OFFICIAL STATEMENT

New Issue

This Official Statement provides information about the Certificates. 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.

$19,285,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2023, SERIES A

Evidencing Proportionate Interests of the Owners Thereof in Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

Dated: Date of Delivery **Due: March 1 and September 1, as shown on the inside front cover**

Ratings	AA Fitch Ratings AA+ Kroll Bond Rating Agency, LLC Aa2 Moody's Investors Service, Inc.
Tax Status	Interest on the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Certificates is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022—*See page 13*. Interest on the Certificates is not exempt from current State of Wisconsin income or franchise taxes—*See page 15.*
Redemption	*Optional*—The Certificates maturing on March 1, 2029 are callable at par on September 1, 2028 or any date thereafter—*See page 4.* *Mandatory*—Master lease certificates of participation of all series, including the Certificates, are subject to mandatory redemption at par upon an Event of Default under the Master Indenture, which includes Nonappropriation or an Event of Default under the Master Lease—*See page 4.*
Security	The Certificates evidence proportionate interests in certain Lease Payments under the State's Master Lease Program. The Master Lease requires the State to make Lease Payments from any source of legally available funds, subject to annual appropriation. All Leased Items serve as a common pool of collateral, ratably securing all series of master lease certificates of participation issued under the Master Indenture for the Program. Nonappropriation or an Event of Default under the Master Lease or any Lease Schedule constitutes an Event of Default for all series of master lease certificates of participation—*See page 6.*
State Budget	The enactment and administration of the State budget are subject to various constitutional and statutory provisions—*See page 8.*
Purpose	Funding Lease Schedules previously financed through a revolving credit facility, financing additional Lease Schedules, and paying costs of issuance for the Certificates—*See page 3*.
Interest Payment Dates	March 1 and September 1
First Interest Payment Date	September 1, 2023
Denominations	Multiples of $5,000
Closing/Delivery/Settlement	On or about May 31, 2023
Bond Counsel	Foley & Lardner LLP
Trustee/Registrar/Paying Agent	U.S. Bank Trust Company, National Association
Issuer Contact	Wisconsin Capital Finance Office (608) 267-1836; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See page 4.*
2022 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2022.

The prices and yields listed on the inside front cover were determined on May 16, 2023 at negotiated sale.

Siebert Williams Shank & Co., LLC

Mischler Financial Group, Inc. **PNC Capital Markets LLC**

May 16, 2023

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND OTHER INFORMATION

$19,285,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2023, SERIES A

Evidencing Proportionate Interests of the Owners Thereof in Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

CUSIP	Maturity Date	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date	Call Price
977087 LC7	September 1, 2023	$2,290,000	5.00%	3.15%	100.449	Not Callable	–
977087 LD5	March 1, 2024	2,110,000	5.00	3.15	101.355	Not Callable	–
977087 LE3	September 1, 2024	2,160,000	5.00	3.12	102.282	Not Callable	–
977087 LF0	March 1, 2025	2,215,000	5.00	2.92	103.519	Not Callable	–
977087 LG8	September 1, 2025	2,270,000	5.00	2.91	104.515	Not Callable	–
977087 LH6	March 1, 2026	2,330,000	5.00	2.78	105.834	Not Callable	–
977087 LJ2	September 1, 2026	2,385,000	5.00	2.75	106.945	Not Callable	–
977087 LK9	March 1, 2027	1,435,000	5.00	2.67	108.257	Not Callable	–
977087 LL7	September 1, 2027	1,465,000	5.00	2.66	109.340	Not Callable	–
977087 LM5	March 1, 2028	130,000	5.00	2.62	110.560	Not Callable	–
977087 LN3	September 1, 2028	55,000	5.00	2.62	111.598	Not Callable	–
977087 LP8	March 1, 2029	440,000	5.00	2.60	111.702[a]	September 1, 2028	100%

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

This document is called the official statement because it is the only document that the State has authorized for providing information about the offering of the Certificates. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the Certificates, and anything else related to the offering of the Certificates.

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 have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements in this document are forward-looking statements that are based on expectations, estimates, projections, or assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond the control of the State. 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 to give any information or to make any representations about the Certificates 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 Certificates 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 included.

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PARTICIPANTS IN ISSUANCE AND SALE OF THE CERTIFICATES

The Honorable Tony Evers
Governor
State of Wisconsin

Ms. Kathy K. Blumenfeld
Secretary
Department of Administration

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Foley & Lardner LLP

Municipal Advisor
Baker Tilly Municipal Advisors, LLC

Trustee
U.S. Bank Trust Company, National Association

SUMMARY DESCRIPTION OF CERTIFICATES

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

Principal Amount and Description:	$19,285,000 Master Lease Certificates of Participation of 2023, Series A (State of Wisconsin)
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery (on or about May 31, 2023)
Record Date:	February 15 and August 15
Interest Payments:	March 1 and September 1, commencing September 1, 2023.
Maturities:	March 1 and September 1, commencing September 1, 2023 and ending March 1, 2029.
Redemption:	*Optional*—The Certificates maturing on March 1, 2029 are callable at par on September 1, 2028 or any date thereafter—*See page 4.* *Mandatory*—Master lease certificates of participation of all series, including the Certificates, are subject to mandatory redemption at par upon an Event of Default under the Master Indenture, which includes Nonappropriation or an Event of Default under the Master Lease—*See page 4.*
Form:	Book-entry-only—*See page 4.*
Paying Agent:	All payments of the principal of, and interest on, the Certificates will be paid by U.S. Bank Trust Company, National Association, as Trustee. All payments initially will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Certificates evidence proportionate interests in certain Lease Payments under the State's Master Lease Program. The Master Lease requires the State to make Lease Payments from any source of legally available funds, subject to annual appropriation. All Leased Items serve as a common pool of collateral, ratably securing all series of master lease certificates of participation issued under the Master Indenture for the Program. Nonappropriation or an Event of Default under the Master Lease or any Lease Schedule constitutes an Event of Default for all series of master lease certificates of participation. As of May 1, 2023, the principal amount of all outstanding master lease certificates of participation was approximately $61 million—*See page 6.*
State Budget:	The State budget is the legislative document that authorizes amounts of State expenditures for the two fiscal years in the biennium, based on the amount of revenues (primarily taxes) projected to be received. The budget for the 2023-25 biennium has been introduced by the Governor and is currently being reviewed by the Wisconsin Legislature—*See page 8.*
Continuing Authority of Budget:	Under State law, in the event a budget is not in effect at the start of a fiscal year, the prior fiscal year's budget serves as the budget until a new budget is enacted. Thus, until the time that such 2023-25 biennial budget is enacted, appropriations from the 2021-23 budget for the 2022-23 fiscal year will automatically continue—*See page 8.*

Fiscal Controls and Priority of Payments:	If an emergency arises which requires payments in excess of available money, the Secretary of Administration has statutory power to order reductions in the appropriations of State agencies (which represent less than one-third of the General Fund budget). In addition, the Secretary of Administration may set priorities for payments from the General Fund as well as prorate certain payments. The Wisconsin Statutes provide an order of preference for all payments from the General Fund. The Master Lease provides that, if such an emergency arises, then the Secretary of Administration will establish a priority schedule for payments that gives Lease Payments due under the Master Lease a high priority; however, such priority is not required to be on a parity basis with other payments from the General Fund to which the Secretary of Administration has agreed to assign a high priority. The Secretary of Administration is required to give higher priority to payments on outstanding State general obligations, operating notes, and employee payroll—*See page 8*.
Authority for Issuance:	The State entered into the Master Lease pursuant to Section 16.76 of the Wisconsin Statutes.
Purpose:	Funding Lease Schedules previously financed through a revolving credit facility, financing additional Lease Schedules, and paying costs of issuance for the Certificates —*See page 3.*
Additional Certificates:	Additional master lease certificates of participation may be issued on parity with the Certificates.
Tax Exemption:	Interest on the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022—*See page 13.* Interest on the Certificates is not exempt from current State of Wisconsin income and franchise taxes—*See page 15.*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP—*See page C-1.*
2022 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2022.

OFFICIAL STATEMENT

$19,285,000
MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2023, SERIES A

Evidencing Proportionate Interests of the Owners Thereof in Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

INTRODUCTION

This Official Statement provides information about the $19,285,000 Master Lease Certificates of Participation of 2023, Series A (**Certificates**) that represent a proportionate interest in certain Lease Payments to be made by the State of Wisconsin (**State**) pursuant to the Third Amended and Restated Master Lease #1992-1, dated April 28, 2000 (**Master Lease**), between a predecessor-in-interest of U.S. Bank National Association, as lessor **(Lessor)**, and the State, acting by and through the State of Wisconsin Department of Administration (**Department of Administration**), as lessee **(Lessee)**.

This Official Statement includes by reference Parts I, II, and IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2022 (**2022 Annual Report**), which has been posted with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** System.

The Certificates are issued pursuant to and secured by the Master Indenture, dated July 1, 1996, among Firstar Bank Milwaukee, N.A., Firstar Trust Company, and the Lessee, as supplemented from time to time **(Master Indenture)**, and Supplemental Indenture No. 2023-A (**Supplemental Indenture)**, to be dated the date of issuance of the Certificates, among the Lessor, U.S. Bank Trust Company, National Association, as trustee **(Trustee)**, and the Lessee. The Master Indenture established a trust (**Trust**) that consists of lease schedules to the Master Lease **(Lease Schedules)**, rent (being the amount payable to the Lessor on each payment date during the term of the Master Lease, as shown in the related Lease Schedule, including interim rent and any additional rent), and any other amount payable under a Lease Schedule (**Lease Payments**), the tangible property and, in certain situations, intangible property or prepaid service items, acquired by the State pursuant to the Lease Schedules (**Leased Items**), and other property and rights related to those Lease Schedules.

The State is required under the Master Lease to make Lease Payments from any source of legally available funds, subject to annual appropriation, and the scheduled Lease Payments are sufficient to pay, when due, the principal of, and interest on, all then outstanding master lease certificates of participation, including the Certificates. *The obligation of the State to make Lease Payments does not constitute an obligation of the State for which the State is obligated to levy or pledge any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State.*

Additional master lease certificates of participation secured on a parity basis with the Certificates may be issued without limit. *All Leased Items serve as a common pool of collateral, ratably securing all series of master lease certificates of participation issued on a parity basis under the Master Indenture.* See "RISK FACTORS; Collateral Value of Leased Items".

In connection with the issuance and sale of the Certificates, the Department of Administration has prepared this Official Statement, which contains information furnished by the State or obtained from the sources indicated.

Capitalized terms not defined in this Official Statement have the meanings provided in the Master Lease and Master Indenture.

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 and its financial condition is included as APPENDIX A, which incorporates by reference Part II of the 2022 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2022 Annual Report, including:

- Information about the executive budget for the 2023-25 biennium.
- Estimated General Fund condition statement for the 2022-23 fiscal year and estimated General Fund tax collections for the 2022-23, 2023-24, and 2024-25 fiscal years, as included in a report provided by the Legislative Fiscal Bureau **(LFB)** on May 15, 2023 **(May 2023 LFB Report)**.
- Estimated General Fund condition statement for the 2022-23 fiscal year and estimated General Fund tax collections for the 2022-23, 2023-24, and 2024-25 fiscal years, as included in a report provided by the LFB on January 25, 2023 **(January 2023 LFB Report)**.
- General Fund information for the 2022-23 fiscal year through March 31, 2023, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2022-23 fiscal year, which is presented on a cash basis.

Requests for additional public information about the State and the Master Lease program described below may be directed to:

Contact:	State of Wisconsin Capital Finance Office Department of Administration Attn: Capital Finance Director
Mail:	101 East Wilson Street, FLR 10 P.O. Box 7864 Madison, WI 53707-7864
Phone:	(608) 267-1836
E-mail:	DOACapitalFinanceOffice@wisconsin.gov
Websites:	doa.wi.gov/capitalfinance wisconsinbonds.com

THE MASTER LEASE PROGRAM

The Department of Administration created the Master Lease program (**Program**) in 1992 by entering into the Master Lease. The Program permits the State to acquire Leased Items for all State agencies through installment purchase contracts. Particular Leased Items are described in schedules that are prepared under the Master Lease. As of May 1, 2023, the total amount of originations completed through the Program was $813 million, and the principal amount of outstanding master lease certificates of participation was approximately $61 million. The Program continues to be used to originate additional Lease Schedules. See "PLAN OF FINANCE".

Information concerning the Program is included as APPENDIX B, which includes by reference Part IV of the 2022 Annual Report. Appendix B also updates the information regarding outstanding Lease Schedules presented in Part IV of the 2022 Annual Report.

PLAN OF FINANCE

General

The Certificates are being issued to (i) provide funding with interest based on long-term, tax-exempt, fixed interest rates for Lease Schedules previously financed through a revolving credit facility in which the State pays interest based on short-term, taxable, variable interest rates, (ii) finance the acquisition of additional Lease Schedules, and (iii) pay costs of issuance for the Certificates. Upon delivery of the Certificates, a portion of the proceeds of the Certificates will be deposited into the Certificate Payment Fund and used on or before June 1, 2023 to repay amounts drawn under the revolving credit facility to fund certain Lease Schedules. Another portion of the proceeds of the Certificates will be deposited into the Project Fund, and is expected to be used to finance additional Lease Schedules on or before July 15, 2023. See "SECURITY FOR CERTIFICATES; Two-Phase Financing Structure".

Sources and Uses

The proceeds from the sale of the Certificates are expected to be used as follows:

Sources	
Principal Amount	$19,285,000.00
Original Issue Premium	897,085.24
TOTAL SOURCES	$20,182,085.24
Uses	
Funding Lease Schedules	$19,200,561.40
Financing Additional Lease Schedules	659,551.56
Underwriters' Discount	89,904.17
Costs of Issuance	232,068.11
TOTAL USES	$20,182,085.24

THE CERTIFICATES

General

The inside front cover of this Official Statement sets forth the maturity dates, principal amounts, interest rates, and other information for the Certificates. The Certificates are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee, which initially will be a nominee of The Depository Trust Company, New York, New York **(DTC)**. See "THE CERTIFICATES; Book-Entry-Only Form".

The Certificates will be dated their date of delivery (expected to be May 31, 2023) and will bear interest from that date payable on March 1 and September 1 of each year, beginning on September 1, 2023.

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

The Certificates are issued in principal denominations of multiples of $5,000.

Ratings

The following ratings have been assigned to the Certificates:

Rating	Rating Organization
AA	Fitch Ratings
AA+	Kroll Bond Rating Agency, LLC
Aa2	Moody's Investors Service, Inc.

A report outlining the basis for such ratings will be issued in connection with the issuance of each rating and copies may be obtained by contacting the respective rating organizations. Any further explanation of the significance of a rating may be obtained only from the applicable rating organization. Generally, rating organizations base their ratings on the information and materials so furnished and on investigations, studies, and assumptions made by the rating agencies. Such ratings reflect only the views of the applicable rating organization and do not constitute a recommendation to buy, sell, or hold the Certificates.

Redemption Provisions

Optional Redemption

The Certificates maturing on March 1, 2029 may be redeemed on September 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 Department of Administration may decide whether to redeem Certificates, and the Capital Finance Director may direct the amounts and maturities of the Certificates to be redeemed.

Mandatory Redemption

Master lease certificates of participation of all series, including the Certificates, are subject to mandatory redemption, to the extent money is available, in whole or in part on any date, at a redemption price equal to par (100% of the principal of the Certificates to be redeemed), plus accrued interest to the redemption date, upon an Event of Default under the Master Indenture, which includes Nonappropriation or an Event of Default under the Master Lease (including the failure to pay rent due under any Lease Schedule).

Selection of Certificates

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

Notice of Redemption

So long as the Certificates 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 Certificate called for redemption will cease to accrue on the redemption date so long as the Certificate is paid or money is provided for its payment.

Registration and Payment of Certificates

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

Book-Entry-Only Form

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

The Certificates are to be issued and registered in the name of a nominee of DTC, which acts as a securities depository for the Certificates. Ownership of the Certificates 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 Certificates must be made, directly or indirectly, through DTC Participants.

Payment

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

Notices and Voting Rights

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

Redemption

If less than all Certificates of a given maturity are being redeemed, DTC's practice is to determine by lottery the amount of the Certificates 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, certificates would be executed and delivered to DTC Participants.

Further Information

Further information concerning DTC and DTC's book-entry system is available on DTC's website. The State and the Trustee are not responsible for any information available on DTC's website. That information may be subject to change without notice.

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

Redemption and Payment if Book-Entry-Only System is Discontinued

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

Payment of principal would be made by check or draft issued upon the presentation and surrender of the Certificates at the designated office of the Paying Agent, as designated by the State and the Trustee. Payment of interest due on the Certificates 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.

If less than all Certificates of a given maturity were being redeemed, Certificates would be selected for redemption by lot.

Any redemption notice would be sent, between 30 and 60 days before the redemption date, to the Municipal Securities Rulemaking Board and would be mailed, postage prepaid, to the registered owners of the Certificates to be redeemed. The mailing, however, would not be a condition to the redemption; any proceedings to redeem the Certificates would still be effective even if the notice were not mailed. A redemption notice could be revoked by sending a notice, at least 15 days before the proposed redemption date, to the Municipal Securities Rulemaking Board and by mailing the notice postage prepaid to the registered owners of the Certificates 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 Certificate called for redemption would cease to accrue on the redemption date so long as the Certificate was paid or money was provided for its payment.

SECURITY FOR CERTIFICATES

General

The Certificates represent proportionate interests in Lease Payments required to be made by the State under the Master Lease. The Master Lease requires the State to make Lease Payments from any source of legally available funds, subject to annual appropriation. The scheduled Lease Payments are sufficient to pay when due the semiannual principal and interest payments on all outstanding series of master lease certificates of participation, including the Certificates.

The obligation of the State to make Lease Payments does not constitute an obligation for which the State is obligated to levy or pledge any form of taxation or for which the State has levied or pledged any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State. Lease Payments are required to be made from legally available funds, subject to annual appropriations. See "RISK FACTORS; Risk of Nonappropriation".

Common Pool of Collateral

Under the Master Indenture, the Lessor has assigned to the Trustee, for the benefit of all owners of master lease certificates of participation, all its rights in the following:

- The funds and accounts created by the Master Indenture.
- The Lease Schedules specified in supplemental indentures.
- All Lease Payments, Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted by the Master Lease.

All Leased Items serve as a common pool of collateral, ratably securing the Certificates and all present and future master lease certificates of participation that, when issued, will be on parity with the Certificates. All master lease certificates of participation are secured by all Leased Items, regardless of their funding source or the time at which the Program finances them. If the Wisconsin State Legislature **(Legislature)** fails to appropriate necessary funds for the continued performance of the State's obligations under any Lease Schedule or if an Event of Default occurs under the Master Lease, then an Event of Default exists with respect to the Certificates and all outstanding master lease certificates of participation. Once a Lease Schedule is fully paid, the Leased Item covered by the Lease Schedule no longer serves as collateral. See "RISK FACTORS; Collateral Value of Leased Items".

In the opinion of Bond Counsel, the transfer of Lease Schedules by the Lessor to the Trustee constitutes a true sale and not a secured transaction. The State's obligation to make Lease Payments does not depend upon any service provided by the Lessor, and thus the transfer of Lease Schedules would be unaffected by any insolvency of the Lessor.

No Reserve Fund

The Master Indenture allows a reserve fund to be established for any specific series of master lease certificates of participation. No reserve fund has been established for the Certificates, and no reserve funds are available to any series of outstanding master lease certificates of participation. In the event that the Department of Administration were to establish a reserve fund under the Master Indenture, the amounts in the reserve fund would only be available to the series of master lease certificates of participation for which the reserve fund was established.

Governmental Use

In connection with each Lease Schedule, the State certifies that each Leased Item will be used to perform a governmental function. Many of the Leased Items will perform critical governmental functions, but the State does not certify that the Leased Items perform any "essential" functions. Examples of Leased Items currently existing in the Trust include components of the State's central mainframe computer, technology upgrades and equipment for various information technology initiatives, aircraft, mobile radios, and components of a comprehensive information technology system that allows the State to centrally manage finance, budget, procurement, business intelligence, and human resource functions. See APPENDIX B.

Centralized Control and Review

The Program structure allows one division within the Department of Administration to centrally administer many Program activities. Program functions related to administration, review, and day-to-day operations occur in the Capital Finance Office. Program functions related to review and biennial budget preparation occur in the State Budget Office. Program functions related to collection of Lease Payments occur in the State Controller's Office. Each of these offices is part of the Department of Administration Division of Executive Budget and Finance.

Two-Phase Financing Structure

The State typically uses a two-phase financing structure for the Program. In the first (or acquisition) phase, all Leased Items are initially financed with proceeds from a revolving credit facility. The revolving credit facility is a line of credit, and the State, acting on behalf of the Trustee, requests draws from the revolving credit facility to pay for the acquisition of Leased Items. A Master Lease Certificate of Participation has been issued (currently the Master Lease Certificate of Participation of 2013, Series A – Revolving Credit Agreement (State of Wisconsin)) to the provider of the revolving credit facility to evidence the State's repayment of balances under the facility. The provider is currently PNC Bank, National Association, and the current scheduled termination date for the ability to make draws is September 1, 2024. The State pays interest on funds drawn from the revolving credit facility based on a taxable, variable interest rate, and the repayment term under the credit facility can extend for up to three years after the scheduled termination date.

In the second phase, the State, acting on behalf of the Trustee, may issue and sell master lease certificates of participation (such as the Certificates), with interest payments based on a fixed (and generally tax-exempt) interest rate to fund all, or a portion of, the Lease Schedules previously funded with proceeds from the revolving credit facility. Since substantially all of the proceeds of the master lease certificates of participation issued as part of the second phase are immediately applied to acquire existing Lease Schedules, the proceeds of those certificates are not subject to significant nonorigination risk. The State most recently issued fixed-rate master lease certificates of participation for this purpose in January 2022 and February 2021.

In connection with any refinancing, the Master Lease and the Lease Schedules provide for amendments to the terms of the Lease Schedules to match the payment dates and amounts of the master lease certificates of participation.

All sources of financing for the Program are issued under the Master Indenture. See "SECURITY FOR CERTIFICATES; Common Pool of Collateral".

Expected Refunding of Certificates

Some of the Lease Schedules to be funded with the Certificates have terms extending to September 1, 2042, which is beyond the final maturity date of the Certificates. In connection with the issuance of the Certificates, the Lease Schedules will be amended to provide for rental payments sufficient to make scheduled payments of principal of, and interest on, the Certificates, including the final principal payment due on March 1, 2029. The State intends to issue additional master lease certificates of participation on or prior to March 1, 2029, to refund all or a portion of the principal of the Certificates maturing on March 1, 2029. Upon issuance of any master lease certificates of participation to refund the Certificates maturing March 1, 2029, the State may further amend the Lease Schedules to extend the payment terms in a manner consistent with their current terms.

Budget Process

The central control of the Program provides the State Budget Office with knowledge of all past, current, and pending scheduled Lease Payments due under the Master Lease. Lease Payments due under the Master Lease are not included in the State budget as a separate budget line item. Rather, Lease Payments due under the Master Lease are included with other expenditures in one or more of the existing budget line items for the participating agencies.

State law establishes procedures for establishing and enacting a State budget. The Secretary of the State of Wisconsin Department of Administration **(Secretary of Administration)**, under the direction of the Governor and with assistance from the State Budget Office, compiles all budget information and prepares an executive budget, which is presented for legislative deliberation. The State budget is the legislative document that sets the level of authorized State expenditures for the two fiscal years in the biennium and the corresponding level of revenues (primarily taxes) projected to be available to finance those expenditures.

See APPENDIX A for additional information on the State's budget process, the 2021-23 biennial budget, the status of the 2023-25 biennial budget, and remedies available when the General Fund is in a negative cash position.

Continuing Authority of Budget

The failure of the Legislature to adopt a new budget before the commencement of a biennium does not result in a lack of spending authority. Under Wisconsin law, an existing appropriation continues in effect until it is amended or repealed. Once a newly enacted budget becomes effective, the continuing authority of existing appropriations is superseded by the newly enacted appropriations. In other words, until the time the 2023-25 biennial budget is enacted, appropriations from the 2021-23 budget for the 2022-23 fiscal year will automatically continue.

The continuing authority of existing appropriations until a new budget is adopted helps to protect against the effect of a delay in the adoption of a budget. If an amount has been appropriated for the second fiscal year in one biennium, there will be continuing authority in the same amount until a new biennial budget is enacted or some other legislative action is taken to amend or repeal the appropriation. The 2021-23 biennial budget of the State was enacted on July 8, 2021, which was seven days after the start of the biennium. Of the ten prior biennial budgets, the 2009-11, 2011-13 and 2013-15 biennial budgets were enacted prior to the start of the respective biennia; however, the 2015-17, 2017-19, and the 2019-21 biennial budgets and each of the four biennial budgets prior to the 2009-11 biennium were enacted after the start of the respective biennia, with the latest date after the start of a biennium being October 26, 2007 (for the 2007-2009 biennium), which was nearly four months after the start of the first fiscal year of that biennium.

Budgetary Reductions and Priority of Claims

If an emergency arises that requires payments in excess of available money, the Secretary of Administration has statutory power to order reductions in the appropriations of State agencies (which represent less than one-third of the General Fund budget). If needed, the Secretary of Administration may set priorities for payments from the General Fund as well as prorate certain payments. The Wisconsin Statutes provide that all payments shall be in accordance with the following order of preference:

- All direct and indirect payments of the principal of, and interest on, State general obligation debt have first priority and may not be prorated or reduced.
- All direct and indirect payments of the principal of, and interest on, operating notes have second priority and may not be prorated or reduced.

- All State employee payrolls have third priority and may be prorated or reduced.
- All other payments shall be paid in a priority determined by the Secretary of Administration and may be prorated or reduced.

Payments described by the first three statutory priorities must be made before Lease Payments may be made under the Master Lease; however, the Master Lease includes representations that, if an emergency arises that requires the Department of Administration to draw vouchers for payment that will be in excess of available moneys, then the Secretary of Administration will establish a priority schedule for the other payments that gives Lease Payments due under the Master Lease a high priority. The priority assigned to Lease Payments is not required to be on a parity basis with other payments from the General Fund to which the Secretary of Administration has agreed to assign a high priority. A similar covenant regarding priority of payment has also been made with respect to the State's general fund annual appropriation bonds and for appropriations to the Wisconsin Center District to assist in the development and construction of a sports and entertainment arena in Milwaukee, Wisconsin.

Before the Secretary of Administration may establish a priority schedule for the other payments, the Secretary of Administration is required to consult with the State Treasurer and to notify the Legislature's Joint Committee on Finance. The Secretary of Administration may not proceed with the priority schedule until the Legislature's Joint Committee on Finance either (1) holds a meeting to review the proposal, which meeting must occur within two working days after notification of the priority schedule, or (2) does not schedule a meeting to review the proposal within two working days after notification of the priority schedule.

RISK FACTORS

Risk of Nonappropriation

The State's obligation to make Lease Payments is subject to appropriation of the necessary funds by the Legislature. There is no assurance that sufficient funds will be appropriated or otherwise will be available to make the Lease Payments. **Nonappropriation** is defined in the Master Lease as a determination by the State (as Lessee) that the Legislature has failed to appropriate necessary funds for the continued performance of the obligations of the Lessee under the Master Lease. A failure by the State to make a Lease Payment with respect to any Leased Item would cause the Master Lease to terminate with respect to all Leased Items. The State's obligation to make Lease Payments is not a general obligation of the State, and the obligation does not involve the State of Wisconsin Building Commission **(Commission)**. Rather, the Master Lease is a contract entered into by the Department of Administration under separate statutory authority. The owners of the Certificates could suffer a loss or fail to obtain payment on a timely basis if no appropriation were made or if an insufficient appropriation were made. Such Nonappropriation or insufficient appropriation could occur either through the direct action of the Legislature or the Governor or through a failure to act.

The Master Lease does not include a nonsubstitution clause. If the Legislature were to fail to appropriate necessary funds for the continued performance of the State's obligations under the Master Lease, the State would be allowed to acquire and use similar items for the same function as the Leased Item for which no appropriation was made.

As described under "SECURITY FOR CERTIFICATES; Expected Refunding of Certificates", some Lease Schedules funded with the Certificates originally had scheduled Lease Payment dates extending to September 1, 2042. The State intends to refund a portion of the principal amount of the Certificates that mature on March 1, 2029. However, if such refunding does not occur for any reason, larger than normal appropriations would be needed to provide for the payment of the Certificates maturing March 1, 2029. The amount of Certificates that would be subject to such refunding is approximately $0.4 million.

While it is possible that failure to make the Lease Payments might hinder the State's subsequent access to the capital markets, it should not be assumed that the Legislature would regard that possible consequence to be a compelling reason to appropriate the money needed for Lease Payments. See APPENDIX B for additional information about remedies available under the Master Lease and Master Indenture if no appropriation is made.

Leased Items May Not Be Essential

Although the State has made certain representations that each Leased Item serves a governmental function, and although many Leased Items serve critical functions, it should be assumed that the State could function without any Leased Item.

Security Interest in Leased Items

The State has granted the Lessor a security interest in the Leased Items pursuant to the Master Lease, and the Lessor has assigned that security interest to the Trustee in the Master Indenture. The Wisconsin Uniform Commercial Code provides that no financing statements are required to perfect the security interest in the Leased Items. Records that evidence the security interest are kept by the Department of Administration, separate and apart from the central record system of security interests kept by the State of Wisconsin Department of Financial Institutions under the Uniform Commercial Code.

While the Master Lease purports to grant a purchase money security interest in the Leased Items, purchase money security interests, which are entitled to special priority under the Uniform Commercial Code, can only be created in goods and certain software. Thus, the security interest in most software and other intangible Leased Items is not a purchase money security interest under the Uniform Commercial Code. See "RISK FACTORS; Collateral Value of Leased Items".

Collateral Value of Leased Items

Although the State has provided a security interest in the Leased Items that have been assigned to the Trustee (for the benefit of the owners of all master lease certificates of participation), the Certificates are not offered on the basis of the collateral value of the Leased Items or the value of any other pledged asset (other than the Lease Payments). The term of the Lease Schedule is not permitted to exceed the useful life of the Leased Item; however, it should not be assumed that the value of the Leased Item at any particular time will exceed the portion of the remaining Lease Payments with respect to the Leased Item that will be applied to principal or that the existence of any such excess would motivate the State to continue making Lease Payments. Typically, it is difficult to realize the full value of collateral through sale of the collateral, and some of the Leased Items, such as service contracts or intangible property (which, in aggregate, account for the majority of the amounts financed under outstanding Lease Schedules as of May 1, 2023), or tangible property that is incorporated into real estate, may be impossible or difficult to sell or have little or no value to a third-party purchaser. Purchasers should not rely on the collateral value of the Leased Items.

Certificate Ratings

There is no assurance that any ratings assigned to the Certificates will remain for any given period of time, or that they may not be lowered or withdrawn entirely by any or all rating organizations, if in their judgment circumstances so warrant. In addition, the State is not required under the Master Indenture to continue requesting ratings on the Certificates from any particular rating organization. Any determination to not to request ratings, or a downward change in or withdrawal of such ratings, may have an adverse effect on the market price of the Certificates. See "THE CERTIFICATES; Ratings".

Risk of Loss of Tax Exemption

No assurance can be given that, if the Master Lease were terminated, subsequent payments made by the Trustee with respect to the outstanding Certificates and designated as interest would be excluded from gross income for federal income tax purposes.

The Certificates may be, from time to time, subject to examinations by the Internal Revenue Service **(IRS)**. The State monitors compliance with the tax requirements and believes that the Certificates comply and will continue to comply with the tax laws. However, there can be no assurance that an IRS review could adversely affect the market value of the Certificates.

Registration Provisions of Securities Law if Master Lease Terminated

If the Master Lease were terminated, then the transfer of a Certificate may be subject to compliance with the registration provisions of applicable federal and state securities laws, which could impair the liquidity of the Certificates.

OTHER INFORMATION

Borrowing Plans for Calendar Year 2023

The Certificates will be the first series of master lease certificates of participation to be issued in calendar year 2023. The amount and timing of any additional series of master lease certificates of participation to be issued in this calendar year depend on the amount and timing of originations under the Program and market conditions. See "SECURITY FOR CERTIFICATES; Two-Phase Financing Structure".

General Obligations

The State has previously issued one series of general obligation bonds in this calendar year, in the principal amount of $199 million, for general governmental purposes. The State has also issued two series of general obligations in this calendar year, in the principal amount of $621 million, for the refunding of general obligations previously issued for general governmental purposes.

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

- Up to $139 million of additional general obligations for general governmental purposes. The State anticipates issuing these general obligations in the form of extendible municipal commercial paper notes **(EMCP)** on or about June 1, 2023.
- Up to $500 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding EMCP and variable rate demand obligation notes **(VRDO Notes)**, which were outstanding in the amount of $105 million as of May 1, 2023. The amount and timing of any issuance of general obligations for the funding of the State's EMCP or VRDO Notes depend on a decision to fund such obligations with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

The Commission likely will be asked to authorize the issuance of additional general obligations for general governmental purposes in calendar year 2023. The amount and timing of issuances in calendar year 2023 of general obligations for this purpose depend on disbursements from the State Capital Improvement Fund for authorized purposes.

Other Obligations

In calendar year 2023, the State has issued one series of transportation revenue obligations in the principal amount of $143 million for the financing of transportation facilities and highway projects and one series of transportation revenue obligations in the principal amount of $187 million for the refunding of outstanding transportation revenue bonds. The State has also sold one series of transportation revenue refunding bonds in calendar year 2023, in the principal amount of $43 million, for delivery on or about April 2, 2024. The authorization, sale, and issuance of any transportation revenue obligations for the financing of transportation facilities and highway projects depend on the expenditures for such projects and market conditions. The Commission has authorized up to $300 million of transportation revenue obligations to refund outstanding transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend, among other factors, on market conditions.

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

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

The State does not currently intend to issue operating notes for the 2022-23 or 2023-24 fiscal years.

Underwriting

The Certificates are being purchased by the **Underwriters** listed on the front cover, for which Siebert Williams Shank & Co., LLC is acting as the representative **(Representative)**. The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the State at an aggregate purchase price of $20,092,181.07, reflecting an original issue premium of $897,085.24, and an underwriters' discount of $89,904.17. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the Certificates if any Certificates are purchased.

The Underwriters have agreed to reoffer the Certificates at the public offering prices or yields set forth on the inside front cover. The Certificates may be offered and sold to certain dealers (including dealers depositing the Certificates into investment trusts) at prices lower than such public offering prices, and such prices may be changed, from time to time, by the Underwriters, Certain of the Underwriters may have entered into retail distribution agreements with third party broker-dealers, under which the Underwriters may distribute municipal securities to retail investors through the respective financial advisors or electronic trading platforms of such third party broker-dealers. As part of these arrangements, the Underwriters may share a portion of their underwriting compensation with such third party broker-dealers.

Certain legal matters will be passed upon for the Underwriters by their counsel, Ice Miller LLP.

The Underwriters and their affiliates include full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of their various business activities, the Underwriters and their affiliates, officers, directors, and employees may purchase, sell, or hold investments or other financial instruments for their own accounts and for the accounts of their customers. Such investment and trading activities may involve assets, securities, or other instruments of the State (directly, as collateral securing other obligations, or otherwise) or of others that have relationships with the State. The Underwriters and their affiliates may also communicate independent investment recommendations, market color, or trading ideas and may publish or express independent research views in respect of any such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities, or instruments.

PNC Capital Markets LLC, one of the Underwriters, is an affiliate of PNC Bank, National Association, the current provider of the revolving credit facility for the Program, which will receive a portion of the proceeds of the Certificates as repayment of balances under the facility.

Reference Information About the Certificates

Information about the Certificates is provided for reference in the table on the inside front cover. The Underwriters have provided the reoffering yields and prices. For the Certificates 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.

CUSIP numbers have been assigned to this issue by CUSIP Global Services, as managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. CUSIP numbers have been obtained from sources the State believes to be reliable, but the CUSIP numbers are subject to change after issuance of the Certificates, and neither the State nor the Underwriters take responsibility for the correctness of the CUSIP numbers.

Municipal Advisor

Baker Tilly Municipal Advisors, LLC **(Municipal Advisor)** has been retained by the State to perform professional services in the capacity of municipal advisor in connection with certain aspects of the issuance and sale of the Certificates. The Municipal Advisor is a registered municipal advisor with the Securities Exchange Commission and the MSRB and is a controlled subsidiary of Baker Tilly US, LLP. The Municipal Advisor has provided financial advisor services and advice on the structure of the Certificates. The Municipal Advisor also reviewed certain legal and disclosure documents, including this Official Statement, for financial matters, but the Municipal Advisor makes no representation, warranty, or guarantee regarding the accuracy or completeness of the information in this Official Statement. The Municipal Advisor also has reviewed the pricing of the Certificates by the Underwriters. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Certificates and its fees are expected to be paid from proceeds of the Certificates.

The Municipal Advisor's duties, responsibilities, and fees arise solely as Municipal Advisor to the State, and it has no secondary obligations or other responsibility. The Municipal Advisor is providing certain specific municipal advisory services to the State but is neither a placement agent to the State nor a broker/dealer. Finally, there are other affiliates of Baker Tilly US, LLP that may provide other services to the State.

Legal Opinions

Bond Opinion

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

Attorney General

The Attorney General will deliver an opinion to the effect 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 Certificates, and there 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 Certificates, (2) the validity of the Certificates or any of the proceedings taken with respect to the issuance, sale, execution, or delivery of the Certificates, or (3) the pledge or application of any moneys or security provided for the payment of the Certificates.

TAX MATTERS

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, the portion of rent under the Lease Schedules designated and constituting interest paid by the State, as Lessee, and received by the owners of Certificates as interest is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. The State must comply with certain requirements of the Internal Revenue Code for interest on the Certificates 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 Certificates to be included in gross income for federal income tax purposes, perhaps even starting from the date the Certificates are issued. No provision is made for an increase in interest rates or a redemption of the Certificates in the event interest on the Certificates 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 Certificates for federal income tax purposes. It will not be binding on the IRS or the courts, and it 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 Certificates. Other federal tax law provisions may adversely affect the value of an investment in the Certificates for particular owners of Certificates. Prospective investors should consult their own tax advisors about the tax consequences of owning a Certificate.

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, owners of the Certificates would have little or no right to participate in an IRS examination of the Certificates. 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 Certificates 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 Certificates.

The Inflation Reduction Act of 2022 (**Act**) was signed into law on August 16, 2022. For tax years beginning after December 31, 2022, the Act imposes an alternative minimum tax of 15% on the **"adjusted financial statement income"** of certain corporations. Other current and future legislative proposals, if enacted into law, may cause the interest on the Certificates to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Certificates 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 Certificates. Prospective purchasers of the Certificates should consult their own tax advisors about federal legislative proposals.

Premium Certificates

Certificates 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 obligations, such as the Certificates, the interest on which is excluded from gross income for federal income tax purposes.

During each taxable year, an owner of Certificates with amortizable bond premium must reduce his, her, or its tax basis in the Certificate by the amount of the amortizable bond premium that is allocable to the portion of that taxable year during which the owner owned the Certificate. The adjusted tax basis in a Certificate 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 Certificate.

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

State Tax Considerations

General

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

State of Wisconsin Income and Franchise Taxes

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

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 Certificates, 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 Certificates, 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 MSRB through its EMMA system. The State has also agreed to provide to the MSRB notices of the occurrence of certain events specified in the undertaking.

Part I of the 2022 Annual Report, which contains information on the undertaking, including the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), the Addendum Describing Annual Report for Master Lease Certificates of Participation, and the form of Supplemental Agreement that will apply the Master Agreement and the Addendum to the Certificates, is included by reference as part of this Official Statement.

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

State of Wisconsin Department of Administration
Attn: Capital Finance Office
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 267-1836
DOACapitalFinanceOffice@wisconsin.gov
doa.wi.gov/capitalfinance
wisconsinbonds.com

The undertaking also describes the consequences if the State fails to provide any required information. The State must report 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: May 16, 2023

STATE OF WISCONSIN,
Acting by and through the
DEPARTMENT OF ADMINISTRATION

/S/ KATHY K. BLUMENFELD

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

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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 Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2022 **(2022 Annual Report)**, which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2022 Annual Report, including but not limited to:

- Information about the executive budget for the 2023-25 biennium.
- Estimated General Fund condition statement for the 2022-23 fiscal year and estimated General Fund tax collections for the 2022-23, 2023-24, and 2024-25 fiscal years, as included in a report provided by the Legislative Fiscal Bureau **(LFB)** on May 15, 2023 **(May 2023 LFB Report)**.
- Estimated General Fund condition statement for the 2022-23 fiscal year and estimated General Fund tax collections for the 2022-23, 2023-24, and 2024-25 fiscal years, as included in a report provided by the LFB on January 25, 2023 **(January 2023 LFB Report)**.
- General Fund information for the 2022-23 fiscal year through March 31, 2023, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2022-23 fiscal year, which is presented on a cash basis.

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

- COVID-19 update
- Environmental, social, and governance factors
- State's revenue and expenditures
- State's operations, financial procedures, accounting, and financial reporting
- Organization of, and services provided by, the State
- Budget process and fiscal controls
- State budget (including results of 2021-22 fiscal year and summary of 2021-23 biennial budget)
- Potential effects of litigation
- State obligations
- Employee pension funds and other post-employment benefits
- State Investment Board
- Statistical information about the State's population, income, and employment

The State's audited General Purpose External Financial Statements and independent auditor's report provided by the State Auditor for the fiscal year ended June 30, 2022, prepared in conformity with generally accepted accounting principles **(GAAP)** for governments as prescribed by the Governmental Accounting Standards Board, are included as APPENDIX A to Part II of the 2022 Annual Report.

The 2022 Annual Report and the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 were both filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The 2022 Annual Report and the Annual Comprehensive Financial Report are also available from the part of the Capital Finance Office website called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin" and the State investor relations website. The Capital Finance Office website and the State investor relations website are located at the following respective addresses:

doa.wi.gov/capitalfinance

wisconsinbonds.com

Copies of the 2022 Annual Report may also be obtained from:

State of Wisconsin Department of Administration
Capital Finance Office
101 E. Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 267-1836
DOACapitalFinanceOffice@wisconsin.gov

The State has independently provided periodic reports on General Fund financial information. These reports are not required by any of the State's undertakings to provide information concerning the State's securities. These reports are available on the State's Capital Finance Office website that is listed above and were also filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 2022 Annual Report. The State is not obligated to provide such reports at any time in the future.

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

This Official Statement includes changes or additions that were released after the date of the Preliminary Official Statement (May 5, 2023). Any such changes or additions are identified accordingly.

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

As provided for in Wisconsin Statutes, and consistent with past practice, the Legislature approved a submission date for the executive budget for the 2023-25 biennium that is after January 31, 2023. Governor Evers submitted the executive budget for the 2023-25 biennium on February 15, 2023. The Governor's executive budget bill was introduced in both houses of the Legislature and referred to the Legislative Joint Committee on Finance for review. Both detailed and summary information about the Governor's executive budget for the 2023-25 biennium can be obtained from the following website:

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

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

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

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

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

The following table includes the estimated General Fund condition statement for the 2023-24 and 2024-25 fiscal years, as detailed in the Governor's executive budget for the 2023-25 biennium.

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

	2023-24 Fiscal Year Executive Budget	2024-25 Fiscal Year Executive Budget
Revenues		
Opening Balance	$7,098.8	$1,908.3
Taxes	21,730.5	22,545.2
Department Revenues		
Tribal Gaming	-0.0-	-0.0-
Other	715.6	566.4
Total Available	$29,544.9	$25,019.9
Appropriations		
Gross Appropriations	$24,227.5	$23,934.9
Compensation Reserves	365.3	581.6
Transfers		
Transportation Fund	137.3	173.4
Capital Improvement Fund	1,955.0	-0.0-
Budget Stabilization Fund	500.0	-0.0-
Transportation Facilities Revenue Obligation Repayment Fund	379.4	-0.0-
Family and Medical Leave Benefits Insurance Fund	243.4	-0.0-
Artistic Endowment Fund	100.0	-0.0-
Veterans Homes Institutional Operations Account	10.0	-0.0-
Less: Lapses	(281.2)	(303.9)
Net Appropriations	$27,636.6	$24,386.0
Balances		
Gross Balance	$1,908.3	$633.9
Less: Req. Statutory Balance	(600.0)	(600.0)
Net Balance, June 30	$1,308.3	$33.9

State Budget; Budget for 2022-23 Fiscal Year (Part II; Pages 39-40). Update with the following information, some of which became available after the date of the Preliminary Official Statement (May 5, 2023).

May 2023 LFB Report – General Fund Condition Statement

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

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

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

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

	2021-22 Fiscal Year Annual Fiscal Report	2022-23 Fiscal Year: 2021 Wisconsin Act 58[1]	November 2022 DOA Report	January 2023 LFB Report	May 2023 LFB Report
Revenues					
Opening Balance	$2,581.10	$1,352.3	$4,298.9	$4,298.9	$4,298.9
Prior Year Continuing Balance	62.8				
Taxes	20,548.4	19,457.9	21,292.6	21,353.3	20,988.1
Department Revenues					
Tribal Gaming	-0.0-	20.8	-0.0-	-0.0-	-0.0-
Other	569.7	471.4	716.3	712.0	712.0
Total Available	$23,762.0	$21,302.3	$26,307.8	$26,364.3	$25,999.1
Appropriations					
Gross Appropriations	$19,376.7	$19,752.7	$19,722.6	$19,731.4	$19,731.4
MA Biennial Adjustment	-0.0-	-0.0-	-0.0-	-0.0-	-0.0-
Sum Sufficient Re-estimates	-0.0-	-0.0-	-0.0-	45.3	36.8
Compensation Reserves	18.2	105.9	106.0	106.0	106.0
Transfers	428.5				
Transportation Fund		97.3	97.3	97.3	97.3
Building Trust Fund		-0.0-	-0.0-	-0.0-	-0.0-
MA Trust Fund		527.8	527.8	527.8	527.8
UI Trust Fund		60.0	60.0	60.0	60.0
Less: Lapses	(360.4)	(267.0)	(782.2)	(1,303.9)	(1,437.1)
Net Appropriations	$19,463.0	$20,276.7	$19,731.4	$19,263.8	$19,122.1
Balances					
Gross Balance	$4,298.9	$1,025.6	$6,576.4	$7,100.5	$6,877.0
Less: Req. Statutory Balance	n/a	(95.0)	(95.0)	(95.0)	(95.0)
Net Balance, June 30	$4,298.0	$930.6	$6,481.4	$7,005.5	$6,782.0

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

January 2023 LFB Report – General Fund Condition Statement

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

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

State Budget; Estimated General Fund Tax Collections for 2022-23 Fiscal Year (Part II; Pages 40-41). Update with the following information, some of which became available after the date of the Preliminary Official Statement (May 5, 2023).

May 2023 LFB Report – General Fund Condition Statement

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

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

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

ESTIMATED GENERAL FUND TAX REVENUE COLLECTION
2022-23 FISCAL YEAR
(in Millions)

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

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

January 2023 LFB Report – General Fund Condition Statement

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

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

State Budget; Revenue Projections for the 2023-24 and 2024-25 Fiscal Years (Part II; Pages 41-42). Update with the following information, some of which became available after the date of the Preliminary Official Statement (May 5, 2023).

May 2023 LFB Report – General Fund Condition Statement

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

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

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

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

	2023-24 Fiscal Year			**2024-25 Fiscal Year**		
	November 2022 DOA Report	January 2023 LFB Report	May 2023 LFB Report	November 2022 DOA Report	January 2023 LFB Report	May 2023 LFB Report
Individual Income	$9,631.0	$9,770.0	$9,710.0	$10,107.4	$10,300.0	$10,160.0
Sales and Use	7,691.1	7,600.0	7,655.0	7,913.9	7,780.0	7,835.0
Corp. Income & Franchise	2,915.5	2,850.0	2,720.0	3,051.4	2,970.0	2,840.0
Public Utility	389.9	372.0	374.0	401.7	377.0	370.0
Excise						
Cigarettes	443.5	439.0	420.0	427.8	427.0	407.0
Tobacco Products	89.5	94.0	91.0	87.7	96.0	93.0
Liquor & Wine	4.6	6.2	7.7	4.7	6.8	8.5
Vapor Products	70.0	69.0	69.0	71.9	71.0	71.0
Beer	8.6	8.6	8.1	8.6	8.6	8.0
Insurance Company	252.9	237.0	236.0	267.8	245.0	246.0
Miscellaneous Taxes	119.9	96.0	103.0	128.7	110.0	111.0
TOTAL	$21,616.5	$21,541.8	$21,393.8	$22,471.6	$22,391.4	$22,149.5

January 2023 LFB Report – General Fund Condition Statement

The January 2023 LFB Report also includes estimates of the General Fund tax collections for the 2023-24 and 2024-25 fiscal years. For the 2023-24 fiscal year, the January 2023 LFB Report anticipates General Fund tax collections of $21.542 billion, an increase of $189 million (or 0.9%) from the 2022-23 fiscal year projections. For the 2024-25 fiscal year, the January 2023 LFB Report anticipates General Fund tax collections of $22.391 billion, an increase of $850 million (or 3.9%) from the 2023-24 fiscal year projections.

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

General Fund Information; General Fund Cash Flow (Part II; Pages 49-61). The following tables provide updates and additions to various tables containing General Fund information for the 2022-23 fiscal year. Actual General Fund information for the 2022-23 fiscal year through March 31, 2023, and projections for the remainder of the 2022-23 fiscal year, are presented primarily on a cash basis.

The projections and estimates for the 2022-23 fiscal year reflect 2021 Wisconsin Act 58 and the January 2023 LFB Report. The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month. The following tables may show negative balances on a cash basis. The State can have a negative cash balance at the end of a fiscal year.

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

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

Table II-11; General Fund Cash Flow (Part II; Page 52). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2022 TO MARCH 31, 2023[(a)]
PROJECTED GENERAL FUND CASH FLOW; APRIL 1, 2023 TO JUNE 30, 2023[(a)]
(Amounts in Thousands)

	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023
BALANCES[(a)(b)]												
Beginning Balance	$ 7,448,294	$ 6,481,766	$ 7,374,437	$ 8,273,661	$8,985,797	$8,833,231	$7,910,953	$9,375,701	$9,311,439	$7,388,777	$8,009,527	$8,491,943
Ending Balance[(c)]	6,481,766	7,374,437	8,273,661	8,985,797	8,833,231	7,910,953	9,375,701	9,311,439	7,388,777	8,009,527	8,491,943	7,728,021
Lowest Daily Balance [(c)]	6,481,766	6,465,145	6,716,729	7,922,761	8,536,885	6,786,556	7,852,673	8,717,724	7,388,777	6,592,101	7,579,226	6,915,917
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 557,765	$ 940,270	$ 1,014,964	$ 937,124	$693,179	$882,819	$1,554,764	$692,182	$667,254	$1,579,875	$1,129,207	$1,119,801
Sales & Use	730,331	714,420	716,342	716,845	717,090	422,602	770,095	576,288	549,584	691,590	648,206	723,892
Corporate Income	77,895	51,093	551,029	73,137	60,320	497,117	152,180	42,485	318,414	434,196	76,106	461,475
Public Utility	56	45	410	28,438	182,139	471	16	-	6	6,567	199,576	2,402
Excise	62,605	51,765	61,274	57,560	50,721	53,349	47,377	57,162	28,332	58,935	45,620	52,476
Insurance	71	3,594	47,330	88	1,618	48,139	1,787	20,625	29,482	50,743	3,151	47,822
Subtotal Tax Receipts	$ 1,428,723	$ 1,761,187	$ 2,391,349	$ 1,813,192	$1,705,067	$1,904,497	$2,526,219	$1,388,742	$1,593,072	$2,821,906	$2,101,866	$2,407,868
NON-TAX RECEIPTS												
Federal	$ 1,583,249	$ 928,121	$ 1,445,889	$ 1,172,246	$1,136,969	$1,172,246	$1,069,587	$1,424,051	$1,298,678	$1,182,455	$1,278,138	$1,423,792
Other & Transfers	704,783	466,738	1,032,798	605,163	430,744	728,479	686,865	765,772	536,732	476,839	372,622	726,319
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 2,288,032	$ 1,394,859	$ 2,478,687	$ 1,777,409	$1,567,713	$1,900,725	$1,756,452	$2,189,823	$1,835,410	$1,659,294	$1,650,760	$2,150,111
TOTAL RECEIPTS	$ 3,716,755	$ 3,156,046	$ 4,870,036	$ 3,590,601	$3,272,780	$3,805,222	$4,282,671	$3,578,565	$3,428,482	$4,481,200	$3,752,626	$4,557,979
DISBURSEMENTS												
Local Aids	$ 1,534,618	$ 272,191	$ 1,032,158	$ 157,360	$1,003,549	$1,551,760	$219,007	$852,057	$2,059,699	$111,757	$324,899	$2,239,294
Income Maintenance	962,942	1,029,140	1,087,929	994,371	999,551	1,296,202	1,003,724	1,065,808	1,210,820	1,117,438	1,083,429	878,522
Payroll and Related	468,755	435,856	466,938	519,146	532,331	656,499	582,684	503,227	511,991	481,759	488,083	645,764
Tax Refunds	123,554	152,073	149,046	182,740	150,039	312,107	191,441	476,771	719,475	531,549	195,878	132,119
Debt Service	289,654	68	-	266,475	2,273	-	-	-	-	352,269	23,279	-
Miscellaneous	1,303,760	374,047	1,234,741	758,373	737,603	910,932	821,067	744,964	849,159	1,265,678	1,154,642	1,426,202
TOTAL DISBURSEMENTS	$ 4,683,283	$ 2,263,375	$ 3,970,812	$ 2,878,465	$3,425,346	$4,727,500	$2,817,923	$3,642,827	$5,351,144	$3,860,450	$3,270,210	$5,321,901

(a) The projections and estimates in this table reflect 2021 Wisconsin Act 58 and the January 2023 LFB Report, but do not reflect the May 2023 LFB Report. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining ARPA federal funds. Temporary reallocations of cash are not included.

(b) The General Fund cash balances presented in this schedule are not based on GAAP. The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from $1.5 billion to $2.2 billion for the 2022-23 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 2022-23 fiscal year (based on 2021 Wisconsin Act 58), are approximately $1.778 billion and $593 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Department of Administration

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

HISTORICAL GENERAL FUND CASH FLOW[(a)]
ACTUAL FISCAL YEARS 2018-19 TO 2021-22
ACTUAL AND PROJECTED FISCAL YEAR 2022-23
(Amounts in Thousands)

	Actual 2018-19 Fiscal Year	Actual 2019-20 Fiscal Year	Actual 2020-21 Fiscal Year	Actual 2021-22 Fiscal Year	FY23 YTD Actual thru Mar-23; Estimated Apr-23 thru Jun-23
RECEIPTS					
Tax Receipts					
Individual Income	$10,557,272	$10,138,020	$12,322,447	$12,254,052	$11,769,204
Sales	6,132,089	6,253,771	6,825,242	7,600,527	7,977,285
Corporate Income	1,519,561	1,551,402	2,753,782	2,936,462	2,795,447
Public Utility	415,047	409,513	409,860	425,920	420,126
Excise	681,262	667,055	683,307	663,646	627,176
Insurance	218,304	242,228	230,169	248,367	254,450
Total Tax Receipts	$ 19,523,535	$ 19,261,989	$ 23,224,807	$24,128,974	$23,843,688
Non-Tax Receipts					
Federal	$10,093,533	$12,725,759	$13,868,008	$16,491,256	$15,115,421
Other and Transfers	6,241,726	5,887,398	6,572,553	7,105,946	7,533,854
Total Non-Tax Receipts	$16,335,259	$18,613,157	$20,440,561	$23,597,202	$22,649,275
TOTAL RECEIPTS	$35,858,794	$37,875,146	$43,665,368	$47,726,176	$46,492,963
DISBURSEMENTS					
Local Aids	$9,698,906	$9,917,134	$10,460,416	$11,147,436	$11,358,349
Income Maintenance	9,747,283	10,126,849	11,040,922	12,596,315	12,729,876
Payroll & Related	5,333,395	5,633,397	5,689,539	6,014,346	6,293,033
Tax Refunds	2,785,514	2,992,617	3,533,245	4,195,231	3,316,792
Debt Service	914,688	875,340	973,718	961,923	934,018
Miscellaneous	6,396,205	6,811,025	9,486,768	11,871,707	11,581,168
TOTAL DISBURSEMENTS	$34,875,991	$36,356,362	$41,184,608	$46,786,958	$46,213,236
NET CASH FLOW	$982,803	$1,518,784	$2,480,760	$939,218	$279,727

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

Source: Department of Administration

Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 55). Replace with the following updated table.

GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[(a)]
(Cash Basis)
As of March 31, 2023
(Amounts in Thousands)

	2021-22 Fiscal Year through March 31, 2022	2022-23 Fiscal Year through March 31, 2023				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference 2022-23 Fiscal Year Actual to 2021-22 Fiscal Year Actual
RECEIPTS						
Tax Receipts						
Individual Income	$8,551,175	$7,940,321	$8,439,841	($499,520)	($499,520)	($610,854)
Sales	5,632,415	5,913,597	5,975,338	(61,741)	(61,741)	$281,182
Corporate Income	1,906,222	1,823,670	2,030,953	(207,283)	(207,283)	($82,552)
Public Utility	211,814	211,581	222,525	(10,944)	(10,944)	($233)
Excise	502,682	470,145	489,622	(19,477)	(19,477)	($32,537)
Insurance	151,170	152,734	156,389	(3,655)	(3,655)	$1,564
Total Tax Receipts	$16,955,478	$16,512,048	$17,314,668	($802,620)	($802,620)	($443,430)
Non-Tax Receipts						
Federal	$10,854,497	$11,231,036	$10,862,390	$368,646	$368,646	$376,539
Other and Transfers	5,433,096	5,958,074	5,547,657	410,417	410,417	524,978
Total Non-Tax Receipts	$16,287,593	$17,189,110	$16,410,047	$779,063	$779,063	$901,517
TOTAL RECEIPTS	$33,243,071	$33,701,158	$33,724,715	($23,557)	($23,557)	$458,087
DISBURSEMENTS						
Local Aids	$8,597,342	$8,682,399	$8,624,676	($57,723)	($57,723)	$85,057
Income Maintenance	9,214,918	9,650,487	9,523,263	(127,224)	(127,224)	$435,569
Payroll & Related	4,376,083	4,677,427	4,531,457	(145,970)	(145,970)	$301,344
Tax Refunds	2,726,191	2,457,246	1,618,086	(839,160)	(839,160)	($268,945)
Debt Service	662,319	558,470	572,580	14,110	14,110	($103,849)
Miscellaneous	7,994,910	7,734,646	10,394,377	2,659,731	2,659,731	($260,264)
TOTAL DISBURSEMENTS	$33,571,763	$33,760,675	$35,264,439	$1,503,764	$1,503,764	$188,912
2022-23 FISCAL YEAR VARIANCE YEAR-TO-DATE				$1,480,207	$1,480,207	

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

(b) The projections and estimates for the 2022-23 fiscal year reflect 2021 Wisconsin Act 58 and the January 2023 LFB Report. Projections and estimates also reflect DOR's updated individual income tax withholding tables, effective January 1, 2022. The projections and estimates do not reflect any specific disbursement of remaining ARPA federal funds. Projections and estimates also do not reflect the May 2023 LFB Report.

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

Source: Department of Administration

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

GENERAL FUND MONTHLY CASH POSITION[(a)]
July 1, 2020 through March 31, 2023 – Actual
April 1, 2023 through June 30, 2023 – Estimated[(b)]
(Amounts in Thousands)

Starting Date		Starting Balance	Receipts	Disbursements
2020	July	$4,028,316	$4,448,651	$4,578,717
	August	3,898,250	2,306,066	2,222,454
	September	3,981,862	3,765,390	2,864,941
	October	4,882,311	2,944,091	2,674,912
	November	5,151,490	3,095,994	2,999,812
	December	5,247,672	3,491,201	4,564,868
2021	January	4,174,005	3,815,496	2,399,950
	February	5,589,551	3,202,803	3,375,746
	March	5,416,608	3,747,446	4,686,189
	April	4,477,865	3,878,368	3,415,709
	May	4,940,524	5,192,333	2,983,373
	June	7,149,484	3,777,529	4,417,937
	July	6,509,076	3,479,185	4,895,076
	August	5,093,185	3,422,769	2,312,286
	September	6,203,668	3,667,999	4,206,441
	October	5,665,226	3,652,864	2,606,399
	November	6,711,691	3,575,707	3,125,687
	December	7,161,711	3,970,348	4,478,086
2022	January	6,653,973	4,135,853	2,790,391
	February	7,999,435	3,342,386	3,965,194
	March	7,376,627	3,995,960	5,192,203
	April	6,180,384	4,604,906	4,287,085
	May	6,498,205	5,022,704	2,919,450
	June	8,601,459	4,855,495	6,008,660
	July	7,448,294	3,716,755	4,683,283
	August	6,481,766	3,156,046	2,263,375
	September	7,374,437	4,870,036	3,970,812
	October	8,273,661	3,590,601	2,878,465
	November	8,985,797	3,272,780	3,425,346
	December	8,833,231	3,805,222	4,727,500
2023	January	7,910,953	4,282,671	2,817,923
	February	9,375,701	3,578,565	3,642,827
	March	9,311,439	3,428,482	5,351,144
	April	7,388,777	4,481,200	3,860,450
	May	8,009,527	3,752,626	3,270,210
	June	8,491,943	4,557,979	5,321,901

(a) The General Fund balances presented in this table are not based on GAAP.
(b) The projections and estimates for the 2022-23 fiscal year (cash basis) reflect 2021 Wisconsin Act 58 and the January 2023 LFB Report, but do not reflect the May 2023 LFB Report.

Source: Department of Administration

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

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION[(a)(b)]
July 31, 2020 to March 31, 2023 — Actual
April 30, 2023 to June 30, 2023 — Projected[(c)]
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of $2.799 billion during October 2018 to a high of $6.632 billion during July 2022. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2020	2021	2022	2023
January		$1,866	$2,273	$2,958
February		2,030	2,428	3,024
March		2,000	2,282	3,124
April		2,008	2,211	1,716
May		2,063	2,285	1,670
June		2,337	2,812	1,806
July	$1,575	2,243	2,711	
August	1,627	2,067	2,443	
September	1,783	2,148	2,671	
October	1,620	2,011	2,408	
November	1,672	2,085	2,678	
December	1,873	2,209	3,008	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2020	2021	2022	2023
January		$7,130	$7,971	$8,574
February		7,602	8,200	9,110
March		7,988	8,664	9,708
April		7,428	8,085	6,990
May		7,529	7,783	6,469
June		7,708	8,845	6,524
July	$7,004	8,383	9,343	
August	6,087	7,160	7,786	
September	5,970	6,915	7,507	
October	5,410	6,410	6,986	
November	5,418	6,342	7,121	
December	6,549	7,238	7,846	

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

(b) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.

(c) The projections and estimates for 2022-23 fiscal year (cash basis) reflect 2021 Wisconsin Act 58 and the January 2023 LFB Report. Actual results, projections, and estimates reflect the receipt of ARPA federal funds, including receipt of $1.5 billion in May 2022 (reflecting funds for the State under the State Fiscal Recovery Fund along with certain non-entitlement governmental unit allocation of funds under the Local Fiscal Recovery Fund that are required to pass through the State). Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement, of remaining ARPA federal funds. Projections and estimates also do not reflect the May 2023 LFB Report.

Source: Department of Administration

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

GENERAL FUND RECORDED REVENUES[a]
(Agency-Recorded Basis)
July 1, 2022 to March 31, 2023 compared with previous year

	Annual Fiscal Report Revenues 2021-22 Fiscal Year[b]	Projected Revenues 2022-23 Fiscal Year[c]	Recorded Revenues July 1, 2021 to March 31, 2022[d]	Recorded Revenues July 1, 2022 to March 31, 2023[e]
Individual Income Tax	$9,214,400,000	$9,115,564,000	$6,299,845,681	$5,895,969,083
General Sales and Use Tax	6,978,300,000	6,844,500,000	4,481,855,806	4,381,751,368
Corporate Franchise and Income Tax	2,960,000,000	2,160,000,000	1,644,475,398	1,263,188,088
Public Utility Taxes	383,600,000	352,000,000	188,024,099	189,121,851
Excise Taxes	654,700,000	654,800,000	436,801,054	369,614,098
Inheritance Taxes	-0-	-0-	-0-	-0-
Insurance Company Taxes	221,800,000	217,000,000	151,405,387	125,310,803
Miscellaneous Taxes	135,600,000	114,000,000	341,690,950	165,848,892
SUBTOTAL	$20,548,400,000	$19,457,864,000	$13,544,098,373	$12,390,804,182
Federal and Other Inter-Governmental Revenues[f]	18,570,506,000	12,720,421,900	11,875,403,134	11,163,500,176
Dedicated and Other Revenues[g]	8,957,779,000	7,128,404,200	6,114,617,101	6,273,114,185
TOTAL	$48,076,685,000	$39,306,690,100	$31,534,118,608	$29,827,418,544

(a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2021-22 fiscal year dated October 14, 2022.

(c) The estimates in this table for the 2022-23 fiscal year (cash basis) reflect 2021 Wisconsin Act 58, but do not reflect the January 2023 LFB Report and the May 2023 LFB Report.

(d) The amounts shown are the 2021-22 fiscal year general purpose revenues and program revenues taxes as recorded by State agencies. There may be differences between the tax revenues shown in this table and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.

(e) The amounts shown are the 2022-23 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this table and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.

(f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.

(g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Department of Administration

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

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2022 to March 31, 2023 compared with previous year[(b)]

	Annual Fiscal Report Expenditures 2021-22 Fiscal Year[(b)]	Estimated Appropriations 2022-23 Fiscal Year[(c)]	Expenditures July 1, 2021 to March 31, 2022[(d)]	Expenditures July 1, 2022 to March 31, 2023[(e)]
Commerce	$ 558,080,000	$ 424,046,700	$344,647,085	$425,197,634
Education	15,957,498,000	15,431,359,300	11,559,315,237	12,112,180,762
Environmental Resources	305,660,000	285,123,800	172,092,725	137,491,654
Human Relations & Resources	21,598,080,000	17,629,648,700	15,469,500,204	16,661,614,715
General Executive	3,745,808,000	1,262,292,000	1,902,601,922	1,668,496,211
Judicial	154,578,000	152,077,300	122,640,960	124,675,029
Legislative	81,703,000	87,774,000	56,760,739	54,901,507
General Appropriations	2,768,023,000	3,057,063,100	2,596,549,915	3,072,026,221
TOTAL	$ 45,169,430,000	$ 38,329,384,900	$32,224,108,788	$34,256,583,732

(a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2021-22 fiscal year, dated October 14, 2022.
(c) The appropriations included in this table reflect 2021 Wisconsin Act 58.
(d) The amounts shown are 2021-22 fiscal year expenditures as recorded by all State agencies.
(e) The amounts shown are 2022-23 fiscal year expenditures as recorded by all State agencies.
Source: Department of Administration

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

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

WISCONSIN RETIREMENT SYSTEM
SUMMARY OF ANNUITY ADJUSTMENTS

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

Source: Department of Employee Trust Funds

Table II-39; Unemployment Rate Comparison (Part II; Page 97). Replace with the following updated and revised table, some of the data in which became available after the date of the Preliminary Official Statement (May 5, 2023).

Table II-39
UNEMPLOYMENT RATE COMPARISON[(a)(b)]
2018 to 2023

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

(a) Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.
(b) Historical information has been adjusted due to benchmarking through the Local Area Unemployment Statistics (LAUS).

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

Legislative Fiscal Bureau

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State of Wisconsin

January 25, 2023

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

Dear Representative Born and Senator Marklein:

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

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

Comparison with the Administration's November 21, 2022, Report

On November 21, 2022, the Departments of Administration and Revenue submitted a report to the Governor and Legislature that identified general fund revenue and expenditure projections for the 2022-23 fiscal year and the 2023-25 biennium. That report, required by statute, identifies the magnitude of state agency biennial budget requests and presents a projection of general fund tax collections.

Our analysis indicates that for the three-year period, aggregate general fund tax collections will be slightly lower (-\$94.2 million) than those of the November 21, 2022, report (\$60.7 million in 2022-23, -\$74.7 million in 2023-24, and -\$80.2 million in 2024-25).

Based upon the November 21 report, the administration's general fund condition statement for 2022-23 reflects a gross ending balance of \$6,576.4 million and a net balance (after consideration of the \$95.0 million required statutory balance) of \$6,481.4 million.

Our analysis indicates a gross balance of \$7,100.4 million and a net balance of \$7,005.4 million. This is \$524.0 million above that of the November 21 report. The 2022-23 general fund condition statement is shown in Table 1.

TABLE 1

Estimated 2022-23 General Fund Condition Statement

	2022-23
Revenues	
Opening Balance, July 1	$4,298,919,000
Taxes	21,353,300,000
Departmental Revenues	
Tribal Gaming	0
Other	712,036,300
Total Available	$26,364,255,300
Appropriations, Transfers, and Reserves	
Gross Appropriations	$19,731,372,000
Sum Sufficient Reestimates	45,259,800
Transfers to:	
Transportation Fund	97,289,300
MA Trust Fund	527,783,700
UI Trust Fund	60,000,000
Compensation Reserves	105,951,600
Less Lapses	-1,303,859,700
Net Appropriations	$19,263,796,700
Balances	
Gross Balance	$7,100,458,600
Less Required Statutory Balance	-95,000,000
Net Balance, June 30	$7,005,458,600

The factors that make up the $524.0 million difference are as follows. First, based on economic forecasts and tax collections to date, our estimated tax collections for 2022-23 are $60.7 million higher than the projection of the November 21 report. Next, there is a slight decrease in departmental revenues (non-tax receipts deposited into the general fund) of $4.3 million. Finally, net appropriations are projected to be $467.6 million below those of the November 21 report. The additional general fund balance of $524.0 million for 2022-23 is displayed as follows ($60.7 million - $4.3 million + $467.6 million = $524.0 million).

This reduction in net appropriations is due to an increase in the amounts expected to lapse (revert) to the general fund at the end of the 2022-23 fiscal year, offset by an increase in projected sum sufficient appropriations.

The projected lapse estimates for 2022-23 of our analysis exceed those of the November 21 report by $521.6 million. The two major items that contribute to the increased lapse amount are described below.

First, the GPR appropriation for the medical assistance program (MA) is projected to end the 2021-23 biennium with a surplus of $774.8 million. The MA lapse estimate of the November 21 report was based on the September 30, 2022, DHS projection of $504.9 million. On December 30, 2022, DHS increased the projection to $774.8 million. This is $269.9 million above that of the November 21 report. This surplus, accumulated over both years of the biennium, is primarily attributable to the higher federal matching rate for MA benefits that has been in effect during the biennium. The federal Families First Coronavirus Response Act of 2020 (FFCRA) provided a 6.2 percentage point increase to each state's Medicaid matching rate for the duration of the federal public health emergency (PHE) for the COVID-19 pandemic. While the 2021-23 GPR budget for MA was established based on the assumption that this higher rate would expire at the end of calendar year 2021, successive extensions of the PHE throughout the biennium have meant that the state has continued to receive more federal matching funds than anticipated, resulting in a reduction in GPR costs. Congress recently amended the FFCRA provision, as part of the 2023 federal appropriations act, to establish a gradual phase-out of the enhanced rate during calendar year 2023, so that the matching rate is no longer tied to the PHE. Under the revised provision, the 6.2 percentage point increase will be in effect for expenditures through the end of March of 2023, and a 5.0 percentage point increase will apply for the final quarter of the biennium.

Second, in the 2021-23 budget act, $202.4 million was set aside in the supplemental appropriation of the Joint Committee on Finance to fund the exemption of the personal property tax if legislation were to be enacted in the 2021-22 legislative session to eliminate the tax beginning with the January, 2022, assessments. Because that did not occur, the $202.4 million will lapse to the general fund on June 30, 2023.

The projected 2022-23 gross appropriations of our analysis exceed the amounts contained in the November 21 report by $54.0 million. Two major items account for most of this increase. In the 2021-23 budget, credits to the EITM zone (Foxconn) were budgeted at $37.4 million ($28.8 million in 2021-22 and $8.6 million in 2022-23). The $28.8 million was not claimed in the first year of the biennium and lapsed to the general fund. That $28.8 million and the $8.6 million have been paid in 2022-23. In addition, an increase of $21.4 million in 2022-23 is due to Illinois under Wisconsin's income tax reciprocity agreement with that state.

General Fund Revenues

The following sections present information related to general fund tax revenues for 2022-23 and the 2023-25 biennium. This includes a review of the U.S. economy in 2022, a summary of the national economic forecast for 2023 through 2025, and detailed general fund tax revenue estimates for the current fiscal year and the next biennium.

Review of the National Economy in 2022

This office prepared updated revenue estimates for the 2021-23 biennium in January, 2022, based on the January, 2022, S&P Global Market Intelligence (S&P Global), formerly known as IHS Markit, forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 4.1% in 2022 and 2.5% in 2023. The forecast assumed that, after the winter increase of COVID-19 infections, continued expansion of the economy in 2022 would be supported by the transition of COVID-19 from pandemic to endemic (in which COVID-19 continues to circulate among the population more predictably), the gradual easing of supply disruptions and labor shortages, and relatively accommodative financial conditions.

The January, 2022, S&P Global forecast was based on the following assumptions. First, a winter increase in COVID-19 infections caused by the Omicron variant was predicted to temporarily slow consumer spending on certain services; however, consumer behavior was expected to adjust to the risks of living alongside repeated variants of the virus. Second, all federal 2020 pandemic relief measures, as well as the American Rescue Plan Act of 2021 (ARPA) and the Infrastructure Investment and Jobs Act of 2021 (IIJA), were incorporated into the forecast. However, the potential effects of the Build Back Better plan were not included in S&P Global's baseline forecast, as its passage was uncertain. Third, strong revenues and federal financial support provided under ARPA would prevent state and local governments from experiencing a fiscal contraction. Fourth, it was expected that the Federal Reserve would end its purchases of new U.S. Treasurys and mortgage-backed securities (MBS) by mid-March of 2022, begin raising the federal funds rate in May of 2022, and allow its holdings of securities to diminish over 2023 and 2024. Fifth, the current tariffs and trade agreements made between the U.S. and China would remain in effect. Sixth, S&P Global projected that real, trade-weighted foreign GDP would grow by 3.8% in 2022, while foreign measures of inflation were expected to decline from around 3% in 2021 and 2022 to 2.3% in 2023. Finally, the price of Brent crude oil was expected to ease to $67 per barrel by 2025, down from the estimated $79 per barrel in the fourth quarter of 2021.

The national economy grew less than estimated. Real growth in U.S. GDP for 2022 is now estimated at 2.0%, which is 2.1 percentage points lower than previously estimated. However, nominal GDP grew slightly more than previously forecasted, supported by high levels of inflation. S&P Global estimates that nominal U.S. GDP grew 9.2% in 2022, which is 1.0 percentage point higher than previously estimated.

At the onset of 2022, the U.S. was seeing its highest levels of COVID-19 infections since the pandemic began. However, as the seven-day average of daily cases began to fall from its January, 2022, peak, news of the COVID-19 pandemic quickly gave way to new national and global concerns.

Russia invaded Ukraine on February 24, 2022. At its onset, the war disrupted the export of certain foods and fertilizers, including wheat and corn. Together, Ukraine and Russia account for 30% of all globally traded wheat. The war initially impacted Ukraine's ability to harvest and export wheat and other crops. These pressures began to ease as the year went on, but not before having an impact on global supply. Further, the United States, in addition to the European Union and several other countries, imposed numerous sanctions on Russia, including the ban of all Russian oil and gas. On December 3, 2022, several countries, including the U.S., members of the European Union, the U.K., Canada, Japan, and Australia, set a $60 per barrel price limit on Russian oil as a way to maintain the supply of Russian oil to the global market, while reducing the revenues the Russian Federation earns from oil sales. In response, Russian President Vladimir Putin signed a decree banning the supply of Russian oil (from February through June, 2023) to nations that abide by the limit.

On top of ongoing supply shortages stemming from the COVID-19 pandemic and the Russia-

Ukraine conflict, other supply constraints also arose in 2022. U.S. companies struggled with labor shortages throughout 2022, which made meeting consumer demand difficult. In February, 2022, Abbott, the country's largest infant formula maker, recalled multiple products and shut down its Michigan facility due to the presence of bacteria at the site. This led to significant shortages of baby formula by May. In June, the same Abbott plant was closed due to severe storms and flooding, further hindering supply. In addition, ongoing lockdowns in China due to the country's zero-COVID policy, only recently lifted in late Fall of 2022, contributed to global supply chain interruptions, including the ongoing shortage of semiconductor chips.

In response to these supply shortages and increased consumer demand from savings accumulated during the pandemic, the consumer price index (CPI) continued to surge beyond expectations. In 2022, the 12-month change in inflation reached a 40-year high of 8.5% in March, peaked at 9.1% in June, according to the Bureau of Labor Statistics (BLS), and remained elevated over the rest of the year. S&P Global now estimates that the average CPI increased to 8.0% in 2022, up from 4.2% estimated in the previous forecast. Increased energy prices were the largest drivers of the high CPI readings, followed by rising prices for food. Core CPI (which excludes food and energy prices) increased 6.2% over the year, exceeding the January, 2022, estimate by 2.0 percentage points. The price of commodities, goods such as clothing and vehicles, increased 7.6%, while the price of non-energy services increased 5.6%.

Fueled by sanctions on Russian oil and gas, energy prices increased 25% over 2022, well exceeding the previous estimate of 2.2%. Oil prices rose to a monthly peak of $122.7 per barrel in June, then eased to $80.9 per barrel in December. According to BLS, average gas prices increased to record highs by March, 2022 ($4.31 per gallon for regular, unleaded gasoline), surpassing the previous high of $4.09 per gallon in July, 2008. Prices peaked at $5.06 per gallon in June, 2022, and ended the year at $3.36. However, the price of diesel fuel peaked at $5.76 per gallon in June, but remained elevated at $4.91 in December. Increased fuel prices, especially diesel, contribute to higher transportation costs, causing retailers to increase goods prices to offset higher costs.

Food prices increased 10% over 2022, 5.8 percentage points higher than estimated in January, 2022. The largest factors contributing to the rise in food prices were continued manufacturing and transportation disruptions that began during the pandemic, and the effects of the Russia-Ukraine war on energy and grain prices. All of this together has increased processing, transportation, and labor costs, which are considered when setting the retail price of food. In addition, weather effects such as heat and drought have reduced crop outputs in certain regions. The 2022 avian flu outbreak has affected over 57 million birds in the U.S. to date, making it the largest outbreak in U.S. history, and contributing to significant price increases for eggs, in particular.

Monetary policy tightened as the Federal Reserve raised the federal funds rate seven times in 2022 (compared to the three increases estimated in the January, 2022, forecast), attempting to restore price stability. The first increase (25 basis points) occurred in March, 2022, two months earlier than projected in the previous forecast. In total, the federal funds rate was increased by 425 basis points in 2022, to a range of 4.25% to 4.50% by December, 2022. In addition, the Federal Reserve began reducing its balance sheet in June, allowing up to $17.5 billion worth of agency debt and mortgage-backed securities and $30 billion worth of Treasurys it holds to mature each month without reinvesting the proceeds back into the marketplace. Beginning in September, these amounts increased to $35 billion of MBS and $60 billion of Treasurys per month.

In response to this monetary policy tightening, the 30-year, conventional, fixed mortgage rate increased more than anticipated in 2022, reaching an average of 6.6% in the fourth quarter (2.9 percentage points higher than estimated in January, 2022). Rising mortgage rates paired with high house prices contributed to a cooling of housing market conditions. Sales of new and existing homes, which were projected to remain flat at the time of the January, 2022, estimates, are now estimated to have declined 16.8% in 2022 compared to 2021. S&P Global indicates that single-family permits declined 7.1% in November, marking the ninth-straight month of declines, while multifamily permits fell 16.4%. Yet, the rise in house prices persisted through much of the year, only starting to decline in the fourth quarter. Annually, the average price of new and existing homes increased 16.5% and 6.2%, respectively.

The Federal Reserve has expressed its desire to achieve what it calls a "soft landing," in which its actions would successfully reduce inflation rates without causing a recession. However, as the year progressed and inflation remained persistently high, the Federal Reserve reiterated that its main goal was to return inflation to its long-run 2% target, even if that results in a recession. The combination of high inflation and monetary policy tightening had an impact on U.S. consumers' feelings of economic security. In June, 2022, the University of Michigan Consumer Sentiment index fell to 50.0 (down from 67.2 in January, 2022), its lowest level on record (since 1975). The stock market posted its worst first half since 1970, with the S&P 500 declining 20.6% through June 30. Consumer Sentiment recovered slightly to 59.7 by the end of the year, while the S&P 500 declined 19.4% in 2022.

The 2022 U.S. labor market could best be characterized as tight, with labor demand far exceeding labor supply. At its peak, there were 2.0 job openings per unemployed person (2.8 in Wisconsin). The unemployment rate fell below its pre-pandemic low to 3.5% in the third quarter, as predicted in January, 2022, and averaged 3.7% for the year. Nonfarm payrolls increased 4.1% for the year, exceeding January, 2022, expectations by 1.4 percentage points, and surpassing their pre-pandemic level in August, 2022. However, as of December, 2022, Wisconsin nonfarm payrolls were still 35,200 below their February, 2020, level. In order to recruit and retain workers in a tight labor market, employers offered pay increases to employees. As such, wage and salary disbursements increased 8.5% for the year (slightly higher than previously forecasted), with the largest gains occurring in the first half of 2022. However, personal income only increased 2.1% in 2022, as the 21.7% decline in federal transfer payments, such as stimulus checks and enhanced unemployment insurance benefits, offset much of the increase in other income sources. The U.S. labor force participation rate remained fairly stable, averaging 62.2% in 2022, while the Wisconsin labor force participation rate declined from 66.4% in January, 2022, to 64.7% in December, 2022.

Bolstered by inflation, nominal personal consumption expenditure (PCE) growth, while slowing from growth in 2021, remained robust through much of 2022. Nominal PCE grew 9.3% in 2022 (2.0 percentage points above the January, 2022, forecast), with the highest growth (11.5%) occurring in the first quarter. However, this growth came at the cost of personal savings. The savings rate (as a percentage of disposable income) declined from 11.9% in 2021 to 3.2% in 2022. The January, 2022, forecast projected modest growth (3.1%) in light vehicle sales in 2022. Instead, sales declined 8.3%, as ongoing supply chain issues continued to hamper recovery.

Several federal fiscal policies impacted the state in 2022. Wisconsin received its second payment from ARPA in May, 2022, which provided the state with $1.27 billion of discretionary funds to be spent in response to the economic impacts of the COVID-19 pandemic. In addition, funding from the IIJA, in conjunction with the Consolidated Appropriations Act of 2022, provided funding to support major state investments in transportation and broadband, among others. On August 16, 2022, President Biden signed the Inflation Reduction Act (IRA) into law. While S&P Global acknowledges that the IRA may encourage the use of renewable energy and limit increases in the cost of prescription drugs, it only estimates modest impacts of the Act on growth and inflation.

On August 24, 2022, the U.S. Department of Education announced that it was extending the suspension on federal student loan payments through December 31, 2022. The payment pause has been extended several times since the initial suspension on March 20, 2020. In addition, the Department of Education announced targeted student loan forgiveness of up to $10,000 (up to $20,000 for Pell Grant recipients) for qualifying individuals. However, several lawsuits were filed challenging the legality of the student loan forgiveness plan. In November, 2022, a federal court issued an injunction blocking the plan, which halted automatic forgiveness of certain student loans that were scheduled to begin on November 14. The Biden Administration requested that the Supreme Court of the United States issue a ruling on the matter. The Court announced in December that it would begin hearing the case in February, 2023, and would issue a final ruling by June, 2023. In response, the Administration extended the suspension on federal student loan payments until 60 days after: (a) the Court's ruling; or (b) June 30, 2023, whichever comes first. According to S&P Global, the proposed cancellation of student loan debt would only result in a modest increase in near-term GDP growth.

National Economic Forecast

Under the January, 2023, forecast, S&P Global predicts a mild recession will begin in quarter one of 2023, with recovery beginning in the third quarter of this year. The peak-to-trough decline in real GDP is estimated at -0.6%. Subsequently, the forecast projects minimal real GDP growth in 2023 (0.5%), followed by growth of 1.8% in 2024 and 2.0% in 2025. S&P Global projects that both the tight labor market and high inflation will begin to ease as the effects of the Federal Reserve's tightening of financial conditions take hold. The forecast predicts that a rebound in the personal savings rate will constrain consumer spending, resulting in modest growth through 2024.

The 2023 forecast is based on the following key assumptions. First, S&P Global assumes the Public Health Emergency is extended through mid-June, 2023, and anticipates that the transition of COVID-19 from pandemic to endemic will continue, as behavior adjusts to the risks of living with numerous variants of the virus. Second, the forecast incorporates all legislation enacted prior to December 29, 2022, and assumes real discretionary funding is extended at federal fiscal year 2022 levels. It does not yet reflect the Consolidated Appropriations Act of 2023 (CAA-23) or President Biden's plan to forgive a portion of student debt. Third, state and local governments do not experience a fiscal contraction, helped by strong revenues and federal financial support provided by federal pandemic relief monies and IIJA funding. Fourth, the Federal Reserve is expected to raise its policy rate to a range of 4.75% to 5.00% by March, 2023, and allow its balance sheet to decline by about one-third by 2024. Fifth, the forecast assumes that the current tariffs between the U.S. and China remain in effect. Sixth, growth in real, trade-weighted foreign GDP is expected to slow from 3.3% in 2022 to 1.4% in 2023, and foreign measures of inflation are expected to recede from 5.9% in 2022 to 2.3% by 2025. Meanwhile, foreign sovereign bond yields are expected to reach 2.7% in 2023 (up from 0.3% in 2020), as central banks tighten monetary policy in response to the recent surge in inflation. Seventh, the price of Brent crude oil is expected to ease from $101 in 2022 to $87 by 2024, despite sanctions on Russian exports and efforts of western countries to cap the price of Russian crude. Finally, S&P Global assumes that farm prices, which were elevated in 2022 due to the disruption of agricultural exports from Russia and Ukraine, will ease in 2023 as global harvests increase.

The 2023 forecast is summarized in Table 2, which reflects S&P Global's January, 2023, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

TABLE 2

Summary of National Economic Indicators
S&P Global Baseline Forecast, January, 2023
($ in Billions)

	2022	2023	2024	2025
Nominal Gross Domestic Product	$25,457.4	$26,520.4	$27,595.5	$28,718.0
Percent Change	9.2%	4.2%	4.1%	4.1%
Real Gross Domestic Product	$20,010.2	$20,112.9	$20,465.6	$20,867.1
Percent Change	2.0%	0.5%	1.8%	2.0%
Consumer Prices (Percent Change)	8.0%	3.9%	2.2%	2.0%
Personal Income	$21,737.5	$22,677.0	$23,737.2	$24,858.3
Percent Change	2.1%	4.3%	4.7%	4.7%
Nominal Personal Consumption Expenditures	$17,375.8	$18,220.8	$18,839.2	$19,529.7
Percent Change	9.3%	4.9%	3.4%	3.7%
Economic Profits	$2,983.3	$2,926.5	$2,909.3	$2,910.8
Percent Change	7.7%	-1.9%	-0.6%	0.1%
Unemployment Rate	3.7%	4.6%	4.8%	4.5%
Total Nonfarm Payrolls (Millions)	152.0	153.1	152.8	153.5
Percent Change	4.1%	0.7%	-0.2%	0.5%
Light Vehicle Sales (Millions of Units)	13.70	14.79	15.88	16.29
Percent Change	-8.3%	7.9%	7.4%	2.6%
Sales of New and Existing Homes (Millions of Units)	5.739	4.220	4.596	5.113
Percent Change	-16.8%	-26.5%	8.9%	11.2%
Housing Starts (Millions of Units)	1.555	1.192	1.256	1.377
Percent Change	-3.1%	-23.4%	5.4%	9.7%

Consumer Prices. CPI increased by 8.0% in 2022, well above S&P Global's previous projection of 4.2%. In December, the 12-month percentage change in CPI was 6.5%, marking the sixth-straight month of deceleration that has been largely tied to declines in energy prices over the second half of 2022 (compared to the first half). Core CPI increased 6.2% in 2022, 2.0 percentage points above the January, 2022, forecast, and the 12-month change in December, 2022, was 5.7%.

S&P Global expects the average CPI to slow to 3.9% in 2023, 2.2% in 2024, and 2.0% in 2025, as energy prices decline 3.7% and 1.5% in 2023 and 2024, respectively, then increase 0.3% in 2025. In contrast to recent experience, core CPI is expected to exceed overall CPI in each of the next three years, growing 4.5%, 2.7%, and 2.4% in 2023, 2024, and 2025, respectively. The forecast predicts that core CPI growth will be driven by increases in the price of nonenergy services.

Employment. The national unemployment rate averaged 3.7% over 2022, similar to January, 2022, projections. The tightness that characterized the labor market in 2022 is expected to ease in 2023 in response to tightening monetary policy, leading the unemployment rate to increase to 4.6% in 2023 and 4.8% in 2024, then decline slightly to 4.5% in 2025. It is believed that payrolls have mostly recovered following the COVID-19 downturn in employment. S&P Global projects that payrolls will peak in the first quarter of 2023, before declining through the rest of the year. Overall, average annual nonfarm payrolls are expected to remain relatively flat through 2025, with annual percent changes of 0.7% in 2023, -0.2% in 2024, and 0.5% in 2025.

Personal Income. Personal income growth was slightly higher than expected (1.3% in the January, 2022, forecast) in 2022, at 2.1%. As anticipated, growth in wage and salary disbursements (8.5%) was offset by a decline in federal transfer payments (-21.7%). Real disposable income, on the other hand, declined 6.4% in 2022, due, in part, to high gasoline and food prices, but is projected to recover 2.7%, 3.7%, and 2.9% in 2023, 2024, and 2025, respectively, as prices decline. Going forward, personal income is forecast to grow 4.3% in 2023 and 4.7% in 2024 and 2025. S&P Global projects that wage and salary disbursements will grow at a similar pace of 4.9% in 2023, 4.3% in 2024, and 4.7% in 2025.

Real household net worth declined significantly in 2022 (-8.9%), driven by a decline in the value of equities (-23.2%). The forecast predicts that real household net worth will continue to decline 3.3% in 2023, as softer demand and higher mortgage rates put downward pressure on prices of existing homes, before beginning a slow recovery of 0.7% in 2024 and 1.5% in 2025.

Personal Consumption. Nominal PCE grew 9.3% in 2022, with growth in spending on services (9.8%) slightly outpacing spending on goods (8.2%). As a result, the shift from spending on goods to spending on services continued, with purchases of services making up 66.3% of all PCE in the fourth quarter of 2022.

S&P anticipates that nominal PCE growth will slow to 4.9% in 2023, 3.4% in 2024, and 3.7% in 2025, as inflation eases. The projected recession in early 2023, partly caused by higher financing rates and the projected rise in unemployment, is expected to result in slower consumer demand growth in 2023. As a result, real PCE growth is estimated to decline from 2.9% in 2022 to 1.5% in 2023, then remain below 2% through 2025.

Monetary Policy. As mentioned, the Federal Reserve increased the federal funds rate seven times in 2022. The most recent increase of 50 basis points in December marked a downshift in the size of rate hikes, following four consecutive 75 basis point increases. In addition, between June 15th and December 28th, 2022, the Federal Reserve reduced its balance sheet by $348 billion to approximately $8.1 trillion.

Going forward, two more Fed rate increases are expected in early February and mid-March, bringing the target federal funds range to between 4.75% and 5%. S&P Global anticipates that the rate will remain at this level until sufficient evidence is seen that inflation is on track to decline to 2.0% on a sustainable basis. As such, the forecast assumes that the first rate cut will occur in the second quarter of 2024. In response to these actions, it is estimated that the average commitment rate for a 30-year, conventional, fixed mortgage will increase from 5.4% in 2022 to 6.4% in 2023 (2.0 percentage points higher than the previous forecast for each year). The rate is then expected to ease to 5.7% in 2024 and 5.1% in 2025. The forecast also projects that the Federal Reserve will reduce its securities portfolio by another $1.0 trillion in both 2023 and 2024.

Housing. While housing starts declined in 2022 (-3.1%) compared to 2021, the decline was less drastic than S&P Global estimated in the January, 2022, forecast (-7.0%). S&P Global anticipates a much larger decline in housing starts of -23.4% in 2023, before recovering 5.4% in 2024 and 9.7% in 2025. Likewise, sales of new and existing homes are expected to continue declining in 2023 (-26.5%), partly in response to rising mortgage rates, then increase 8.9% and 11.2% in 2024 and 2025, respectively.

Growth in the price of new and existing houses in 2022 exceeded expectation from the January, 2022, estimate by 5.5 and 1.4 percentage points, respectively, although the volume of sales declined relative to prior expectations. Going forward, the forecast's predictions for housing prices are varied. The average price of existing houses is expected to decline 16.4% in 2023, then grow 0.8% in 2024 and 5.0% in 2025. Conversely, average new house prices are projected to continue increasing 5.9% in 2023, 2.8% in 2024, and 3.0% in 2025.

Business Investment. S&P Global estimates that nominal nonresidential fixed investment grew 10.5% in 2022, slightly higher than the January, 2022, estimate of 9.1%. Growth in 2022 was led by investment in intellectual property products (11.5%), followed by investment in equipment (11.1%), and structures (7.3%). However, real nonresidential fixed investment only grew 3.7% for the year, with growth in intellectual property products (8.7%) and equipment (4.8%) being partially offset by a decline in investment in structures (-8.0%). The forecast anticipates that growth in nominal nonresidential fixed investment will slow to 3.9% in 2023, 1.7% in 2024, and 2.3% in 2025.

Inventories increased by $151 billion in 2022, $8 billion more than estimated in the January, 2022, forecast. Going forward, S&P Global projects that inventories will increase by $9 billion in 2023, $64.9 billion in 2024, and $100.6 billion in 2025. The minimal increase in 2023 corresponds to the forecast's expectations that inventories will decline in quarters two and three of this year, which is consistent with the forecast of a mild recession during the first half of 2023.

International Trade. Nominal imports grew 16.4% in 2022, 8.4 percentage points more than previously forecasted, despite imports declining in the second half of the year (compared to the first half). Likewise, nominal exports were up 17.1% in 2022, exceeding prior estimates by 7.3 percentage points. Despite slightly higher percentage growth in exports, imports saw a larger increase than exports in dollar terms, increasing the trade deficit in 2022 and reducing real GDP growth by 0.47 percentage points. S&P Global predicts that growth in exports will slow to 1.6% in 2023 and 5.3% in 2024 and 2025, but continue to grow faster than imports over the forecast period. Nominal imports are projected to decline 1.1% in 2023, then recover 1.9% and 3.5% in 2024 and 2025, respectively. Given these assumptions, the U.S. nominal balance of trade is expected to improve each year, contributing 0.47, 0.24, and 0.01 percentage points to real GDP growth in 2023, 2024, and 2025, respectively.

Corporate Profits. Corporate before-tax book profits grew by 8.7% in 2022 (in contrast to a 2.4% decline projected in the January, 2022, forecast) and are forecast to decrease by 1.9% in 2023, then increase by 0.2% in 2024 and 1.7% in 2025. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and are not affected by federal tax laws), increased 7.7% in 2022. S&P Global forecasts that economic profits will decline 1.9% and 0.6% in 2023 and 2024, respectively, then increase just 0.1% in 2025.

The 2023 forecast assumes that the effective federal corporate tax rate for all industries was 12.9% in 2022, will increase to 14.1% in 2023, and will decline to 13.3% in 2024 and 12.7% in 2025. Under current law, the 100% bonus depreciation provision enacted by the Tax Cuts and Jobs Act of 2017 will phase out over the next five years, with the bonus depreciation percentage declining to 80% in 2023, 60% in 2024, and 40% in 2025. S&P Global predicts that this phase-out will increase the after-tax cost of capital, creating a mild headwind for investment spending in the coming years.

Fiscal Policy. The federal budget deficit is expected to decline from $1.375 trillion in federal fiscal year 2022 to $1.086 trillion in 2023, then grow to $1.380 trillion in 2024 and $1.586 trillion in 2025. S&P Global estimates that spending by the federal government detracted -0.19 percentage points from real GDP growth in 2022 (compared to -0.11 percentage points in the January, 2022, forecast), and will contribute 0.14 percentage points in 2023, 0.02 percentage points in 2024, and 0.03 percentage points in 2025. Spending by state and local governments is expected to have a larger impact, contributing 0.18, 0.12, and 0.10 percentage points to GDP growth in 2023, 2024, and 2025, respectively.

CAA-23 was signed by President Biden on December 29, 2022. The legislation authorizes $1.7 trillion of discretionary funding for agencies in federal fiscal year 2023, a 10% increase in funding relative to the prior year, with $849 billion appropriated for nondefense functions. CAA-23 also authorizes $84 billion of aid for Ukraine through federal fiscal year 2027, and $38 billion of funding through fiscal year 2032 to address natural disasters. CAA-23 is not yet included in S&P Global's forecast, and represents a modest upside risk to near-term GDP growth.

Alternative Scenarios. S&P Global's January, 2023, forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, S&P Global assigns a 20% probability that productivity and growth of consumer spending will be stronger than assumed in the baseline forecast. It assumes that consumer and business response to the IIJA is more robust than in the baseline forecast, and a quicker resolution to the Russia-Ukraine conflict allows for lower energy prices, with the price of Brent crude oil staying $2 below the baseline through mid-2023. Lower energy prices and less risk aversion prompt a robust re-acceleration of consumer spending under the optimistic scenario, with annual growth in consumer spending at 2.4% in 2023 and 1.4% in 2024. In this scenario, real business fixed investment rises 1.7% in 2023, compared to 0.2% under the baseline, due to strong demand faced by businesses and elevated cashflows. Real GDP growth remains positive through 2023, compared to the baseline forecast's assumed two-quarter decline during the first half of the year, with growth of 1.4% in 2023 and 1.9% in 2024 under this scenario. Growth in core CPI remains higher than the baseline through mid-2024, at 3.7% in 2023 and 2.7% in 2024, compared to 2.6% and 2.4%, respectively, under the base forecast.

Under the pessimistic scenario, to which S&P Global assigns a 25% probability, the U.S. experiences a deeper recession with weaker consumer spending than assumed in the baseline forecast. This scenario assumes that the peak-to-trough decline in GDP will be -1.2%, compared to -0.6% in the baseline forecast, and projects that real GDP will decline 0.2% in 2023 and increase 1.2% in 2024. Real PCE declines in the first half of 2023, in contrast to a slight increase under the base forecast, with slower growth of 0.7% in both 2023 and 2024 (compared to 1.5% in 2023 and 1.2% in 2024 under the baseline forecast). In this scenario, it is assumed that the Russia-Ukraine conflict intensifies, leading to higher prices for energy commodities, other industrial commodities, and grains. The price of Brent crude oil rises to $112 per barrel by the second quarter of 2023 ($20 higher than the baseline), before moderating to $102 per barrel by early 2024 ($15 higher than the baseline). Delays in the production of consumer durable goods persist due to a slower correction of supply chain issues. This factor, in addition to weakening consumer demand, prompts businesses to scale back investment plans, with real business fixed investment declining 2.4% in 2023, 2.9% in 2024, and 0.4% in 2025. Core CPI remains above the baseline through 2023 (4.0%), then falls below the base forecast in 2024 (2.3%). Under the pessimistic scenario, the unemployment rate rises to 7.0% by early 2024.

General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2022-23 and for each year of the 2023-25 biennium. Over the three-year period, these estimates are $94.2 million lower than the projections of the November 21, 2022, report. By year, the estimates are $60.7 million higher in 2022-23, $74.7 million lower in 2023-24, and $80.2 million lower in 2024-25. Over the three-year period, compared to the November 21 report, the estimates are higher for individual income taxes ($332.6 million) and vapor products ($4.8 million). All other general fund taxes are estimated to be lower, with the largest downward revision over the three-year period in sales and use taxes (-$238.8 million).

TABLE 3

Projected General Fund Tax Collections
($ in Millions)

	2021-23 Biennium		2023-25 Biennium	
	2021-22 Actual	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Individual Income	$9,214.4	$9,610.0	$9,770.0	$10,300.0
General Sales and Use	6,978.3	7,480.0	7,600.0	7,780.0
Corporate Income/Franchise	2,960.0	2,910.0	2,850.0	2,970.0
Public Utility	383.6	391.0	372.0	377.0
Excise				
Cigarette	482.4	451.0	439.0	427.0
Tobacco Products	94.4	92.0	94.0	96.0
Vapor Products	4.1	5.6	6.2	6.8
Liquor and Wine	64.9	68.0	69.0	71.0
Beer	8.9	8.7	8.6	8.6
Insurance Company	221.8	230.0	237.0	245.0
Miscellaneous Taxes	135.6	107.0	96.0	110.0
Total	$20,548.4	$21,353.3	$21,541.8	$22,391.4
Change from Prior Year		$804.9	$188.5	$849.6
Percent Change		3.9%	0.9%	3.9%

Individual Income Tax. Total individual income tax collections were $9,214.4 million in 2021-22, a decline of 0.7% relative to the prior year, but 12.2% higher relative to the January, 2022, estimate. One reason collections were significantly above the forecasted amount that year is due to historically high levels of capital gains realizations in tax year 2021. Federal tax planning in response to proposed capital gains tax rate increases (which did not materialize) is believed to have driven capital gains realizations significantly higher during tax year 2021 than what would have otherwise occurred. Based on available data, it is estimated that total tax receipts related to long-term capital gains increased by over 35% in tax year 2021 relative to tax year 2020. Realizations in tax year 2022 are expected to be considerably lower than in 2021, owing in part to a weakened stock market in 2022 and the acceleration into 2021 of gains that would have otherwise been realized in 2022. A further decline in capital gains realizations relative to tax year 2021 is projected in tax year 2023, although realizations are anticipated to begin recovering in tax year 2024.

The impact of recently enacted state tax law changes, such as the child and dependent care expenses credit beginning in tax year 2022 and the increased amount of net capital losses that may be used annually to offset ordinary income from $500 to $3,000 (the same amount allowed under federal law) beginning in tax year 2023, are included in these estimates. The estimates also consider the state fiscal impact of all federal tax law changes automatically adopted to date.

Total individual income tax collections are estimated at $9,610 million in 2022-23, which represents a 4.3% increase in revenues over the prior fiscal year. Although this estimated growth is greater than the national personal income projection for 2022 of 2.1%, personal income includes both taxable components, such as wage and salary disbursements, and nontaxable components, such as employer contributions for employee fringe benefits and government transfer payments to individuals. The taxable components of personal income in 2022 are estimated to increase at a considerably higher rate (7.2%) than for personal income as a whole. This is largely due to the cessation in 2022 of various (non-taxable) federal transfer payments to individuals, such as stimulus checks and unemployment compensation, relative to 2021.

Based on preliminary collections information through December, 2022, individual income tax revenues for the current fiscal year are 12.9% lower than such revenues through the same period in 2021. This is primarily due to decreased withholding collections following the withholding table update that took effect January 1, 2022. However, individual income tax revenues are expected to increase at a rate of 21.1% over the next six months relative to the same period a year prior.

The primary factor for this estimated revenue increase is an expected decline in refunds paid to taxpayers in 2022-23 relative to 2021-22. The income tax rate reduction included in 2021 Act 58, which took effect beginning in tax year 2021, caused refunds to spike when taxpayers filed their corresponding income tax returns in 2021-22. However, because the income tax withholding tables were later updated beginning January 1, 2022, to reflect the rates, brackets, and standard deduction in effect for current law, the amounts withheld from taxpayers during tax year 2022 incorporated the Act 58 rate reduction for the first time. As a result, when taxpayers file the corresponding returns in Spring of 2023, their refund amounts will be lower (all else equal) than the refunds they would have received had the withholding tables not been updated.

Estimated individual income tax collections increase to $9,770 million in 2023-24 and to $10,300 million in 2024-25, representing annual growth of 1.7% and 5.4%, respectively. The annual growth rate is lower in 2023-24, and higher in 2024-25, than the projected growth in national personal income would suggest (4.3% in 2023 and 4.7% in 2024). One reason for this departure is the aforementioned assumption that capital gains realizations (which are generally not captured by personal income metrics) are estimated to decline further in tax year 2023, but then begin to increase in tax year 2024.

General Sales and Use Tax. State sales and use tax revenues totaled $6,978.3 million in 2021-22, and are estimated at $7,480 million in 2022-23. This estimate represents growth of 7.2% over the prior year, and growth of 5.2% for the remaining months of 2022-23. Sales tax collections through December, 2022, are 10.0% higher than the same period in 2021, however, much of this growth is attributable to inflation. Sales tax revenues in the next biennium are estimated at $7,600 million in 2023-24 and $7,780 million in 2024-25, reflecting growth of 1.6% and 2.4%, respectively. Over state fiscal years 2023, 2024, and 2025, S&P Global projects that consumer prices will increase 6.2%, 2.7%, and 1.9%, respectively. As such, the forecast estimates that real consumer spending (adjusting for inflation) will decline in 2023-24.

Corporate Income/Franchise Tax. Corporate income/franchise taxes were $2,960.0 million in 2021-22, which was 15.6% above the previous year and outpaced inflation. Corporate tax revenues are projected to be $2,910 million in 2022-23, $2,850 million in 2023-24, and $2,970 million in 2024-25, a decrease of 1.7% in 2022-23 and 2.1% in 2023-24, and an increase of 4.2% in

2024-25. The estimates reflect the anticipated decline in economic profits, as well as year-to-date corporate tax collections, which declined slightly (0.3%) compared to the same period through December of last year. The estimate also reflects the fiscal effects of law changes enacted to date, including provisions of federal tax law enacted to date that the state automatically adopts.

Forecasted corporate tax revenues are bolstered by anticipated pass-through entity (PTE) tax collections, which continue to grow. Tax-option (S) corporations and partnerships may elect, via persons holding more than 50% of the shares or capital and profits of a partnership, to be taxed at the entity level (reported under corporate tax collections) rather than generally requiring income to be passed through to their respective owners, members, or shareholders (reported under the individual income tax). Year to date, partnership PTE tax collections are $28.3 million more than the same period last year (an increase of 46.5%). Thus, state corporate tax collections are forecast to remain at relatively high levels notwithstanding the negative outlook for economic profits.

Public Utility Taxes. Revenues from public utility taxes totaled $383.6 million in 2021-22, and are estimated at $391 million in 2022-23, $372 million in 2023-24, and $377 million in 2024-25. Year-over-year, these amounts represent an increase of 1.9% in 2022-23, a decrease of 4.9% in 2023-24, and an increase of 1.3% in 2024-25.

The growth in 2022-23 is primarily attributable to an increase in the price of electricity and natural gas services in 2022, which has increased the revenues of gross revenues utilities providing such services (private and municipal light, heat, and power companies and electric cooperatives). Data reported by Wisconsin utilities through September 30, 2022, show year-over-year growth of 40.7% for natural gas sales and 8.3% for electricity sales. However, much of the growth in collections from these utility companies is offset by declines in collections from ad valorem utility taxpayers, resulting from anticipated declines in the statewide net property tax rate. The decline in collections in 2023-24 is due to a combination of slowing electricity sales, declining natural gas sales, and a continued decline in the statewide net property tax rate. Collections are expected to recover slightly in 2024-25 as prices and property tax rates moderate.

Further, estimated tax payments from telecommunications companies are anticipated to decline during each year as the exemption enacted under 2019 Act 128 for property providing broadband internet service in rural areas continues to phase in. The exemption is estimated to reduce collections by $12.1 million in 2022-23, $15.3 million in 2023-24, and $20.7 million in 2024-25.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), other tobacco products, vapor products, and beer. In 2021-22, excise tax collections totaled $654.7 million, of which $482.4 million (73.7%) was from the excise tax on cigarettes. Total excise tax collections in 2021-22 represented a decrease of -3.4% from the prior fiscal year, primarily driven by a decrease in cigarette tax collections of -5.4% from the prior year. Excise tax revenues are estimated at $625.3 million in 2022-23, which represents decreased revenues of 4.5%. Excise tax revenues over the next biennium are estimated to decline by 1.4% to $616.8 million in 2023-24 and by 1.2% to $609.4 million in 2024-25. The estimates reflect the ongoing trend of declining cigarette consumption paired with only modest growth in other excise tax categories.

Insurance Premiums Taxes. Insurance premiums taxes were $221.8 million in 2021-22. Revenues are projected to increase to $230 million in 2022-23, $237 million in 2023-24, and $245 million in 2024-25. This is lower by $7.6 million in 2022-23, $15.9 million in 2023-24, and $22.8 million in 2024-25 compared to the November 21, 2022, report. The new estimates are based on growth in year-to-date insurance premiums tax collections (which reflect lower growth than anticipated in November) and historic collections growth trends.

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 $135.6 million in 2021-22, of which 89.6% was generated from the real estate transfer fee. Based on the economic forecast for the housing sector, as well as collections through December, 2022, miscellaneous taxes are projected to decrease to $107 million in 2022-23, which represents a 21.1% decline from 2021-22 collections. This decline is largely attributable to a decline in sales of new and existing homes in 2022 and 2023. As a result, miscellaneous tax collections are projected to decline by another 10.3% in 2023-24, to $96 million, then increase 14.6% in 2024-25, to $110 million, as the housing market begins to recover.

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

Sincerely,

Bob Lang

Robert Wm. Lang
Director

RWL/lb
cc: Members, Wisconsin Legislature

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APPENDIX B

INFORMATION ABOUT THE MASTER LEASE PROGRAM

This Appendix includes by reference information concerning the Master Lease Program (**Program**) and master lease certificates of participation, contained in Part IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2022 **(2022 Annual Report)**, which can be obtained as described below. This Appendix also updates the information regarding outstanding Lease Schedules presented in Part IV of the 2022 Annual Report.

Part IV to the 2022 Annual Report contains information about the Program and master lease certificates of participation. More specifically, that part presents information about the following matters:

- Program structure
- Program operations
- Security for the master lease certificates of participation
- Risk factors
- Outstanding master lease certificates of participation
- Outstanding Lease Schedules
- Summary of the Master Lease and the Master Indenture

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

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

doa.wi.gov/capitalfinance

wisconsinbonds.com

Copies of the 2022 Annual Report may also be obtained from:

State of Wisconsin Department of Administration
Capital Finance Office
101 E. Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 267-1836
DOACapitalFinanceOffice@wisconsin.gov

After publication and filing of the 2022 Annual Report, certain changes or events may occur that affect items discussed in Part IV of the 2022 Annual Report; however, as of the date of this Official Statement, no such changes or events have occurred. 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

Outstanding Master Lease Schedules; Table IV-3 (Part IV; Pages 135-137). Replace with the following updated and revised table.

OUTSTANDING MASTER LEASE SCHEDULES[(a)]
(As of May 1, 2023)

Schedule Number	Origination Date	Maturity Date	Leased Item	Amount Financed	Principal Balance
13-010	6/14/2013	9/1/2028	ERP Software/Hardware - STAR Project	$14,315,300.00	$4,829,914.28
13-017	9/16/2013	9/1/2028	ERP Software/Hardware - STAR Project	10,000,000.00	3,452,862.47
14-004	2/28/2014	3/1/2029	ERP Software/Hardware - STAR Project	1,049,735.00	248,995.27
14-006	4/1/2014	3/1/2029	ERP Software/Hardware - STAR Project	1,266,560.00	452,199.36
14-007	4/1/2014	3/1/2029	ERP Software/Hardware - STAR Project	2,629.87	938.71
14-010	5/2/2014	3/1/2029	ERP Software/Hardware - STAR Project	1,779,630.00	640,885.17
14-013	5/30/2014	3/1/2029	ERP Software/Hardware - STAR Project	2,211,085.00	802,483.89
14-020	6/30/2014	3/1/2029	ERP Software/Hardware - STAR Project	3,150,758.69	1,146,933.52
14-024	8/8/2014	3/1/2029	ERP Software/Hardware - STAR Project	1,862,780.00	693,534.66
14-026	9/16/2014	3/1/2029	ERP Software/Hardware - STAR Project	5,995,392.20	2,229,109.17
14-031	10/17/2014	3/1/2029	ERP Software/Hardware - STAR Project	2,459,415.00	914,871.39
14-033	11/18/2014	3/1/2029	ERP Software/Hardware - STAR Project	2,459,415.00	926,464.29
14-034	12/3/2014	3/1/2029	ERP Software/Hardware - STAR Project	2,459,415.00	930,421.90
15-001	1/9/2015	3/1/2029	ERP Software/Hardware - STAR Project	2,459,415.00	939,961.76
15-002	2/13/2015	3/1/2029	ERP Software/Hardware - STAR Project	7,468,416.60	2,900,291.71
15-006	3/16/2015	3/1/2029	ERP Software/Hardware - STAR Project	4,405,967.00	1,708,595.39
15-012	4/21/2015	3/1/2029	ERP Software/Hardware - STAR Project	4,584,263.80	1,776,899.54
15-016	5/22/2015	3/1/2029	ERP Software/Hardware - STAR Project	3,557,638.40	1,409,313.04
15-017	7/2/2015	3/1/2029	ERP Software/Hardware - STAR Project	3,139,506.40	1,243,097.90
15-024	7/29/2015	3/1/2029	ERP Software/Hardware - STAR Project	1,466,367.00	558,791.47
15-026	8/26/2015	3/1/2029	ERP Software/Hardware - STAR Project	1,466,367.00	560,041.68
16-043	10/6/2016	9/1/2023	ERP Software/Hardware - STAR Project	63,148.40	4,283.29
16-044	10/26/2016	9/1/2023	ERP Software/Hardware - STAR Project	209,800.00	14,374.60
16-046	12/2/2016	9/1/2023	ERP Software/Hardware - STAR Project	46,000.00	3,213.51
16-047	12/16/2016	9/1/2023	ERP Software/Hardware - STAR Project	1,909,997.00	134,368.08
17-006	5/3/2017	3/1/2024	Scale Truck Equipment	311,841.99	43,944.82
17-007	5/15/2017	9/1/2023	ERP Software/Hardware - STAR Project	31,600.00	2,395.14
17-011	6/20/2017	3/1/2024	Scale Truck Equipment	259,715.56	38,344.00
17-013	7/28/2017	9/1/2027	Health Records System	394,895.88	178,682.62
17-014	7/28/2017	9/1/2023	Buses	1,163,386.00	101,596.98
17-017	11/17/2017	9/1/2025	Tractors	917,500.00	28,858.79
17-018	11/17/2017	9/1/2027	Health Records System	394,895.88	172,785.61
17-021	11/17/2017	9/1/2027	Health Records System	394,895.88	174,708.98
18-003	3/22/2018	9/1/2027	Health Records System	873,000.00	397,262.01
18-005	5/2/2018	9/1/2027	Health Records System	394,895.88	181,901.40
18-008	6/15/2018	9/1/2027	Health Records System	1,132,019.14	529,360.62
18-010	6/15/2018	9/1/2027	Health Records System	516,188.62	241,632.23
18-011	9/7/2018	9/1/2023	IT Storage and Hardware	239,617.00	20,638.55
18-012	10/8/2018	9/1/2027	Health Records System	754,679.43	336,105.49
18-013	10/8/2018	9/1/2027	Health Records System	2,609,519.54	1,162,180.57
18-016	12/6/2018	9/1/2023	Printers	431,102.97	42,809.56
18-017	12/6/2018	9/1/2027	Health Records System	1,814,038.29	820,688.26
18-018	12/6/2018	9/1/2025	Breathalyzers	318,960.00	108,411.45
18-019	12/6/2018	9/1/2025	Breathalyzers	318,960.00	108,411.45
18-020	12/28/2018	9/1/2027	Health Records System	516,188.62	236,396.51
18-021	12/28/2018	9/1/2023	Printers	50,000.00	5,034.83

OUTSTANDING MASTER LEASE SCHEDULES[(a)] – Continued
(As of May 1, 2023)

Schedule Number	Origination Date	Maturity Date	Leased Item	Amount Financed	Principal Balance
19-002	2/4/2019	9/1/2027	Health Records System	$516,188.62	$240,872.87
19-003	2/4/2019	9/1/2023	Printers	56,436.46	5,871.16
19-005	4/1/2019	9/1/2027	Health Records System	516,188.62	244,253.60
19-006	4/5/2019	9/1/2025	Breath Screeners	318,960.00	116,412.45
19-007	4/5/2019	9/1/2024	Printers	420,000.00	109,263.75
19-008	4/30/2019	9/1/2024	ERP Software/Hardware	101,936.10	26,892.00
19-009	4/30/2019	9/1/2024	ERP Software/Hardware	937,580.15	247,344.80
19-010	6/17/2019	9/1/2027	Health Records System	225,000.00	109,432.79
19-011	6/17/2019	9/1/2027	Health Records System	545,660.00	265,391.90
19-012	6/17/2019	9/1/2024	ERP Software/Hardware	102,763.29	27,849.16
19-013	6/21/2019	9/1/2024	Golf Course Maintenance Equipment	34,498.75	9,364.33
19-014	6/21/2019	9/1/2024	Golf Course Maintenance Equipment	16,417.00	4,456.22
19-015	6/21/2019	9/1/2024	Golf Course Maintenance Equipment	24,894.96	7,077.20
19-016	8/27/2019	9/1/2024	Golf Course Maintenance Equipment	46,385.23	13,094.82
19-017	9/20/2019	9/1/2026	ISOTOPX	262,500.00	117,117.42
19-018	11/1/2019	9/1/2024	Velos Pro	176,061.30	51,685.19
20-001	2/7/2020	9/1/2027	Health Records System	813,139.60	431,985.15
20-003	3/30/2020	9/1/2024	Velos Pro	42,806.80	13,559.47
20-004	4/3/2020	9/1/2023	Beam Miller	58,303.19	7,741.19
20-005	4/17/2020	9/1/2025	Breath Screeners	318,960.00	143,152.21
20-008	6/12/2020	9/1/2025	Windowrower	116,225.00	52,556.49
20-011	7/17/2020	3/1/2028	Health Records System	225,000.00	128,344.17
20-014	8/21/2020	3/1/2027	Breath Screeners	470,466.00	272,682.35
20-017	11/2/2020	9/1/2025	Tractor	150,256.00	74,142.76
21-001	3/31/2021	3/1/2028	Breath Screeners	684,216.00	454,578.69
21-002	5/7/2021	3/1/2028	Zurn Plot	218,311.00	94,622.76
21-003	6/3/2021	9/1/2026	Scientific Instruments	223,507.52	139,882.50
21-007	7/15/2021	9/1/2027	Health Records System	25,000.00	17,083.53
21-008	7/15/2021	9/1/2024	Tough Books	500,092.00	139,591.83
21-009	8/24/2021	9/1/2027	Agricultural Sprayer	124,914.00	87,035.04
21-010	10/12/2021	9/1/2024	Tough Books	512,448.00	260,161.40
21-011	10/12/2021	9/1/2026	Radios	2,427,676.58	1,644,580.06
21-012	10/12/2021	9/1/2026	Radios	29,009.53	19,091.87
21-013	10/28/2021	9/1/2031	Software	3,511,589.00	2,759,498.87
21-015	12/2/2021	9/1/2024	Tough Books	18,840.00	10,089.87
22-001	2/4/2022	3/1/2027	Cameras	52,582.95	41,302.49
22-003	6/21/2022	9/1/2026	Radios	4,993,496.70	4,153,128.02
22-004	6/21/2022	9/1/2026	Radios	2,785,444.00	2,339,875.11
22-005	6/21/2022	3/1/2042	Aircraft	522,665.00	506,874.16
22-006	7/15/2022	9/1/2027	Mainframe	11,771,515.00	10,414,453.93
22-007	8/19/2022	9/1/2027	Clubcars	25,848.00	23,297.06
22-008	9/29/2022	9/1/2026	Mobile Communications System	35,168.39	31,598.30
22-009	10/10/2022	9/1/2028	Plot Combine	176,870.93	81,593.11
22-010	11/3/2022	9/1/2042	Aircraft	40,000.00	39,590.53
22-011	12/21/2022	9/1/2027	Cell Tracking System	900,391.00	867,605.04
23-001	3/10/2023	3/1/2028	Tractor	125,232.00	125,416.68
23-002	3/24/2023	3/1/2028	Servers/Hardware	330,567.85	331,055.35
					$60,757,545.62

(a) Does not reflect the financing of additional Lease Schedules. See "PLAN OF FINANCE".

Note: The maturity date of each Lease Schedule in the above table is the original maturity date of the Lease Schedule, before the amendment of Lease Schedule terms to match payment dates and amounts of the Certificates. In addition, the principal balance of the Lease Schedules is as of May 1, 2023 and reflects amortization at an assumed fixed interest rate; however, during the period that a Lease Schedule is funded with proceeds from the revolving credit facility, interest accrues and is based on a variable interest rate. As a result, the principal balances included in this table will change to reflect amendments to the terms of those Lease Schedules that are to be funded with the Certificates and that have terms that extend beyond the final maturity of the Certificates. In addition, the principal balances may change slightly when reconciled to reflect actual accrued interest. During a period of low interest rates, the principal balance of each Lease Schedule may be slightly less than shown in the table as any payment in excess of the actual accrued interest is applied as principal payments. Final reconciliation of the actual to the assumed interest rates occurs either upon the funding of Lease Schedules with master lease certificates of participation having fixed interest rates, such as the Certificates, or on the last scheduled Lease Payment.

Source: Department of Administration.

APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

Secretary of Administration
State of Wisconsin Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53703

Subject: $19,285,000.00
Master Lease
Certificates of Participation of 2023, Series A
(Sate of Wisconsin)

We have acted as bond counsel in connection with the issuance by U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), of $19,285,000 Master Lease Certificates of Participation of 2023, Series A (State of Wisconsin), dated the date hereof (the "**Certificates**").

The Certificates are being issued pursuant to the Master Indenture, dated as of July 1, 1996 (the "**Indenture**"), by and among a predecessor-in-interest of U.S. Bank National Association (the "**Lessor**"), a predecessor-in-interest of the Trustee, and the State of Wisconsin, acting by and through the Department of Administration (the "**Lessee**"), as supplemented by Supplemental Indenture No. 2023-A, dated as of the date hereof (the "**Supplemental Indenture**"), among the same parties or their successors-in-interest.

The Certificates evidence proportionate interests of the owners thereof in certain payments of rent to be made by the Lessee, under the Third Amended and Restated Master Lease #1992-1, dated as of April 28, 2000 (the "**Master Lease**"), by and between a predecessor-in-interest of the Lessor and the Lessee, which was entered into pursuant to Section 16.76, Wisconsin Statutes, as amended.

We examined the law, a certified copy of the proceedings relating to the issuance of the Certificates, 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 the foregoing, we are of the opinion that, under existing law:

1. The Master Lease was duly authorized, executed, and delivered by the Lessee and, assuming due authorization, execution, and delivery thereof by the lessor thereunder, is valid and binding on the Lessee.

2. The Indenture and the Supplemental Indenture have been duly authorized, executed, and delivered by the Lessee, and, assuming due authorization, execution, and delivery thereof by the Trustee and the Lessor, the Indenture, as supplemented by the Supplemental Indenture, is valid and binding upon the Lessee.

3. The Certificates evidence valid and binding proportionate interests in, and rights to receive, the payments of rent under the Master Lease.

4. The Lessee is required to make the payments of rent from any source of legally available funds, subject to annual appropriation. The obligation of the Lessee to make the payments of rent does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any tax or for which the

Lessee has levied or pledged any tax. The obligation of the Lessee to make the payments of rent does not constitute public debt (as defined under Chapter 18 of the Wisconsin Statutes) of the Lessee or any of its political subdivisions.

5. The portion of rent designated as and constituting interest paid by the Lessee and received by the owners of the Certificates as interest is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. This letter expresses no opinion as to the federal income tax consequences resulting from ownership of the Certificates or the receipt by owners thereof of payments on the Certificates following the termination of the Master Lease resulting from an event of nonappropriation or an event of default thereunder. The Lessee must comply with all requirements of the Internal Revenue Code that must be satisfied after the Certificates are issued for the interest portion of rent to be, or continue to be, excluded from gross income for federal income tax purposes. The Lessee has agreed to do so. A failure to comply may cause the interest portion of rent to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Certificates were issued. This letter expresses no opinion about other federal tax law consequences regarding the Certificates.

The rights of the owners of the Certificates and the enforceability of the Certificates and the Master Lease 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 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 May 16, 2023 or any other offering material relating to the Certificates (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (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 Lessee.

Very truly yours,

Foley & Lardner LLP

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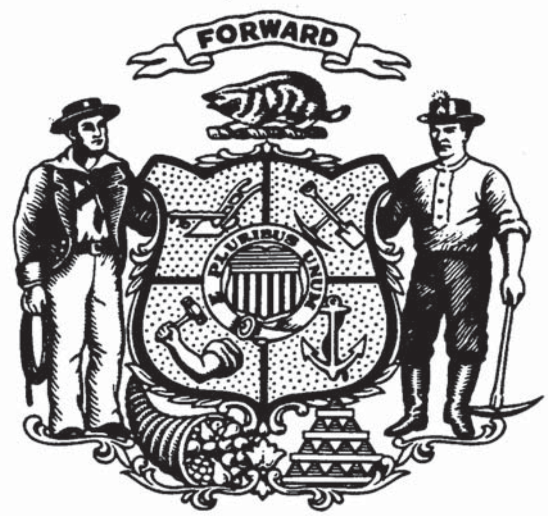
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