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.

$213,615,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2020, SERIES A

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

Ratings	AA+ Kroll Bond Rating Agency, Inc. Aa1 Moody's Investors Service, Inc. AA S&P Global Ratings
Tax Exemption	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 7-8.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 8.*
Redemption	The Bonds maturing on or after May 1, 2029 are callable at par on May 1, 2028 or any date thereafter—*See page 2.*
Security	General obligations of the State of Wisconsin–*See page 2.*
Purpose	Bond proceeds are being used for various general governmental purposes—*See page 3.*
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2020
Denominations	Multiples of $5,000
Closing/Settlement	On or about June 18, 2020
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See pages 3-4.*
2019 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 27, 2019.

The Bonds were sold at competitive sale on June 3, 2020. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Due (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705M QW8	2021	$ 8,530,000	5.00%	Not Callable	-
97705M QX6	2022	8,525,000	5.00	Not Callable	-
97705M QY4	2023	8,585,000	5.00	Not Callable	-
97705M QZ1	2024	8,695,000	5.00	Not Callable	-
97705M RA5	2025	8,855,000	5.00	Not Callable	-
97705M RB3	2026	9,000,000	5.00	Not Callable	-
97705M RC1	2027	9,255,000	5.00	Not Callable	-
97705M RD9	2028	9,540,000	5.00	Not Callable	-
97705M RE7	2029	10,530,000	4.00	2028	100%
97705M RF4	2030	11,130,000	4.00	2028	100
97705M RG2	2031	9,365,000	5.00	2028	100
97705M RH0	2032	9,870,000	5.00	2028	100
97705M RJ6	2033	10,340,000	5.00	2028	100
97705M RK3	2034	10,880,000	5.00	2028	100
97705M RL1	2035	11,430,000	5.00	2028	100
97705M RM9	2036	12,045,000	5.00	2028	100
97705M RN7	2037	12,650,000	5.00	2028	100
97705M RP2	2038	13,310,000	5.00	2028	100
97705M RQ0	2039	15,140,000	4.00	2028	100
97705M RR8	2040	15,940,000	4.00	2028	100

Purchase Price: $262,757,825.72

June 3, 2020

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

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

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

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

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

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

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	Term of Office Expires
Governor Tony Evers, Chairperson	January 9, 2023
Representative Rob Swearingen, Vice Chairperson	January 4, 2021
Senator Jerry Petrowski	January 4, 2021
Senator Janis Ringhand	January 4, 2021
Senator Patrick Testin	January 4, 2021
Representative Mark Born	January 4, 2021
Representative Jill Billings	January 4, 2021
Ms. Summer Strand, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

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

Building Commission Secretary

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

OTHER PARTICIPANTS

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

DEBT MANAGEMENT AND DISCLOSURE

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

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

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

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

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

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

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Bonds of 2020, Series A
Principal Amount:	$213,615,000
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (on or about June 18, 2020)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2020
Maturities:	May 1, 2021-2040—*See front cover.*
Redemption:	*Optional*—The Bonds maturing on or after May 1, 2029 are callable at par on May 1, 2028 or any date thereafter—*See page 2.*
Form:	Book-entry-only—*See pages 3-4.*
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of May 15, 2020, general obligations of the State were outstanding in the principal amount of $7,107,914,888.
Additional General Obligation Debt:	The State may issue additional general obligation debt —*See page 4*.
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 7-8.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 8.*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP—*See page C-1.*
2019 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 27, 2019.

OFFICIAL STATEMENT

$213,615,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2020, SERIES A

INTRODUCTION

This Official Statement provides information about the $213,615,000 General Obligation Bonds of 2020, Series A **(Bonds)**, which are being issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2019 **(2019 Annual Report)**.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to an authorizing resolution that the State of Wisconsin Building Commission **(Commission)** adopted on May 20, 2020.

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 2019 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2019 Annual Report, including but not limited to:

- The COVID-19 pandemic and the State's response to such pandemic. At this time, neither the Wisconsin Department of Revenue **(DOR)** nor the Legislative Fiscal Bureau **(LFB)** has released any projections of changes in General Fund tax collections or the General Fund condition statement.
- Estimated General Fund condition statement for the 2019-21 biennium and General Fund tax revenue estimates for the 2019-20 and 2020-21 fiscal years, as included in a report provided by LFB on January 23, 2020 **(January 2020 LFB Report)**.
- General Fund information for the 2019-20 fiscal year through March 31, 2020, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2019-20 fiscal year, which is presented on a cash basis.

The estimates and projections included in the January 2020 LFB Report and the March 31, 2020 General Fund information are provided for historical context only; they do not reflect developments related to the COVID-19 pandemic and do not represent the State's current expectations as to fiscal year 2019-20 or 2020-21 results.

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

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

THE BONDS

General

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

The Bonds will be dated their date of delivery (expected to be June 18, 2020) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on November 1, 2020.

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

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

Security

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

Redemption Provisions

Optional Redemption

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

Selection of Bonds

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

Notice of Redemption

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

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

Registration and Payment of Bonds

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

Ratings

The following ratings have been assigned to the Bonds:

Rating	Rating Organization
AA+	Kroll Bond Rating Agency, Inc.
Aa1	Moody's Investors Service, Inc.
AA	S&P Global Ratings

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

Application of Bond Proceeds

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

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

Book-Entry-Only Form

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

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

Payment

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

Notices and Voting Rights

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

Redemption

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

Discontinued Service

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

Further Information

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

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

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

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

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

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

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is $4,356,545,425, and the cumulative debt limit is $29,043,636,165. Funding or refunding obligations are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of May 15, 2020, general obligations of the State were outstanding in the principal amount of $7,107,914,888. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans for Calendar Year 2020

General Obligations

The Bonds will be the third series of general obligations to be issued in calendar year 2020. The State has previously issued two series of general obligation refunding bonds in the principal amount of $327 million for the refunding of general obligation bonds previously issued for general governmental purposes.

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

- Up to $795 million of general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. On March 5, 2020, the State released a Preliminary Official Statement for $281 million general obligation refunding bonds. The amount and timing of any sale and issuance of such general obligation refunding bonds and of any additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding general obligation commercial paper notes, extendible municipal commercial paper notes, and variable rate demand obligation notes, which were outstanding in the amount of $374 million as of May 15, 2020. The amount and timing of any issuance of general obligations for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates either with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

The Commission likely will be asked to authorize the issuance of other general obligations before the end of calendar year 2020 for general governmental purposes. The amount and timing of any issuance in calendar year 2020 of general obligations for this purpose depend on disbursements from the State Capital Improvement Fund for authorized purposes.

Other Obligations

The State has not issued any transportation revenue obligations in this calendar year. The Commission has authorized up to $525 million of transportation revenue obligations to refund outstanding transportation revenue bonds. On March 16, 2020, the State released a Preliminary Official Statement for $200 million transportation revenue refunding bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend, among other factors, on market conditions. In addition, the amount and timing of any authorization and issuance of transportation revenue obligations for the financing of transportation facilities and highway projects depend on the expenditures for such projects.

The State has issued one series of environmental improvement fund revenue bonds in calendar year 2020 in the principal amount of $80 million. The amount and timing of any additional issuance of environmental improvement fund revenue bonds depend on many factors, but an issuance is not likely to occur during the remainder of calendar year 2020.

The State has issued one series of general fund annual appropriation refunding bonds in calendar year 2020 in the principal amount of $623 million for the refunding of outstanding general fund annual appropriation bonds. The State may sell, or sell and issue, additional general fund annual appropriation refunding bonds in this calendar year for the refunding of outstanding general fund appropriation bonds. The amount and timing of any issuances of general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State has not issued any master lease certificates of participation in this calendar year. The State may sell and issue master lease certificates of participation in this calendar year. The amount and timing of any issuance of master lease certificates of participation depend, among other factors, on market conditions and originations in the State's Master Lease Program.

The State will not issue any operating notes for the 2019-20 fiscal year and does not currently intend to issue operating notes for the 2020-21 fiscal year; however, the State has not yet determined the effects of the COVID-19 pandemic on the General Fund tax collections and General Fund cash flows for the 2020-21 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on June 3, 2020 by the following account **(Underwriters)**: J.P. Morgan Securities LLC (book-running manager); Academy Securities, Inc.; Estrada Hinojosa & Company; and Multi-Bank Securities, Inc.

The Underwriters paid $262,757,825.72, and their bid resulted in a true-interest-cost rate to the State of 2.302126%.

Reference Information About the Bonds

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

$213,615,000
State of Wisconsin
General Obligation Bonds of 2020, Series A

Dated Date: Date of Delivery
First Interest Date: November 1, 2020
Delivery/Settlement Date: On or about June 18, 2020

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance		First Optional Call Date (May 1)	Call Price
97705M QW8	2021	$ 8,530,000	5.00%	0.16%	104.203%		Not Callable	-
97705M QX6	2022	8,525,000	5.00	0.19	108.971		Not Callable	-
97705M QY4	2023	8,585,000	5.00	0.24	113.603		Not Callable	-
97705M QZ1	2024	8,695,000	5.00	0.29	118.109		Not Callable	-
97705M RA5	2025	8,855,000	5.00	0.37	122.322		Not Callable	-
97705M RB3	2026	9,000,000	5.00	0.51	125.930		Not Callable	-
97705M RC1	2027	9,255,000	5.00	0.62	129.411		Not Callable	-
97705M RD9	2028	9,540,000	5.00	0.71	132.776		Not Callable	-
97705M RE7	2029	10,530,000	4.00	0.86	123.842	(a)	2028	100%
97705M RF4	2030	11,130,000	4.00	0.98	122.817	(a)	2028	100
97705M RG2	2031	9,365,000	5.00	1.01	130.109	(a)	2028	100
97705M RH0	2032	9,870,000	5.00	1.11	129.234	(a)	2028	100
97705M RJ6	2033	10,340,000	5.00	1.21	128.366	(a)	2028	100
97705M RK3	2034	10,880,000	5.00	1.26	127.934	(a)	2028	100
97705M RL1	2035	11,430,000	5.00	1.28	127.762	(a)	2028	100
97705M RM9	2036	12,045,000	5.00	1.35	127.161	(a)	2028	100
97705M RN7	2037	12,650,000	5.00	1.37	126.990	(a)	2028	100
97705M RP2	2038	13,310,000	5.00	1.41	126.649	(a)	2028	100
97705M RQ0	2039	15,140,000	4.00	1.70	116.872	(a)	2028	100
97705M RR8	2040	15,940,000	4.00	1.74	116.552	(a)	2028	100

[a] These Bonds are priced to the May 1, 2028 first optional call date.

Legal Investment

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

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

Legal Opinions

Bond Opinion

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

Attorney General

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

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

Other Legal Matters

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

TAX MATTERS

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The State must comply with certain requirements of the Internal Revenue Code for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the Bonds are issued. No provision is made for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds is included in gross income.

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

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

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

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

State of Wisconsin Income and Franchise Taxes

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

Premium Bonds

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

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

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

CONTINUING DISCLOSURE

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

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

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

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

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

Dated: June 3, 2020

STATE OF WISCONSIN

/S/ TONY EVERS
Governor Tony Evers, Chairperson
State of Wisconsin Building Commission

/S/ JOEL T. BRENNAN
Joel T. Brennan, Secretary
State of Wisconsin Department of Administration

/S/ NAOMI DE MERS
Naomi De Mers, Secretary
State of Wisconsin Building Commission

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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 27, 2019 **(2019 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 2019 Annual Report, including, but not limited to:

- The COVID-19 pandemic and the State's response to such pandemic. At this time, neither the Wisconsin Department of Revenue **(DOR)** nor the Legislative Fiscal Bureau **(LFB)** has released any projections of changes in General Fund tax collections or the General Fund condition statement.
- Estimated General Fund condition statement for the 2019-21 biennium and General Fund tax revenue estimates for the 2019-20 and 2020-21 fiscal years, as included in a report provided by LFB on January 23, 2020 (**January 2020 LFB Report**).
- General Fund information for the 2019-20 fiscal year through March 31, 2020, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2019-20 fiscal year, which is presented on a cash basis.

The estimates and projections included in the January 2020 LFB Report and the March 31, 2020 General Fund information are provided for historical context only; they do not reflect developments related to the COVID-19 pandemic and do not represent the State's current expectations as to fiscal year 2019-20 or 2020-21 results.

Part II of the 2019 Annual Report contains general information about the State. More specifically, that part presents information about the following matters:

- 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 2018-19 fiscal year and summary of 2019-21 biennial budget)
- Potential effects of litigation
- State obligations
- Employee pension funds and other post-employment benefits
- State Investment Board
- Statistical information about the State's population, income, and employment

The State's audited General Purpose External Financial Statements and independent auditor's report provided by the State Auditor for the fiscal year ended June 30, 2019, 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 2019 Annual Report.

Part III of the 2019 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 2019 Annual Report and the Comprehensive Annual Financial Report **(CAFR)** for the fiscal year ended June 30, 2019 were both filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The 2019 Annual Report and the CAFR are also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin" and the State investor relations web site.

The Capital Finance Office web site and the State investor relations web site are located at the following addresses:

doa.wi.gov/capitalfinance
wisconsinbonds.com

Copies of the 2019 Annual Report may also be obtained from:

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

The State has independently provided periodic reports on general fund financial information. These reports are not required by any of the State's undertakings to provide information concerning the State's securities. These reports are available on the State's Capital Finance Office web site that is listed above and were also filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 2019 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2019 Annual Report, certain changes or events have occurred that affect items discussed in the 2019 Annual Report. Listed below, by reference to particular sections of Part II of the 2019 Annual Report, are changes or additions to the information contained in those particular sections. When such changes occur, the State may or may not file notices with the MSRB. However, the State has filed, and expects to continue to file, informational notices with the MSRB, some of which may be notices that are not required to be filed under the State's undertakings.

State Budget; Budgets for 2019-20 and 2020-21 Fiscal Years (Part II, Page 37) and **State Budget; Estimated General Fund Tax Collections for 2019-21 Biennium** (Part II; Pages 37-39).. Update with the following information:

LFB Preliminary April General Fund Tax Collections

On May 6, 2020, LFB released a memorandum (**May 2020 LFB Memo**) that provided preliminary information on General Fund tax collections for April 2020, which were approximately $870 million less than General Fund tax collections in April 2019. However, the memo did not identify the amount of revenues that might be delayed until July 2020 due to the extension of the income tax filing to July2020 from April 2020, and the amount of revenues that are lost as a result of the COVID-19 pandemic.

Additional details of these preliminary April 2020 collections are outlined below:

- Preliminary individual income tax collections for April 2020 were $676 million lower than those collected in April 2019. LFB notes that most of the decline individual income tax collections is likely caused by the delayed filing dates for estimated payments and final payments.
- Sales tax collections reported for April 2020 generally reflect taxes paid for retail sales occurring in March 2020. Sales tax collections for April 2020 were lower than April collections in the previous year by $48 million.
- Corporate income/franchise tax collections for April 2020 were $177 million than those collected in April 2019. LFB notes that most corporate tax collections are paid to the state as estimated payments, and similar to individual income tax collections, most corporations have likely taken advantage of the filing date extension and will wait to make payments until the July date.
- An expected transfer of $189 million to the Budget Stabilization Fund from the General Fund for the 2019-20 fiscal year, as identified in January 2020 LFB Report, is now unlikely. The funds will

likely remain in the General Fund; due to the COVID-19 pandemic, General Fund tax collections are likely to be less than those included in the 2019-21 biennial budget for that fiscal year.

The memo does not provide any forecast or updated estimates of General Fund tax collections and General Fund condition statement.

COVID-19 Update

In response to the COVID-19 pandemic, national and State emergency declarations have been put in place, resulting in significant reductions in business, travel, and other economic activity.

On March 12, 2020, Governor Tony Evers issued Executive Order #72, which declared a public health emergency and designated the Department of Health Services (**DHS**) as the lead agency to respond to the emergency. Under the Wisconsin Statutes, a state of emergency declared by the Governor cannot exceed 60 days, unless extended by joint resolution of the Legislature. This emergency declaration has expired and the Legislature has not taken any action on such matter.

In addition, Governor Evers and the Secretary-designee of DHS issued various executive and emergency orders related to COVID-19 pandemic:

- On March 13, 2020, Governor Evers issued Emergency Order #1, which directed the closure of all public and private schools in the State, effective March 18, 2020.
- On March 17, 2020, Governor Evers issued Emergency Order #5, which, as modified by Emergency Order #8 on March 20, 2020, prohibited gatherings of ten or more persons.
- On March 24, 2020, the Secretary-designee of DHS issued Emergency Order #12 (Safer at Home Order), which ordered all individuals present within the State to stay at their place of residence through April 24, 2020, with exceptions for essential activities, and to maintain social distancing of at least six feet from any other person, except for household members living in the same unit.
- On April 16, 2020, the Secretary-designee of DHS issued Emergency Order #28, which extended the Safer at Home Order to May 26, 2020 with additional exceptions for essential and other activities.
- On April 20, 2020, the Secretary-designee of DHS issued Emergency Order #31, which included an initiative (referred to as the "Badger Bounce Back") for the State to adopt a phased approach to re-opening its economy and society with incrementally fewer restrictions on businesses and individuals while protecting the public from COVID-19.

All Executive Orders and Emergency Orders related to COVID-19 are available on the following web site: https://evers.wi.gov/Pages/Newsroom/Executive-Orders.aspx. The web site is provided for the convenience of the reader only and is not incorporated by reference into this Official Statement. While some Executive Orders and Emergency Orders have expired or are no longer in effect, they are mentioned in this summary as their financial impact on the State have not yet been reported.

As part of the State's plan to reopen the economy, Governor Evers announced that nearly all nonessential businesses would be allowed to re-open with certain capacity limitations. This order became effective immediately on May 11, 2020.

The State's Legislature filed a lawsuit in the State Supreme Court challenging the validity of Emergency Order #28. On May 13, 2020, the State Supreme Court overturned many provisions of the Emergency Order #28 and its extension of the Safer-At Home Order. This ruling struck down the State ban on business closures and public gatherings. Any further plans from DHS to place restrictions are to be approved by the State's Legislature prior to implementation, but at this time DHS has indicated that no such plan in the form of administrative rules is being planned. Some local governments implemented stay-at-home orders following the Supreme Court order, but some later rescinded such orders. At this time, certain restrictions are still in place for the cities of Milwaukee and Madison. The validity of these restrictions is not clear.

The United States Internal Revenue Service announced on March 21, 2020 that the deadline for filing federal income tax returns is being extended from April 15, 2020, to July 15, 2020, and that tax payments otherwise due on April 15 will not be due until July 15. The Wisconsin Department of Revenue (**DOR**) has indicated that it will automatically adopt the federal deadlines and due dates for State income and franchise tax returns and payments. During the period of the extension, no penalties will be incurred, and no interest will accrue, for payments otherwise due.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (**CARES Act**). The CARES Act contains numerous provisions that authorize payments to individuals, businesses, and governments, including the establishment of a Coronavirus Relief Fund. LFB initially identified up to $2.3 billion of federal funds that the State and local units of government in the State may receive from the Coronavirus Relief Fund, based on 2019 population estimates. Initial payments have been received from the Coronavirus Relief Fund, and on May 19, 2020 Governor Evers announced a plan to set aside approximately $1.0 billion of these funds for expenditures in the State related to COVID-19. The Coronavirus Relief Fund is just one component of the CARES Act and other federal funds may be available pursuant to other provisions of the CARES Act or future federal legislation.

On April 15, 2020, Governor Evers signed 2019 Wisconsin Act 185, which was adopted by the Legislature in an extraordinary session and includes several amendments to State law in response to the pandemic. The State expects that additional actions will be taken by federal, State, and local governments and private entities to mitigate the spread of and effects of COVID-19, and such actions may result in additional General Fund expenditures. Any such additional State legislation would need to be adopted by the Legislature and approved by the Governor before it becomes effective.

On April 28, 2020, the Secretary of Administration directed State agencies to reduce general fund expenditures for the 2019-20 fiscal year by 5%. The reduction is in addition to prior restrictions on employee travel, a hiring freeze with exceptions for COVID-19-related positions and those essential for business functions, and suspension of discretionary merit compensation. This reduction only applies to State operations and not to local assistance, aid to individuals or organizations.

Because the effects of COVID-19 essentially started within recent months and the duration and the breadth of the effects of COVID-19 are not yet known, the total economic impact on the State, including General Fund tax collections and General Fund cash flows for fiscal years 2019-2020 and 2020-21, cannot be determined at this time. Neither DOR nor LFB has released any projections of changes in General Fund tax collections or the General Fund condition statement. However, the pandemic and the emergency responses have resulted in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced business demand, worker layoffs, furloughs, and reductions in hours, and supply shortages.

It is likely that the full financial impact of COVID-19 on the State, the State's economy, and the State's financial position will change significantly as circumstances and events evolve. It is not possible at present to project with any reasonable degree of certainty the impact on State revenues, expenditures, reserves, budget, or financial position. The information in this summary is subject to change without notice and only speaks as of its date. While it may be some time before it can determine the full economic and financial impact of the COVID-19 pandemic, the State intends to file any appropriate reports from DOR or LFB on the EMMA system of the MSRB.

January 2020 LFB Report – General Fund Condition Statement

The January 2020 LFB Report included an updated General Fund condition statement and estimated General Fund tax revenues for each fiscal year of the 2019-21 biennium. The net General Fund balance for the end of the biennium (June 30, 2021) was projected to be $620 million. This is $452 million higher than the balance that was projected at the time of the enactment of the 2019-21 biennial budget **(2019 Wisconsin Act 9)**, as modified to incorporate the fiscal year 2018-19 ending balance as shown in the Annual Fiscal Report for fiscal year 2018-19.

The following table sets forth the estimated General Fund condition statement for each fiscal year of the 2019-21 biennium as included in the January 2020 LFB Report. The table also includes, for comparison, the estimated General Fund condition statement for each year of the 2019-21 biennium, as included in 2019 Wisconsin Act 9. Both the January 2020 LFB Report and the following table are provided for historical context only; they do not represent the State's current expectations about General Fund balances for either fiscal year 2019-20 or 2020-21. See "COVID-19 Update" in this Appendix A.

ESTIMATED GENERAL FUND CONDITION STATEMENTS
2019-2020 AND 2020-2021 FISCAL YEARS
(in Millions)

	2019-20 Fiscal Year		2020-2021 Fiscal Year	
	2019 Wisconsin Act 9[1]	January 2020 LFB Report[2]	2019 Wisconsin Act 9[1]	January 2020 LFB Report[2]
Revenues				
Opening Balance	$ 947.7	$1,086.9	$ 792.3	$1,147.6
Taxes	17,303.6	17,699.1	17,654.8	18,077.5
Department Revenues				
Tribal Gaming	23.8	24.6	24.9	25.8
Other	540.5	535.9	530.8	553.7
Total Available	$18,815.6	$19,346.5	$ 19,002.7	$19,804.6
Appropriations				
Gross Appropriations	$18,386.9	$18,387.0	$19,201.8	$19,201.8
Sum Sufficient Reestimates		(13.7)		(11.7)
Compensation Reserves	13.4	13.4	94.5	94.5
Transfers	43.3	232.6	44.1	263.9
Less: Lapses	(420.2)	(420.4)	(451.8)	(449.1)
Net Appropriations	$18,023.4	$18,198.8	$18,888.6	$19,099.4
Balances				
Gross Balance	$ 792.3	$1,147.7	$ 114.2	$705.2
Less: Req. Statutory Balance	(80.0)	(80.0)	(85.0)	(85.0)
Net Balance, June 30	$ 712.3	$1,067.7	$ 29.2	$620.2

[1] Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Does not reflect the ending actual General Fund balance of the 2018-19 fiscal year of $1,087 million, as included in the Annual Fiscal Report (budgetary basis) released on October 15, 2019.
[2] Does not reflect COVID-19 Update.

Based on the General Fund tax revenue estimates in the January 2020 LFB Report, the above estimated General Fund condition statement included estimated 2019-20 and 2020-21 fiscal year deposits of $189 million and $220 million, respectively, from the General Fund to the Budget Stabilization Fund. These projected deposits reflected General Fund tax revenue estimates for those fiscal years being higher than estimated in 2019 Wisconsin Act 9. However, as noted in the May 2020 LFB Memo, due to the reduction in General Fund tax collections resulting from COVID-19, these transfers from the General Fund to the Budget Stabilization Fund will not likely occur.

January 2020 LFB Report – General Fund Tax Collections

The January 2020 LFB Report included an updated General Fund condition statement and estimated General Fund tax revenues for each fiscal year of the 2019-21 biennium. The estimated General Fund tax revenues were $17.699 billion in the 2019-20 fiscal year and $18.078 billion in the 2020-21 fiscal year. These amounts are $395 million and $423 million, respectively, greater than the estimated General Fund tax revenues as included in the 2019-21 biennial budget. The estimated General Fund tax revenues for the 2019-20 fiscal year was $358 million (or 2.1%) greater than General Fund tax revenues in the 2018-19 fiscal year.

The following table sets forth the estimated General Fund tax revenues for each fiscal year of the 2019-21 biennium as included in the January 2020 LFB Report. The table also includes, for comparison, the estimated General Fund tax revenues for each year of the 2019-21 biennium, as included in 2019 Wisconsin Act 9, and the actual General Fund tax revenues from the 2018-2019 fiscal year. Both the January 2020 LFB Report and the following table are provided for historical context only; they do not represent the State's current expectations about General Fund tax collections for either fiscal year 2019-20 or 2020-21. See "COVID-19 Update" in this Appendix A.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2019-2020 AND 2020-2021 FISCAL YEARS
(in Millions)

		2019-20 Fiscal Year		2020-2021 Fiscal Year	
	2018-2019 Annual Fiscal Report	2019 Wisconsin Act 9[1]	January 2020 LFB Report[2]	2019 Wisconsin Act 9[1]	January 2020 LFB Report[2]
Individual Income	$ 8,994.1	$ 8,923.1	$8,950.0	$ 9,142.0	$9,235.0
Sales and Use	5,695.5	5,877.3	5,930.0	5,960.5	6,010.0
Corp. Income & Franchise	1,338.1	1,165.5	1,495.0	1,205.4	1,505.0
Public Utility	364.9	366.0	358.0	364.0	362.0
Excise					
Cigarettes	514.3	515.0	512.0	507.0	497.0
Tobacco Products	85.5	90.0	90.0	94.0	92.0
Liquor & Wine	53.6	55.0	55.0	56.0	56.0
Vapor Products		2.3	2.3	3.2	3.2
Beer	8.5	8.9	8.3	8.9	8.3
Insurance Company	194.4	203.0	201.0	211.0	209.0
Miscellaneous Taxes	92.5	97.5	97.5	102.7	100.0
TOTAL	$17,341.4	$17,303.6	$17,699.1	$17,654.8	$18,077.5

[1] Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues.
[2] Does not reflect COVID-19 Update.

A complete copy of the January 2020 LFB Report, which includes a national economic forecast and its application to the State's General Fund tax revenue estimates, is included at the end of this Appendix A. In addition, the State has filed the January 2020 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages A-1 and A-2. As noted above, the January 2020 LFB Report does not reflect the impacts of the COVID-19 pandemic.

General Fund Information; General Fund Cash Flow (Part II; Pages 44-57). The following tables provide updates and additions to various tables containing General Fund information for the 2019-20 fiscal year through March 31, 2020 and projections for the remainder of the 2019-20 fiscal year, which are presented primarily on a cash basis. The projections and estimates for the remainder of the 2019-20 fiscal year reflect 2019 Wisconsin Act 9 and a report released by LFB on May 15, 2019 **(May 2019 LFB Report)**, and the January 2020 LFB Report, but do not reflect the impacts expected from the COVID-19 pandemic. In addition, the following tables are presented for historical context only; they present actual information through March 31, 2020 but the projections as of that date continue to reflect only 2019 Wisconsin Act 9, the May 2019 LFB Report, and the January 2020 LFB Report and the projections and estimates do not represent the expected impact on the State from the COVID-19 pandemic.

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

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

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

Table II-11; General Fund Cash Flow (Part II; Page 48). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2019 TO MARCH 31, 2020
PROJECTED GENERAL FUND CASH FLOW; JANUARY 1, 2020 TO JUNE 30, 2020[(a)]
(Cash Basis)

	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
BALANCES[(a)(b)]												
Beginning Balance	$ 2,509,532	$ 1,696,340	$ 1,631,925	$ 3,110,416	$ 3,878,045	$ 3,076,744	$ 3,007,283	$ 3,965,154	$ 3,496,859	$ 2,436,180	$ 2,707,466	$ 3,072,097
Ending Balance[(c)]	1,696,340	1,631,925	3,110,416	3,878,045	3,076,744	3,007,283	3,965,154	3,496,859	2,436,180	2,707,466	3,072,097	2,219,393
Lowest Daily Balance [(c)]	1,423,684	1,149,561	1,631,925	2,768,821	2,991,765	1,933,672	2,603,879	3,496,859	2,179,107	1,971,858	2,104,139	1,474,843
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 977,646	$ 450,182	$ 1,151,013	$ 856,978	$ 502,663	$ 977,868	$ 1,227,226	$ 549,522	$ 1,097,793	$ 1,144,218	$ 462,047	$ 1,002,052
Sales & Use	578,086	557,654	572,319	555,892	515,980	503,381	626,742	463,529	437,355	531,851	508,950	578,306
Corporate Income	50,934	33,646	313,638	62,031	54,209	312,991	88,248	82,451	263,528	113,124	69,683	183,062
Public Utility	39	2	556	22,910	193,659	524	170	47	4	5,455	193,152	327
Excise	50,830	66,273	62,536	55,848	59,107	53,335	55,102	46,678	50,440	49,038	53,910	64,060
Insurance	416	3,843	41,448	320	1,572	44,242	2,457	25,224	30,112	43,957	5,035	42,865
Subtotal Tax Receipts	$ 1,657,951	$ 1,111,600	$ 2,141,510	$ 1,553,979	$ 1,327,190	$ 1,892,341	$ 1,999,945	$ 1,167,451	$ 1,879,232	$ 1,887,643	$ 1,292,777	$ 1,870,672
NON-TAX RECEIPTS												
Federal	$ 959,908	$ 681,496	$ 1,214,847	$ 649,556	$ 900,685	$ 882,614	$ 816,879	$ 997,804	$ 768,134	$ 668,436	$ 906,442	$ 753,992
Other & Transfers	504,975	386,006	747,389	660,743	296,665	488,398	538,632	636,006	541,143	622,428	405,244	533,724
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,464,883	$ 1,067,502	$ 1,962,236	$ 1,310,299	$ 1,197,350	$ 1,371,012	$ 1,355,511	$ 1,633,810	$ 1,309,277	$ 1,290,864	$ 1,311,686	$ 1,287,716
TOTAL RECEIPTS	$ 3,122,834	$ 2,179,102	$ 4,103,746	$ 2,864,278	$ 2,524,540	$ 3,263,353	$ 3,355,456	$ 2,801,261	$ 3,188,509	$ 3,178,507	$ 2,604,463	$ 3,158,388
DISBURSEMENTS												
Local Aids	$ 1,609,156	$ 133,860	$ 894,453	$ 79,732	$ 920,253	$ 1,314,467	$ 164,214	$ 695,651	$ 1,901,137	$ 66,405	$ 189,033	$ 2,138,311
Income Maintenance	1,093,492	862,355	781,888	831,436	787,037	882,775	874,365	853,942	876,830	828,082	763,466	619,587
Payroll and Related	427,817	543,757	348,625	383,392	632,085	334,117	650,742	532,279	348,368	467,112	464,194	470,024
Tax Refunds	98,807	110,417	102,278	153,084	133,919	240,784	122,034	639,787	628,317	403,342	219,126	160,980
Debt Service	201,441	-	-	143,234	1,334	-	-	2,107	-	536,932	85,015	-
Miscellaneous	505,313	593,128	498,011	505,771	851,213	560,671	586,230	545,790	494,536	605,348	518,997	622,190
TOTAL DISBURSEMENTS	$ 3,936,026	$ 2,243,517	$ 2,625,255	$ 2,096,649	$ 3,325,841	$ 3,332,814	$ 2,397,585	$ 3,269,556	$ 4,249,188	$ 2,907,221	$ 2,239,831	$ 4,011,092

(a) The results, projections, or estimates for the 2019-20 fiscal year in the following tables reflect 2019 Wisconsin Act 9, and the estimated General Fund tax revenues included in the May 2019 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue but increased sales/use tax and corporate/franchise tax revenues, and the January 2020 LFB Report; however the projections or estimates for the 2019-20 fiscal year do not reflect the COVID-19 Update. Temporary reallocations of cash are not included.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from $1.2 billion to $1.9 billion for the 2019-20 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged and are expected to continue to average approximately $25 million during each fiscal year.

(c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation for the 2019-20 fiscal year, based on 2019 Wisconsin Act 9, are approximately $1.655 billion and $552 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration.

Table II-12; Historical General Fund Cash Flow (Part II; Page 49). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW
ACTUAL FISCAL YEARS 2015-16 TO 2018-19[(a)]
ACTUAL AND PROJECTED FISCAL YEAR 2019-20[(a) (b)]

	Actual 2015-16 Fiscal Year	Actual 2016-17 Fiscal Year	Actual 2017-18 Fiscal Year	Actual 2018-19 Fiscal Year	FY20 YTD Actual through March-20; April-20 through June-20 Estimated[(b)]
RECEIPTS					
Tax Receipts					
Individual Income	$ 9,058,349	$ 9,487,657	$ 9,837,742	$ 10,557,272	$ 10,399,208
Sales	5,425,943	5,549,486	5,867,099	6,132,089	6,430,045
Corporate Income	1,173,106	1,151,868	1,070,879	1,519,561	1,627,545
Public Utility	404,820	415,784	416,406	415,047	416,845
Excise	710,742	708,762	689,653	681,262	667,157
Insurance	62,730	204,510	207,953	218,304	241,491
Total Tax Receipts	$ 16,835,690	$ 17,518,067	$ 18,089,732	$ 19,523,535	$ 19,782,291
Non-Tax Receipts					
Federal	$ 9,375,674	$ 9,396,361	$ 9,214,957	$ 10,093,533	$ 10,200,793
Other and Transfers	4,790,882	5,673,340	6,113,708	6,241,726	6,361,353
Total Non-Tax Receipts	$ 14,166,556	$ 15,069,701	$ 15,328,665	$ 16,335,259	$ 16,562,146
TOTAL RECEIPTS	$ 31,002,246	$ 32,587,768	$ 33,418,397	$ 35,858,794	$ 36,344,437
DISBURSEMENTS					
Local Aids	$ 8,575,297	$ 9,223,782	$ 9,202,809	$ 9,698,906	$ 10,106,672
Income Maintenance	8,848,420	9,186,111	9,370,303	9,747,283	10,055,255
Payroll & Related	5,126,869	5,000,390	5,174,225	5,333,395	5,602,513
Tax Refunds	2,508,923	2,550,017	2,703,269	2,785,514	3,012,875
Debt Service	952,280	891,234	908,172	914,688	970,063
Miscellaneous	5,300,700	5,427,066	5,902,369	6,396,205	6,887,198
TOTAL DISBURSEMENTS	$ 31,312,489	$ 32,278,600	$ 33,261,147	$ 34,875,991	$ 36,634,576
NET CASH FLOW	$ (310,243)	$ 309,168	$ 157,250	$ 982,803	$ (290,139)

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

(b) The projections and estimates for the 2019-20 fiscal year reflect the May 2019 LFB Report, 2019 Wisconsin Act 9, and the January 2020 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

Source: Wisconsin Department of Administration.

Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 51). Replace with the following updated table.

GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR [(a)]
(Cash Basis)
As of March 31, 2020
(Amounts in Thousands)

	2018-19 Fiscal Year through March 31, 2019	2019-20 Fiscal Year through March 31, 2020				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY19 Actual to FY20 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 7,174,682	$ 7,790,891	$ 7,339,671	$ 451,220	$ 451,220	$ 616,209
Sales	4,564,988	4,810,938	4,793,074	17,864	17,864	245,950
Corporate Income	971,843	1,261,676	872,807	388,869	388,869	289,833
Public Utility	219,834	217,911	226,952	(9,041)	(9,041)	(1,923)
Excise	512,273	500,149	512,106	(11,957)	(11,957)	(12,124)
Insurance	130,441	149,634	134,117	15,517	15,517	19,193
Total Tax Receipts	$ 13,574,061	$ 14,731,199	$ 13,878,727	$ 852,472	$ 852,472	$ 1,157,138
Non-Tax Receipts						
Federal	$ 7,833,442	$ 7,871,923	$ 8,120,530	$ (248,607)	$ (248,607)	$ 38,481
Other and Transfers	4,502,731	4,799,956	4,734,594	65,362	65,362	297,225
Total Non-Tax Receipts	$ 12,336,173	$ 12,671,879	$ 12,855,124	$ (183,245)	$ (183,245)	$ 335,706
TOTAL RECEIPTS	$ 25,910,234	$ 27,403,078	$ 26,733,851	$ 669,227	$ 669,227	$ 1,492,844
DISBURSEMENTS						
Local Aids	$ 7,431,872	$ 7,712,923	$ 7,473,722	$ (239,201)	$ (239,201)	$ 281,051
Income Maintenance	7,517,270	7,844,120	8,018,366	174,246	174,246	326,850
Payroll & Related	3,903,659	4,201,182	4,224,844	23,662	23,662	297,523
Tax Refunds	1,929,850	2,229,427	2,202,629	(26,798)	(26,798)	299,577
Debt Service	313,194	348,116	381,752	33,636	33,636	34,922
Miscellaneous	4,642,318	5,140,663	5,068,449	(72,214)	(72,214)	498,345
TOTAL DISBURSEMENTS	$ 25,738,163	$ 27,476,431	$ 27,369,762	$ (106,669)	$ (106,669)	$ 1,738,268
2019-20 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 562,558	$ 562,558	

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

(b) The projections and estimates for the 2019-20 fiscal year reflect the May 2019 LFB Report, 2019 Wisconsin Act 9 and the January 2020 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(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 and the result is a large variance. This column includes adjustments, if any, to the variances to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration.

Table II-14; General Fund Monthly Cash Position (Part II; Page 52). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION [(a)]
July 1, 2017 through March 31, 2020 – Actual
April 1, 2020 through June 30, 2020 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts	Disbursements
2017	July.................	$ 1,369,479	$ 2,817,598	$ 3,503,499
	August................	683,578 [(c)]	2,213,505	2,122,310
	September..........	774,773	3,066,043	2,709,334
	October..............	1,131,482	3,015,806	1,894,354
	November...........	2,252,934	2,447,851	2,621,739
	December...........	2,079,046	2,643,697	3,169,822
2018	January...............	1,552,921	3,275,821	1,883,523
	February............	2,945,219	2,867,326	2,880,688
	March.................	2,931,857	2,419,631	4,221,851
	April..................	1,129,637	3,381,659	2,728,707
	May....................	1,782,589	2,751,853	1,927,755
	June....................	2,606,687	2,517,607	3,597,565
	July.................	1,526,729	3,008,353	3,784,639
	August................	750,443	2,543,464	2,223,489
	September..........	1,070,418	3,391,628	2,607,829
	October..............	1,854,217	3,022,826	1,944,350
	November...........	2,932,693	2,602,316	2,865,162
	December...........	2,669,847	2,567,700	3,189,593
2019	January...............	2,047,954	3,316,179	2,091,074
	February............	3,273,059	2,743,358	2,909,387
	March.................	3,107,030	2,714,410	4,122,640
	April..................	1,698,800	4,416,156	3,243,107
	May....................	2,871,849	2,677,757	2,405,885
	June....................	3,143,721	2,854,647	3,488,836
	July.................	2,509,532	3,122,834	3,936,026
	August................	1,696,340	2,179,102	2,243,517
	September..........	1,631,925	4,103,746	2,625,255
	October..............	3,110,416	2,864,278	2,096,649
	November...........	3,878,045	2,524,540	3,325,841
	December...........	3,076,744	3,263,353	3,332,814
2020	January...............	3,007,283	3,355,456	2,397,585
	February............	3,965,154	2,801,261	3,269,556
	March.................	3,496,859	3,188,509	4,249,188
	April..................	2,436,180	3,932,714	3,107,221
	May....................	3,261,673	2,586,268	2,239,831
	June....................	3,608,109	3,380,432	4,011,092

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

(b) The results, projections, and estimates for the 2019-20 fiscal year reflect 2019 Wisconsin Act 9, the May 2019 LFB Report, and the January 2020 LFB Report, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(c) At some period during the month, the General Fund was in a negative cash position. 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 (approximately $1.655 billion in the 2019-20 fiscal year) 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 (approximately $552 million in the 2019-20 fiscal year). If the amount of available to the General Fund is not sufficient, the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration.

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

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION [(a)] [(b)]
July 31, 2017 to March 31, 2020 — Actual
April 30, 2020 to June 30, 2020 — Projected [(c)]

(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (**LGIP**) and the second table does include such balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of $2.4 billion during November 2015 to a high of $5.1 billion in March 2020. 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)	2017	2018	2019	2020
January		$1,548	$1,622	$ 1,910
February		1,620	1,742	1,929
March		1,633	1,795	1,815
April		1,681	1,795	1,795
May		1,403	1,684	1,685
June		1,507	1,879	1,879
July	$1,388	1,383	1,783	
August	1,464	1,429	1,776	
September	1,625	1,524	2,025	
October	1,532	1,304	1,907	
November	1,444	1,448	1,801	
December	1,592	1,667	1,967	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2017	2018	2019	2020
January		$5,205	$5,641	$6,502
February		5,457	5,991	6,603
March		5,699	6,317	6,970
April		5,462	5,982	5,982
May		4,906	5,554	5,554
June		5,028	5,853	5,853
July	$5,461	5,781	6,804	
August	4,762	5,058	5,839	
September	4,865	4,670	5,600	
October	4,624	4,103	5,474	
November	4,256	4,527	5,213	
December	4,761	5,141	6,137	

(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 2019-20 fiscal year reflect 2019 Wisconsin Act 9, the May 2019 LFB Report and the January 2020 LFB Report. They also reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue but increased sales/use tax and corporate/franchise tax revenues, but do not reflect the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

Source: Wisconsin Department of Administration.

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

GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2019 to March 31, 2020 compared with previous year

	Annual Fiscal Report Revenues 2018-19 Fiscal Year[(b)]	Projected Revenues 2019-20 Fiscal Year[(c)]	Recorded Revenues July 1, 2018 to March 31, 2019[(d)]	Recorded Revenues July 1, 2019 to March 31, 2020[(e)]
Individual Income Tax …………	$ 8,994,096,000	$ 8,923,100,000	$ 5,399,399,369	$ 5,685,470,122
General Sales and Use Tax ……..	5,695,548,000	5,877,300,000	3,683,750,765	3,878,302,875
Corporate Franchise and Income Tax ....……….	1,338,063,000	1,165,500,000	731,537,993	1,041,663,589
Public Utility Taxes ....…….	364,941,000	366,000,000	194,517,853	189,997,356
Excise Taxes ....…….	661,918,000	671,200,000	452,131,431	453,065,895
Inheritance Taxes ....……….	6,000	-	4,748	41,353
Insurance Company Taxes ……..	194,356,000	203,000,000	133,872,547	148,960,456
Miscellaneous Taxes ....…………	92,459,000	97,538,500	261,846,267	258,882,973
SUBTOTAL............…………	$ 17,341,387,000	$ 17,303,638,500	$ 10,857,060,973	$ 11,656,384,619
Federal and Other Inter-Governmental Revenues[(f)] …….	10,843,638,000	11,414,533,600	8,301,328,490	8,279,753,893
Dedicated and Other Revenues[(g)] …………….	6,849,882,000	7,417,977,800	5,152,405,456	5,307,541,580
TOTAL...................…………	$ 35,034,907,000	$ 36,136,149,900	$ 24,310,794,919	$ 25,243,680,092

(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 2018-19 fiscal year dated October 15, 2019.

(c) The estimates in this table for the 2019-20 fiscal year reflect the 2019-21 biennial budget (2019 Wisconsin Act 9) and the May 2019 LFB Report, but do not reflect 2019 Wisconsin Act 7, 2019 Wisconsin Act 10, the January 2020 LFB Report, or the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(d) The amounts shown are the 2018-19 fiscal year general purpose revenues and program revenues taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in their 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 2019-20 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 report 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: Wisconsin Department of Administration.

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 57). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2019 to March 31, 2020 compared with previous year[(b)]

	Annual Fiscal Report Expenditures 2018-19 Fiscal Year[(b)]	Appropriations 2019-20 Fiscal Year[(c)]	Recorded Expenditures July 1, 2018 to March 31, 2019 [(d)]	Recorded Expenditures July 1, 2019 to March 31, 2020 [(e)]
Commerce	$ 225,791,000	$ 486,963,800	$ 143,558,187	$ 149,587,886
Education	14,167,655,000	14,759,411,200	10,237,393,912	10,537,593,407
Environmental Resources	349,019,000	327,711,400	100,613,380	109,248,969
Human Relations & Resources	15,483,501,000	16,283,939,500	11,688,251,088	12,036,356,115
General Executive	1,057,458,000	1,352,667,300	820,815,762	900,449,060
Judicial	143,227,000	148,435,600	110,061,214	112,181,045
Legislative	73,210,000	79,301,700	49,119,081	56,741,860
General Appropriations	2,674,076,000	3,051,907,900	2,418,896,388	2,443,137,525
TOTAL	$ 34,173,937,000	$ 36,490,338,400	$ 25,568,709,013	$ 26,345,295,868

(a) The expenditures 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 2018-19 fiscal year dated October 15, 2019.

(c) The appropriations included in this table reflect the 2019-21 biennial budget (2019 Wisconsin Act 9), but do not reflect 2019 Wisconsin Act 7, 2019 Wisconsin Act 10, the January 2020 LFB Report, the COVID-19 pandemic, or any appropriations relating to the COVID-19 pandemic. See "COVID-19 Update" in this Appendix A.

(d) The amounts shown are 2018-19 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2019-20 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration.

Table II-39; Unemployment Rate Comparison (Part II; Page 92). Replace with the following updated table.

UNEMPLOYMENT RATE COMPARISON [(a)(b)]
2015 To 2020

	2020		2019		2018		2017		2016		2015	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	4.2	4.0	3.5	4.4	3.4	4.5	4.2	5.1	4.7	5.3	5.5	6.1
February	4.0	3.8	3.3	4.1	3.8	4.4	4.4	4.9	5.0	5.2	5.7	5.8
March	3.5	4.5	3.3	3.9	3.6	4.1	3.9	4.6	4.8	5.1	5.3	5.6
April	14.6	14.4	2.7	3.3	3.0	3.7	3.2	4.1	4.2	4.7	4.6	5.1
May			2.7	3.4	2.7	3.6	3.0	4.1	3.7	4.5	4.5	5.3
June			3.5	3.8	3.5	4.2	3.6	4.5	4.4	5.1	4.9	5.5
July			3.4	4.0	3.2	4.1	3.4	4.6	4.0	5.1	4.5	5.6
August			3.3	3.8	2.9	3.9	3.3	4.5	3.8	5.0	4.1	5.2
September			2.9	3.3	2.4	3.6	2.7	4.1	3.4	4.8	3.7	4.9
October			2.8	3.3	2.4	3.5	2.5	3.9	3.3	4.7	3.7	4.8
November			3.0	3.3	2.5	3.5	2.6	3.9	3.3	4.4	4.0	4.8
December			3.2	3.4	2.8	3.7	2.7	3.9	3.4	4.5	4.0	4.8
Annual Average			3.1	3.7	3.0	3.9	3.3	4.4	4.0	4.9	4.6	5.3

[(a)] Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*. Figures are historical information and not intended be forecast of future unemployment rates. The COVID-19 pandemic is expected to continue to negatively impact unemployment rates in the upcoming months. See "COVID-19 Update" in this Appendix A.

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

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

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State of Wisconsin

January 23, 2020

Senator Alberta Darling, Senate Chair
Representative John Nygren, Assembly Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Nygren:

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, 2021) to be $620.2 million. This is $451.9 million above the balance that was projected at the time of enactment of the 2019-21 biennial budget, as modified to incorporate the 2018-19 ending balance (2019-20 opening balance) as shown in the Annual Fiscal Report for 2018-19.

The $451.9 million is the net result of: (1) an increase of $818.2 million in estimated tax collections; (2) an increase of $20.0 million in departmental revenues (non-tax receipts deposited into the general fund); (3) a decrease of $22.8 million in net appropriations; and (4) a transfer of $409.1 million to the budget stabilization fund.

Of the $20.0 million of increased departmental revenues, $14.0 million is due to higher interest earnings because of larger general fund balances. The majority ($15.4 million) of the $22.8 million net appropriation reduction is due to estimates of the amounts necessary to fund general fund debt service.

Under s. 16.518(3) the statutes, if actual tax collections exceed the amounts estimated in the state's biennial budget act, one-half of such excess is deposited into the budget stabilization fund. Under the estimates of this analysis, tax collections are projected to exceed the 2019 Act 9 estimate by $378.6 million in 2019-20 and $439.5 million in 2020-21. Thus, one-half of those amounts, $189.3 million in 2019-20 and $219.8 million in 2020-21 would transfer to the budget stabilization fund.

With the transfers identified above, it is estimated that the amounts in the budget stabilization fund will total $845 million at the end of 2019-20 and $1,080 million at the end of 2020-21.

The following table reflects the 2019-21 general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1

2019-21 General Fund Condition Statement

	2019-20	2020-21
Revenues		
Opening Balance, July 1	$1,086,869,000	$1,147,651,800
Taxes	17,699,100,000	18,077,500,000
Departmental Revenues		
Tribal Gaming Revenues	24,605,300	25,787,300
Other	535,923,000	553,706,200
Total Available	$19,346,497,300	$19,804,645,300
Appropriations and Reserves		
Gross Appropriations	$18,386,956,800	$19,201,818,000
Sum Sufficient Reestimates	-13,717,000	-11,667,600
Transfers to:		
Transportation Fund	43,301,100	44,095,000
Budget Stabilization Fund	189,330,800	219,756,000
Compensation Reserves	13,351,800	94,545,400
Less Lapses	-420,378,000	-449,147,600
Net Appropriations	$18,198,845,500	$19,099,399,200
Balances		
Gross Balance	$1,147,651,800	$705,246,100
Less Required Statutory Balance	-80,000,000	-85,000,000
Net Balance, June 30	$1,067,651,800	$620,246,100

Table 1 incorporates the fiscal effect of all bills enacted to date in the current legislative session (through 2019 Act 75). It does not reflect the impact of any enrolled bills that have not yet been enacted or bills that are pending before the Legislature.

There are two items that are not reflected in Table 1 which should be noted. First, the status of the budget for the medical assistance program could ultimately have a bearing on the biennium-ending general fund balance. In its most recent quarterly estimate of the MA budget (December 30, 2019), the Department of Health Services estimates that benefit expenditures will exceed available GPR appropriations for the program by $39.8 million. While the Department has some ability to delay or reduce expenditures in the program to stay within the budget, an MA budget deficit may also require the Legislature to take action to address the shortfall, including by increasing GPR appropriations. The Department's estimate, however, should be considered preliminary, since it is based on enrollment and expenditure data from just the first few months of the fiscal biennium. The amount of the projected GPR deficit is equal to 0.6% of the biennial total funding for the program, and deviations from expenditure estimates of this magnitude, either above or below, are not uncommon.

The second item regards state expenditures related to the electronics and information technology manufacturing (EITM) zone refundable credits for the Hon Hai Precision Industry Co., Ltd (Foxconn) development. 2019 Act 9 estimated the refundable credits at $0 in 2019-20 and $212.0 million in 2020-21. Under the EITM zone tax credit program, the Wisconsin Economic Development Corporation (WEDC) certified three Wisconsin corporations that are affiliated with Foxconn as eligible to claim a payroll tax credit over 15 years for up to an aggregate amount of $1.50 billion and a capital expenditure credit over seven years for up to an aggregate amount of $1.35 billion. The Act 9 estimate assumed that Foxconn would have sufficient payroll and capital expenditures by the end of the 2019 calendar year to receive the $212 million of refundable credits that would be paid in the 2020-21 fiscal year. Based upon reports of the project's progress to date, and assumptions regarding payroll and capital expenditures, preliminary estimates suggest that it is likely that the credits paid to Foxconn in 2020-21 will be in the range of $50 million to $75 million, rather than the amounts contained in Act 9.

Before claiming EITM zone tax credits from the Department of Revenue, the Foxconn entities must receive a verification letter from WEDC. Before issuing such a letter, WEDC must first review Foxconn's annual report and a verification report from a nationally recognized certified public accountant. Pursuant to the contract, the Foxconn entities' next scheduled report is due on April 1, 2020, after which the accountant would have up to 45 days to complete its review before WEDC begins the verification process to calculate the amount of credits the Foxconn entities are eligible to claim. Further, upon receiving a verification letter from WEDC, the Foxconn entities would have up to 14 days to object to the calculation of tax credits. Given these steps, the amount of the credit to be paid in 2020-21 will likely not be known until after the end of this fiscal year.

Review of the National Economy in 2019

This office prepared revenue estimates for the 2019-21 biennium in January, 2019, based on the January, 2019, IHS Markit forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 2.5% in 2019 and 2.0% in 2020. IHS Markit forecast that consumer spending would continue to propel economic growth, supported by wage growth resulting from a strong labor market and modest productivity growth. The trade deficit, on the other hand, was expected to be a drag on economic growth due to an appreciating U.S. dollar and trade policy uncertainty.

The January, 2019, IHS Markit forecast was based on the following assumptions. First, the forecast assumed that the level of tariffs in 2018 would be maintained in 2019 and 2020 for solar panels, washing machines, steel, aluminum, and Chinese goods (10% tariff on $200 billion of Chinese imports). Second, IHS Markit expected that the Federal Reserve would raise the target range for the federal funds rate by 25 basis points in both May and October, 2019, and in June 2020, to bring the upper end of the range to 3.25%. Third, the real, broad, trade-weighted growth of foreign GDP was assumed to slow from 3.1% in 2017 to 2.7% in 2018, then average 2.4% through 2022. Fourth, the price of Brent crude oil was projected to fall from $71 per barrel in 2018 to $65 in 2019, before rising to $73 in 2022. Finally, the impact of the federal government shutdown was not reflected in the forecast, which assumed that a shutdown would be avoided, or be brief in duration, and thus have a modest impact on the overall economy.

The optimistic forecast scenario was that faster productivity growth coupled with a lower than previously expected natural rate of unemployment (that is, the rate of unemployment consistent with stable inflation) would allow for continued economic growth and gains in employment and wages without triggering inflation or increases in the federal funds rate by the Federal Reserve. The downside risk was that a broad loss in confidence due to falling real estate and financial markets, combined with a growing aversion to risk, would lead to drops in a wide range of investment and consumer spending categories, cumulating in a recession in 2020.

In May, this office reviewed additional tax collection data and IHS Markit's May economic forecast and revised our revenue estimates upward, primarily based on stronger than expected individual income tax and corporate income/franchise tax collections through April, 2019. Tax planning following the federal Tax Cuts and Jobs Act of 2017 (TCJA) likely caused a one-time acceleration of deductible expenses and added volatility to collections patterns. Individual income taxpayers who, in prior years, made estimated payments in December in order to increase their deduction for state and local taxes (SALT), delayed those payments to April in response to the federal limit for the SALT deduction. In addition, corporate income/franchise tax collections in 2019 grew by 70% compared to the same period through April in the prior year. This was caused in part by tax planning following TCJA, but also state implementation of the entity-level tax authorized under 2017 Act 368. The new entity-level tax resulted in increased tax payments from S corporations, partnerships, and limited liability companies, which had been previously recorded under the individual income tax, to be reflected under the corporate income/franchise tax as a retroactive payment for 2018 taxes. The entity-level tax enables individuals to pay state income taxes through their business, rather than via their individual returns, thereby avoiding the federal SALT deduction limit for individuals.

Finally, the May revisions also incorporated IHS Markit's May, 2019, forecast for the U.S. economy. Real GDP growth had been slightly increased from the January estimates to 2.7% in 2019, 2.1% in 2020, and 1.8% in 2021. Growth in labor productivity was revised upwards in 2019, as output per hour in the nonfarm business sector grew by 3.6% in the first quarter. On the other hand, growth in business fixed investment in nonresidential structures was revised downward to reflect anticipated increases in the long-term interest rates. Otherwise, the key assumptions were largely the same as in IHS Markit's January, 2019, forecast, except that: (a) the Brent crude oil price was forecast to remain higher at $72 per barrel in 2019 and then decrease to $67 in 2020 and 2021; (b) the federal funds rate was forecast to rise to 2.75% in December (rather than 3.25%) and remain at that level; and (c) the federal government shutdown persisted for 35 days, the longest in U.S. history. The primary upside and downside risks to the forecast remained the same as the January, 2019, forecast.

Many of the assumptions used in the May, 2019, forecast turned out to be inaccurate. First, trade policy diverged substantially, with the level of tariffs increasing as the trade war with China intensified. In May, the previous 10% tariff on $200 billion worth of Chinese imports increased to 25%. In September, additional tariffs of 15% were levied on another $112 billion worth of Chinese imports. As a result, more than two-thirds of consumer goods imported from China were subject to tariffs. In retaliation, in September, China imposed 5% to 10% tariffs on one-third of goods imported from America. A temporary trade truce in December allowed for negotiations regarding a "Phase 1" trade deal which requires the U.S. to suspend the 15% tariff, previously scheduled to be levied on $160 billion of Chinese goods on December 15, and to reduce the 15% tariff that was imposed in September to 7.5%. Under the deal, China would reduce its retaliatory tariffs, increase purchases of U.S. goods by $200 billion over the next two years, and potentially address other issues, such as requiring American companies to share technology with Chinese joint ventures in exchange for market access and enforcement of intellectual property protections.

Second, IHS Markit had anticipated that the Federal Reserve would increase the federal funds rate. However, the Open Market Committee actually voted to cut the rate target three times in 2019 to a stated range of 1.50% to 1.75%. Third, real, broad, trade-weighted foreign GDP grew slowly in 2019, as anticipated, but slower than previously forecast (1.5% compared to the 2.0% forecast). Fourth, according to the U.S. Energy Information Administration (EIA), after dropping from $81 per barrel in October, 2018, to $57 per barrel in December, 2018, the Brent crude oil price was expected to recover to $71 per barrel by May, 2019, before again falling to $60 per barrel by October and increasing to $67 per barrel in December.

Overall, the national economy grew slightly less than forecast in May, 2019. IHS Markit estimates real growth in U.S. GDP in 2019 at 2.3%, which is 0.4 percentage points lower than previously estimated. National real GDP has now grown in 23 consecutive quarters, and in 39 of the 42 quarters since the 2008-2009 recession. The current economic expansion has lasted more than 10 years, which is the longest period of economic expansion in U.S. history.

As anticipated, consumer spending was the primary driver of the economy, contributing 1.8 percentage points to real GDP growth. Consumer spending was supported by three main factors in 2019. First, as forecast, equities and financial assets held by households rebounded strongly in 2019 (growing 23.1% and 12.0%, respectively) after declining significantly in the fourth quarter of 2018 (-47.5% and -21.0%, respectively). Second, similar to the May forecast, the unemployment rate for the year averaged only 3.7% as employers added an estimated 2.3 million jobs. Since October, 2010, there have now been 111 consecutive months of seasonally-adjusted job gains. Third, due to the strong employment market and modest nonfarm productivity growth in 2019 (1.6%), growth in wages and salaries (4.9%) and personal income (4.6%) exceeded the May forecast.

Nominal residential fixed investment grew in 2019 by more than forecast in May (1.2% rather than 0.5%). After growing by 0.4% in the first quarter of 2019, nominal residential fixed investment contracted by 0.3% in the second quarter, but growth recovered in the second half of the year to 1.1% in the third quarter and 2.7% in the fourth quarter. In particular, single family construction in 2019 rebounded after April, as permits for construction increased by 135,000 annualized units. IHS Markit estimates that growth in housing starts (1.9%) and sales of new homes (11.7%) in 2019 led to the most annual new housing starts and sales of new homes since 2007.

Growth in real GDP was also supported by government spending (0.4 percentage points). Federal, state, and local government purchases grew by 2.2% in 2019, slightly more than forecast in May. Notably, the federal budget deficit grew by less than the May forecast to $984 billion for the federal fiscal year through the end of September. In the current forecast, it is anticipated that the federal budget deficit for the fiscal year through September, 2020, will exceed $1.1 trillion.

As described above, the employment market, low inflation, low interest rates, and productivity growth suggests that GDP growth would increase above the baseline forecast. Nevertheless, growth is estimated to have been lower in 2019 compared to the May forecast. This is due to several factors. First, real net exports detracted from real GDP growth (-0.2 percentage points) by more than forecast in May, 2019. Real net exports improved in the first quarter by 4.0%, likely due to importers shifting their purchases into the fourth quarter of 2018 in order to avoid the imposition of new tariffs and trade barriers in 2019. However, dollar appreciation, tariff and nontariff retaliation by trade partners, and slower economic growth by trading partners in the remainder of the year contributed to a decrease in real net exports of 5.7% overall in 2019, rather than an increase of 0.2% under the May forecast.

Second, real nonresidential fixed investment grew by less than anticipated (2.3%) compared to the May forecast (3.6%) and contributed only 0.3 percentage points to real GDP growth (rather than 0.5 percentage points). Trade policy likely disrupted investment plans, and IHS Markit estimates that trade policy uncertainty reduced business fixed investment by $100 billion in 2019. Further, oil and natural gas prices declined significantly by the end of the year, causing a slowdown in mining and petroleum related investment (-8.1%) compared to growth expected in the May forecast (6.6%). Various other factors also temporarily contributed to lower industrial output and investment in equipment than anticipated in 2019, including the six-week strike at General Motors in September and October and a reduction in aircraft investment (-32.4%) after Boeing's 737 MAX was grounded by the Federal Aviation Administration and overseas regulators beginning in March after two deadly crashes.

National Economic Forecast

Under the January, 2020, forecast, IHS Markit predicts moderate GDP growth, gains in wages and productivity, low unemployment, and low inflation. Real GDP growth is forecast to slow, but to continue growing at 2.1% in 2020 and 2021. In the short term, IHS Markit expects consumer spending and nonresidential fixed investment, bolstered by strong labor markets, increased spending for hiring on the 2020 decennial census, increased automobile production following the end of the GM strike, and the expectation that 737 MAX shipments will resume next year, to drive moderate growth. Afterwards, below-trend growth is expected for several years as the tight labor market moderates, and the stimulative effects of TCJA, increased expenditures under federal budget bills (Bipartisan Budget Act of 2019 (BBA19) and two federal appropriation acts passed in 2020), and low interest rates fade.

The new forecast is based on the following key assumptions. First, trade policy remains the same going forward as under the Phase 1 trade deal with China, except that the promised $200 billion increase in purchases of U.S. goods by China is unrealistic and will not occur in the short term. Second, the Federal Reserve will maintain the current federal funds rate until June, 2021, when the rate increases a quarter point to a range of 1.75% to 2.0%, with an additional quarter point rate increase in the latter half of 2021. Third, the growth of real, broad, trade-weighted foreign GDP, which slowed from 3.2% (year over year) in 2017 to 1.6% in 2019, gradually rises to 2.4% by 2025. Fourth, the average price of Brent crude oil is projected to fall from $64 per barrel in 2019 to $58 in 2020 and $52 in 2021. Finally, IHS Markit expects federal discretionary spending to maintain the expenditure limits set by BBA19 and the federal appropriation acts. The personal income tax provisions of TCJA are expected to be extended after 2025.

The forecast is summarized in Table 2, which reflects IHS Markit's January, 2020, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

TABLE 2

Summary of National Economic Indicators
IHS Markit Baseline Forecast, January, 2020
($ in Billions)

	2018	2019	2020	2021
Nominal Gross Domestic Product	$20,580.2	$21,429.9	$22,308.9	$23,306.7
Percent Change	5.4%	4.1%	4.1%	4.5%
Real Gross Domestic Product	$18,638.2	$19,069.5	$19,461.0	$19,866.3
Percent Change	2.9%	2.3%	2.1%	2.1%
Consumer Prices (Percent Change)	2.4%	1.8%	1.8%	1.7%
Personal Income	$17,819.2	$18,630.0	$19,350.2	$20,209.0
Percent Change	5.6%	4.6%	3.9%	4.4%
Nominal Personal Consumption Expenditures	$13,998.7	$14,570.3	$15,231.0	$15,917.9
Percent Change	5.2%	4.1%	4.5%	4.5%
Economic Profits	$2,074.6	$2,070.4	$2,136.6	$2,247.4
Percent Change	3.4%	-0.2%	3.2%	5.2%
Unemployment Rate	3.9%	3.7%	3.5%	3.5%
Total Nonfarm Payrolls (Millions)	149.1	151.4	153.3	154.4
Percent Change	1.7%	1.6%	1.2%	0.8%
Light Vehicle Sales (Millions of Units)	17.21	16.95	16.68	16.53
Percent Change	0.5%	-1.5%	-1.6%	-0.9%
Sales of New and Existing Homes (Millions of Units)	5.956	6.021	6.253	6.183
Percent Change	-3.1%	1.1%	3.9%	-1.1%
Housing Starts (Millions of Units)	1.250	1.273	1.312	1.286
Percent Change	3.4%	1.9%	3.0%	-1.9%

Employment. According to the Department of Workforce Development, the unemployment rate in Wisconsin fell to an all-time low of 2.8% in April, 2019, before increasing to 3.3% by November. Nationally, unemployment fell to a 50-year low of 3.5% by November of 2019. Further, the U-6 unemployment rate, which includes underemployed and marginally attached workers, fell to 6.7% in December, the lowest rate on record since the Bureau of Labor Statistics began tracking in 1994. IHS Markit forecasts that the employment market will remain strong, while growing at a slower rate, with total nonfarm payrolls expanding 1.2% in 2020 and 0.8% in 2021. The national unemployment rate is expected to fall slightly further than expected in May, from an average of 3.7% in 2019 to 3.5% in 2020 and 2021, before increasing to an average of 3.8% in 2022. For comparison, the U.S. Congressional Budget Office estimates that the long-term natural rate of unemployment is 4.5%. The labor force participation rate for adults under 65 is projected to continue increasing from 72.6% in 2019 to 73.2% in 2021.

According to the federal Bureau of Labor Statistics, in September, 2019, there were 7.0 million job openings compared to 5.8 million unemployed persons. Thus, available workers are likely to remain scarcer than job openings in 2020. This may be especially true in the short term due to a temporary boost from hiring for the 2020 Spring census canvas.

Personal Income. Personal income grew more than expected at 4.6% in 2019, but is forecast to grow at 3.9% in 2020 and 4.4% in 2021, a slower rate than forecast in May. Growth in personal income reflects the strong employment market and growth in wages and salary disbursements (4.3% in 2020 and 2021). Growth in 2020 is estimated lower in part due to farm proprietor income, which grew 16.7% in 2019, but is forecast to decline by 42.3% in 2020 before rebounding to 92.0% growth in 2021. IHS Markit estimates that real disposable income, which grew by 3.0% in 2019, will grow by 2.2% in 2020 and 2.6% in 2021. IHS Markit expects growth in household financial assets to moderate from 12.0% in 2019 to 5.2% in 2020 and 3.8% in 2021, with growth in household holdings of equities decreasing from 23.1% in 2019 to 7.8% in 2020 and 3.2% in 2021. Partly as a result, growth in real household net worth improved compared to the May forecast, but is still expected to slow from 8.9% in 2019 to 2.5% in 2020 and 1.0% in 2021.

Personal Consumption. IHS Markit estimates that nominal personal consumption expenditures (PCE) grew in line with the May forecast at 4.1% in 2019 and are expected to grow by 4.5% in 2020 and 2021, at lower rates than the May forecast. 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 3.8% in 2019 and are forecast to grow by 4.3% in 2020 and by 3.6% in 2021. Spending on gasoline and other energy goods is estimated to have declined by 3.0% in 2019, after growing by 13.5% in 2018, and is forecast to further decline by 3.8% in 2020, and 5.4% in 2021.

Sales of light vehicles, the largest component of sales tax collections, declined 1.5% in 2019 and are forecast to continue to decline by 1.6% in 2020 and 0.9% in 2021, similar to the May forecast. Nevertheless, the nominal dollar value of sales of new vehicles and leased vehicles is forecast to increase by 1.6% in 2020 and 4.1% in 2021. This is because purchases of light trucks (including sport utility vehicles, vans, and pickup trucks), which comprised 72.2% of the number of light vehicle sales in 2019, are forecast to continue to grow (2.7% in 2019, 0.8% in 2020, and 0.3% in 2021) and thus comprise 74.0% of sales in 2020 and 74.8% in 2021. Because light trucks are generally more expensive than cars, the average price of a new vehicle is expected to increase from $34,000 in 2018 to $35,100 in 2019, $36,600 in 2020, and $38,400 in 2021. Thus, even though car sales are forecast to continue to decline at a steep rate (-11.0% in 2019, -8.0% in 2020, and -4.1% in 2021), the value of consumer and business purchases of new vehicles is forecast to grow.

International Trade. According to the Monthly Treasury Statements of Receipts and Outlays of the United States Government, custom duties on imports were $70.8 billion in federal fiscal year 2019. However, the effect of tariffs on import prices was blunted as the real trade-weighted value of the dollar appreciated 3.5% compared with major currency trading partners in 2019. The appreciating dollar, combined with slowing global growth as measured by a broad index of trading partners (1.5%) and the grounding of Boeing's 737 MAX aircraft, weighed on exports. Overall, IHS Markit estimates that net exports declined by 1.5% in 2019, as imports of goods and services decreased by 0.1% while exports of goods and services decreased by 0.4%.

After net exports declined 10.9% in both 2017 and 2018 and by 1.5% in 2019, IHS Markit forecasts that net exports will rebound and grow by 1.7% in 2020 and by 4.0% in 2021 for several reasons. First, recent developments suggest that trade policy may become less disruptive to investment than the previous year. Congress recently approved the United States-Mexico-Canada trade agreement, which will update the North American Free Trade Agreement in 2020 once ratified by Canada. Further, the Phase 1 trade deal may lead to improved trade relations with China. Second, deliveries of Boeing's MAX 737 are expected to resume next year, boosting exports. Finally, IHS Markit forecasts that annual net U.S. exports of petroleum will be positive in 2020 and continue to grow thereafter. Notably, the EIA estimates that in September exports of crude oil and petroleum products exceeded imports by 89,000 barrels per day, which is the first time the U.S. was a net exporter of crude oil and petroleum products since EIA began collecting monthly survey data in 1973. According to the EIA, the U.S. is now the world's largest producer of crude oil and petroleum products, although it remains a net importer of crude oil because refineries import crude oil and export petroleum products.

Consumer Prices. The consumer price index (CPI) has averaged 1.8% growth over the last decade. It had been expected that wage gains from record-low unemployment would begin to provide upward pressure on prices due to higher demand and employer costs. However, as forecasted in May, the CPI increased by only 1.8% in 2019, as low energy prices and dollar appreciation trimmed import costs. For comparison, core CPI (which excludes food and energy prices) increased 2.2%, while energy prices decreased 2.1%. IHS Markit forecasts that the CPI will continue to increase moderately, although at a lower rate than the May forecast, by 1.8% in 2020 and by 1.7% in 2021, as low oil prices and a strong dollar are expected to continue reducing growth in energy and import prices. Core inflation is expected to remain relatively flat at 1.9% in 2020 and 2.1% in 2021.

Monetary Policy. IHS Markit's baseline forecast assumes that the Federal Reserve will maintain the federal funds rate at a range of 1.50% to 1.75% until mid-2021, when GDP growth and the tight labor market are expected to pressure core inflation above the Federal Reserve's two percent target. IHS Markit anticipates that in June, 2021, the Federal Reserve will begin to raise the target range for the federal funds rate, eventually to a range of 2.50% to 2.75% by 2024. It is estimated that the average commitment rate for a 30-year, conventional, fixed mortgage will continue to increase from 3.94% in 2019 to 4.00% in 2020 and 4.29% in 2021. For comparison, the average annual yield on the 10-year U.S. treasury note is expected to increase from an estimated 2.14% in 2019 to 2.21% in 2020 and 2.68% in 2021.

Housing. IHS Markit does not expect residential investment to meaningfully contribute to GDP growth over the next few years and has revised its housing indicators lower, compared to the May forecast. Based in part on a shift to building smaller, more affordable homes, IHS Markit estimates that the average price for new single-family homes declined by 0.5% in 2019 and will moderately grow by 0.6% in 2020 and 2021. Similarly, the median price of new single-family homes declined by 1.1% in 2019, and is estimated to grow by 2.3% in 2020 and by 0.6% in 2021. For comparison, as a result from low mortgage prices and low inventories, the price for the average existing single-family home is estimated to have grown by 3.3% in 2019, and is forecast to grow by 3.5% in 2020 and by 1.6% in 2021. As prices for new homes are expected to remain flat, and hence reduce profit margins for home builders, it is estimated that real (inflation adjusted) residential investment declined by 1.7% in 2019, and will grow by 1.6% in 2020, and will decline again by 1.2% in 2021.

Despite low mortgage costs, sales of new and existing homes are not forecast to recover to their pre-recession levels in the near term (8.4 million sales in 2005 compared to only 6.0 million in 2019, 6.3 million in 2020, and 6.2 million in 2021).

Business Investment. IHS Markit estimates that growth in nominal nonresidential fixed investment peaked in 2018 at 7.8%, partly as a result of the stimulative effect of TCJA, and slowed in 2019 by more than forecast in May, to 3.5%. IHS Markit forecasts that growth in nominal nonresidential fixed investment will continue to slow to 2.5% in 2020, lower than the May forecast, before growth increases to 4.0% in 2021. Growth in 2019 was led by investment in intellectual property products (8.8%), particularly in research and development (9.0%) and software (9.5%). However, IHS Markit forecasts that growth in investment in intellectual property products will decline to 6.3% in 2020 and to 5.2% in 2021, as investment in software (6.3% in 2020 and 1.5% in 2021) slows. Growth in nominal investment in equipment slowed to 1.9% in 2019, and is forecast to increase to 2.0% in 2020 and 3.0% in 2021. The resumption of Boeing deliveries after April is expected to boost investment in aircraft equipment in 2020 (44.2%) after declining steeply in 2019 (-32.4%). However, the boost to investment is expected to dissipate after aircraft deliveries catch up and the stimulative effects of federal fiscal policy wane throughout 2020. Nominal investment in nonresidential structures is expected to decline by 1.3% in 2019 and 2.4% in 2020, and then grow by 3.9% in 2021. In particular, investment in structures for mining and petroleum (-14.7% in 2020 and -7.8% in 2021) and power and communications (-3.9% in 2020 and 0.2% in 2021) are expected to decline over the forecast period as oil and energy prices remain low.

Corporate Profits. Corporate before-tax book profits grew by just 0.2% in 2019, which is much less than the 7.1% growth forecast in May, 2019. IHS Markit now forecasts growth of 3.8% in 2020, and 5.7% in 2021. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and thus are not affected by federal tax laws), declined by 0.2% in 2019, and are forecast to increase by 3.2% in 2020 and by 5.2% in 2021. Both measures for corporate profits now show lower growth rates in 2019, but higher growth rates in 2020 and

2021, compared to the May forecast.

The forecast reflects that TCJA reduced the federal statutory corporate tax rate from 35% to 21%, extended 100% bonus depreciation through 2022 (followed by a three-year phase-out period), and provided additional tax deductions for certain pass-through business income through 2025. The 2020 forecast assumes that the effective federal corporate tax rate for all industries dropped from 21.5% in 2015 to 10.3% in 2019 and is expected to continue to decline to 10.0% in 2020 and 9.6% in 2021.

Fiscal Policy. The federal budget deficit is expected to grow from $984.4 billion in federal fiscal year 2019 to $1,145.2 billion in 2020 and $1,177.4 billion in 2021, primarily caused by tax reductions enacted under TCJA and spending increases under BBA19 and the federal appropriation acts. Overall, federal, state, and local government fiscal policies are estimated to have contributed 0.38 percentage points to real GDP growth in 2019. This is expected to decrease to 0.32 percentage points in 2020 and 0.14 percentage points in 2021 as the stimulative effects from TCJA and BBA19 dissipate, although these policies are expected to remain higher contributors to real GDP growth than anticipated in May.

Alternative Scenarios. IHS Markit's 2020 forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, IHS Markit assigns a 10% probability that strong productivity growth and less inflation will yield GDP growth 0.9 percentage points higher in each year than predicted in the baseline forecast. The key assumptions are that a lower than estimated long-run natural rate of unemployment (4.0%) keeps core PCE inflation below its baseline level while faster productivity growth at 2.8% (one percentage point above the baseline forecast) from 2020 to 2030 allows wages to grow more quickly without triggering inflation. Growth in the rest of the world increases due to faster productivity gains, although more slowly than in the U.S. In response to better income and job prospects, consumers increase their spending. The Federal Reserve accelerates its first rate increase to early 2021, after which it gradually increases the federal funds rate up to a target range of 3.25% to 3.50% by 2024. Household formation accelerates due to improved employment and household finances, spurring a rise in housing starts.

Under the pessimistic scenario, to which IHS Markit assigns a 25% probability, a broad-based loss of confidence and risk aversion cause a three-quarter recession starting in the fourth quarter of 2020. In this scenario, rising real-estate prices and mortgage rates slow housing demand and construction. Declining consumer confidence sets off a deep drop in asset values and broad-based declines in business fixed investment. The declining stock and housing markets cause negative wealth effects which, along with employment declines, cause households to curtail their spending. Unemployment spikes to 5.8% in the fourth quarter of 2021, and GDP declines 2.0% over the three-quarter recession on an annualized basis. The recovery after the recession is expected to be weak, in part, due to lack of capacity by the federal government or the Federal Reserve to use fiscal or monetary policy to offset the effects of the recession.

General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2019-20 and 2020-21. In total, these amounts are $818.2 million greater than the previous estimates. The percentage difference is 2.3%. The majority of the excess revenue is from increased projections for corporate income/franchise tax revenues, which are $329.5 million higher in 2019-20 and $299.6 million higher in 2020-21 (77% of the total increase). Estimated collections for individual income taxes and sales and use taxes have also been increased, offset partly by downward adjustments in most of the other taxes.

TABLE 3

Projected General Fund Tax Revenues
(Millions)

	2018-19	Previous Estimates		Revised Estimates January, 2020	
	Actual	2019-20	2020-21	2019-20	2020-21
Individual Income	$8,994.1	$8,923.1	$9,142.0	$8,950.0	$9,235.0
General Sales and Use	5,695.5	5,877.3	5,960.5	5,930.0	6,010.0
Corporate Income/Franchise	1,338.1	1,165.5	1,205.4	1,495.0	1,505.0
Public Utility	364.9	366.0	364.0	358.0	362.0
Excise					
Cigarette	514.3	515.0	507.0	512.0	497.0
Tobacco Products	85.5	90.0	94.0	90.0	92.0
Vapor Products	N/A	2.3	3.2	2.3	3.2
Liquor and Wine	53.6	55.0	56.0	55.0	56.0
Beer	8.5	8.9	8.9	8.3	8.3
Insurance Company	194.4	203.0	211.0	201.0	209.0
Miscellaneous Taxes	92.5	97.5	102.7	97.5	100.0
Total	$17,341.4	$17,303.6	$17,654.8	$17,699.1	$18,077.5
Change from Prior Year		-$37.8	$351.1	$357.7	$378.4
Percent Change		-0.2%	2.0%	2.1%	2.1%

The new estimates are based on the most recent national economic forecast and tax collections data through December. They reflect all state and federal law changes enacted, to-date, that impacted state tax collections.

Individual Income Tax. After totaling $8,994.1 million in 2018-19, state individual income tax collections are estimated at $8,950.0 million in 2019-20 and $9,235.0 million in 2020-21. On a year-to-year basis, these estimates represent a decrease of 0.5% in 2019-20 and an increase of 3.2% in 2020-21. Relative to the previous figures, the current estimates are $26.9 million higher in the first year and $93.0 million higher in the second year.

Based on preliminary collection information through December, 2019, individual income tax revenues for the current fiscal year are 3.4% higher than such revenues through the same period in 2018-19. However, revenues are expected to decrease at a rate of 3.5% over the next six months largely due to law changes enacted in the two preceding years. These law changes affect collections in both years and are discussed below.

Provisions in 2017 Wisconsin Act 368, enacted in the December, 2018, extraordinary legislative session, permit pass-through entities to elect to be taxed at the entity level, thereby shifting state tax revenues from the individual income tax to the corporate income/franchise tax. Subchapter S corporations could make the election beginning in tax year 2018, and partnerships, including limited liability corporations filing as partnerships, could make the election beginning in tax year 2019. Such elections are expected to reduce estimated payments and final payments and increase tax refunds in both years. The entity-level tax is described in further detail under the corporate income/franchise tax section.

Provisions in 2019 Wisconsin Acts 9 and 10, enacted in July, 2019, reduce marginal tax rates for the individual income tax beginning in tax year 2019. Currently, the state individual income tax has four tax brackets with unique marginal tax rates specified for each bracket. Act 9 lowered the marginal tax rate for the second tax bracket from 5.84% to 5.21% for tax year 2019 and thereafter. Act 10 modified an existing statutory provision requiring an income tax reduction conditioned on certain sales and use tax changes. As modified, the statute now requires the tax rates for the two bottom individual income tax brackets to be reduced for tax year 2019 based on the amount of additional sales and use tax attributable to remote sellers for the 12-month period from October 1, 2018, to September 30, 2019, as determined by DOR. For tax years 2020 and thereafter, reductions to the same two rates will be based on the amount of additional sales and use tax attributable to remote sellers and marketplace providers during the 12-month period from October 1, 2019, to September 30, 2020, as determined by DOR. For tax year 2019, the marginal tax rates for the two bottom tax brackets have been reduced from 4.00% to 3.86% and from 5.21% to 5.04%, based on DOR's estimate of sales and use tax collections for the initial 12-month period. For tax years 2020 and thereafter, the two rates are estimated at 3.79% and 4.96%, respectively, but these amounts will likely change after DOR estimates the additional sales and use tax collections during the second 12-month period ending in 2020. The DOR determinations are subject to legislative oversight. The provisions of Acts 9 and 10 are estimated to reduce individual income tax collections by $246.2 million in 2019-20 and $271.9 million in 2020-21, largely in the form of increased tax refunds.

General Sales and Use Tax. State sales and use tax revenues totaled $5,695.5 million in 2018-19, $45.5 million above the estimated amount, representing growth of 4.5% relative to the prior year. Sales tax collections through December, 2019, are 4.1% higher than the same period in the prior year. Sales tax revenues are estimated at $5,930.0 million in 2019-20 and $6,010.0 million in 2020-21, constituting annual growth of 4.1% in 2019-20 and 1.3% in 2020-21. The lower estimated annual growth in 2020-21 reflects the repeal, effective July 1, 2020, of the state's imposition of sales tax on internet access services (estimated at $166 million), pursuant to 2017 Act 59. This reduction is partly offset by additional revenues estimated from the 2019 Act 10 provision that requires marketplace providers to collect and remit sales tax. These estimates represent revenue increases relative to the prior estimates of $52.7 million in 2019-20 and $49.5 million in 2020-21. The increased estimates are primarily based on higher sales tax growth in 2018-19 than previously estimated, and on slightly stronger year-to-date sales tax collections growth than previously anticipated.

Corporate Income/Franchise Tax. Corporate income/franchise taxes were $1,338.1 million in 2018-19, which grew 49.7% above the previous year. Corporate tax revenues are projected to be $1,495.0 million in 2019-20 and $1,505.0 million in 2020-21, reflecting growth of 11.7% in 2019-20 and 0.7% in 2020-21. The new estimates are higher than the previous estimates for 2019-20 and 2020-21 by 28.3% and 24.9%, respectively. The new estimates reflect year-to-date corporate tax collections, which have grown by over 65% compared to the same period through December of last year.

Several factors contributed to unprecedented growth in corporate income/franchise tax collections in 2018-2019 and the first half of 2019-20, which are anticipated to moderate in 2020. First, the pass-through election to file under the entity-level tax caused an estimated $193.8 million increase in collections in 2018-19, accounting for 21.7 percentage points of growth in collections compared to 2017-18. As discussed above, pursuant to 2017 Act 368, S corporations, partnerships, and limited liability companies may elect to be taxed at the entity level beginning in tax year 2019, (except that S corporations can make the election beginning in tax year 2018). DOR records these payments under the corporate tax, rather than the individual income tax. As such, these payments reduce individual income tax collections and contribute to substantially higher growth in corporate income/franchise tax collections because the payments would otherwise be made by individual shareholders, partners, and members for tax owed on the income passed through by the entity on their individual returns. If such an election is made, it is likely that the election to pay at the entity level will actually increase the amount of state taxes owed by the taxpayer because: (a) the corporate income/franchise tax rate of 7.9% is higher than the graduated rates for individual income tax brackets in 2019 of 3.86%, 5.04%, 6.27%, or 7.65%; (b) tax credits cannot be claimed by the entity (except for the credit for taxes paid to another state); and (c) the entity cannot claim a net operating loss from another year. Nevertheless, it may be advantageous to make the election because income taxed at the entity level for state tax purposes may be a deductible business expense for federal tax purposes (where under TCJA, beginning in tax year 2018, the federal income tax itemized deduction for state and local taxes is limited to no more than $10,000 per year for individuals).

Overall, the May forecast expected payments from pass-through entities under the corporate tax to decrease in 2019-20. Because Act 368 was enacted in December, 2018, S corporations remitted entity level tax payments for tax year 2018 in March, 2019 (the last month to do so without incurring interest charges). Thus, in addition to receiving estimated payments from pass-through entities for the first half of 2019, collections for 2018-19 were enhanced by a one-time payment of $124.4 million owed by S corporations for tax year 2018. Due to the short amount of time to file and the safe harbor from interest charges, it was expected that pass-through entities would overpay the 2018 entity-level tax owed and later normalize their payments by either seeking refunds or remitting lower estimated payments throughout 2019-20. However, based on collections data, it now appears that in 2019-20 refunds are lower than previously estimated and that entity-level estimated tax payments are higher than previously estimated.

Second, corporate audit payments in 2019-20 increased by $74.4 million compared with the same period through December in 2018-19. This accounts for 5.3 percentage points of growth in estimated 2019-20 collections compared to actual collections in 2018-19. According to DOR, the sharp increase in corporate audit payments reflects activity from prior years and is unlikely to repeat.

Third, collections increased significantly in 2018-19 following the federal adoption of TCJA and the state enactment of 2017 Act 231, which updated state law to account for some, but not all, of the changes in federal law. As discussed above, TCJA lowered the federal tax rate paid by corporations from 35% to 21%, providing an incentive to organize and file as a corporation. Although the estimated fiscal impact of Act 231 was accounted for in the May estimates, the ancillary effects on increased state collections following TCJA have continued. For comparison, according to IHS Markit, overall state and local taxes on corporate income increased by 11.3% in 2018-19 and will increase again by 9.6% in 2019-20, with growth moderating to 4.8% in 2020-21. It is likely growth in collections will similarly moderate in Wisconsin as the impact fades from the one-time and ongoing effects of these law changes.

Public Utility Taxes. Revenues from public utility taxes totaled $364.9 million in 2018-19 and are estimated at $358.0 million in 2019-20 and $362.0 million in 2020-21. These amounts represent a decrease of 1.9% in 2019-20 and an increase of 1.1% in 2020-21. Compared to the previous estimates, these amounts are lower by $8.0 million in 2019-20 and $2.0 million in 2020-21. Private light, heat, and power companies are the largest taxpayer group, comprising 63% of estimated public utility tax revenues for the 2019-21 biennium. Collections from these companies totaled $231.5 million in 2018-19 and are estimated to decrease to $226.7 million in 2019-20 (-2.1%) and increase to $228.7 million in 2020-21 (0.9%). The decrease in 2019-20 reflects, in part, fewer kilowatt hours of electricity consumed in 2019 than in 2018. Revenues from 2019 comprise the basis for these companies' license fees due in May, 2020. Electricity and natural gas sales are influenced by economic conditions for commercial and industrial customers and by weather for residential customers.

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 2018-19 were $661.9 million, of which $514.3 million (77.7%) was attributable to the excise tax on cigarettes. Total excise tax collections in 2018-19 represented a decrease of 2.7% from the prior fiscal year, largely due to a decrease in cigarette tax collections of 4.6% from the prior year. Total excise tax revenues are estimated at $667.6 million in 2019-20 and $656.5 million in 2020-21. Compared to the previous estimates, these amounts are $3.6 million lower in 2019-20 and $12.6 million lower in 2020-21. These estimates account for the recent federal provision to prohibit sales of cigarettes and tobacco products to individuals under the age of 21, which is expected to decrease state excise tax revenues beginning in 2020-21. Estimated excise tax revenues in 2019-20 are 0.9% higher than actual collections in 2018-19, partially because of the tax on vapor products that took effect on October 1, 2019.

Cigarette tax revenues are estimated at $512.0 million in 2019-20, and $497.0 million in 2020-21, and are lower than the previous estimates by $3.0 million in 2019-20 and $10.0 million in 2020-21. The reduction is primarily due to an ongoing trend of declining cigarette consumption, evidenced by annual cigarette revenue declines of 4.5% in 2017-18 and 4.6% in 2018-19. The reestimate for cigarette tax revenues in 2019-20 represents an approximate annual decline of 0.4%, which is a smaller reduction than the annual average decline of 2.5% over the last four fiscal years. Illinois implemented a cigarette tax increase of $1 per pack, effective July 1, 2019, which brought its tax rate to $2.98 per pack (higher than Wisconsin's rate of $2.52 per pack). It is assumed that this tax increase has contributed to higher year-to-date tax collections than previously expected because consumers living near the state border likely shifted their purchases of cigarettes to Wisconsin in response to the Illinois tax rate increase.

Insurance Premiums Taxes. Insurance premiums taxes were $194.4 million in 2018-19, which is $0.6 million less than estimated. Revenues are projected to increase to $201.0 million in 2019-20, and $209.0 million in 2020-21. These estimate reflect projected year-over-year growth of 3.4%, and 4.0%, respectively, and are $2.0 million lower than previous estimates for each year. The estimates are based on growth of 3.1% in year-to-date insurance premiums tax collections, historic collections growth trends, and projected growth in consumer spending on insurance.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were $92.5 million in 2018-19, of which 83.7% was generated from the real estate transfer fee. These revenues are estimated at $97.5 million in 2019-20 and $100.0 million in 2020-21, which is $2.7 million lower than the previous estimate in 2020-21. The decrease in 2020-21 reflects lowered growth for the housing sector, relative to the May forecast.

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

Sincerely,

Bob

Robert Wm. Lang
Director

RWL/lb
cc: Members, Wisconsin Legislature

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Appendix B

General Obligation Issuance Status Report
May 15, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium[(a)]	G.O. Bonds of 2020, Series A[(b)]	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	$ 3,024,031,100	$ 2,220,108,472	$ 13,084,724	$ 83,302,939	$ 38,999,678	$ 668,535,287
University of Wisconsin; self-amortizing facilities	3,176,722,100	2,421,593,161	2,967,557	80,006,303	46,364,617	625,790,462
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,088,850,000	882,599,116	410,794	29,503,931	41,559,657	134,776,502
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	659,783,200	651,996,843		3,967,798	3,019,975	798,584
Safe drinking water loan program	74,950,000	69,215,595	123	2,183,403		3,550,879
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,043	165,649		6
Natural resources; nonpoint source	50,550,000	31,308,706	2,498	2,901,488	2,049,983	14,287,325
Natural resources; environmental repair	57,000,000	48,847	203,945	274,644		7,673,748
Natural resources; urban nonpoint source cost-sharing	57,600,000	44,031,690	31,189	1,780,987	2,574,979	9,181,155
Natural resources; contaminated sediment removal	36,000,000	26,688,937		1,589,317	1,304,989	6,416,757
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	10,903,807	161	187,993	3,129,974	5,747,265
Natural resources; segregated revenue supported dam safety projects	6,600,000	6,571,582	617	27,795		6
Natural resources; pollution abatement and sewage collection facilities, ORAP funding	145,060,325	145,010,325	50,000			
Natural resources; pollution abatement and sewage collection facilities	893,493,400	874,927,239	18,513,077			53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow	200,600,000	194,312,599	6,287,401			
Natural resources; recreation projects	56,055,000	56,053,994	1,006			
Natural resources; local parks land acquisition and development	2,490,000	2,447,741	42,259			
Natural resources; recreation development	23,061,500	22,919,742	141,325	68		365
Natural resources; land acquisition	45,608,600	45,116,929	491,671			
Natural resources; Wisconsin natural areas heritage program	2,500,000	2,445,793	17,174			37,033
Natural resources; segregated revenue supported facilities	123,958,000	95,321,804	93,544	4,484,363	2,859,976	21,198,313

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 15, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium[a]	G.O. Bonds of 2020, Series A[b]	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities....................................	$ 16,514,100	$ 11,318,965	$ 21,753	$ 9,208	$ 984,992	$ 4,179,182
Natural resources; ice age trail...	750,000	750,000				
Natural resources; dam safety projects……………………………	29,500,000	19,253,571	51,291	1,552,785	1,049,991	7,592,362
Natural resources; segregated revenue supported land acquisition...............................	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program............................	231,000,000	229,270,377	1,306,879	137,654		285,090
Transportation; administrative facilities.....................................	8,890,400	8,759,479	33,943			96,978
Transportation; accelerated bridge improvements...	46,849,800	46,849,800				
Transportation; major interstate bridge construction……………..	272,000,000	235,980,986	64	36,018,642		308
Transportation; rail passenger route development……………….	89,000,000	66,084,243	3,016	1,342,987		21,569,754
Transportation; accelerated highway improvements……………..	185,000,000	185,000,000				
Transportation; connecting highway improvements…………..	15,000,000	15,000,000				
Transportation; federally aided highway facilities...	10,000,000	10,000,000				
Transportation; highway projects...	41,000,000	41,000,000				
Transportation; major highway and rehabilitation projects..	565,480,400	565,480,400				
Transportation; Southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects……………………………	1,413,550,000	1,215,275,976	3,018,078	97,882,005	1,999,983	95,373,958
Transportation; state highway rehabilitation projects, southeast megaprojects........................	820,063,700	781,604,780	1,182,897	37,275,422		601
Transportation; major highway projects………………………….	100,000,000	98,948,179		1,051,814		7
Transportation; state highway rehabilitation, certain projects…..	141,000,000	134,924,101		6,075,854		45
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval…………	305,227,664	260,693,759	141,819	44,391,381		705
Transportation; southeast Wisconsin freeway megaprojects subject to contingency………………………….	252,400,000	157,675,201	94,291	22,146,477	37,199,693	35,284,338
Transportation; harbor improvements..	152,000,000	104,640,593	234,581	6,864,721	1,599,987	38,660,118
Transportation; rail acquisitions and improvements...	280,300,000	196,236,401	5,187	18,573,089	7,499,938	57,985,385
Transportation; local roads for job preservation, state funds..................…………..	2,000,000	2,000,000				
Corrections; correctional facilities..	951,679,900	857,949,099	11,468,918	7,041,384	6,099,950	69,120,549

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 15, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium [(a)]	G.O. Bonds of 2020, Series A[(b)]	Total Authorized Unissued Debt
Corrections; self-amortizing facilities and equipment	$ 2,116,300	$ 2,115,438	$ 99			$ 763
Corrections; juvenile correctional facilities	28,652,200	28,538,452	108,861	$ 988		3,899
Corrections; juvenile correctional grant program	80,000,000					80,000,000
Health services; mental health and secure treatment facilities	298,429,100	179,083,853	895,996	2,800,502	$ 15,799,869	99,848,880
Agriculture; soil and water	75,075,000	64,416,262	9,110	3,505,506		7,144,122
Agriculture; conservation reserve enhancement	28,000,000	21,275,180	3,160	1,185,149		5,536,511
Administration; Black Point Estate	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund	245,000,000	168,336,809		11,613,796		65,049,395
Building commission; previous lease rental authority	143,071,600	143,068,654				2,946
Building commission; refunding tax-supported general obligation debt	2,102,086,430	2,102,086,530				
Building commission; refunding self-amortizing general obligation debt	272,863,033	272,863,033				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005	250,000,000	250,000,000				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2011	474,000,000	473,651,084				348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013	264,200,000	263,420,000				780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt	7,510,000,000	5,980,583,916				1,529,416,084
Building commission; housing state departments and agencies	943,639,300	755,477,418	2,356,097	38,406,216	1,199,990	146,199,579
Building commission; 1 West Wilson street parking ramp	15,100,000	14,805,521	294,479			
Building commission; project contingencies	47,961,200	47,080,641	64,761	136,472	449,996	229,330
Building commission; capital equipment acquisition	125,660,000	123,506,341	740,327	281,617	464,996	666,719
Building commission; discount sale of debt	90,000,000	73,045,307				16,954,693
Building commission; discount sale of debt (higher education bonds)	100,000,000	99,988,833 [(c)]				11,167
Building commission; other public purposes	2,955,419,200	2,399,646,617	8,728,267	62,349,678	37,999,683	446,694,955

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 15, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium[(a)]	G.O. Bonds of 2020, Series A[(b)]	Total Authorized Unissued Debt
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities………………	$ 10,000,000	$ 10,000,000				
Norskedalen Nature and Heritage Center……….	1,048,300					$ 1,048,300
Bond Health Center……………………………..	1,000,000	983,307		$ 16,682		11
Lac du Flambeau Indian Tribal Cultural Center…	250,000	210,495		39,504		1
Dane County; livestock facilities………………..	9,000,000	7,577,838		1,422,134		28
K I Convention Center…………………………	2,000,000	1,725,394		274,522		84
HR Academy, Inc……………………………..	1,500,000	1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator……………….…………..	45,000,000	33,909,754		926,706		10,163,540
AIDS Resource Center of Wisconsin, Inc…………………………………..	800,000	800,000				
Bradley Center Sports and Entertainment Corporation………………………	5,000,000	4,869,946		130,053		1
Medical College of Wisconsin; community medical education facilities………..	7,384,300	5,178,449	$ 3,011	495,259		1,707,581
Family justice center……………………………	10,625,000	9,109,385		1,515,566		49
Marquette University; dental clinic and education facility………………	25,000,000	23,942,583	818	1,056,495		104
Civil War exhibit at the Kenosha Public Museums………………………………..	500,000	500,000				
AIDS Network, Inc………………………………	300,000	300,000				
Wisconsin Maritime Center of Excellence……….	5,000,000	4,383,263		616,673		64
Hmong cultural centers………………………….	250,000	250,000				
Milwaukee Police Athletic League; youth activities center………………………….	1,000,000	1,000,000				
Children's research institute……………………..	10,000,000	10,000,000				
Domestic Abuse Intervention Services, Inc…….	560,000	476,628		83,327		45
Carroll University……………………………	3,000,000	2,393,760		403,102		203,138
Wisconsin Agricultural Education Center, Inc…	5,000,000	4,522,862		477,090		48
Eau Claire Confluence Arts, Inc………………….	15,000,000	13,461,714		1,537,698		588
Administration; school educational technology infrastructure financial assistance…………………	71,911,300	71,480,216	431,066			18
Myrick Hixon EcoPark, Inc……………………..	500,000	500,000				
Madison Children's Museum……………………	250,000	250,000				
Administration; public library educational technology infrastructure financial assistance………..……………………	269,000	268,918	42			40
Educational communications board; educational communications facilities…………………………………………	24,169,000	24,112,683	38,515	11,925		5,877
LaCrosse Center……………………………………	5,000,000					5,000,000
St. Ann Center for Intergenerational Care, Inc., Bucyrus Campus…………………………	5,000,000	4,245,324		754,625		51
Brown County innovation center…………………	5,000,000	3,847,135		677,813	$ 279,998	195,054
Building Commision; projects............................	25,000,000					25,000,000
Building Commision; center..............................	15,000,000					15,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
MAY 15, 2020

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O. Bonds of 2020, Series A[b]	Total Authorized Unissued Debt
Grand Opera House in Oshkosh……………….	$ 500,000	$ 500,000				
Aldo Leopold climate change classroom and interactive laboratory……………………………………….	500,000	485,000		$ 14,992		$ 8
Historical society; self-amortizing facilities...............………………..	1,029,300	1,029,156	$ 3,896			
Historical society; historic records.............................……………….	26,650,000	23,165,436	137	3,320,412		164,015
Historical society; historic sites..................................……………….	9,591,800	9,067,114	847	291,750		232,089
Historical society; museum facility............................……………….	74,384,400	4,362,469				70,021,931
Historical society; Wisconsin history center……………………….	16,000,000	8,775,977	457	1,376,465		5,847,101
Public instruction; state school, state center and library facilities………………………………	19,738,900	11,845,469	32,509	467,826		7,393,096
Military affairs; armories and military facilities...…………………	60,097,100	43,205,312	198,829	2,078,102		14,614,857
Veterans affairs; veterans facilities..........………………………..	20,169,000	9,690,103	50,593	50,279	$ 264,998	10,113,027
Veterans affairs; self-amortizing mortgage loans...……………….	2,122,542,395	2,122,542,395				
Veterans affairs; refunding bonds............................………………	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities…………………………	83,518,800	34,739,730	2,427	2,392,892	7,999,934	38,383,817
State fair park board; board facilities............................………………	14,787,100	14,769,363	1			17,736
State fair park board; housing facilities...........................………………	11,000,000	10,999,985	15			
State fair park board; self-amortizing facilities...........…………………	55,187,100	52,699,335	22,401	13,596		2,451,768
Total...………………	$ 35,675,584,947	$ 30,018,950,381	$ 74,220,810	$631,465,513	$ 262,757,826	$ 4,688,194,269

(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 to be received from the sale of the Bonds and credited to the Capital Improvement Fund.

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

Source: Department of Administration.

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APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

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

Subject: **$213,615,000**
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2020, SERIES A

We have acted as bond counsel in connection with the issuance by the State of Wisconsin **(State)** of its $213,615,000 General Obligation Bonds of 2020, Series A, dated the date hereof **(Bonds)**. The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission **(Commission)** on May 20, 2020 (**Resolution)**.

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

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

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

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

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

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

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

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated June 3, 2020 or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

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

Very truly yours,

FOLEY & LARDNER LLP

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FORWARD
E PLURIBUS UNUM