,886	29,842	606,853	268,629	38,793	334,096	424,173	85,571	455,036
Public Utility	—	270	186	14,192	206,204	(11,645)	(1,515)	99	10	2,667	202,273	5,502
Excise	49,774	2,740	47,670	48,559	43,213	41,629	37,541	36,075	31,161	37,848	37,532	44,102
Insurance	424	2,248	52,943	1,843	2,164	55,104	2,137	30,662	27,837	59,723	(5,014)	53,186
Miscellaneous	11,353	(81)	11,207	10,364	10,780	9,303	18,745	8,574	6,313	7,685	13,371	10,291
Subtotal Tax Receipts	\$1,880,591	(\$173,308)	\$2,755,359	\$1,734,848	\$1,596,165	\$2,507,098	\$2,151,715	\$1,228,620	\$1,857,163	\$2,615,661	\$1,712,809	\$2,207,792
NON-TAX RECEIPTS												
Federal	\$1,235,822	\$1,363,890	\$1,458,348	\$821,102	\$875,142	\$1,268,705	\$1,212,109	\$1,339,215	\$1,243,100	\$1,112,145	\$1,294,703	\$1,526,341
Other & Transfers	439,062	2,051,170	1,003,905	1,369,148	689,122	845,802	1,172,796	1,443,928	1,112,837	1,234,994	886,746	1,388,819
Note Proceeds	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal Non-Tax Receipts	\$1,674,884	\$3,415,060	\$2,462,253	\$2,190,250	\$1,564,264	\$2,114,507	\$2,384,905	\$2,783,143	\$2,355,937	\$2,347,139	\$2,181,449	\$2,915,160
TOTAL RECEIPTS	\$3,555,475	\$3,241,752	\$5,217,612	\$3,925,098	\$3,160,429	\$4,621,605	\$4,536,620	\$4,011,763	\$4,213,100	\$4,962,800	\$3,894,258	\$5,122,952
DISBURSEMENTS												
Local Aids	\$1,249,704	\$187,423	\$1,185,133	\$107,518	\$531,676	\$1,621,753	\$128,774	\$788,534	\$2,228,208	(\$97,155)	\$738,401	\$2,674,716
Income Maintenance	1,329,333	1,162,317	1,123,205	1,242,920	1,153,904	1,350,297	1,155,834	1,293,668	1,430,926	1,155,943	1,158,408	1,143,933
Payroll and Related	476,310	632,759	582,568	861,552	609,271	552,517	674,339	684,590	683,487	841,570	679,420	666,300
Tax Refunds	92,213	190,394	172,898	288,753	167,704	340,276	188,649	671,408	790,854	795,639	285,189	243,422
Debt Service	310,001	—	—	193,678	1,712	—	—	170	—	437,638	29,248	—
Miscellaneous	1,190,990	981,163	1,047,403	769,857	2,042,863	769,863	987,380	870,618	741,180	771,276	897,540	2,362,540
TOTAL DISBURSEMENTS	\$4,648,551	\$3,154,056	\$4,111,207	\$3,464,278	\$4,507,130	\$4,634,706	\$3,134,976	\$4,308,988	\$5,874,655	\$3,904,911	\$3,788,206	\$7,090,911

(a) The projections and estimates in this table reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report. 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 UW System. 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. The anticipated range in the balance of these designated funds for the 2025-26 fiscal year is not available and will be included in future State disclosures once available. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged and are expected to continue to average approximately \$25 million during each fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation for the 2025-26 fiscal year (based on 2025 Wisconsin Act 15) are \$2,042 billion and \$681 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: DOA

Table II-12; Historical General Fund Cash Flow (Part II; Page 51). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW
ACTUAL FISCAL YEARS 2021-22 TO 2024-25^(a)
ACTUAL AND PROJECTED FISCAL YEAR 2025-26^(b)
(Amounts in Thousands)

	Actual 2021-22 Fiscal Year	Actual 2022-23 Fiscal Year	Actual 2023-24 Fiscal Year	Actual 2024-25 Fiscal Year	2025-26 Fiscal Year TD Actual through Dec-25; Estimated Jan-26 through Jun-26
RECEIPTS					
Tax Receipts					
Individual Income	\$12,254,052	\$11,750,439	\$11,839,085	\$9,895,190	\$11,087,550
Sales	7,600,527	7,956,224	8,392,830	6,488,850	6,757,519
Corporate Income	2,936,462	2,749,861	2,856,769	3,264,476	2,952,195
Public Utility	425,920	445,929	461,858	401,175	418,243
Excise	663,646	627,036	602,845	496,420	457,844
Insurance	248,367	254,035	275,638	268,783	283,257
Miscellaneous	—	—	—	190,455	117,905
Total Tax Receipts	\$24,128,974	\$23,783,524	\$24,429,025	\$21,005,349	\$22,074,513
Non-Tax Receipts					
Federal	\$16,491,256	\$15,187,860	\$14,887,886	\$14,765,696	\$14,750,622
Other and Transfers	7,105,946	7,651,149	7,554,829	12,896,554	13,638,329
Total Non-Tax Receipts	\$23,597,202	\$22,839,009	\$22,442,715	\$27,662,250	\$28,388,951
TOTAL RECEIPTS	\$47,726,176	\$46,622,533	\$46,871,740	\$48,667,599	\$50,463,464
DISBURSEMENTS					
Local Aids	\$11,147,436	\$11,265,373	\$12,646,779	\$11,376,766	\$11,344,685
Income Maintenance	12,596,315	13,025,890	13,001,302	13,521,606	14,700,688
Payroll & Related	6,014,346	6,350,183	6,892,707	7,741,982	7,944,683
Tax Refunds	4,195,231	3,446,260	3,308,280	4,072,868	4,227,399
Debt Service	961,923	953,479	957,909	928,238	972,447
Miscellaneous	11,871,707	10,587,954	11,850,298	11,488,217	13,432,673
TOTAL DISBURSEMENTS	\$46,786,958	\$45,629,139	\$48,657,275	\$49,129,677	\$52,622,575
NET CASH FLOW	\$939,218	\$993,394	(\$1,785,535)	(\$462,078)	(\$2,159,111)

^(a) 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. 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 in this table reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report.

Source: DOA

Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 53). 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 December 31, 2025
(Amounts in Thousands)

	2024-25 Fiscal Year through December 31, 2024 Actual	2025-26 Fiscal Year through December 31, 2025				Difference 2025-26 Fiscal Year Actual to 2024-25 Fiscal Year Actual
		Actual	Estimate ^(b)	Variance	Adjusted Variance ^(c)	
RECEIPTS						
Tax Receipts						
Individual Income	\$4,566,375	\$4,925,052	\$4,416,451	\$508,601	\$508,601	\$358,677
Sales	3,275,486	3,419,360	3,411,904	7,456	7,456	143,874
Corporate Income	1,183,799	1,345,897	1,266,684	79,213	79,213	162,098
Public Utility	213,997	209,207	213,035	(3,828)	(3,828)	(4,790)
Excise	246,770	233,585	251,312	(17,727)	(17,727)	(13,185)
Insurance	111,596	114,726	110,029	4,697	4,697	3,130
Miscellaneous	130,677	52,926	142,041	(89,115)	(89,115)	(77,751)
Total Tax Receipts	\$9,728,700	\$10,300,753	\$9,811,456	\$489,297	\$489,297	\$572,053
Non-Tax Receipts						
Federal	\$7,483,912	\$7,023,009	\$7,647,576	(\$624,567)	(\$624,567)	(\$460,903)
Other and Transfers	6,181,771	6,398,209	7,077,704	(679,495)	(679,495)	216,438
Total Non-Tax Receipts	\$13,665,683	\$13,421,218	\$14,725,280	(\$1,304,062)	(\$1,304,062)	(\$244,465)
TOTAL RECEIPTS	\$23,394,383	\$23,721,971	\$24,536,736	(\$814,765)	(\$814,765)	\$327,588
DISBURSEMENTS						
Local Aids	\$5,347,432	\$4,883,207	\$5,255,091	(\$371,884)	(\$371,884)	(\$464,225)
Income Maintenance	6,186,317	7,361,976	7,097,210	264,766	264,766	1,175,659
Payroll & Related	3,718,205	3,714,977	4,134,676	(419,699)	(419,699)	(3,228)
Tax Refunds	1,215,240	1,252,238	1,211,156	41,082	41,082	36,998
Debt Service	492,609	505,391	517,889	(12,498)	(12,498)	12,782
Miscellaneous	7,155,154	6,802,139	7,520,967	(718,828)	(718,828)	(353,015)
TOTAL DISBURSEMENTS	\$24,114,957	\$24,519,928	\$25,736,989	(\$1,217,061)	(\$1,217,061)	\$404,971
2025-26 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$402,296	\$402,296	

- (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. Amounts are as of June 30 and are not the final amounts for the fiscal year. Transactions occurring during July, August and September may affect the prior year's final fiscal amounts.
- (b) The projections and estimates for the 2025-26 fiscal year reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report.
- (c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed which may result in large variances. This column includes adjustments to the variances, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: DOA

Table II-14; General Fund Monthly Cash Position (Part II; Page 54). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2023 through December 31, 2025 – Actual
January 1, 2026 through June 30, 2026 – Estimated^(b)
(Amounts in Thousands)

Starting Date	Starting Balance	Receipts	Disbursements
2023	July	8,441,688	3,662,523
	August	8,389,368	3,241,950
	September	8,634,796	4,425,440
	October	8,930,571	4,004,423
	November	9,455,780	3,010,815
	December	8,509,015	3,945,874
	January	7,804,442	4,495,842
	February	8,792,220	3,401,823
	March	7,837,556	3,368,594
	April	6,036,635	5,196,178
	May	7,708,620	3,637,374
	June	7,213,381	4,480,904
2024	July	6,656,153	4,207,940
	August	6,027,669	3,025,693
	September	6,125,103	4,952,593
	October	7,220,654	3,570,066
	November	7,597,952	3,078,453
	December	7,476,375	4,559,638
	January	5,935,579	4,441,411
	February	7,241,539	3,735,341
	March	6,967,112	3,816,642
	April	5,432,169	4,590,441
	May	6,326,771	3,592,168
	June	6,479,518	5,097,213
2025	July	6,194,075	3,555,475
	August	5,100,999	3,241,752
	September	5,188,695	5,217,612
	October	6,295,100	3,925,098
	November	6,755,920	3,160,429
	December	5,409,219	4,621,605
	January	5,396,118	4,536,620
	February	6,797,762	4,011,763
	March	6,500,537	4,213,100
	April	4,838,982	4,962,800
	May	5,896,871	3,894,258
	June	6,002,923	5,122,952
2026	January	5,314,976	3,134,976
	February	4,308,988	4,308,988
	March	5,874,655	5,874,655
	April	3,904,911	3,904,911
	May	3,788,206	3,788,206
	June	7,090,911	7,090,911

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

^(b) The projections and estimates for the 2025-26 fiscal year (cash basis) reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report.

Source: DOA

Table II-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 55). Replace with the following updated table.

**CASH BALANCES IN FUNDS AVAILABLE FOR
TEMPORARY REALLOCATION^{(a)(b)}**
July 31, 2023 to December 31, 2025 – Actual
January 31, 2026 to June 30, 2026 – Projected^(c)
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for temporary 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 \$4.256 billion during November 2021 to a high of \$8.179 billion during July 2025. 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)	2023	2024	2025	2026
January		\$3,444	\$3,380	\$2,919
February		3,549	3,467	2,888
March		3,416	3,384	2,858
April		3,355	4,486	2,826
May		3,344	3,017	2,795
June		3,394	3,120	2,762
July	\$2,534	3,139	2,903	
August	2,732	3,123	3,009	
September	2,889	3,214	2,992	
October	2,908	3,062	3,008	
November	3,134	3,259	3,177	
December	3,352	3,421	3,443	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2023	2024	2025	2026
January		\$10,552	\$10,765	\$10,511
February		10,879	11,042	10,545
March		11,168	11,525	10,579
April		10,600	11,931	10,613
May		10,124	10,315	10,648
June		10,233	10,277	10,682
July	\$9,135	10,854	11,082	
August	8,321	9,526	9,898	
September	8,386	9,302	9,564	
October	8,247	8,846	9,268	
November	8,350	8,838	9,388	
December	9,520	10,064	10,412	

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.
- (c) The projections and estimates for the 2025-26 fiscal year (cash basis) reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report.

Source: DOA

Table II-16; General Fund Recorded Revenues (Part II; Page 57). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES^(a) (Agency-Recorded Basis)				
July 1, 2025 to December 31, 2025 compared with previous year				
	Annual Fiscal Report Revenues 2024-25 Fiscal Year^(b)	Projected Revenues 2025-26 Fiscal Year^(c)	Recorded Revenues July 1, 2024 to December 31, 2024^(d)	Recorded Revenues July 1, 2025 to December 31, 2025^(e)
Individual Income Tax	\$10,451,100,000	\$10,149,405,000	\$4,626,678,959	\$4,961,591,023
General Sales and Use Tax	7,831,600,000	8,083,295,000	3,275,486,370	3,419,359,014
Corporate Franchise and Income Tax	2,761,700,000	2,391,495,000	1,123,385,300	1,209,882,977
Public Utility Taxes	387,500,000	404,000,000	214,000,004	—
Excise Taxes	542,000,000	522,400,000	246,866,012	233,703,700
Inheritance Taxes	—	—	—	—
Insurance Company Taxes	268,800,000	285,000,000	111,596,988	114,726,186
Miscellaneous Taxes	120,200,000	124,850,000	141,908,011	163,550,771
SUBTOTAL	\$22,362,900,000	\$21,960,445,000	\$9,739,921,643	\$10,102,813,669
 Federal and Other Inter-Governmental Revenues ^(f)	 \$15,714,650,000	 \$15,401,429,600	 \$7,951,465,185	 \$7,532,361,547
 Dedicated and Other Revenues ^(g)	 10,070,203,000	 10,167,612,500	 5,627,073,620	 5,600,766,274
 TOTAL	 \$48,147,753,000	 \$47,529,487,100	 \$23,318,460,448	 \$23,235,941,490

- (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 2024-25 fiscal year dated October 15, 2025.
- (c) The estimates in this table for the 2025-26 fiscal year (cash basis) reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report.
- (d) The amounts shown are the 2024-25 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 2025-26 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: DOA

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 59). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2025 to December 31, 2025 compared with previous year

	Annual Fiscal Report Expenditures 2024-25 Fiscal Year^(b)	Estimated Appropriations 2025-26 Fiscal Year^(c)	Recorded Expenditures July 1, 2024 to December 31, 2024^(d)	Recorded Expenditures July 1, 2025 to December 31, 2025^(e)
Commerce	\$632,655,000	\$509,163,900	\$384,913,278	\$406,290,627
Education	18,055,299,000	17,999,158,100	8,023,610,837	7,672,456,177
Environmental Resources	464,133,000	473,115,400	271,270,524	253,215,814
Human Relations & Resources	22,916,567,000	23,240,359,100	11,134,270,049	11,609,869,339
General Executive	2,020,705,000	1,424,844,800	1,028,769,402	967,785,083
Judicial	175,715,000	185,280,000	86,279,231	94,870,193
Legislative	91,474,000	100,746,100	36,649,415	40,211,136
General Appropriations	2,242,107,000	296,893,800	3,510,283,374	3,320,948,292
TOTAL	\$46,598,655,000	\$44,229,561,200	\$24,476,046,110	\$24,365,646,660

^(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 2024-25 fiscal year, dated October 15, 2025.

^(c) The appropriations included in this table reflect 2025 Wisconsin Act 15, but do not reflect the January 2026 LFB Report.

^(d) The amounts shown are 2024-25 fiscal year expenditures as recorded by all State agencies.

^(e) The amounts shown are 2025-26 fiscal year expenditures as recorded by all State agencies.

Source: DOA

STATISTICAL INFORMATION; Table II-39; Unemployment Rate Comparison (Part II; Page 95).
 Replace with the following updated table.

Table II-39
UNEMPLOYMENT RATE COMPARISON^{(a)(b)}
2020 to 2025

	2025		2024		2023		2022		2021		2020	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	3.6	4.4	3.0	4.1	2.9	3.9	3.5	4.4	5.0	6.8	3.6	4.0
February	3.8	4.5	3.5	4.2	3.2	3.9	3.6	4.1	5.2	6.6	3.5	3.8
March	3.7	4.2	3.5	3.9	3.0	3.6	3.4	3.8	4.9	6.2	3.9	4.5
April	3.2	3.9	2.9	3.5	2.6	3.1	2.8	3.3	4.2	5.7	14.0	14.4
May	3.3	4.0	2.8	3.7	2.7	3.4	2.6	3.4	3.8	5.5	10.6	13.0
June	3.2	4.4	3.3	4.3	3.3	3.8	3.2	3.8	4.4	6.1	9.0	11.2
July	3.2	4.6	3.2	4.5	3.0	3.8	3.0	3.8	3.9	5.7	7.9	10.5
August	3.2	4.5	2.9	4.4	3.1	3.9	2.9	3.8	3.6	5.3	6.1	8.5
September	2.7	4.3	2.5	3.9	2.6	3.6	2.4	3.3	2.9	4.6	5.3	7.7
October	— ^(c)	— ^(c)	2.5	3.9	2.4	3.6	2.2	3.4	2.5	4.3	4.5	6.6
November	2.7	4.3	2.7	4.0	2.4	3.5	2.2	3.4	2.4	3.9	4.4	6.4
December		2.9	3.8	2.5	3.5	2.2	3.3	2.5	3.7	4.6	4.6	6.5
Annual Average		3.0	4.0	2.8	3.6	2.8	3.7	3.8	5.4	6.5	8.1	

(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).

(c) Information not available due to the federal government shutdown.

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

Legislative Fiscal Bureau

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State of Wisconsin

January 15, 2026

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

Dear Senator Marklein and Representative Born:

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, 2027) to be \$2,373.5 million. This is \$1,529.0 million above the net balance that was projected at the time of enactment of the 2025-27 biennial budget, as modified to: (1) incorporate the 2024-25 ending balance (2025-26 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 (2025 Acts 1 to 82); and (3) include the estimated fiscal effects of the following general fund tax law changes that were automatically adopted by, or altered estimated tax collections for, the state after enactment of the federal P.L. 119-21, the One Big Beautiful Bill Act (OBBA): (a) the credit percentage for the child and dependent care expense credit; (b) Section 179 expensing provisions; (c) the federal limit for itemized deductions of state and local taxes; (d) reporting requirements for de minimus payments by third-party settlement organizations; (e) health savings accounts; (f) the qualified small business stock exclusion; (g) eligible expenses made from college savings accounts; (h) eligible rollovers to ABLE accounts from college savings accounts; and (i) the repeal of the deduction for energy efficient buildings.

The \$1,529.0 million is the net result of: (1) an increase of \$1,367.1 million in estimated tax collections; (2) an increase of \$104.0 million in departmental revenues (non-tax receipts deposited in the general fund); (3) an increase of \$49.9 million in sum sufficient appropriations; and (4) an increase of \$107.8 million in the amounts that are estimated to lapse (revert) to the general fund.

The following table reflects the 2025-27 general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1
2025-27 General Fund Condition Statement

	<u>2025-26</u>	<u>2026-27</u>
Revenues		
Opening Balance, July 1	\$4,605,574,000	\$3,003,603,500
Taxes	22,685,700,000	23,242,500,000
Departmental Revenues		
Tribal Gaming	12,176,500	13,992,700
Other	<u>708,250,200</u>	<u>570,562,400</u>
Total	\$28,011,700,700	\$26,830,658,600
Appropriations, Transfers, and Reserves		
Gross Appropriations	\$22,734,799,500	\$23,006,347,100
Transfers to:		
Building Program	326,500,000	0
Local Government Fund	1,587,022,700	1,622,776,600
Transportation Fund:		
EV Sales Tax	28,038,500	28,470,600
0.25% Transfer	54,901,100	56,517,700
Other	580,000,000	0
Mental Health Institutes	15,800,000	0
Veterans Homes	5,100,000	0
Compensation Reserves	159,891,200	225,809,500
Less Lapses	<u>-483,955,800</u>	<u>-597,745,300</u>
Net Appropriations	\$25,008,097,200	\$24,342,176,200
Balances		
Gross Balance	\$3,003,603,500	\$2,488,482,400
Less Required Statutory	<u>-110,000,000</u>	<u>-115,000,000</u>
Net Balance	\$2,893,603,500	\$2,373,482,400

Medical Assistance

According to the December, 2025, quarterly report prepared by the Department of Health Services, the biennial GPR appropriation for the Medical Assistance (MA) program is currently projected to end the 2025-27 biennium with a deficit of \$213.2 million. Some utilization and enrollment factors are slightly below budget estimates, and some are slightly above, but on balance the Department anticipates a deficit. This amount is relatively small in relation to the total GPR budget for the program (approximately 2.2%), and could change over the next 18 months as actual enrollment and program costs vary from current estimates.

Additionally, preliminary federal guidance from the Centers for Medicare and Medicaid (CMS) has created some uncertainty about the allowability of changes to Wisconsin's hospital assessment and access payments as authorized under 2025 Act 15. Specifically, Act 15 increased the amount to be collected as part of the hospital assessment and subsequently used to: (a) increase payments to hospitals; and (b) offset GPR funding for the Medical Assistance program in the 2025-27 biennium. In the event that this increase is disallowed by CMS, the result would be both a reduction of MA trust fund revenues available to offset GPR costs for the program as a whole, and an increase in GPR expenditures for hospital payments, for a total GPR shortfall of \$396 million annually (\$792 million in the 2025-27 biennium). CMS indicated that this matter will be addressed through formal rule making procedures, and thus will be subject to provisions of notice and public comment. Pending additional information from the federal government, the allowability of the Act 15 changes is not currently known.

Because of the uncertainty of the fiscal impact of the MA items mentioned above, neither is reflected in the general fund condition statement shown in Table 1.

Review of the National Economy in 2025

This office prepared revenue estimates for the 2025-27 biennium in January, 2025, based on the January, 2025, S&P Global Market Intelligence (S&P Global) forecast for the U.S. economy. S&P Global anticipated that the U.S. would experience below-potential real gross domestic product (GDP) growth of 2.0%. The forecast predicted that the odds of an economic slowdown without causing a recession remained favorable, despite policies under the Trump Administration that were generally expected to increase inflation, slow the pace of monetary policy easing, and contribute to a stronger dollar and tighter financial conditions.

The January, 2025, S&P Global forecast was based on the following assumptions. First, it expected that Treasury would undertake "extraordinary measures" to meet its debt obligations, and the debt ceiling would be increased without a government shutdown. It also assumed that: (a) the individual income tax provisions in the 2017 Tax Cuts and Jobs Act (TCJA) would be extended; (b) some tip and overtime pay would be excluded from federal income taxation; (c) the corporate tax rate would be reduced from 21% to 15% on domestic production; and (d) Medicare and Social Security benefits would continue to be paid. Second, it was assumed that, although state and local budgets had returned to deficit, unspent pandemic-era stimulus funds and ongoing Infrastructure Investment & Jobs Act funds would mitigate pressures to reduce state and local spending. Third, the forecast predicted that net international migration would be reduced by 500,000 per year through 2028, relative to current Census projections. Fourth, S&P Global anticipated that the Federal Reserve would reduce the federal funds rate by 25 basis points in March and June of 2025, before pausing until the third quarter of 2026. Fifth, the forecast assumed a universal tariff rate of 10%, with a 30% tariff on imports from China. Finally, growth in real, trade-weighted foreign GDP was expected to remain unchanged at 2.0% in 2025, while the foreign consumer price index (CPI) was expected to slow to 2.5% in 2025.

S&P Global's January, 2025, forecast also included an optimistic and pessimistic scenario. The optimistic forecast scenario was that lower tariffs and fewer and slower deportations would lead to less retaliation by trading partners and faster population growth. As a result, compared to the

baseline forecast, the optimistic scenario predicted lower CPI, elevated business fixed investment, higher real personal consumption expenditures (PCE), and higher growth in real GDP. The downside risk to the forecast was that higher tariffs and stricter immigration policy would have a more negative impact on economic output, financial conditions, and business fixed investment, with these factors contributing to higher inflation, an elevated unemployment rate, slower real GDP growth, and a delayed easing of monetary policy.

In May, this office reviewed additional tax collection data and S&P Global's May, 2025, economic forecast. The estimates were revised upward slightly in 2024-25, due to strength in year-to-date collections, but downward in the 2025-27 biennium. The May revisions also incorporated S&P Global's May forecast for the U.S. economy, which generally reflected expectations of weaker economic growth in 2025, relative to the January, 2025, forecast. The forecast for real GDP growth was decreased accordingly, from 2.0% to 1.3% in 2025. Housing starts in 2025 were revised up, from -3.0% to 1.3% growth over 2024, while light vehicle sales growth was revised down, from 2.4% to -2.0%. Forecasted 2025 growth was also revised in May to reflect changes to the following indicators: (a) consumer prices, which were up 0.5 percentage points; (b) personal income (down 0.5 percentage points); (c) economic profits (down 5.1 percentage points); and (d) nominal consumer spending (up 0.5 percentage points).

Several key assumptions in the May forecast differed from those of the January forecast. S&P Global's May forecast included a new assumption of 255,000 federal layoffs through October, 2025. It was assumed that federal funds rate cuts would be delayed, relative to January assumptions, until December, 2025, at which point it was anticipated that the Federal Reserve would reduce the federal funds rate by 25 basis points at three consecutive meetings through March, 2026, then would continue reducing the rate at every other meeting through 2026. The May forecast included new Section 232 tariffs (tariffs on products deemed a threat to national security) on copper, lumber, semiconductors, pharmaceuticals, and critical minerals, ranging from 10% to 25%, effective in the fourth quarter of 2025. In addition, the forecast included International Emergency Economic Powers Act (IEEPA) tariffs tied to fentanyl flows and immigration on imports from China (20%), Canada (25%), and Mexico (25%); the latter two were expected to decrease to 12% by early 2026. The universal tariff on imports from China, which was at 125% at the time of the May forecast (much higher than the 30% rate assumed in January), was expected to decrease to 17% by late 2025.

S&P Global now estimates that nominal GDP grew 5.1% in 2025, 0.1 percentage point higher than the May, 2025, forecast of 5.0%. S&P Global estimated that real GDP grew by 2.2% in 2025, exceeding its May expectation by 0.9 percentage points due to lower inflation than anticipated in May and by 0.2 percentage points compared to the January, 2025, projections.

Changing tariff policies created uncertainty throughout 2025. On February 1, 2025, President Trump issued a number of executive orders to impose new IEEPA tariffs on imports from Canada (25% generally and 10% on energy products), Mexico (25%), and China (10%), effective February 4, 2025. On February 3, a 30-day pause on tariff increases for imports from Canada and Mexico was announced, causing such tariffs to take effect on March 4. In early March, the President amended his previous executive orders to: (a) increase the tariff on China to 20% (effective retroactively to February 4); (b) exempt from tariffs any United States-Mexico-Canada Agreement (USMCA)-qualifying goods from Canada and Mexico; and (c) lower tariffs from 25% to 10% for any non-

qualifying potash from Canada or Mexico. A 10% baseline tariff took effect for most countries on April 5, 2025, with various country-specific tariffs that were set to take effect on April 9, including a 34% tariff (increased to 84% on April 8 and 125% on April 9) on China. All country-specific tariffs except those on China were paused for 90 days (until July 9), then later extended until August 1 and again to August 7, after an adjustment was made to the rates for each country. In May, the 125% tariff on goods from China was lowered to 10% for 90 days, until August 12, 2025 (and later extended to November), at which point the tariff increased to 34%. A July 30, 2025, executive order imposed a 40% IEEPA tariff on Brazil, in addition to the 10% reciprocal tariff previously announced. The 25% IEEPA tariff on goods from Canada was increased to 35% in August, and a new IEEPA tariff of 25% was imposed on imports from India.

Various expansions, additions, and increases to Section 232 tariffs were also made in 2025. In mid-February, a proclamation extended the existing 25% tariff on steel to all countries (certain countries were previously exempt) and increased the 10% tariff on aluminum to 25%, effective March 12, 2025. A March 26 proclamation imposed a 25% tariff on automobiles and certain auto parts, set to take effect on April 3 and May 3, respectively, with exemptions for USMCA-compliant parts. In early June, the tariffs on steel and aluminum were increased from 25% to 50%, except for the United Kingdom, which remained at 25%. Later that month, the 50% tariff was extended to steel derivative products. A new 50% tariff on semi-finished copper and intensive copper derivatives took effect on August 1. Various Section 232 tariffs on imports of timber and lumber products took effect in October, 2025, and a 25% tariff (later decreased to 15%) on imports from all countries of medium- and heavy-duty vehicles and parts, as well as a 10% tariff on buses, took effect in November. With all of the tariffs imposed throughout the year, S&P Global now estimates an effective tariff rate of 11.84% in the fourth quarter of 2025, much lower than projected in May (20.54%). For the year, S&P estimates a four-quarter average tariff rate of 8.59% (compared to 16.87% in the May forecast).

S&P Global's May assumption regarding net international migration, which remains unchanged, was that net international migration would be reduced by 0.5 million per year, relative to the current Census projections, for the four years of the current administration due to increased enforcement of immigration laws. On December 10, 2025, the Department of Homeland Security reported that more than 605,000 individuals had been deported since January 20, 2025. An additional 1.9 million individuals voluntarily self-deported in 2025, resulting in a total of 2.5 million individuals leaving the country. In November, 2025, the Federal Reserve estimated that net international migration into the country would be around 0.5 million people in 2025, down from 2.2 million in 2024.

The Federal Reserve held the target for the federal funds rate at a range of 4.25% to 4.50% until September, 2025, at which point the rate was reduced by 25 basis points. The rate was lowered two more times in 2025, in October and December, ending the year at a range of 3.50% to 3.75%. These reductions were delayed compared to January, 2025, expectations, but accelerated compared to the May, 2025, forecast. In addition, the Federal Reserve made the decision in October to cease its reduction of its holdings of Treasury securities and agency debt on December 1, 2025. At its December meeting, the Federal Open Market Committee determined that reserve balances had fallen to sufficient levels and stated that it would, on an ongoing basis, initiate purchases of shorter-term Treasury securities as needed to maintain a similar level of reserves.

The monthly average 30-year, conventional, fixed mortgage rate slowly eased as the year progressed, declining from 6.96% in January, 2025, to 6.19% by December, 2025. While mortgage rates ended the year at a lower level than projected in May, the average rate for the year (6.59%) was consistent with the May forecast. S&P Global estimates that the average price of existing homes increased 1.6% in 2025, while the price of a 1996-style home increased 3.1%. Existing house sales remained unchanged, while sales of new homes declined 0.4%, compared to 2024. Single-family housing starts declined 7.4% in 2025, a result S&P Global attributes to reduced immigration and higher tariffs. According to S&P Global, in November, 2025, the real mortgage payment on a median-priced home was 66% higher than in January, 2020.

The stock market remained surprisingly strong in 2025, with growth in artificial intelligence a major driver. The S&P 500 and Dow Jones Industrial Average increased 16.4% and 13.0%, respectively, over the year, building on the significant market strength seen in 2023 and 2024. Household equities increased 13.9% in 2025, exceeding January (1.3%) and May (-6.1%) expectations.

The growth in artificial intelligence applications, which are energy-intensive, has prompted significant investment in data centers. S&P Global reports that, in the first 11 months of 2025, U.S. investment in data centers totaled more than \$61 billion, following just under \$61 billion of investment in 2024. A Harvard economist found that, in the first half of 2025, 92% of GDP growth was due to investment in information processing equipment & software. If such investments were excluded from the calculation, first half GDP would have grown at just a 0.1% annual rate. S&P Global now estimates that investment in information processing equipment increased 22.6% in 2025, after increasing 7.3% in 2024.

Inflation continued to ease in 2025, although it remained above the Federal Reserve's long-range target of 2% (as it has since 2021). CPI declined slightly from 3.0% growth in 2024 to 2.7% growth in 2025 (0.6 percentage points lower than previously forecasted). Food prices increased at a similar rate to overall CPI (2.9%), while commodity and energy prices grew only 0.7% and 0.1%, respectively. Core CPI (which excludes food and energy prices) increased 2.9%, driven by a 3.6% increase in prices for nonenergy services. The average price of a new vehicle increased slightly, from \$46,100 in 2024 to \$46,600 in 2025.

The labor market continued to soften in 2025, with the national unemployment rate slowly rising as the year progressed, increasing from 4.0% in January, 2025, to 4.4% in December, 2025. The national unemployment rate averaged 4.3% in 2025, 0.1 percentage point lower than anticipated in May. The Wisconsin unemployment rate remained unchanged from December, 2024, at 3.1% as of November, 2025.

According to S&P Global, the U.S. economy has entered into a "low-hire, low-fire" environment. As such, the percentage of unemployed persons who have been unemployed for 27 weeks or longer rose from 21.1% in January, 2025, to 26.0% in December, 2025. For the 12-month period from December, 2024, to November, 2025, total layoffs increased 2.8% over the prior 12-month period. While layoffs did increase, there were no major spikes in layoffs throughout the year. U.S. personal income increased 4.8% and wage and salary disbursements increased 4.4% in 2025, exceeding May, 2025, estimates by 0.2 and 0.3 percentage points, respectively.

In early 2025, the Trump Administration provided federal employees with the option to resign with pay until September 30, 2025, through a deferred resignation program. Employees who chose this option effectively quit their jobs in February, 2025, and stopped working, but still received pay and remained on federal payrolls until October. In addition to the deferred resignation program, the federal government conducted layoffs throughout the year. Over the year, these measures reduced overall federal employment by an estimated 317,000 employees (offset by approximately 68,000 newly-hired federal employees), representing a net decrease in federal employment of 8.3% over December, 2024, levels. However, major federal job losses were offset by net job gains over the last 12 months (December 2024 to December 2025) of 885,800 in the private sector (with 709,000 of the increase due to gains in private education and health services jobs). From December, 2024, to December, 2025, total nonfarm payrolls increased by 584,000, while federal employment declined by 274,000. Overall, the four-quarter average of U.S. nonfarm payrolls is estimated to have increased 1.8% from 2024 to 2025, just 0.1 percentage point less than previously anticipated, while Wisconsin nonfarm payrolls decreased 0.1% between December, 2024, and November, 2025.

Many factors, including rising unemployment rates and concerns about job security, persistent inflation and price levels, high interest rates, and concerns over tariffs and the potential impact on prices have weighed on consumer sentiment. The University of Michigan's consumer sentiment index fell from 74.0 in December, 2024, to 51.0 in November, 2025, its lowest level since June of 2022. Consumer sentiment increased slightly to 52.9 in December, 2025.

Despite low consumer sentiment levels, nominal consumer spending grew 5.3% in 2025 (2.6 percentage points higher than CPI growth) Consumer spending was the primary driver of the economy, contributing 1.80 percentage points to real GDP growth. However, data suggest that spending strength, despite broader economic concerns, has primarily increased among the wealthiest households, while lower-income consumers have begun to decrease spending.

On July 4, 2025, President Trump signed the OBBBA into law. The bill extends and/or makes permanent many of the TCJA individual and business tax provisions, including the rates and brackets of the 2017 individual tax cuts, consistent with previous forecast assumptions. The bill also provides tax exclusions for overtime pay and tips, and temporarily increases the deduction limit for state and local taxes from \$10,000 to \$40,000 for five years. The limit will revert to \$10,000 beginning in tax year 2030. S&P Global had anticipated that the bill would include tax relief on tip income and overtime pay, although the actual relief provided was smaller than previously assumed. Corporate marginal tax rate reductions previously assumed by S&P Global did not occur. The OBBBA makes several changes to Medicaid eligibility, enrollment, and payment policies, with varying effective dates, and applicable to different populations. On net, the bill increases direct federal spending, rather than reducing it (as previously assumed by S&P Global).

On October 1, 2025, the federal government entered a government shutdown after the U.S. Congress failed to pass a budget for the 2026 fiscal year (October 1, 2025, to September 30, 2026). This marked the first shutdown since the 2018-19 federal fiscal year. On November 12, President Trump signed legislation ending the shutdown after 43 days and funding the federal government until January 30, 2026. Certain agencies and programs, including the Department of Agriculture, Military Construction, Veterans Affairs, the Food and Drug Administration, and the legislative branch, were funded through September of 2026. S&P Global estimates that the direct impact of the

shutdown was a 0.8 percentage point decline in GDP growth in the fourth quarter, although it forecasts that this decline will be offset by a corresponding increase in the first quarter of 2026.

National Economic Forecast

Under the January, 2026, forecast, S&P Global predicts moderate real GDP growth of 2.3% in 2026 and 1.9% in 2027. Despite recent increases in unemployment rate levels, S&P Global's forecast does not project a recession. However, the forecast projects that inflation will persist long enough to keep Federal Reserve actions paused through June, 2026. The Attachment outlines the January, 2026, economic forecast by S&P Global, as well as changes to the forecast since May, 2025, for 2025 through 2027.

The 2026 forecast is based on the following key assumptions. First, the forecast incorporates the direct effects of the partial government shutdown that ended on November 12, 2025, as well as the provisions of the OBBBA. Second, states generally remain fiscally sound despite most of the pandemic-era funds having been spent, although the forecast assumes that states will take on a larger share of the provision of Medicaid benefits in response to reduced federal grants. Third, the forecast assumes a reduction in net international migration by 500,000 per year for the four years of the current administration, relative to current Census estimates. Fourth, S&P Global anticipates that the Federal Reserve will pause its reduction of the federal funds rate until June of 2026, then reduce the rate twice to reach S&P Global's estimate of the long-run "neutral" range of 3.00% to 3.25% in September, 2026. Fifth, the forecast assumes a new Section 232 tariff of 10% on critical minerals will take effect in the first quarter of 2027, and that previously announced tariffs on furniture and cabinetry and semiconductors will no longer take effect. Current IEEPA tariffs tied to fentanyl flows and immigration on imports from China (10%), Canada (35%) and Mexico (25%), as well as reciprocal tariffs announced in August of 2025, remain in place, although the forecast expects that the rates on Canada and Mexico will decrease to 15% by mid-2026. Finally, it assumes that growth in real, trade-weighted foreign GDP will slow to 2.0% and growth in foreign CPI inflation will fall to 2.2% in 2026. S&P Global assumes that foreign sovereign bond yields average 3.0% from 2025 through 2027.

Consumer Prices. CPI slowed to 2.7% in 2025, down from 3.0% in 2024. Core CPI, which excludes food and energy prices, exceeded overall CPI, growing 2.9% in 2025 (1.0 percentage point lower than predicted in May). S&P Global expects growth in CPI to slow to 2.5% in 2026, before increasing to 2.8% in 2027, due, in part, to a slowdown and subsequent recovery of energy prices in 2026 (0.1%) and 2027 (4.5%), respectively. S&P Global also notes that the price impacts of tariffs have been slow to materialize, contributing to the forecast of lower inflation in 2026 and higher inflation in 2027. Core CPI growth is estimated at 2.7% in 2026 and 2027.

The price of Brent crude oil is expected to ease from \$69 in 2025 to \$59 in 2026 and \$64 in 2027. Shortly after S&P Global released its January, 2026, forecast, the U.S. carried out a military operation in Venezuela and removed President Nicolás Maduro. In addition, a partial blockade of Venezuelan oil exports has been in place since December 11, 2025. Even if this blockade were lifted, S&P Global projects that the increase in crude-oil supply would not significantly impact overall oil prices.

Personal Consumption. Nominal PCE grew 5.3% in 2025, which is 0.4 percentage points less than previously forecast, with growth in spending on services (6.0%) outpacing spending on goods (3.9%). As a result, the shift by consumers from spending on goods to services continued, with purchases of services making up 68.9% of all PCE, 0.3 percentage points higher than estimated in May, in 2025 (compared to 68.5% in 2024). The forecast projects that consumer spending will continue to shift towards services, with purchases of services making up 69.7% of all PCE, 0.4 percentage points higher than estimated in May, by 2027. Real (inflation-adjusted) PCE is expected to slow from 2.7% in 2025 to 2.6% in 2026 and 1.9% in 2027.

S&P Global anticipates that nominal PCE growth will remain at 5.3% in 2026 and slow to 4.5% in 2027, as the softening of the labor market prompts more caution from consumers. Sales of consumer items generally subject to the state sales tax (such as most durable goods, clothing, restaurant meals, accommodations, and certain services) grew by an estimated 5.6% in 2025, and are forecast to grow by 2.6% in 2026 and 3.2% in 2027 (after accounting for the new exemption of residential energy from sales tax).

Employment. The national unemployment rate averaged 4.3% over 2025, lower than previous projections (in January and May, 2025) by 0.1 percentage point. S&P Global projects that the unemployment rate will rise to 4.7% in 2026, then ease slightly to 4.6% in 2027. Average annual nonfarm payrolls grew 0.9% in 2025 (0.1 percentage point lower than previously forecast), and are expected to remain relatively flat through the forecast period, growing just 0.5% in both 2026 and 2027. S&P Global estimates that the U.S. labor force participation rate declined slightly to 62.4% in 2025, and expects that the rate will be unchanged in 2026, before declining to 62.2% in 2027.

Personal Income. Personal income grew 4.8% in 2025, faster than expected in the May forecast (4.6%), but less than projected in January (5.1%). Wage and salary disbursements grew 4.4% in 2025 (compared to 4.1% forecast in May, 2025), and are projected to continue increasing 4.8% in 2026 and 5.8% in 2027. Personal income is expected to grow slightly faster, increasing 5.3% in 2026 and 5.9% in 2027.

Real disposable income grew at a slower pace compared to 2024 (2.9%), up 1.7% in 2025. S&P Global anticipates that growth in real disposable income will increase to 3.3% in 2026 and 3.1% in 2027. The personal savings rate, as a percentage of disposable income, declined from 5.5% in 2024 to 4.6% in 2025, but is expected to increase to 5.2% in 2026 and 6.3% in 2027. Real household net worth increased 3.5% in 2025 and is expected to increase 1.0% in 2026, before declining 2.4% in 2027, driven by a projected decrease in equities (-7.3%).

Monetary Policy. As mentioned, the Federal Reserve decreased the federal funds rate three times in 2025, to a range of 3.50% to 3.75%. In addition, the Federal Reserve reduced its holdings of agency debt, mortgage-backed securities, and Treasurys by \$321.4 billion in 2025, to approximately \$6.6 trillion, but decided to cease further reductions beginning on December 1, 2025.

Going forward, it is anticipated that the Federal Reserve will pause its easing cycle until June of 2026, at which point it will reduce the federal funds rate twice, to S&P Global's estimated

long-run "neutral" range of 3.00% to 3.25% in September, 2026. In 2025, the average 30-year fixed mortgage rate was 6.59%, down 0.14 percentage points from 2024. In response to further Federal Reserve rate reductions, mortgage rates are expected to decline to 6.01% in 2026 and 5.83% in 2027.

Housing. Housing starts declined 1.9% in 2025, in contrast to projections of 1.3% growth in May, 2025, driven by a 7.4% decline in single-family housing starts. Multi-family housing starts grew 13.8% in 2025. Growth in house prices slowed in 2025, with the average price of existing houses increasing 1.6% and the average price for new houses increasing just 0.6%. Sales of existing houses declined less than 0.1 percentage point in 2025, reaching its lowest point since the start of the data series in 1999, while sales of new houses declined 0.4%.

Going forward, S&P Global estimates a continued decline in housing starts in 2026 (-2.6%) and a slight increase in 2027 (0.3%). Sales of new and existing homes are expected to increase 9.0% in 2026 and 6.7% in 2027, as lower mortgage rates and easing prices make housing more affordable. The average price of existing homes is expected to grow 3.1% in 2026 and 3.4% in 2027, while the average price of new homes is projected to increase just 0.6% in 2026 and 2.7% in 2027.

Business Investment. S&P Global estimates that nominal nonresidential fixed investment grew 5.2% in 2025, 0.4 percentage points lower than the May estimate of 5.6%. Growth in 2025 was led by investment in equipment (9.9%), particularly information processing equipment (22.6%), and intellectual property products (6.6%). Inventories increased by an estimated \$35.1 billion in 2025 (from quarter four of 2024 to quarter four of 2025), down from the \$65.9 billion increase estimated in May, 2025. Going forward, S&P Global anticipates inventories will continue to increase another \$17.9 billion in 2026 and \$79.7 billion in 2027.

Growth in nominal nonresidential fixed investment is projected to slow to 3.0% in 2026 and 2.6% in 2027, reflecting a continued decline in spending on manufacturing structures (-9.3% in 2026 and -21.2% in 2027) and a slowing of growth in intellectual property products (5.0% in 2026 and 2.7% in 2027).

International Trade. In contrast with May predictions, growth in nominal exports (3.4%) slightly exceeded growth in imports (3.0%) in 2025. Imports grew 2.4 percentage points slower than previously anticipated, while exports grew 1.4 percentage points faster. However, in real dollar terms, growth in imports (2.7%) still exceeded growth in exports (1.8%). Therefore, net exports subtracted 0.18 percentage points from real GDP growth in 2025. As a result of increased tariffs in 2025, taxes on production and imports increased 98%, from \$185.1 billion in 2024 to \$365.6 billion in 2025. The forecast anticipates that federal tariff revenues will increase federal tax revenues further in 2026 and 2027, to \$568.9 billion and \$566.0 billion, respectively.

Over the remainder of the forecast period, S&P Global predicts that some domestic demand will be redirected to domestic producers due to the higher cost of imports. Therefore, growth in nominal exports (4.1% in 2026 and 5.9% in 2027) is expected to exceed growth in nominal imports (-0.8% in 2026 and 3.8% in 2027), improving the balance of trade by 18.5% in 2026 and 5.9% in 2027. Net exports are expected to contribute 0.29 percentage points to real GDP growth in 2026

and subtract 0.02 in 2027.

Corporate Profits. Corporate before-tax book profits remained unchanged in 2025 (compared to 2024), and are forecast to increase 3.8% in 2026 and 0.3% in 2027. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and are not affected by federal tax laws), grew 6.5% in 2025 (12.3 percentage points more than predicted in May). S&P Global forecasts that economic profits will increase 4.1% in 2026 and remain stable in 2027. The current forecast assumes that the effective federal corporate tax rate for all industries was 14.2% in 2025, and will increase to 14.3% in 2026 and 14.5% in 2027.

Fiscal Policy. The annual federal budget deficit is estimated to have declined from \$1,816.8 billion in 2024 to \$1,775.4 billion in 2025. Going forward, the forecast expects the annual deficit to increase to \$1,802.1 billion in 2026 and \$1,853.3 billion in 2027. As a result, the federal deficit is expected to increase from \$36.9 trillion (equal to 120% of U.S. GDP) in 2025 to \$41.6 trillion (123% of GDP) in 2027. S&P Global estimates that spending by the federal government subtracted 0.04 percentage points from real GDP growth in 2025, but will contribute 0.16 percentage points in 2026 and 0.02 percentage points in 2027. State and local government spending contributed 0.27 percentage points to GDP growth in 2025, and is projected to contribute another 0.1 percentage point in 2026 and 0.03 percentage points in 2027.

Alternate Scenarios. S&P Global's January, 2026, forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, S&P Global assigns a 30% probability that the U.S. will implement lower tariffs and experience less retaliation by trading partners than assumed in the baseline forecast. In response, the Federal Reserve continues the current easing cycle at a faster pace than in the baseline, reducing the federal funds rate three times in 2026, versus two reductions in the baseline, and bringing the funds rate target range to 2.75 to 3.00% in June of 2026, 25 basis points below the baseline range. The unemployment rate briefly peaks at 4.7%, as in the baseline forecast, but remains 0.2 percentage points below the base, on average. Under the optimistic scenario, fewer and slower deportations boost population growth compared to the baseline, increasing real PCE by 0.7 and 0.5 percentage points in 2026 and 2027, respectively. The combination of lower tariffs and faster population growth increases economic output and financial conditions, which contributes to elevated business fixed investment. The optimistic scenario assumes that lower tariffs will lead to faster moderation in inflation in 2026, with CPI at 2.4% in 2026 (0.1 percentage point lower than the baseline). However, economic strength and labor market tightness bring CPI 0.3 percentage points higher than the baseline in 2027, with growth of 3.1%. Real GDP grows 2.9% in 2026 and 2.2% in 2027 (0.7 and 0.3 percentage points higher than the baseline, respectively).

Under the pessimistic scenario, to which S&P assigns a 20% probability, higher tariffs and a more noticeable retaliation by trading partners cause higher near-term inflation (2.7%) than assumed in the baseline. Higher tariffs, paired with slower population growth as a result of stricter immigration policy, have a more negative impact on economic output, financial conditions, and business fixed investment, compared to the baseline forecast. These factors push the economy into a two-quarter recession starting in early 2026. As such, real GDP grows 1.4 and 1.5 percentage points slower than the baseline in 2026 and 2027, respectively. Under the pessimistic scenario, the unemployment rate rises to 6.7% by mid-2028, exceeding the peak in the baseline forecast by 2.0

percentage points. The elevated unemployment rate causes inflation to fall below the baseline forecast in mid-2027. In response to economic weakness, this scenario predicts that the Federal Reserve aggressively cuts the federal funds rate in 2026, bringing the rate to a range of 2.00% to 2.25% by September, 2026. Normalization of the rates towards the baseline does not begin until September, 2029.

General Fund Taxes

Table 2 shows general fund tax revenue estimates for 2025-26 and 2026-27. The previous estimates are the general fund tax estimates included in 2025 Act 15, adjusted to reflect subsequent law changes and automatically adopted provisions of the OBBBA.

TABLE 2
Projected General Fund Tax Collections
(\$ in Millions)

	2024-25 <u>Actual</u>	Previous Estimates		Revised Estimates <u>January, 2026</u>	
		2025-26	2026-27	2025-26	2026-27
Individual Income	\$10,451.1	\$9,874.3	\$10,353.1	\$10,330.0	\$10,665.0
General Sales and Use	7,831.6	8,083.3	8,249.3	8,083.3	8,249.3
Corporate Income/Franchise	2,761.7	2,650.6	2,691.1	2,935.0	3,000.0
Public Utility	387.5	404.0	394.0	412.0	401.0
Excise					
Cigarette	369.6	348.0	326.0	348.0	322.0
Tobacco Products	83.0	85.0	84.0	78.0	76.0
Vapor Products	8.1	7.2	7.3	5.5	6.4
Liquor and Wine	72.9	74.0	76.0	76.0	80.0
Beer	8.4	8.2	8.1	7.9	7.8
Insurance Company	268.8	285.0	294.0	276.0	291.0
Miscellaneous Taxes	<u>120.2</u>	<u>124.8</u>	<u>133.8</u>	<u>134.0</u>	<u>144.0</u>
Total	\$22,362.9	\$21,944.4	\$22,616.7	\$22,685.7	\$23,242.5
Change from Prior Year		-\$418.5	\$672.3	\$322.8	\$556.8
Percent Change		-1.9%	3.1%	1.4%	2.5%

In total, these amounts are \$1,367.1 million higher than the previous estimates. The percentage difference is 3.1% higher. Nearly all of the increase (99.5%) is attributed to higher projections for individual income taxes and corporate income/franchise taxes, which are \$767.6 million and \$593.3 million higher than the previous forecast, respectively. The remaining \$6.2 million increase is comprised of increased estimates for miscellaneous taxes and utility taxes, offset by lower estimates for excise taxes and insurance premiums taxes. The estimates for sales and use taxes have not been changed.

Individual Income Tax. Total individual income tax collections were \$10,451.1 million in

2024-25, an increase of 7.5% over the prior year. Actual revenues in 2024-25 were \$31.1 million (0.3%) above this office's previous estimates. Based on preliminary collections information through December, 2025, total year-to-date collections for 2025-26 are higher by 6.8% (\$318.0 million) than such receipts during the same time period one year ago. Withholding collections, which are 5.7% (\$244.5 million) higher than the same period in 2024-25, and estimated payments, which are 20.3% (\$73.5 million) higher than the same period in 2024-25, are the main reasons for this growth.

Over the remainder of 2025-26, total individual income tax revenues are projected to decline by 7.6% relative to the same time period in 2024-25. The main factor contributing to this decline is the impact of the income tax reductions automatically adopted following enactment of the OBBBA and the following reductions contained in 2025 Act 15: (a) expanding the second bracket (4.40% rate) to cover additional taxable income that had been subject to the 5.30% rate; (b) creating an exclusion for up to \$24,000 (\$48,000 married-joint) of retirement income for filers aged 67 or older; and (c) increasing the maximum adoption expenses deduction from \$5,000 to \$15,000. The Act 15 changes took effect beginning in tax year 2025, and are estimated to reduce collections by \$700 million in 2025-26. The majority of this fiscal effect is expected to result in increased refunds over the remainder of the fiscal year, as taxpayers file their returns by April, 2026.

Total collections for 2025-26 are estimated at \$10,330 million, which is \$455.7 million (4.6%) higher than the previous estimates. One factor that is expected to help revenues over the rest of 2025-26 is the projected high level of capital gains realizations for tax year 2025. [Realizations for tax year 2026 are also expected to be significant, though not as high as tax years 2024 or 2025]. Additionally, the year-to-date withholding growth for 2025-26 (5.7%) is higher than had been anticipated.

Total individual income tax revenues for 2026-27 are projected to increase by 3.2% year-over-year, to a total of \$10,665 million. Relative to the previous estimates, these figures are higher by \$311.9 million (3.0%). Major contributing factors to this increase include an improved forecast for wages and salaries, which impacts withholding collections, and a higher forecast for capital gains.

General Sales and Use Tax. State sales and use tax revenues totaled \$7,831.6 million in 2024-25, which was an increase of 3.2% over the prior year. Sales tax revenues are estimated at \$8,083.3 million in 2025-26 and \$8,249.3 million in 2026-27, constituting annual growth of 3.2% in 2025-26 and 2.1% in 2026-27. These estimates are unchanged from prior estimates. Year-to-date sales tax collections through December are up \$143.9 million (4.4%) over the same period in the previous year. However, adjusting for previously enacted law changes and other one-time effects to collections, year-to-date growth is up 5.3%. State sales tax collections are expected to grow 2.4% for the remaining months of 2025-26. The estimate accounts for various sales tax exemptions enacted during the 2025-27 biennium, including the exemption for residential energy sold during the months of May through October, as well as certain refund payments anticipated to be made over the remainder of the biennium.

Corporate Income/Franchise Taxes. Corporate profits and year-to-date collections in 2025-26 have been far stronger than previously forecast. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and thus not affected by federal tax laws), grew by 6.5% in 2025 (which is 12.3 percentage points more than forecasted in May). Given the strength in corporate profits, year-to-date collections have increased 10.4% compared to the

previous year, with estimated payments (7.4%) and collections from partnerships under the pass-through entity tax (43.5%) particularly strong. Based on the updated forecast and year-to-date collections, corporate income/franchise tax revenues are now projected to be \$2,935 million in 2025-26. This estimate is \$284.4 million (10.7%) higher than the previous forecast and reflects growth of 6.3% over prior year collections (\$2,761.7 million in 2024-25).

S&P Global forecasts that economic profits will increase 4.1% in 2026 and remain unchanged in 2027. Based on the updated forecast and the increased estimate for 2025-26, corporate income/franchise tax revenues are now estimated to be \$3,000 million in 2026-27, representing 2.2% growth over the prior year. This is an increase of \$308.9 million (11.5%) compared to previous estimates. Note that the forecast also reflects recent changes to federal tax law under OBBBA that are automatically adopted or impact collections for purposes of state tax law (such as deductions for Section 179 expenses and changes to the \$10,000 limit for deductions of state and local taxes).

Public Utility Taxes. Revenue from public utility taxes totaled \$387.5 million in 2024-25, \$3.5 million higher than previously estimated, and is estimated at \$412.0 million in 2025-26 and \$401.0 million in 2026-27. Year-over-year, these amounts represent an increase of 6.3% in 2025-26 and a decrease of 2.7% in 2026-27. Declining tax collections in 2026-27 are primarily attributed to the phase-in of the personal property tax exemption for telephone companies enacted under 2023 Act 140.

Relative to the previous estimates, these estimates reflect an increase of \$8.0 million in 2025-26 and \$7.0 million in 2026-27. The higher overall utility tax estimates are primarily attributable to increased estimates for gross receipts taxes on private light, heat, and power companies. Estimates of growth in sales by Wisconsin power companies of natural gas in 2025 and electricity in 2026 have improved since the previous forecast, increasing estimates of tax revenue for both 2025-26 and 2026-27.

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 2024-25 were \$542.0 million, of which \$369.6 million (68.2%) was from the excise tax on cigarettes. Total excise taxes declined 5.2% in 2024-25, driven by declines of 8.2% and 3.2% in cigarette and tobacco products tax revenues, respectively. Total excise tax revenues are estimated to decrease by 4.9% to \$515.4 million in 2025-26 and by 4.5% to \$492.2 million in 2026-27. Compared to the previous estimates, these amounts are lower by \$7.0 million in 2025-26 and \$9.2 million in 2026-27.

Tobacco products tax revenues are the primary reason for this revision and are estimated at \$78.0 million in 2025-26 and \$76.0 million in 2026-27, constituting annual revenue declines of 6.0% and 2.6%, respectively. These estimates are lower than previously forecast by \$7.0 million in 2025-26 and \$8.0 million in 2026-27. These revisions are largely due to lower than anticipated year-to-date growth in sales of tobacco (-8.5%), and a persistent downward trend in annual revenues.

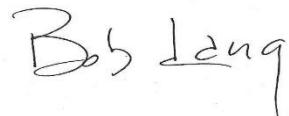
Insurance Premiums Taxes. Insurance premiums taxes were \$268.8 million in 2024-25, which is \$6.2 million lower than previously estimated. Revenues are now projected to be \$276.0 million in

2025-26, and \$291.0 million in 2026-27, reflecting growth of 2.7% and 5.4%, respectively. Compared to the previous estimates, these estimates represent decreases in insurance premiums tax revenues of \$9.0 million in 2025-26 and \$3.0 million in 2026-27. The new estimates are decreased to reflect lower actual collections than estimated for 2024-25 and lower than anticipated year-to-date collections (1.8% growth).

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee (RETF), municipal and circuit court-related fees, a small amount from the occupational tax on coal, and certain other fees and taxes. Miscellaneous tax revenues were \$120.2 million in 2024-25, of which 87.8% was generated from the RETF. Total miscellaneous tax collections in 2024-25 represented an increase of 10.8% from the prior fiscal year. Miscellaneous tax revenues are estimated at \$134.0 million in 2025-26 and \$144.0 million in 2026-27, which is higher than the previous estimate by \$9.2 million in 2025-26 and \$10.2 million in 2026-27. The revised estimates primarily reflect strong year-to-date growth in adjusted collections of the RETF (24.9%).

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

Sincerely,

A handwritten signature in black ink that reads "Bob Lang". The signature is cursive and fluid, with "Bob" on the top line and "Lang" on the bottom line.

Robert Wm. Lang
Director

RWL/ml
cc: Members, Wisconsin Legislature

ATTACHMENT

Summary of National Economic Indicators S&P Global Market Intelligence Baseline Forecast January, 2026, and May, 2025 (\$ in Billions)

	May, 2025			January, 2026			Difference from May		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Nominal Gross Domestic Product	\$30,643.3	\$32,005.7	\$33,173.3	\$30,778.5	\$32,380.7	\$33,831.7	\$135.2	\$375.0	\$658.4
% Change	5.0%	4.4%	3.6%	5.1%	5.2%	4.5%	0.1%	0.8%	0.8%
Real Gross Domestic Product	\$23,618.0	\$24,008.1	\$24,402.8	\$23,863.2	\$24,420.5	\$24,889.9	\$245.1	\$412.5	\$487.0
% Change	1.3%	1.7%	1.6%	2.2%	2.3%	1.9%	0.8%	0.7%	0.3%
Consumer Price Index (% Change)	3.4%	2.9%	2.2%	2.7%	2.5%	2.8%	-0.7%	-0.4%	0.6%
Personal Income	\$25,787.8	\$27,043.2	\$28,425.6	\$26,094.8	\$27,464.9	\$29,084.6	\$307.0	\$421.7	\$659.0
% Change	4.6%	4.9%	5.1%	4.8%	5.3%	5.9%	0.2%	0.4%	0.8%
Nominal PCE	\$20,954.1	\$21,799.2	\$22,643.1	\$20,957.0	\$22,062.6	\$23,045.0	\$2.9	\$263.3	\$402.0
% Change	5.7%	4.0%	3.9%	5.3%	5.3%	4.5%	-0.4%	1.2%	0.6%
Economic Profits	\$3,605.6	\$3,688.1	\$3,694.4	\$4,048.1	\$4,214.4	\$4,214.6	\$442.5	\$526.3	\$520.2
% Change	-5.8%	2.3%	0.2%	6.5%	4.1%	0.0%	12.3%	1.8%	-0.2%
Unemployment Rate (Percent)	4.4%	4.9%	5.0%	4.3%	4.7%	4.6%	-0.1%	-0.2%	-0.4%
Total Nonfarm Employment (Millions)	159.5	159.9	160.2	159.4	160.2	161.1	-0.1	0.3	0.8
% Change	1.0%	0.2%	0.2%	0.9%	0.5%	0.5%	-0.1%	0.2%	0.3%
Light Vehicle Sales (Million of Units)	15.48	14.97	15.56	16.13	15.79	15.98	0.65	0.82	0.42
% Change	-2.0%	-3.3%	4.0%	1.7%	-2.1%	1.2%	3.7%	1.2%	-2.7%
Sales of New and Existing Homes (Millions of Units)	4.973	5.474	5.643	4.747	5.175	5.523	-0.226	-0.299	-0.120
% Change	4.7%	10.1%	3.1%	-0.1%	9.0%	6.7%	-4.8%	-1.0%	3.6%
Housing Starts (Millions)	1.385	1.342	1.324	1.344	1.309	1.312	-0.041	-0.033	-0.012
% Change	1.3%	-3.1%	-1.3%	-1.9%	-2.6%	0.3%	-3.2%	0.5%	1.6%

APPENDIX B
GENERAL OBLIGATION ISSUANCE STATUS REPORT
January 1, 2026

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund^(a)		G.O. Bonds of 2026, Series A^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
University of Wisconsin; academic facilities	\$4,512,216,100	\$3,025,938,522	\$17,485,016	\$192,564,383	\$152,999,919	\$1,123,228,260
University of Wisconsin; self-amortizing facilities	3,813,924,500	2,883,924,386	6,332,187	149,425,898	2,728,999	771,513,030
Natural resources; Warren Knowles-Gaylord Nelson stewardship 2000 program	1,178,850,000	1,025,336,303	1,600,120	51,838,379	14,401,393	85,673,805
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818	—	—	139,438
Clean water fund program	659,783,200	655,062,282	—	4,641,114	—	79,804
Safe drinking water loan program	74,950,000	69,215,472	123	2,183,403	—	3,551,002
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,049	165,649	—	—
Natural resources; nonpoint source	57,050,000	44,862,394	45,615	4,760,653	6,236	7,375,102
Natural resources; environmental repair	57,000,000	52,962,122	203,607	883,312	—	2,950,959
Natural resources; urban nonpoint source cost-sharing	61,600,000	55,676,641	182,825	3,507,635	—	2,232,899
Natural resources; contaminated sediment removal	40,000,000	33,392,678	104,860	2,438,427	—	4,064,035
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	16,876,688	5,361	1,415,269	357,196	1,314,686
Natural resources; segregated revenue-supported dam safety projects	6,600,000	6,571,582	623	27,795	—	—
Natural resources; pollution abatement and sewage collection facilities, ORAP funding	145,060,325	145,010,325	50,000	—	—	—
Natural resources; pollution abatement and sewage collection facilities	893,493,400	874,927,239	18,513,077	—	—	53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow	200,600,000	194,312,599	6,287,401	—	—	—
Natural resources; recreation projects	56,055,000	56,053,994	1,006	—	—	—
Natural resources; local parks land acquisition and development	2,490,000	2,447,741	42,259	—	—	—
Natural resources; recreation development	48,846,200	28,239,257	147,483	677,513	3,424,992	16,356,955
Natural resources; land acquisition	45,608,600	45,116,929	491,671	—	—	—

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)			G.O. Bonds of 2026, Series A ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium			
Natural resources; Wisconsin natural areas heritage program	\$2,500,000	\$2,445,793	\$17,174	–	–	–	\$37,033
Natural resources; segregated revenue-supported facilities	226,093,600	126,300,159	181,948	\$9,129,468	\$5,371,782	85,110,243	
Natural resources; general fund supported administrative facilities	16,514,100	15,276,158	21,754	815,228	–	–	400,960
Natural resources; Ice Age Trail	750,000	750,000	–	–	–	–	–
Natural resources; dam safety projects	39,500,000	25,035,459	230,772	2,160,191	266,398	11,807,180	
Natural resources; segregated revenue-supported land acquisition	2,500,000	2,500,000	–	–	–	–	–
Natural resources; Warren Knowles-Gaylord Nelson stewardship program	231,000,000	229,300,484	1,306,901	144,011	–	–	248,604
Transportation; administrative facilities	8,890,400	8,759,479	33,943	–	–	–	96,978
Transportation; accelerated bridge improvements	46,849,800	46,849,800	–	–	–	–	–
Transportation; major interstate bridge construction	624,800,000	262,320,149	309,185	37,688,380	74,999,960	249,482,326	
Transportation; rail passenger route development	89,000,000	74,517,019	11,797	3,066,533	–	–	11,404,651
Transportation; accelerated highway improvements	185,000,000	185,000,000	–	–	–	–	–
Transportation; connecting highway improvements	15,000,000	15,000,000	–	–	–	–	–
Transportation; federally aided highway facilities	10,000,000	10,000,000	–	–	–	–	–
Transportation; highway projects	41,000,000	41,000,000	–	–	–	–	–
Transportation; major highway and rehabilitation projects	565,480,400	565,480,400	–	–	–	–	–
Transportation; southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects	1,453,550,000	1,316,121,730	3,516,352	114,236,155	2,058,997	17,616,766	
Transportation; state highway rehabilitation projects, southeast megaprojects	820,063,700	781,605,306	1,182,898	37,275,497	–	–	–
Transportation; major highway projects	100,000,000	98,948,179	6	1,051,814	–	–	1
Transportation; state highway rehabilitation, certain projects	141,000,000	134,924,101	45	6,075,854	–	–	–
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval	305,227,664	261,535,522	145,989	43,546,154	–	–	–

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)			G.O. Bonds of 2026, Series A ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium			
Transportation; design-build projects	\$112,500,000	\$17,714,991	\$8,114	\$2,276,895		\$28,999,985	\$63,500,015
Transportation; southeast Wisconsin freeway megaprojects subject to contingency	437,571,300	207,663,014	97,461	33,177,914		137,499,927	59,132,984
Transportation; harbor improvements	167,300,000	141,702,311	350,648	13,436,113		35,858	11,775,070
Transportation; rail acquisitions and improvements and intermodal freight facilities	300,300,000	235,854,927	376,464	26,075,135		1,533,892	36,459,582
Transportation; local roads for job preservation, state funds	2,000,000	2,000,000	—	—		—	—
Corrections; correctional facilities	1,074,515,800	928,823,417	11,775,652	20,400,547		10,999,994	102,516,190
Corrections; self-amortizing facilities and equipment	2,116,300	2,115,438	99	—		—	763
Corrections; juvenile correctional facilities	199,192,200	36,951,545	166,041	1,050,910		24,999,987	136,023,717
Secured residential care centers for children and youth	80,000,000	42,028,388	241,958	5,811,770		10,999,994	20,917,890
Health services; mental health and secure treatment facilities	512,113,500	293,483,708	2,393,148	17,899,520		7,999,996	190,337,128
Agriculture; soil and water	82,075,000	76,017,073	56,390	5,151,838		1,090	848,609
Agriculture; conservation reserve enhancement	28,000,000	21,519,628	15,299	1,083,193		62,440	5,319,440
Administration; Black Point Estate	1,600,000	1,598,655	445	—		—	900
Administration; energy conservation projects; capital improvement fund	320,000,000	189,030,434	153,806	13,994,980		390,000	116,430,780
Building commission; previous lease rental authority	143,071,600	143,068,654	—	—		—	2,946
Building commission; refunding tax-supported general obligation debt	2,102,086,430	2,102,086,530	—	—		—	—
Building commission; refunding self-amortizing general obligation debt	272,863,033	272,863,033	—	—		—	—
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005	250,000,000	250,000,000	—	—		—	—
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2011	474,000,000	473,651,084	—	—		—	348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2013	264,200,000	263,420,000	—	—		—	780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt	12,835,000,000	9,506,646,046	—	—		—	3,328,353,954

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2026, Series A ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Building commission; housing state departments and agencies	\$1,061,732,200	\$806,224,014	\$2,505,298	\$45,659,146	\$3,999,998	\$203,343,744
Building commission; 1 West Wilson Street parking ramp	15,100,000	14,805,521	294,479	—	—	—
Building commission; project contingencies	47,961,200	47,527,821	64,991	228,349	—	140,039
Building commission; capital equipment acquisition	125,660,000	123,961,256	740,327	343,697	—	614,720
Building commission; discount sale of debt	90,000,000	73,492,486	—	—	—	16,507,514
Building commission; discount sale of debt (higher education bonds)	100,000,000	99,988,833 ^(c)	—	—	—	11,167
Building commission; other public purposes	3,352,594,900	2,992,048,174	13,455,450	138,431,290	24,997,548	183,662,438
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities	10,000,000	10,000,000	—	—	—	—
Norskedalen Nature and Heritage Center	1,048,300	—	—	—	—	1,048,300
Bond Health Center	1,000,000	983,307	10	16,682	—	1
Lac du Flambeau Indian Tribal Cultural Center	250,000	210,495	1	39,504	—	—
Dane County; livestock facilities	9,000,000	7,577,838	28	1,422,134	—	—
K I Convention Center	2,000,000	1,725,394	83	274,522	—	1
HR Academy, Inc.	1,500,000	1,500,000	—	—	—	—
Medical College of Wisconsin, Inc.; biomedical research and technology incubator; cancer research facility	45,000,000	42,564,802	16	1,929,573	342,086	163,523
AIDS Resource Center of Wisconsin, Inc.	800,000	800,000	—	—	—	—
Bradley Center Sports and Entertainment Corporation	5,000,000	4,869,946	—	130,053	—	1
Medical College of Wisconsin, Inc.; community medical education facilities	7,384,300	6,492,766	3,054	785,486	—	102,994
Family justice center	10,625,000	9,109,385	49	1,515,566	—	—
Marquette University; dental clinic and education facility	25,000,000	23,942,671	822	1,056,507	—	—
Civil War exhibit at the Kenosha Public Museum	500,000	500,000	—	—	—	—
AIDS Network, Inc.	300,000	300,000	—	—	—	—
Wisconsin Maritime Center of Excellence	5,000,000	4,383,263	64	616,673	—	—
Milwaukee Police Athletic League; youth activities center	1,000,000	1,000,000	—	—	—	—

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund ^(a)		G.O. Bonds of 2026, Series A ^(b)	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Hmong cultural center.....	\$250,000	\$250,000	—	—	—	—
Children's research institute.....	10,000,000	10,000,000	—	—	—	—
Domestic Abuse Intervention Services, Inc.....	560,000	476,628	\$45	\$83,327	—	—
Carroll University.....	3,000,000	2,393,935	49	403,127	—	\$202,889
Wisconsin Agriculture Education Center, Inc.	5,000,000	4,522,862	49	477,090	—	—
Eau Claire Confluence Arts, Inc.	15,000,000	13,462,195	38	1,537,766	—	1
Psychiatric and behavioral health treatment beds; Marathon County.....	5,000,000	4,492,343	35	507,623	—	—
Administration; school educational technology infrastructure financial assistance.....	71,911,300	71,480,216	431,066	—	—	18
Myrick Hixon EcoPark, Inc.	500,000	\$500,000	—	—	—	—
Madison Children's Museum.....	250,000	250,000	—	—	—	—
Administration; public library educational technology infrastructure financial assistance ..	269,000	268,918	42	—	—	40
La Crosse Center.....	5,000,000	4,104,366	73	895,560	—	1
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus.....	5,000,000	4,245,324	51	754,625	—	—
Brown County innovation center.....	5,000,000	4,243,415	30	756,555	—	—
Beyond Vision; VisABILITY Center.....	5,000,000	4,681,064	19	318,917	—	—
Building Commission; projects	25,000,000	11,036,437	48,824	1,185,577	\$591,561	12,137,601
Center.....	15,000,000	13,701,388	—	1,295,419	—	3,193
Medical College of Wisconsin eye institute	10,000,000	—	—	—	—	10,000,000
Museum of nature and culture	40,000,000	21,552,768	51,562	2,697,079	9,999,995	5,698,596
Educational communications board; educational communications facilities	24,169,000	24,112,683	38,515	11,925	—	5,877
Grand Opera House in Oshkosh	500,000	500,000	—	—	—	—
Aldo Leopold climate change classroom and interactive laboratory	500,000	485,000	8	14,992	—	—
Historical society; self-amortizing facilities	1,029,300	1,029,156	3,896	—	—	—
Historical society; historic records.....	26,650,000	22,951,919	137	3,169,487	—	\$528,457
Historical society; historic sites	17,912,800	11,441,087	21,289	641,746	2,499,999	3,308,679
Historical society; museum facility	74,384,400	13,191,083	63,097	1,171,328	11,399,994	48,558,898
Historical society; Wisconsin history center	16,000,000	9,730,576	457	1,486,848	—	4,782,119
Public instruction; state school, state center and library facilities	37,350,600	11,845,469	36,584	467,826	179,124	24,821,597

Program Purpose	Credit to Capital Improvement Fund ^(a)					
	Legislative Authorization	General Obligations Issued to Date	Interest Earnings	Premium	G.O. Bonds of 2026, Series A ^(b)	Total Authorized Unissued Debt
Military affairs; armories and military facilities ..	\$96,195,100	\$58,995,875	\$372,502	\$3,856,293	\$3,682,976	\$29,287,454
Veterans affairs; veterans facilities	75,845,200	17,315,079	65,528	1,036,945	2,718,653	54,708,995
Veterans affairs; self-amortizing mortgage loans	2,122,542,395	2,122,542,395	—	—	—	—
Veterans affairs; refunding bonds	1,015,000,000	761,594,245	—	—	—	253,405,755
Veterans affairs; self-amortizing facilities	185,881,100	56,985,257	10,305	6,435,257	4,648,818	117,801,463
State fair park board; board facilities	32,776,100	14,769,363	1	—	—	18,006,736
State fair park board; housing facilities	11,000,000	10,999,985	15	—	—	—
State fair park board; self-amortizing facilities....	70,037,100	60,504,297	45,297	980,100	124,908	8,382,498
Total	<u>\$45,511,401,047</u>	<u>\$36,375,972,514</u>	<u>\$92,673,576</u>	<u>\$1,032,712,124</u>	<u>\$545,324,690</u>	<u>\$7,464,721,994</u>

(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. Numbers may not sum to total due to rounding.

(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: DOA

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

\$474,830,000

STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2026, SERIES A

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$474,830,000 General Obligation Bonds of 2026, Series A, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to 2025 State of Wisconsin Building Commission Resolution 8 adopted on December 17, 2025 (**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 excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (**Code**) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code. The State must continuously comply with all requirements of the Code that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. 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 irrespective of the date on which such noncompliance occurs or is ascertained. We express no opinion as to other federal tax law consequences regarding the ownership or disposition of, or the amount, accrual or receipt of interest on, 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 January 20, 2026 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).

The opinions set forth in this letter are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date of this letter and we assume no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Bonds, even if such actions, inactions or changes come to our attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein. In acting as bond counsel, we have established an attorney-client relationship solely with the State.

Very truly yours,

Foley & Lardner LLP

