FIRST SUPPLEMENT TO OFFICIAL STATEMENT

$125,775,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2023, SERIES 1 (FORWARD DELIVERY)

This First Supplement to the Official Statement (**Supplement**) supplements the Official Statement dated March 2, 2022 (**Original OS**) with respect to the above-described bonds (**2023 Series 1 Bonds**) and the $180,030,000 State of Wisconsin General Obligation Refunding Bonds of 2022, Series 2 (Taxable) (**2022 Series 2 Bonds**). Together, this Supplement and the Original OS constitute the **Official Statement** for the 2023 Series 1 Bonds. Capitalized terms used but not defined in this Supplement have the meanings ascribed to them in the Original OS.

The Inflation Reduction Act of 2022 was signed into law on August 16, 2022 (**Act**). 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. Interest on the 2023 Series 1 Bonds will be taken into account in determining adjusted financial statement income.

To reflect the above-described provision, the following proviso is added to the end of the first sentence under the heading "TAX MATTERS; Tax Exemption – 2023 Series 1 Bonds; Federal Income Tax" in the Original OS:

> however, interest on the 2023 Series 1 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

In addition, Paragraph 4 of the form opinion of bond counsel with respect to the 2023 Series 1 Bonds attached as APPENDIX C to the Original OS is amended to read as follows (revisions appear in bold below):

> Interest on the 2023 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals**; however, interest on the 2023 Series 1 Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022**. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the 2023 Series 1 Bonds are issued for interest on the 2023 Series 1 Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the 2023 Series 1 Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the 2023 Series 1 Bonds were issued. We express no opinion about other federal tax law consequences regarding the 2023 Series 1 Bonds.

August 25, 2022

Except as set forth above, this Supplement does not update, modify, or replace the information contained in the Original OS, which contains information only as of its date. This Supplement does not apply to the 2022 Series 2 Bonds. Prospective purchasers should consult their own tax advisors regarding the foregoing matters.

OFFICIAL STATEMENT

New Issue

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

$305,805,000
STATE OF WISCONSIN
$180,030,000 GENERAL OBLIGATION REFUNDING BONDS OF 2022, SERIES 2 (TAXABLE)
$125,775,000 GENERAL OBLIGATION REFUNDING BONDS OF 2023, SERIES 1 (FORWARD DELIVERY)

Dated: Date of Delivery **Due: May 1, as shown on inside front cover**

Ratings	AAA Kroll Bond Rating Agency, LLC Aa1 Moody's Investors Service, Inc. AA+ S&P Global Ratings
Tax Status	Interest on the 2022 Series 2 Bonds is included in gross income for federal income tax purposes—*See pages 15-18.* Interest on the 2023 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 18-19.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 19.*
Redemption	The 2022 Series 2 Bonds maturing on May 1, 2037 are callable at par on May 1, 2032 or any date thereafter—*See page 4.* The 2022 Series 2 Bonds are subject to redemption at any time at the make-whole redemption price—*See pages 4-5.* The 2022 Series 2 Bonds maturing on May 1, 2037 are subject to mandatory sinking fund redemption at par—*See page 5.* The 2023 Series 1 Bonds are not subject to redemption prior to their stated maturity date—*See page 4*.
Security	General obligations of the State of Wisconsin—*See page 4.*
Purpose	Proceeds from the 2022 Series 2 Bonds are being used for the advance refunding, and proceeds from the 2023 Series 1 Bonds are being used for the current refunding, of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes— *See pages 2-3.*
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2022 for the 2022 Series 2 Bonds and November 1, 2023 for the 2023 Series 1 Bonds
Delivery	On or about March 16, 2022 for the 2022 Series 2 Bonds
Forward Delivery	On or about January 31, 2023 for the 2023 Series 1 Bonds. The forward delivery date for the 2023 Series 1 Bonds and certain conditions to the Underwriters' obligation to purchase the 2023 Series 1 Bonds on the settlement date give rise to certain risks to investors—*See pages 8-11.* The Representative will require investors purchasing the 2023 Series 1 Bonds to execute and deliver a Delayed Delivery Contract, the form of which is attached hereto as APPENDIX E.
Denominations	Multiples of $5,000
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 267-0374; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company—*See pages 6-7.*
2021 Annual Report	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2021.

The prices and yields listed on the inside front cover were determined at negotiated sales on February 28, 2022 for the 2023 Series 1 Bonds and on March 2, 2022 for the 2022 Series 2 Bonds.

UBS **Loop Capital Markets**

BAIRD **BofA Securities** **J.P. Morgan**

Janney Montgomery Scott **Piper Sandler**

March 2, 2022

CUSIP NUMBERS, MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND OTHER INFORMATION

$305,805,000
STATE OF WISCONSIN

$180,030,000 GENERAL OBLIGATION REFUNDING BONDS OF 2022, SERIES 2 (TAXABLE)

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Price at Issuance	First Optional Par Call Date (May 1)[a]	Call Price
97705M XB6	2028	$ 950,000	2.241%	100.000%	Not Callable	-
97705M XC4	2029	3,465,000	2.381	100.000	Not Callable	-
97705M XD2	2030	42,200,000	2.444	100.000	Not Callable	-
97705M XE0	2031	28,070,000	2.544	100.000	Not Callable	-
97705M XF7	2032	68,900,000	2.614	100.000	Not Callable	-
97705M XG5	2037 [b]	36,445,000	3.094	100.000	2032	100%

[a] All of the Bonds are subject to optional redemption on any Business Day at the Make-Whole Redemption Price described under "THE BONDS; Redemption Provisions; *Optional Redemption of 2022 Series 2 Bonds With Make Whole Premium*" herein.

[b] This maturity is a term bond. For a schedule of the mandatory sinking fund redemption payments, see "THE BONDS; Redemption Provisions; *Mandatory Sinking Fund Redemption of 2022 Series 2 Bonds*" herein.

$125,775,000 GENERAL OBLIGATION REFUNDING BONDS OF 2023, SERIES 1 (FORWARD DELIVERY)

CUSIP	Due (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date	Call Price
97705M WY7	2024	$ 70,170,000	5.000%	1.630%	104.150	Not Callable	-
97705M WZ4	2027	32,925,000	5.000	1.910	112.553	Not Callable	-
97705M XA8	2028	22,680,000	5.000	1.970	115.039	Not Callable	-

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

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

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

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

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

In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside front cover hereof and such public offering prices may be changed from time to time by the Underwriters.

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	**Term of Office Expires**
Governor Tony Evers, Chairperson	January 9, 2023
Representative Rob Swearingen, Vice Chairperson	January 9, 2023
Senator Andre Jacque	January 9, 2023
Senator Jerry Petrowski	January 9, 2023
Senator Janis Ringhand	January 9, 2023
Representative Jill Billings	January 9, 2023
Representative Robert Wittke	January 9, 2023
Ms. Summer Strand, Citizen Member	At the pleasure of the Governor

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

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

OTHER PARTICIPANTS

Mr. Joshua L. Kaul State Attorney General	January 9, 2023
Ms. Kathy K. Blumenfeld, Secretary-designee Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

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

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

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

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

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

SUMMARY DESCRIPTION OF BONDS

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

Principal Amount:	$305,805,000
Description:	$180,030,000 State of Wisconsin General Obligation Refunding Bonds of 2022, Series 2 (Taxable) $125,775,000 State of Wisconsin General Obligation Refunding Bonds of 2023, Series 1 (Forward Delivery)
Denominations:	Multiples of $5,000
Date of Issue:	Date of delivery; On or about March 16, 2022 for the 2022 Series 2 Bonds and on or about January 31, 2023 for the 2023 Series 1 Bonds
Forward Delivery:	The forward delivery date and certain conditions to the Underwriters' obligation to purchase the 2023 Series 1 Bonds on the settlement date give rise to certain risks to investors—*See pages 8-11.* The Representative will require investors purchasing the 2023 Series 1 Bonds to execute and deliver a Delayed Delivery Contract, the form of which is attached hereto as APPENDIX E.
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2022 for the 2022 Series 2 Bonds and November 1, 2023 for the 2023 Series 1 Bonds
Maturities:	2022 Series 2 Bonds; May 1, 2028-32 and 2037 2023 Series 1 Bonds; May 1, 2024 and 2027-28—*See inside front cover.*
Redemption:	*Optional At Par*—The 2022 Series 2 Bonds maturing on May 1, 2037 are callable at par on May 1, 2032 or any date thereafter—*See page 4.* *Optional At Make Whole Price*—The 2022 Series 2 Bonds are subject to optional redemption on any Business Day at the make-whole redemption price—*See page 4.* *Sinking Fund*—The 2022 Series 2 Bonds maturing on May 1, 2037 are subject to mandatory sinking fund redemption at par—*See page 5.* The 2023 Series 1 Bonds are not subject to redemption prior to their stated maturity date—*See page 4*.
Form:	Book-entry-only—*See pages 6-7.*
Paying Agent:	All payments of principal of, and premium, if any, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of February 1, 2022, general obligations of the State were outstanding in the principal amount of $7,117,778,888.
Additional General Obligation Debt:	The State may issue additional general obligation debt—*See pages 11-12*.
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	The 2022 Series 2 Bond proceeds are being used for the advance refunding, and the 2023 Series 1 Bond proceeds are being used for the current refunding, of general obligation bonds previously issued by the State of Wisconsin for general governmental purposes—*See pages 2-3.*

Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Status:	Interest on the 2022 Series 2 Bonds is included in gross income for federal income tax purposes—*See pages 15-18.* Interest on the 2023 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals—*See pages 18-19.* Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 19.*
2021 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2021.
Legal Opinion:	Validity opinions on the Bonds and tax opinion on the 2023 Series 1 Bonds to be provided by Foley & Lardner LLP—*See APPENDIX C.*

OFFICIAL STATEMENT

$305,805,000

STATE OF WISCONSIN

$180,030,000 GENERAL OBLIGATION REFUNDING BONDS OF 2022, SERIES 2 (TAXABLE)

$125,775,000 GENERAL OBLIGATION REFUNDING BONDS OF 2023, SERIES 1 (FORWARD DELIVERY)

INTRODUCTION

This Official Statement provides information about the $180,030,000 General Obligation Refunding Bonds of 2022, Series 2 (Taxable) **(2022 Series 2 Bonds)** and $125,775,000 General Obligation Refunding Bonds of 2023, Series 1 (Forward Delivery) **(2023 Series 1 Bonds)** (collectively, the 2022 Series 2 Bonds and the 2023 Series 1 Bonds are called the **Bonds**), which are being issued by the State of Wisconsin **(State)**. This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2021 **(2021 Annual Report)**.

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to an authorizing resolution that the State of Wisconsin Building Commission **(Commission)** adopted on October 20, 2021.

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all of the State's general obligations. The Commission is assisted and staffed by the State of Wisconsin Department of Administration **(Department of Administration)**.

The Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 25th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, its financial condition, and its general obligation debt is included as APPENDIX A, which incorporates by reference Parts II and III of the 2021 Annual Report. APPENDIX A also makes updates and additions to Part II of the 2021 Annual Report, including:

- Additional information about the State's response to the COVID-19 pandemic.
- Estimated General Fund condition statement for the 2021-23 biennium and estimated General Fund tax collections for the 2021-22 and 2022-23 fiscal years, as included in a report provided by the Legislative Fiscal Bureau **(LFB)** on January 25, 2022 **(January 2022 LFB Report)**.
- General Fund information for the 2021-22 fiscal year through January 31, 2022, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2021-22 fiscal year, which is presented on a cash basis.

Requests for additional information about the State 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) 267-0374
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Web sites: doa.wi.gov/capitalfinance
wisconsinbonds.com

PLAN OF REFUNDING

General

The Commission is empowered by law to issue refunding bonds. The Bonds are being issued for the purposes and within the amounts authorized by the Wisconsin State Legislature **(Legislature)**. See APPENDIX B.

The 2022 Series 2 Bonds are being issued for the advance refunding of certain maturities of general obligation bonds previously issued by the State for general governmental purposes **(Advance Refunding)**. The refunded maturities associated with the Advance Refunding are currently outstanding in the total principal amount of $164,445,000 **(Advance Refunded Bonds)**.

The 2023 Series 1 Bonds are being issued for the current refunding on May 1, 2023 of certain maturities of general obligation bonds previously issued by the State for general governmental purposes **(Current Refunding)**. The refunded maturities associated with the Current Refunding are currently outstanding in the total principal amount of $135,420,000 **(Current Refunded Bonds)**. The delivery of the 2023 Series 1 Bonds is expected to occur on January 31, 2023, or on such later date as may be agreed upon by the State and the Representative, as described under "UNDERWRITING; Certain Forward Delivery Considerations, Acknowledgements, and Risks".

APPENDIX D identifies and provides information about the Current Refunded Bonds and Advance Refunded Bonds **(Refunded Bonds)**.

Advance Refunding

To provide for the Advance Refunding, the proceeds of the 2022 Series 2 Bonds will be used to purchase a portfolio of securities **(Escrow Obligations)**, which by State statutes must be direct, noncallable general obligations of the United States or its agencies, corporations wholly owned by the United States, or any corporation chartered by an act of Congress. The Escrow Obligations, together with the interest to be earned, and a beginning cash deposit, will be sufficient to pay when due

- the interest on the Advance Refunded Bonds from and including November 1, 2022 to and including their respective redemption dates, and
- the redemption price of the Advance Refunded Bonds on their respective redemption dates.

A deposit to be made on approximately April 15, 2022 to the State's Bond Security and Redemption Fund, from sources other than 2022 Series 2 Bond proceeds, will be used to pay interest due on the Advance Refunded Bonds on May 1, 2022.

Refunding Escrow Agreement

The Escrow Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund **(Escrow Fund)** created by a Refunding Escrow Agreement **(Escrow Agreement)**, between the State and The Huntington National Bank **(Escrow Trustee)**, solely for the benefit of the owners of the Advance Refunded Bonds. Neither the Escrow Obligations, the cash on deposit, nor the interest earnings held in the Escrow Fund will serve as security for or be available for the payment of principal of or interest on the Bonds.

The Escrow Fund will be held by the Escrow Trustee in trust to make payments of the redemption price of, and interest on, the Advance Refunded Bonds, other than the interest due on May 1, 2022. The Escrow Fund will be held by the Escrow Trustee separate and apart from all other funds or accounts held by the Escrow Trustee. No fees or other charges of the Escrow Trustee may be paid from moneys in the Escrow Fund. Instead, the Escrow Agreement provides that the State will pay all such fees and charges to the Escrow Trustee from other available funds.

The arithmetical accuracy of the computations of the sufficiency of the amounts deposited into the Escrow Fund will be independently verified by Samuel Klein and Company, Certified Public Accountants (**Verification Agent)**.

Current Refunding

Upon delivery and settlement of the 2023 Series 1 Bonds, expected on or after January 31, 2023, the proceeds of the 2023 Series 1 Bonds will be deposited into the State's Bond Security and Redemption Fund. The proceeds will be used to pay the redemption price of the Current Refunded Bonds on May 1, 2023.

A deposit to be made on approximately April 15, 2023 to the State's Bond Security and Redemption Fund, from sources other than 2023 Series 1 Bond proceeds, will be used to pay interest due on the Current Refunded Bonds on May 1, 2023.

Use of Proceeds and Pledge

The proceeds of the 2023 Series 1 Bonds deposited into the Bond Security and Redemption Fund may be expended only for the payment of the redemption price of the Current Refunded Bonds.

All money in the Escrow Fund may be expended only for the payment of the principal or redemption price of, and interest on, the Advance Refunded Bonds due on or after November 1, 2022. However, notwithstanding the amounts in the Bond Security and Redemption Fund and the Escrow Fund, there is irrevocably appropriated, as a first charge on all revenues of the State, a sum sufficient for the payment of the Refunded Bonds. Each year, for the purpose of determining the constitutional limit on public debt, the amounts held in the Bond Security and Redemption Fund and the Escrow Fund will be subtracted from the amount of outstanding aggregate public debt of the State.

THE BONDS

General

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

The Bonds will be dated their respective dates of delivery (expected to be March 16, 2022 for the 2022 Series 2 Bonds and January 31, 2023 for the 2023 Series 1 Bonds) and will bear interest from those respective dates, payable on May 1 and November 1 of each year, beginning on November 1, 2022 for the 2022 Series 2 Bonds and November 1, 2023 for the 2023 Series 1 Bonds.

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

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

Security

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

Redemption Provisions

The 2023 Series 1 Bonds are not subject to redemption prior to their stated maturity date.

Optional Redemption of 2022 Series 2 Bonds at Par

The 2022 Series 2 Bonds maturing on May 1, 2037 may be redeemed on May 1, 2032, or any date thereafter, in whole or in part in multiples of $5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date.

Optional Redemption of 2022 Series 2 Bonds With Make Whole Premium

The 2022 Series 2 Bonds may be redeemed on any Business Day, in whole or in part in multiples of $5,000, in such principal amounts and from such maturities as the Commission may determine, at a redemption price **(Make-Whole Redemption Price)** equal to the greater of:

(A) 100% of the principal amount of the 2022 Series 2 Bonds to be redeemed, or

(B) the sum of the present values of the remaining scheduled payments of principal and interest on the 2022 Series 2 Bonds to be redeemed (exclusive of interest accrued to the date on which such 2022 Series 2 Bonds are to be redeemed), discounted to the date of redemption of such 2022 Series 2 Bonds on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus (i) 10 basis points (0.10%) for the 2022 Series 2 Bonds maturing May 1, 2028 through May 1, 2031, (ii) 15 basis points (0.15%) for the 2022 Series 2 Bonds maturing May 1, 2032, and (iii) 20 basis points (0.20%) for the 2022 Series 2 Bonds maturing May 1, 2037,

plus, in each case, accrued interest on the 2022 Series 2 Bonds to be redeemed to the date fixed for redemption.

For purposes of determining the Make-Whole Redemption Price:

(i) "Treasury Rate" means, with respect to any redemption date for a particular 2022 Series 2 Bond, the yield to maturity of United States Treasury securities (excluding inflation indexed securities) with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available not less than two Business Days nor more than 45 calendar days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)), most nearly equal to the period from the redemption date to the weighted average maturity date of the 2022 Series 2 Bond to be redeemed (taking into account any sinking fund installments for such 2022 Series 2 Bonds), as determined by the Designated Consultant; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(ii) "Designated Consultant" means an independent accounting firm, investment banking firm, or financial advisor retained by the State at the State's expense.

(iii) "Business Day" means a day which is not (1) a Saturday or Sunday, (2) a day on which commercial banks are required or authorized by law to be closed in the State, or (3) a day on which The New York Stock Exchange is closed for the entire day or the federal reserve banks are closed.

Mandatory Sinking Fund Redemption of 2022 Series 2 Bonds

The 2022 Series 2 Bonds maturing on May 1, 2037 (**2037 Term Bonds)** are subject to redemption before their maturity date at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date, from mandatory sinking fund payments that are required to be made in amounts sufficient to redeem, on May 1 of each of the years set forth below, the respective principal amounts of the 2037 Term Bonds specified below:

Redemption Date (May 1)	Principal Amount
2033	$ 545,000
2034	560,000
2035	580,000
2036	595,000
2037[a]	34,165,000

[a] Stated Maturity

Optional redemption (or any purchase by the Commission in lieu of redemption) of the 2037 Term Bonds will be applied to reduce the mandatory sinking fund payments established for the 2037 Term Bonds so redeemed or purchased in such order and manner as the Capital Finance Director of the State will direct.

Selection of Bonds

If less than all the 2022 Series 2 Bonds are to be redeemed at the option of the State, the particular maturities of the 2022 Series 2 Bonds to be redeemed will be determined by the Capital Finance Director.

So long as the 2022 Series 2 Bonds are in book-entry-only form and DTC or a successor securities depository is the sole registered owner of such 2022 Series 2 Bonds, if some but less than all of the 2022 Series 2 Bonds of a particular maturity are to be redeemed on any date, the State shall instruct DTC to provide for a pro rata redemption in accordance with its procedures as a pro rata pass-through distribution of principal, or if the DTC operational arrangements do not allow for pro rata pass-through distribution of principal, the 2022 Series 2 Bonds to be redeemed shall be selected by lot; provided that, so long as such 2022 Series 2 Bonds are registered in the book-entry-only system, the selection for redemption of the 2022 Series 2 Bonds will be in accordance with operational arrangements of DTC then in effect.

It is the State's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, the State cannot provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of 2022 Series 2 Bonds on such basis, nor will the State be responsible for any failure of DTC, DTC's direct and indirect participants, or other intermediary to do so.

Notice of Redemption

So long as the 2022 Series 2 Bonds are in book-entry-only form, any redemption notice for the 2022 Series 2 Bonds 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 2022 Series 2 Bond called for redemption will cease to accrue on the redemption date so long as the 2022 Series 2 Bond is paid or money is provided for its payment.

Registration and Payment of Bonds

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

Ratings

The following ratings have been assigned to the Bonds:

Rating	Rating Organization
AAA	Kroll Bond Rating Agency, LLC[(a)]
Aa1	Moody's Investors Service, Inc.
AA+	S&P Global Ratings[(b)]

(a) On August 24, 2021, Kroll Bond Rating Agency, LLC upgraded its rating on the State's outstanding general obligations to AAA from AA+.

(b) On August 25, 2021, S&P Global Ratings upgraded its rating on the State's outstanding general obligations to AA+ from AA.

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

Sources and Uses of Funds

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

	2022 Series 2 Bonds	**2023 Series 1 Bonds**	**Total**
Sources			
Principal Amount	$ 180,030,000.00	$ 125,775,000.00	$ 305,805,000.00
Original Issue Premium	-0-	10,455,975.45	10,455,975.45
TOTAL SOURCES	$ 180,030,000.00	$ 136,230,975.45	$316,260,975.45
Uses			
Deposit to Escrow Fund	$ 179,095,761.44		$ 179,095,761.44
Deposit to Bond Security and Redemption Fund		$ 135,420,000.00	135,420,000.00
Underwriters' Discount	742,931.63	558,208.75	1,301,140.38
Costs of Issuance	191,306.93	252,766.70	444,073.63
TOTAL USES	$ 180,030,000.00	$ 136,230,975.45	$ 316,260,975.45

Book-Entry-Only Form

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

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

Payment

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

Notices and Voting Rights

The State will provide any redemption notices or other communications about the Bonds to DTC. Owners of the Bonds will receive any redemption notices or other communications through the DTC Participants.

In any situation involving voting rights, DTC will not vote but will rather give a proxy through the DTC Participants.

Redemption

If less than all of the 2022 Series 2 Bonds of a given maturity are being redeemed, the redemption price shall be allocated to all beneficial owners of the 2022 Series 2 Bonds on a pro rata pass-through distribution of principal basis in accordance with DTC procedures. See "THE BONDS; Redemption Provisions; *Selection of Bonds*

Discontinued Service

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

Further Information

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

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

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

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

Each owner of a 2022 Series 2 Bond would receive an amount equal to the total principal amount of 2022 Series 2 Bonds to be redeemed times a fraction, the numerator of which is the principal amount of the 2022 Series 2 Bonds of such maturity held by the registered owner and the denominator of which is the principal amount of all 2022 Series 2 Bonds of such maturity then outstanding.

Any redemption notice would be published between 30 and 60 days before the date of redemption in a financial newspaper published or circulated in New York, New York. The notice would also be mailed, postage prepaid, between 30 and 60 days before the redemption date, to the registered owners of any 2022 Series Bonds to be redeemed. The mailing, however, would not be a condition to the redemption; any proceedings to redeem the 2022 Series 2 Bonds would still be effective even if the notice were not mailed. A redemption notice could be revoked by publication of a notice at least 15 days before the proposed redemption date in a financial newspaper published or circulated in New York, New York. Any revocation notice would also be mailed, postage prepaid, at least 15 days before the proposed redemption date to the registered owners of any 2022 Series 2 Bonds to have been redeemed. The mailing, however, would not be a condition to the revocation; the revocation would still be effective even if the notice were not mailed. Interest on any 2022 Series 2 Bond called for redemption would cease to accrue on the redemption date so long as the 2022 Series 2 Bond was paid or money was provided for its payment.

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

UNDERWRITING

General

The Bonds are being purchased by the **Underwriters** listed on the front cover, for which UBS Financial Services Inc. is acting as the representative **(Representative)**.

- The Underwriters have agreed, subject to certain conditions, to purchase the 2022 Series 2 Bonds from the State at an aggregate purchase price of $ 179,287,068.37, reflecting an Underwriters' discount of $742,931.63. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the 2022 Series 2 Bonds if any 2022 Series 2 Bonds are purchased.
- The Underwriters have agreed, subject to certain conditions, to purchase the 2023 Series 1 Bonds from the State at an aggregate purchase price of $135,672,766.70, reflecting an original issue premium of $10,455,975.45 and an Underwriters' discount of $558,208.75. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the 2023 Series 1 Bonds if any 2023 Series 1 Bonds are purchased.

The Underwriters have agreed to reoffer the Bonds at the public offering prices set forth on the inside front cover. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds 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 distribution agreements with third-party broker-dealers, under which the Underwriters may distribute municipal securities to investors through the respective financial advisors or electronic trading platforms of such third-party broker-dealers. As part of these arrangements, the Underwriters may share a portion of their underwriting compensation with such third-party broker-dealers.

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

The Underwriters and their respective 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 respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currency, credit default swaps, and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to 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 respective affiliates may also communicate independent investment recommendations, market color, or trading ideas or publish or express independent research views in respect of 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.

If an Underwriter or its affiliate is an owner of Refunded Bonds, that Underwriter or affiliate would receive a portion of the proceeds from the issuance of the Bonds in connection with the redemption of those Refunded Bonds.

Certain Forward Delivery Considerations, Acknowledgements, and Risks

The State and the Underwriters, acting through the Representative, have entered into a forward delivery bond purchase agreement for the 2023 Series 1 Bonds **(Forward Delivery Purchase Agreement)** dated the date of this Official Statement. Subject to the terms of the Forward Delivery Purchase Agreement, the State expects to issue and deliver the 2023 Series 1 Bonds on January 31, 2023, or on such later date (no later than April 30, 2023) as is mutually agreed upon by the State and the Representative **(Forward Settlement Date)**. The following is a description of certain provisions of the Forward Delivery Purchase Agreement. This description is not to be considered a full statement of the terms of the Forward Delivery Purchase Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof.

The obligation of the Underwriters to purchase the 2023 Series 1 Bonds from the State is subject to the satisfaction of certain conditions as of March 16, 2022 **(Preliminary Closing Date)**, and on the Forward Settlement Date.

Until such time as the 2023 Series 1 Bonds are issued and delivered by the State and purchased by the Underwriters on the Forward Settlement Date, certain information contained in this Official Statement may change in a material respect. The State agrees in the Forward Delivery Purchase Agreement to update the Official Statement, if necessary in the judgment of the Representative or the State, so that the Official Statement as amended or supplemented does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Additionally, the State agrees in the Forward Delivery Purchase Agreement to prepare an updated Official Statement, dated a date not more than twenty-five nor less than ten days prior to the Forward Settlement Date, which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading **(Updated Official Statement)**. References to the Official Statement in the preceding paragraphs as of a specific date shall mean (i) during the period from the date of this Official Statement to but not including the date of delivery of the Updated Official Statement to the Representative, this Official Statement, and (ii) from and after the date of delivery of the Updated Official Statement, the Updated Official Statement, in each case as amended or supplemented.

Conditions of Settlement

The issuance and purchase of the 2023 Series 1 Bonds on the Forward Settlement Date are subject to the satisfaction of certain conditions set forth in the Forward Delivery Purchase Agreement, including, among other things, the delivery to the Representative of certain documents and legal opinions on and as of the Preliminary Closing Date and certain additional documents and legal opinions, and the satisfaction of other conditions, on and as of the Forward Settlement Date, including the delivery to the Representative of: (i) the opinion of Bond Counsel relating to the 2023 Series 1 Bonds, substantially in the form and to the effect set forth in APPENDIX C, (ii) the Updated Official Statement, and (iii) written evidence satisfactory to the Representative that Kroll Bond Rating Agency, LLC, Moody's Investors Service, Inc., and S&P Global Ratings continue to rate (at any level) the 2023 Series 1 Bonds. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Forward Settlement Date or the failure by the State to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the 2023 Series 1 Bonds will be issued unless all of the 2023 Series 1 Bonds are issued and delivered on the Forward Settlement Date.

Termination of Forward Delivery Purchase Agreement

The Representative has the right, between the date of the Forward Delivery Purchase Agreement and the Forward Settlement Date, by written notice to the State, to cancel the Underwriters' obligation to purchase the 2023 Series 1 Bonds if, in the Representative's reasonable judgment, any of the following events occur during that time:

- There shall have been a Change in Law. A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Forward Settlement Date), (iii) any law, rule, or regulation enacted by any governmental body, department, or agency (if such enacted law, rule, or regulation has an effective date which is on or before the Forward Settlement Date), or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the

2023 Series 1 Bonds or selling the 2023 Series 1 Bonds or beneficial ownership interests therein to the public, or (B) as to the State, make the completion of the issuance, sale, or delivery of the 2023 Series 1 Bonds illegal; provided, however, that such change in or addition to law, legislation, law, rule, or regulation or judgement, ruling, or order shall have become effective, been enacted, or been issued, as the case may be, after the date of the Forward Delivery Purchase Agreement.

- Bond Counsel is unable to issue an opinion substantially in the form of APPENDIX C as to the tax-exempt status of interest on the 2023 Series 1 Bonds.
- Legislation shall have been enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the 2023 Series 1 Bonds are not exempt from the registration, qualification, or other requirements of the Securities Act of 1933, the Securities Exchange Act of 1934 or the Trust Indenture Act of 1939 or otherwise, or would be in violation of any provision of the federal securities laws.
- The State shall have defaulted in the payment of its general obligation debt.
- As of the Forward Settlement Date, the 2023 Series 1 Bonds are not rated (or any rating on the 2023 Series 1 Bonds is suspended) by Kroll Bond Rating Agency, LLC, Moody's Investors Service, Inc., or S&P Global Ratings.
- A stop order, cease-and-desist order, injunction, no-action letter, ruling, regulation, or official statement by the SEC, its staff, or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering, or sale of the 2023 Series 1 Bonds or the adoption of the Resolution as contemplated in the Forward Delivery Purchase Agreement or in this Official Statement and the Updated Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect.
- This Official Statement, as of its date (or, if amended within the period ending 60 days after the Preliminary Closing Date, then as of the date of such amendment), or the Updated Official Statement, as of its date (or, if amended, then as of the date of such amendment), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Delayed Delivery Contract

The Representative will require investors purchasing the 2023 Series 1 Bonds to execute a Delayed Delivery Contract (**Delayed Delivery Contract**) in substantially the form set forth in APPENDIX E. The Delayed Delivery Contract provides that the purchaser will remain obligated to purchase the 2023 Series 1 Bonds, even if the purchaser decides to sell the purchased 2023 Series 1 Bonds following the date of the Delayed Delivery Contract. ***The State will not be a party to any Delayed Delivery Contract, and the State is not in any way responsible for the performance thereof or for any representations or warranties contained therein.*** The rights and obligations under the Forward Delivery Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Additional Risks Related to Forward Delivery Period

Between the date of the Forward Delivery Purchase Agreement and the Forward Settlement Date (**Forward Delivery Period**), certain information contained in this Official Statement may change in material respects. Any changes in such information will not permit the Representative to terminate the Forward Delivery Purchase Agreement or release the purchasers of their obligation to purchase the 2023

Series 1 Bonds unless the change reflects an event described under "*Termination of Forward Delivery Purchase Agreement"* above. Purchasers of the 2023 Series 1 Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk. No assurances can be given that the ratings assigned to the 2023 Series 1 Bonds on the Forward Settlement Date will not be different from those assigned as of the Preliminary Closing Date to the 2023 Series 1 Bonds. Issuance of the 2023 Series 1 Bonds and the Underwriters' obligations under the Forward Delivery Purchase Agreement are not conditioned upon the assignment of any particular ratings for the 2023 Series 1 Bonds or the maintenance of the initial ratings of the 2023 Series 1 Bonds.

Secondary Market Risk. The Underwriters are not obligated to make a secondary market for the 2023 Series 1 Bonds, and no assurance can be given that a secondary market will exist for the 2023 Series 1 Bonds during the Forward Delivery Period or at any time thereafter. Prospective purchasers of the 2023 Series 1 Bonds should assume that there will be no secondary market for the 2023 Series 1 Bonds during the Forward Delivery Period.

Market Value Risk. The market value of the 2023 Series 1 Bonds as of the Forward Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the financial condition of the State, and federal and state tax, securities, and other laws. The market value of the 2023 Series 1 Bonds as of the Forward Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the 2023 Series 1 Bonds, and that difference could be substantial. Neither the State nor the Underwriters make any representations as to the expected market value of the 2023 Series 1 Bonds as of the Forward Settlement Date.

Tax Law Risk. Subject to the other conditions of closing and delivery and the Representative's rights of termination described above, the Forward Delivery Purchase Agreement obligates the State to deliver, and the Underwriters to accept, the 2023 Series 1 Bonds if the State delivers an opinion of Bond Counsel substantially in the form relating to the 2023 Series 1 Bonds and to the effect set forth in APPENDIX C. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion from gross income of interest payable on "state or local bonds" (such as the 2023 Series 1 Bonds) for federal income tax purposes, the State might be able to satisfy the requirements for the delivery of the 2023 Series 1 Bonds. In such event, the purchasers would be required to accept delivery of the 2023 Series 1 Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any such changes in tax law and the consequences of such changes to the purchasers. See "TAX MATTERS" herein.

OTHER INFORMATION

Limitations on Issuance of General Obligations

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is $4,911,152,819 and the cumulative debt limit is $32,741,018,793. Funding or refunding obligations (such as the Bonds) are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of February 1, 2022, general obligations of the State were outstanding in the aggregate principal amount of $7,117,778,888. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

Borrowing Plans for Calendar Year 2022

General Obligations

The 2022 Series 2 Bonds will be the second series of general obligations to be issued in this calendar year. The State has issued one series of general obligation bonds in the principal amount of $73 million for the funding of general obligation commercial paper notes and the current refunding of general obligation bonds, all previously issued for general governmental purposes.

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

- Up to $244 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The Commission likely will be asked to authorize the issuance of additional general obligations for refunding purposes during calendar year 2022. The amount and timing of any sale and issuance of any additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding extendible municipal commercial paper notes **(EMCP)** and variable rate demand obligation notes, which were outstanding in the amount of $179 million as of February 1, 2022 and will be outstanding in the amount of $127 million by approximately March 15, 2022 after the application of State funds that were deposited with the issuing and paying agent for the EMCP on March 1, 2022. The amount and timing of any issuance of general obligations for this purpose depend on a decision to fund outstanding obligations bearing variable interest rates either with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

The Commission likely will be asked to authorize the issuance of general obligations for general governmental purposes in calendar year 2022. The amount and timing of issuances in calendar year 2022 of general obligations for this purpose depend on disbursements from the State Capital Improvement Fund for authorized purposes.

The 2023 Series 1 Bonds will be issued in calendar year 2023. The Commission likely will be asked to authorize the issuance of one or more series of general obligation for general governmental purposes in calendar year 2023. In addition, any authorization of general obligations for refunding purposes adopted in calendar year 2022 will continue into calendar year 2023, with the amount and timing of any sale and issuance of general obligations for refunding purposes depending, among other factors, on market conditions.

Other Obligations

The State has not issued any transportation revenue obligations for the financing of transportation facilities and highway projects in calendar year 2022. The authorization, sale, and issuance of any transportation revenue obligations for this purpose 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 not issued any general fund annual appropriation refunding bonds in calendar year 2022. 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 2022. The authorization, sale, and issuance of any environmental improvement fund revenue bonds depend, among other factors, on disbursement of funds from the State's Environmental Improvement Fund and market conditions.

The State issued one series of master lease certificates of participation in calendar year 2022 in the principal amount of $24 million to fund or refund outstanding master lease certificates of participation. The amount and timing of any additional issuance of master lease certificates of participation depend, among other factors, on originations in the State's master lease program and market conditions.

The State does not currently intend to issue operating notes for the 2021-22 or 2022-23 fiscal years.

Reference Information About the Bonds

Information about the Bonds is provided for reference in the tables on the inside front cover of this Official Statement. The CUSIP number for each maturity has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices for the Bonds.

Municipal Advisor

Public Resources Advisory Group, Inc. has been engaged by the State to perform professional services in the capacity of financial advisor **(Municipal Advisor)**. The Municipal Advisor has provided advice on the plan of refunding and the structure of the Bonds, reviewed certain legal and disclosure documents, including this Official Statement, for financial matters, and reviewed the pricing of the Bonds by the Underwriters. The Municipal Advisor has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

Verification of Mathematical Computations

The arithmetical accuracy of certain computations will be independently verified by the Verification Agent. These computations, which were provided by the Underwriters, indicate that the projected receipts from the Escrow Obligations, together with an initial cash deposit, are sufficient to make all payments of the redemption price of, and interest on, the Advance Refunded Bonds due from November 1, 2022 through their respective redemption dates.

The Verification Agent relied upon assumptions and information supplied by the Underwriters and the Municipal Advisor on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Advance Refunded Bonds will be paid as described in its report.

Legal Investment

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

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

Legal Opinions

Bond Opinion

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

Attorney General

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

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

Other Legal Matters

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

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended **(ERISA)**, imposes certain fiduciary and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA **(ERISA Plans)**. Section 4975 of the Internal Revenue Code of 1986, as amended **(Code)** imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) of the Code **(Qualified Retirement Plans)** and on individual retirement accounts described in Section 408(b) of the Code (collectively, **Tax-Favored Plans**). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements **(Non-ERISA Plans)**. Accordingly, assets of such plans may be invested in Bonds without regard to the ERISA considerations described below, subject to the provisions of applicable federal and state law. Any such plan which is a Qualified Retirement Plan and exempt from taxation under Sections 401(a) and 501(a) of the Code, however, is subject to the prohibited transaction rules set forth in the Code.

Section 404 of ERISA imposes a number of general fiduciary requirements, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan. In addition, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities with underlying assets that include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, **Benefit Plans**) and persons who have certain specified relationships to the Benefit Plans (**Parties in Interest** or **Disqualified Persons**) unless a statutory or administrative exemption is available. Fiduciaries with respect to a Benefit Plan that participate in a non-exempt prohibited transaction may incur personal liability under Section 409 of the Code.

Certain other Parties in Interest (or Disqualified Persons) that participate in a non-exempt prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code).

Certain transactions involving the purchase, holding, or transfer of Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the State were deemed to be assets of a Benefit Plan. Under a regulation issued by the United States Department of Labor **(Plan Assets Regulation)**, as modified by Section 3(42) of ERISA, the assets of the State would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code only if the Benefit Plan acquires an "equity interest" in the State and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, the Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. Nevertheless, the acquisition or holding of Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the State, or any of its affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. A prohibited transaction could also occur in the event that a Benefit Plan transfers a Bond to a Party in Interest or a Disqualified Person. In such case, certain exemptions from the prohibited transaction rules could apply depending on the type and circumstances of the plan fiduciary making the decision to acquire a Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (**PTCE**) 96-23, regarding transactions effected by "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional assets managers."

Any ERISA Plan fiduciary considering whether to purchase Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code. Persons responsible for investing the assets of employee benefit plans that are not subject to ERISA or the Code should seek counsel with respect to the compliance of such investment with all applicable laws and the governing plan documents.

The sale of the Bonds to a Benefit Plan or a Non-ERISA Plan is in no respect a representation by the State that such investment meets all relevant legal requirements or that such investment is otherwise appropriate for such Benefit Plan or Non-ERISA Plan.

TAX MATTERS

Tax Status—2022 Series 2 Bonds

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the 2022 Series 2 Bonds that acquire their 2022 Series 2 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (**IRS**) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their 2022 Series 2 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the 2022 Series 2 Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their 2022 Series 2 Bonds pursuant to this offering for the issue price that is applicable to such 2022 Series 2 Bonds (the first price at which a substantial amount of such 2022 Series 2 Bonds are sold to the public) and who will hold their 2022 Series 2 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, **U.S. Holder** means a beneficial owner of a 2022 Series 2 Bond that is a "United States person," as defined in Section 7701(a)(30) of the Code, and generally means an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation, regardless of its source, or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States Persons have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, **Non-U.S. Holder** generally means a beneficial owner of a 2022 Series 2 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds 2022 Series 2 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding 2022 Series 2 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2022 Series 2 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

It should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain, and loss with respect to the 2022 Series 2 Bonds at the time that such income, gain, or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local, or non-U.S. tax consequences to them from the purchase, ownership, and disposition of the Bonds 2022 Series 2 in light of their particular circumstances.

Interest on the 2022 Series 2 Bonds is not excluded from gross income for federal income tax purposes.

U.S. Holders

Principal and Interest. Interest on the 2022 Series 2 Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the 2022 Series 2 Bonds is less than the amount to be paid at maturity of such 2022 Series 2 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2022 Series 2 Bonds) by more than a *de minimis* amount, the difference may constitute original issue discount (**OID**). U.S. Holders of 2022 Series 2 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

2022 Series 2 Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a 2022 Series 2 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such 2022 Series 2 Bond.

Sale or Other Taxable Disposition of the 2022 Series 2 Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement, or other disposition of a 2022 Series 2 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a 2022 Series 2 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the 2022 Series 2 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the 2022 Series 2 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such 2022 Series 2 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the 2022 Series 2 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the 2022 Series 2 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Additional Tax on Net Investment Income. Under Section 1411 of the Code, an additional tax is imposed on individuals, in an amount equal to 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income) and (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return or a surviving spouse). Prospective investors should consult with their own tax advisors concerning this additional tax, as it may apply to interest on the 2022 Series 2 Bonds as well as gain on the sale of a 2022 Series 2 Bond.

Information Reporting and Backup Withholding. Payments on the 2022 Series 2 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the 2022 Series 2 Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the 2022 Series 2 Bonds and the gross proceeds of a sale, exchange, redemption, retirement, or other disposition of the 2022 Series 2 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (**TIN**) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code, or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A U.S. Holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Principal and Interest. Subject to the discussions below under the headings "TAX MATTERS; Tax Status-2022 Series 2 Bonds; *Non-U.S. Holders; Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act,"* payments of principal or redemption price of, and interest on, any 2022 Series 2 Bond to a Non-U.S. Holder, other than (1) a "controlled foreign corporation," as such term is defined in the Code, which is related to the State through stock ownership and (2) a bank which acquires such 2022 Series 2 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the 2022 Series 2 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading *"Information Reporting and Backup Withholding,"* or an exemption is otherwise established.

Disposition of the 2022 Series 2 Bonds. Subject to the discussions below under the headings "TAX MATTERS; Tax Status-2022 Series 2 Bonds; *Non-U.S. Holders; Information Reporting and Backup Withholding"* and *"Foreign Account Tax Compliance Act,"* any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the State or a deemed retirement due to defeasance of the 2022 Series 2 Bond), or other disposition of a 2022 Series 2 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A 2022 Series 2 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such 2022 Series 2 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "TAX MATTERS; Tax Status-2022 Series 2 Bonds; *Non-U.S. Holders; Foreign Account Tax Compliance Act,"* under current U.S. Treasury Regulations, payments of principal or redemption price of, and interest on, any 2022 Series 2 Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the beneficial owner of the 2022 Series 2 Bond or a financial institution holding the 2022 Series 2 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and be signed by the owner under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code **(FATCA)** impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless (i) the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or (ii) the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting, and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of principal of and interest on the 2022 Series 2 Bonds and sales proceeds of the 2022 Series 2 Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and to gross proceeds from the sale, exchange, or retirement of debt obligations. However, the IRS has issued proposed regulations, upon which taxpayers may generally rely, that exclude gross proceeds from the sale, exchange, or retirement of debt obligations such as the 2022 Series 2 Bonds from the application of the withholding tax imposed under FATCA. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Tax Exemption—2023 Series 1 Bonds

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the 2023 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The State must comply with certain requirements of the Internal Revenue Code for interest on the 2023 Series 1 Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the 2023 Series 1 Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the 2023 Series 1 Bonds are issued. No provision is made for an increase in interest rates or a redemption of the 2023 Series 1 Bonds in the event interest on the 2023 Series 1 Bonds is included in gross income.

The opinion of Bond Counsel will be based on legal authorities that are current as of its date, will cover certain matters not directly addressed by those authorities, and will represent Bond Counsel's judgment regarding the proper treatment of the 2023 Series 1 Bonds for federal income tax purposes. It will not be binding on the IRS or the courts and will not be a guaranty of result. As to questions of fact, Bond Counsel will rely upon certified proceedings and certifications of public officials and others without independently undertaking to verify them.

Bond Counsel will express no opinion about other federal tax matters regarding the 2023 Series 1 Bonds. Other federal tax law provisions may adversely affect the value of an investment in the 2023 Series 1 Bonds for particular owners of those 2023 Series 1 Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a 2023 Series 1 Bond.

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, owners of the 2023 Series 1 Bonds would have little or no right to participate in an IRS examination of the 2023 Series 1 Bonds. Moreover, it may not be practicable to obtain judicial review of IRS positions with which the State disagrees. Any action of the IRS, including selection of the 2023 Series 1 Bonds for examination, the conduct or conclusion of such an examination, or an examination of obligations presenting similar tax issues, may affect the marketability of the 2023 Series 1 Bonds.

Current and future legislative proposals, if enacted into law, may cause the interest on the 2023 Series 1 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the 2023 Series 1 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the marketability of the 2023 Series 1 Bonds. Prospective investors should consult their own tax advisors about federal legislative proposals.

Premium Bonds

2023 Series 1 Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, such as the 2023 Series 1 Bonds, the interest on which is excluded from gross income for federal income tax purposes.

During each taxable year, an owner of 2023 Series 1 Bonds with amortizable bond premium must reduce his, her, or its tax basis in the 2023 Series 1 Bond by the amount of the amortizable bond premium that is allocable to the portion of that taxable year during which the owner owned the Bond. The adjusted tax basis in a 2023 Series 1 Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, or payment at maturity) of the 2023 Series 1 Bond.

Owners of 2023 Series 1 Bonds purchased at a premium should consult their own tax advisors with respect to the federal tax consequences of owning such 2023 Series 1 Bonds, including computation of their tax basis and the effect of any purchase of 2023 Series 1 Bonds that is not made in the initial offering at the issue price. Owners of such 2023 Series 1 Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning those 2023 Series 1 Bonds.

State Tax Considerations

General

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

State of Wisconsin Income and Franchise Taxes

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

CONTINUING DISCLOSURE

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

Part I of the 2021 Annual Report, which contains information on the undertaking, including the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), the Addendum Describing Annual Report for General Obligations, and the form of Supplemental Agreement that will apply the Master Agreement and the Addendum to the Bonds, is included by reference as part of this Official Statement.

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

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

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

Dated: March 2, 2022

STATE OF WISCONSIN

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

/S/ KATHY K. BLUMENFELD
Kathy K. Blumenfeld, Secretary-designee
State of Wisconsin Department of Administration

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

APPENDIX A

CERTAIN INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin **(State)**, contained in Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 2021 **(2021 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 2021 Annual Report, including but not limited to:

- Additional information about the State's response to the COVID-19 pandemic.
- Estimated General Fund condition statements for the 2021-23 biennium and estimated General Fund tax collections for the 2021-22 and 2022-23 fiscal years, as included in a report provided by the Legislative Fiscal Bureau **(LFB)** on January 25, 2022 **(January 2022 LFB Report)**.
- General Fund information for the 2021-22 fiscal year through January 31, 2022, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2021-22 fiscal year, which is presented on a cash basis.

Part II of the 2021 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 2020-21 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, 2021, 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 2021 Annual Report.

Part III of the 2021 Annual Report contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2021 Annual Report and the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 were both filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The 2021 Annual Report and the Annual Comprehensive Financial Report are also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin" and the State investor relations web site. The Capital Finance Office web site and the State investor relations web site are located at the following respective addresses:

doa.wi.gov/capitalfinance
wisconsinbonds.com

Copies of the 2021 Annual Report may also be obtained from:

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

The State has independently provided periodic reports on General Fund financial information. These reports are not required by any of the State's undertakings to provide information concerning the State's securities. These reports are available on the State's Capital Finance Office web site that is listed above and were also filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 2021 Annual Report. The State is not obligated to provide such reports at any time in the future.

After publication and filing of the 2021 Annual Report, certain changes or events have occurred that affect items discussed in the 2021 Annual Report. Listed below, by reference to particular sections of Part II of the 2021 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 (February 4, 2022). Any such changes or additions are identified accordingly.

COVID-19 Update (Part II, Pages 21-22). Update with the following information.

Federal Aid – Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

As of December 31, 2021, the State had allocated $2.0 billion of these funds to State and local government expenditures related to COVID-19 and had made actual expenditures of these funds in the amount of nearly $2.0 billion.

Federal Aid – The American Rescue Plan Act of 2021 (ARPA)

As of December 31, 2021, the State had allocated $2.5 billion of these funds and had made actual expenditures of these funds in the amount of approximately $500 million.

General Information and Vaccinations

The Wisconsin Department of Health Services **(DHS)** continues to work to get COVID-19 vaccines to Wisconsinites. All State individuals ages 5 and older are eligible for the vaccination, and as of February 3, 2022, approximately 60% of Wisconsin residents were fully vaccinated.

Environmental, Social, and Governance Factors; Social Factors (Part II, Pages 22-24) and **Table II-31; Population Trends** (Part II, Page 87). Update with the following information.

On December 21, 2021, the U.S. Census Bureau released national and state population estimates for July 1, 2020 through July 1, 2021. According to the estimates, the population of the State grew by 3,585, or 0.06%, and the population of the United States grew by 392,665, or 0.1%, the lowest rate since the nation's founding. The U.S. Census Bureau noted that the slow rate of growth can be attributed, in part, to the COVID-19 pandemic. Further details can be obtained from the U.S. Census Bureau.

State Budget; Budget for 2021-23 Biennium and **Estimated General Fund Tax Collections for 2021-23 Biennium** (Part II; Pages 37-39). Update with the following information.

January 2022 LFB Report – General Fund Condition Statement

The January 2022 LFB Report includes an updated estimated General Fund condition statement for each fiscal year of the 2021-23 biennium. The net General Fund balance for the end of the biennium (June 30, 2023) is projected to be $3.8 billion. This is $2.9 billion higher than the balance that was projected at the time of the enactment of the 2021-23 biennial budget **(2021 Wisconsin Act 58)**, as modified to incorporate the fiscal year 2020-21 ending balance as shown in the Annual Fiscal Report for fiscal year 2020-21 and adjusted to reflect the Wisconsin Department of Revenue's **(DOR)** updated individual income tax withholding tables, that were effective January 1, 2022.

The following table provides the estimated General Fund condition statement for each fiscal year of the 2021-23 biennium. The table also includes, for comparison, the estimated General Fund condition statement for each year of the 2021-23 biennium, as included in 2021 Wisconsin Act 58, and adjusted to reflect DOR's updated individual income tax withholding tables, that were effective January 1, 2022.

ESTIMATED GENERAL FUND CONDITION STATEMENTS
2021-22 AND 2022-23 FISCAL YEARS
(in Millions)

	2021-22 Fiscal Year		2022-23 Fiscal Year	
	2021 Wisconsin Act 58[1]	January 2022 LFB Report	2021 Wisconsin Act 58[1]	January 2022 LFB Report
Revenues				
Opening Balance	$ 2,581.1	$ 2,581.1	$ 1,352.3	$ 2,838.1
Taxes	17,860.9	18,943.3	19,457.9	20,884.6
Department Revenues				
Tribal Gaming	0.0	0.0	20.8	21.7
Other	464.3	481.7	471.4	486.2
Total Available	$20,906.3	$22,006.0	$21,302.3	$24,230.6
Appropriations				
Gross Appropriations	$19,302.5	$19,306.4	$19,752.7	$19,754.0
MA Biennial Adjustment	0.0	(360.0)	0.0	360.0
Sum Sufficient Reestimates	0.0	(15.7)	0.0	(28.9)
Compensation Reserves	41.9	41.9	105.9	106.0
Transfers				
Transportation Fund	178.9	178.9	97.3	97.3
Building Trust Fund	15.0	15.0	0.0	0.0
MA Trust Fund	174.7	174.7	527.8	527.8
UI Trust Fund	60.0	60.0	60.0	60.0
Less: Lapses	(219.0)	(233.2)	(267.0)	(552,9)
Net Appropriations	$19,554.0	$19,167.9	$20,276.7	$20,323.3
Balances				
Gross Balance	$ 1,352.3	$ 2,838.1	$ 1,025.6	$ 3,907.3
Less: Req. Statutory Balance	(90.0)	(90.0)	(95.0)	(95.0)
Net Balance, June 30	$ 1,262.3	$ 2,748.1	$ 930.6	$ 3,812.3

[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.

A complete copy of the January 2022 LFB Report, which includes a national economic forecast and its application to the State's General Fund tax revenue estimates, is included at the end of this Appendix A. In addition, the State has filed the January 2022 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages A-1 and A-2.

January 2022 LFB Report – General Fund Tax Collections

The January 2022 LFB Report also includes an updated estimate of General Fund tax revenues for each fiscal year of the 2021-23 biennium. The estimated General Fund tax revenues are $18.943 billion for the

2021-22 fiscal year and $20.885 billion for the 2022-23 fiscal year. These amounts are $1.082 billion and $1.427 billion, respectively, greater than the estimated General Fund tax revenues as included in 2021 Wisconsin Act 58, as adjusted to reflect DOR's updated individual income tax withholding tables, that were effective January 1, 2022.

The following table provides the estimated General Fund tax revenues for each fiscal year of the 2021-23 biennium. The table also includes, for comparison, the estimated General Fund tax revenues for each year, as included in a report provided by LFB dated June 8, 2021 **(June 2021 LFB report)**, and in 2021 Wisconsin Act 58, as adjusted to reflect DOR's updated individual income tax withholding tables, that were effective January 1, 2022.

ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2021-22 AND 2022-23 FISCAL YEARS
(in Millions)

	FY22			FY23		
	June 2021 LFB Report	2021 Wisconsin Act 58[1]	January 2022 LFB Report	June 2021 LFB Report	2021 Wisconsin Act 58[1]	January 2022 LFB Report
Individual Income	$9,720.0	$ 8,680.5	$ 8,220.0	$10,140.0	$ 9,115.6	$ 9,690.0
Sales and Use	6,640.0	6,639.6	6,925.0	6,845.0	6,844.5	7,230.0
Corp. Income & Franchise	1,910.0	1,910.0	2,420.0	2,160.0	2,160.0	2,585.0
Public Utility	354.0	354.0	369.0	352.0	352.0	371.0
Excise						
Cigarettes	494.0	494.0	498.0	483.0	483.0	487.0
Tobacco Products	96.0	96.0	95.0	100.0	100.0	99.0
Vapor Products	1.7	1.7	3.6	2.0	2.0	4.0
Liquor & Wine	60.0	60.0	61.0	61.0	61.0	62.0
Beer	8.9	8.9	8.7	8.8	8.8	8.6
Insurance Company	209.0	209.0	211.0	217.0	217.0	220.0
Miscellaneous Taxes	117.0	117.0	132.0	114.0	114.0	128.0
TOTAL	$19,610.6	$18,570.7	$18,943.3	$20,482.8	$19,457.9	$20,884.6

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

A complete copy of the January 2022 LFB Report, which includes a national economic forecast and its application to the State's General Fund tax revenue estimates, is included at the end of this Appendix A. In addition, the State has filed the January 2022 LFB Report with the MSRB through its EMMA system, and a copy is available from the State as provided on pages A-1 and A-2.

General Fund Information; General Fund Cash Flow (Part II; Pages 46-58). The following tables provide updates and additions to various tables containing General Fund information for the 2021-22 fiscal year. Actual General Fund information for the 2021-22 fiscal year through January 31, 2022, and projections for the remainder of the 2021-22 fiscal year, are presented primarily on a cash basis. The information through January 31, 2022 became available after the date of the Preliminary Official Statement.

The projections and estimates for the 2021-22 fiscal year reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, a memo provided by LFB on October 18, 2021 **(October 2021 LFB Memo)**, and the receipt of federal funds pursuant to ARPA, including an anticipated 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). The projections and estimates for the 2021-22 fiscal year do not reflect the January 2022 LFB Report. The following tables also reflect the receipt of approximately $2.0 billion of federal funds pursuant to the CARES Act, which the State has allocated, and continues to allocate, to State and local government expenditures related to the COVID-19 pandemic. Projections and estimates do not reflect any specific disbursement, but rather generalized assumptions for disbursement of remaining CARES Act and ARPA federal funds.

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 49). Replace with the following updated table.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2021 TO JANUARY 31, 2022[(a)]
PROJECTED GENERAL FUND CASH FLOW; FEBRUARY 1, 2022 TO JUNE 30, 2022[(a)]
(Amounts in Thousands)

	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022
BALANCES[(a)(b)]												
Beginning Balance	$ 6,509,076	$ 5,093,185	$ 6,203,668	$ 5,665,226	$ 6,711,691	$ 7,161,711	$ 6,653,973	$ 7,999,435	$ 7,233,749	$ 5,242,111	$ 5,373,105	$ 7,193,187
Ending Balance[(c)]	5,093,185	6,203,668	5,665,226	6,711,691	7,161,711	6,653,973	7,999,435	7,233,749	5,242,111	5,373,105	7,193,187	6,204,237
Lowest Daily Balance[(c)]	5,093,185	5,075,509	5,291,351	5,625,885	6,247,578	5,223,216	6,392,755	6,890,292	5,041,518	4,384,673	5,373,105	5,545,871
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 598,809	$ 1,066,794	$ 1,026,970	$ 698,755	$ 1,093,243	$ 887,054	$ 1,498,796	$ 784,244	$ 924,970	$ 1,409,463	$ 1,117,802	$ 996,933
Sales & Use	675,355	654,066	632,209	672,030	627,759	601,005	722,816	530,970	498,174	622,403	584,446	660,427
Corporate Income	104,471	49,338	452,306	114,101	55,205	574,542	144,550	86,072	308,602	312,395	70,708	385,776
Public Utility	22	1	3,267	25,713	182,149	626	34	64	22	7,068	189,472	2,660
Excise	68,763	56,274	60,945	60,208	51,661	60,376	52,523	48,853	47,445	58,541	50,260	58,820
Insurance	38	2,156	46,270	106	5,076	43,898	2,765	24,136	22,498	47,678	2,717	45,394
Subtotal Tax Receipts	$ 1,447,458	$ 1,828,629	$ 2,221,967	$ 1,570,913	$ 2,015,093	$ 2,167,501	$ 2,421,484	$ 1,474,339	$ 1,801,711	$ 2,457,548	$ 2,015,405	$ 2,150,010
NON-TAX RECEIPTS												
Federal	$ 1,529,190	$ 1,160,636	$ 649,608	$ 1,491,417	$ 1,131,827	$ 1,181,235	$ 1,169,911	$ 1,065,655	$ 943,084	$ 926,994	$ 2,496,589	$ 928,158
Other & Transfers	502,537	433,504	796,424	590,534	428,787	621,612	544,458	702,261	634,695	615,221	411,112	570,459
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 2,031,727	$ 1,594,140	$ 1,446,032	$ 2,081,951	$ 1,560,614	$ 1,802,847	$ 1,714,369	$ 1,767,916	$ 1,577,779	$ 1,542,215	$ 2,907,701	$ 1,498,617
TOTAL RECEIPTS	$ 3,479,185	$ 3,422,769	$ 3,667,999	$ 3,652,864	$ 3,575,707	$ 3,970,348	$ 4,135,853	$ 3,242,255	$ 3,379,490	$ 3,999,763	$ 4,923,106	$ 3,648,627
DISBURSEMENTS												
Local Aids	$ 1,578,232	$ 263,175	$ 1,008,436	$ 141,690	$ 998,155	$ 1,478,617	$ 216,455	$ 747,745	$ 2,086,135	$ 97,909	$ 310,498	$ 2,135,044
Income Maintenance	1,402,008	891,443	888,825	875,455	959,914	1,173,316	907,545	1,016,786	1,051,977	1,139,022	1,036,604	685,639
Payroll and Related	455,186	448,505	419,994	472,503	493,170	574,256	569,891	454,086	450,955	447,824	454,086	505,716
Tax Refunds	193,029	150,457	111,592	158,689	138,643	242,725	112,656	901,057	939,401	898,581	326,354	239,754
Debt Service	278,229	-	-	295,078	-	74	-	2,315	-	287,710	89,295	-
Miscellaneous	988,392	558,706	1,777,594	662,984	535,805	1,009,098	983,844	885,952	842,660	997,724	886,187	1,071,424
TOTAL DISBURSEMENTS	$ 4,895,076	$ 2,312,286	$ 4,206,441	$ 2,606,399	$ 3,125,687	$ 4,478,086	$ 2,790,391	$ 4,007,941	$ 5,371,128	$ 3,868,770	$ 3,103,024	$ 4,637,577

(a) The projections and estimates in this table reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, the October 2021 LFB Memo, the January 2022 LFB Report, and the anticipated receipt of ARPA federal funds, including a 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 CARES Act and ARPA federal funds. Temporary reallocations of cash are not included.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from $1.3 billion to $1.8 billion for the 2021-22 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 2021-22 fiscal year (based on 2021 Wisconsin Act 58), are approximately $1.737 billion and $579 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Source: Wisconsin Department of Administration.

Table II-12; Historical General Fund Cash Flow (Part II; Page 50). Replace with the following updated table.

HISTORICAL GENERAL FUND CASH FLOW[(a)]
ACTUAL FISCAL YEARS 2017-18 TO 2020-21
ACTUAL AND PROJECTED FISCAL YEAR 2021-22[(b)]
(Amounts in Thousands)

	Actual 2017-18 Fiscal Year	Actual 2018-19 Fiscal Year	Actual 2019-20 Fiscal Year	Actual 2020-21 Fiscal Year	FY22 YTD Actual thru Jan-22; Estimated Feb-22 thru Jun-22[(b)]
RECEIPTS					
Tax Receipts					
Individual Income	$ 9,837,742	$ 10,557,272	$ 10,138,020	$ 12,322,447	$ 12,103,833
Sales	5,867,099	6,132,089	6,253,771	6,825,242	7,481,660
Corporate Income	1,070,879	1,519,561	1,551,402	2,753,782	2,658,066
Public Utility	416,406	415,047	409,513	409,860	411,099
Excise	689,653	681,262	667,055	683,307	674,669
Insurance	207,953	218,304	242,228	230,169	242,732
Total Tax Receipts	$ 18,089,732	$ 19,523,535	$ 19,261,989	$ 23,224,807	$ 23,572,059
Non-Tax Receipts					
Federal	$ 9,214,957	$ 10,093,533	$ 12,725,759	$ 13,868,008	$ 14,674,304
Other and Transfers	6,113,708	6,241,726	5,887,398	6,572,553	6,851,604
Total Non-Tax Receipts	$ 15,328,665	$ 16,335,259	$ 18,613,157	$ 20,440,561	$ 21,525,908
TOTAL RECEIPTS	$ 33,418,397	$ 35,858,794	$ 37,875,146	$ 43,665,368	$ 45,097,967
DISBURSEMENTS					
Local Aids	$ 9,202,809	$ 9,698,906	$ 9,917,134	$ 10,460,416	$ 11,062,091
Income Maintenance	9,370,303	9,747,283	10,126,849	11,040,922	12,028,534
Payroll & Related	5,174,225	5,333,395	5,633,397	5,689,539	5,746,172
Tax Refunds	2,703,269	2,785,514	2,992,617	3,533,245	4,412,938
Debt Service	908,172	914,688	875,340	973,718	952,701
Miscellaneous	5,902,369	6,396,205	6,811,025	9,486,768	11,200,370
TOTAL DISBURSEMENTS	$ 33,261,147	$ 34,875,991	$ 36,356,362	$ 41,184,608	$ 45,402,806
NET CASH FLOW	$ 157,250	$ 982,803	$ 1,518,784	$ 2,480,760	$ (304,839)

(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 2021-22 fiscal year reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, the October 2021 LFB Memo, the January 2022 LFB Report, and receipt of CARES Act and ARPA federal funds.

Source: Wisconsin Department of Administration.

Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 52). 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 January 31, 2022
(Amounts in Thousands)

	2020-21 Fiscal Year through January 31, 2021	2021-22 Fiscal Year through January 31, 2022				
	Actual	Actual	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY22 Actual to FY21 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 6,782,673	$ 6,870,421	$ 6,401,599	$ 468,822	$ 468,822	$ 87,748
Sales	4,052,479	4,585,240	4,390,865	194,375	194,375	532,761
Corporate Income	1,563,732	1,494,513	1,057,836	436,677	436,677	(69,219)
Public Utility	217,202	211,812	216,217	(4,405)	(4,405)	(5,390)
Excise	418,037	410,750	405,804	4,946	4,946	(7,287)
Insurance	95,648	100,309	97,492	2,817	2,817	4,661
Total Tax Receipts	$ 13,129,771	$ 13,673,045	$ 12,569,813	$ 1,103,232	$ 1,103,232	$ 543,274
Non-Tax Receipts						
Federal	$ 7,152,143	$ 8,313,824	$ 6,517,183	$ 1,796,641	$ 1,796,641	$ 1,161,681
Other and Transfers	3,584,975	3,917,856	3,861,974	55,882	55,882	332,881
Total Non-Tax Receipts	$ 10,737,118	$ 12,231,680	$ 10,379,157	$ 1,852,523	$ 1,852,523	$ 1,494,562
TOTAL RECEIPTS	$ 23,866,889	$ 25,904,725	$ 22,948,970	$ 2,955,755	$ 2,955,755	$ 2,037,836
DISBURSEMENTS						
Local Aids	$ 5,335,880	$ 5,684,760	$ 5,570,670	$ (114,090)	$ (114,090)	$ 348,880
Income Maintenance	6,652,200	7,098,506	7,501,327	402,821	402,821	446,306
Payroll & Related	3,222,181	3,433,505	3,262,633	(170,872)	(170,872)	211,324
Tax Refunds	1,159,385	1,107,791	1,070,970	(36,821)	(36,821)	(51,594)
Debt Service	472,861	573,381	607,893	34,512	34,512	100,520
Miscellaneous	5,463,147	6,516,423	6,347,729	(168,694)	(168,694)	1,053,276
TOTAL DISBURSEMENTS	$ 22,305,654	$ 24,414,366	$ 24,361,222	$ (53,144)	$ (53,144)	$ 2,108,712
2021-22 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 2,902,611	$ 2,902,611	

(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 2021-22 fiscal year reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, the October 2021 LFB Memo, the January 2022 LFB Report, and receipt of ARPA federal funds. The projections and estimates do not reflect any specific disbursement of remaining CARES Act and ARPA federal funds.

(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: Wisconsin Department of Administration.

Table II-14; General Fund Monthly Cash Position (Part II; Page 53). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION[(a)]
July 1, 2019 through January 31, 2022 – Actual
February 1, 2022 through June 30, 2022 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts	Disbursements
2019	July	$ 2,509,532	$ 3,122,834	$ 3,936,026
	August	1,696,340	2,179,102	2,243,517
	September	1,631,925	4,103,746	2,625,255
	October	3,110,416	2,864,278	2,096,649
	November	3,878,045	2,524,540	3,325,841
	December	3,076,744	3,263,353	3,332,814
2020	January	3,007,283	3,355,456	2,397,585
	February	3,965,154	2,801,261	3,269,556
	March	3,496,859	3,188,509	4,249,188
	April	2,436,180	4,854,038	3,073,366
	May	4,216,852	2,248,216	2,192,686
	June	4,272,382	3,369,813	3,613,879
	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	3,242,255	4,007,941
	March	7,233,749	3,379,490	5,371,128
	April	5,242,111	3,999,763	3,868,770
	May	5,373,105	4,923,106	3,103,024
	June	7,193,187	3,648,627	4,637,577

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

(b) The projections and estimates for the 2021-22 fiscal year (cash basis) reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, the October 2021 LFB Memo, and the January 2022 LFB Report. Actual results, projections, and estimates for both fiscal years reflect the actual or anticipated receipt of ARPA federal funds, including a receipt of $1.6 billion in May 2021 and a 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 CARES Act and ARPA federal funds.

Source: Wisconsin Department of Administration.

Table II-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 54). Replace with the following updated table.

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION [(a)] [(b)]
July 31, 2019 to January 31, 2022 — Actual
February 28, 2022 to June 30, 2022 — 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 $6.140 billion during July 2021. 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)	2019	2020	2021	2022
January		$ 1,910	$ 1,866	$ 2,273
February		1,929	2,030	2,030
March		1,815	2,000	2,000
April		1,716	2,008	2,008
May		1,670	2,063	2,063
June		1,806	2,337	2,337
July	$1,783	1,575	2,243	
August	1,776	1,627	2,067	
September	2,025	1,783	2,148	
October	1,907	1,620	2,011	
November	1,801	1,672	2,085	
December	1,967	1,873	2,209	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2019	2020	2021	2022
January		$ 6,502	$ 7,130	$ 7,971
February		6,603	7,602	7,602
March		6,970	7,988	7,988
April		6,990	7,428	7,428
May		6,469	7,529	7,529
June		6,524	7,708	7,708
July	$6,804	7,004	8,383	
August	5,839	6,087	7,160	
September	5,600	5,970	6,915	
October	5,474	5,410	6,410	
November	5,213	5,418	6,342	
December	6,137	6,549	7,238	

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

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

(c) The projections and estimates for the 2021-22 fiscal year (cash basis) reflect the June 2021 LFB Report, 2021 Wisconsin Act 58, the October 2021 LFB Memo, and the January 2022 LFB Report. Actual results, projections, and estimates for both fiscal years reflect the receipt or anticipated receipt of ARPA federal funds, including an expected 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 CARES Act and ARPA federal funds.

Source: Wisconsin Department of Administration.

Table II-16; General Fund Recorded Revenues (Part II; Page 56). Replace with the following updated table.

GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2021 to January 31, 2022 compared with previous year

	Annual Fiscal Report Revenues 2020-21 Fiscal Year[(b)]	Projected Revenues 2021-22 Fiscal Year[(c)]	Recorded Revenues July 1, 2020 to January 31, 2021[(d)]	Recorded Revenues July 1, 2021 to January 31, 2022[(e)]
Individual Income Tax	$ 9,283,388,000	$ 8,680,464,000	$ 5,066,961,518	$ 6,038,478,848
General Sales and Use Tax	6,373,483,000	6,639,600,000	3,110,794,458	3,517,726,542
Corporate Franchise and Income Tax	2,560,148,000	1,910,000,000	1,263,437,033	1,311,831,250
Public Utility Taxes	356,256,000	354,000,000	186,991,146	190,809,242
Excise Taxes	677,875,000	660,600,000	354,787,240	347,208,273
Inheritance Taxes	-	-	-	-
Insurance Company Taxes	202,066,000	209,000,000	94,309,795	100,365,463
Miscellaneous Taxes	119,575,000	117,000,000	157,876,209	180,974,346
SUBTOTAL..........................	$ 19,572,791,000	$ 18,570,664,000	$ 10,235,157,399	$ 11,687,393,963
Federal and Other Inter-Governmental Revenues[(f)]	15,575,124,000	12,911,303,100	7,351,857,942	8,695,770,320
Dedicated and Other Revenues[(g)]	7,535,580,000	7,560,096,200	4,324,509,070	4,599,410,803
TOTAL..............................	$ 42,683,495,000	$ 39,042,063,300	$ 21,911,524,410	$ 24,982,575,087

(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 2020-21 fiscal year dated October 15, 2021.
(c) The estimates in this table for the 2021-22 fiscal year (cash basis) reflect 2021 Wisconsin Act 58, but do not reflect the October 2021 LFB Memo or the January 2022 LFB Report.
(d) The amounts shown are the 2020-21 fiscal year general purpose revenues and program revenues taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in 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 2021-22 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
(f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
(g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration.

Table II-17; General Fund Recorded Expenditures by Function (Part II; Page 58). Replace with the following updated table.

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2021 to January 31, 2022 compared with previous year[(b)]

	Annual Fiscal Report Expenditures 2020-21 Fiscal Year[(b)]	Appropriations 2021-22 Fiscal Year[(c)]	Recorded Expenditures July 1, 2020 to January 31, 2021[(d)]	Recorded Expenditures July 1, 2021 to January 31, 2022[(e)]
Commerce	$ 219,272,000	$ 409,430,100	$ 315,523,266	$ 314,701,937
Education	14,251,611,000	15,204,373,000	6,948,796,563	7,671,364,074
Environmental Resources	369,140,000	307,184,100	124,893,304	128,673,326
Human Relations & Resources	16,534,263,000	17,816,688,700	10,833,112,532	11,604,395,417
General Executive	1,344,836,000	1,237,954,700	1,857,688,824	1,546,821,308
Judicial	147,819,000	150,502,500	96,435,076	102,835,602
Legislative	75,475,000	88,294,800	39,033,791	42,769,701
General Appropriations	2,741,870,000	2,866,116,200	2,331,062,147	2,315,078,609
TOTAL	$ 35,684,286,000	$ 38,080,544,100	$ 22,546,545,503	$ 23,726,639,975

(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 2020-21 fiscal year, dated October 15, 2021.

(c) The appropriations included in this table reflect 2021 Wisconsin Act 58.

(d) The amounts shown are 2020-21 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2021-22 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration.

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

Table II-39
UNEMPLOYMENT RATE COMPARISON [a][b]
2016 to 2021

	2021		2020		2019		2018		2017		2016	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January	4.5	6.8	4.2	4.0	3.5	4.4	3.4	4.5	4.2	5.1	4.7	5.3
February	4.9	6.6	4.0	3.8	3.3	4.1	3.8	4.4	4.4	4.9	5.0	5.2
March	4.8	6.2	3.4	4.5	3.3	3.9	3.6	4.1	3.9	4.6	4.8	5.1
April	4.4	5.7	13.6	14.0	2.7	3.3	3.0	3.7	3.2	4.1	4.2	4.7
May	4.0	5.5	11.9	13.0	2.7	3.4	2.7	3.6	3.0	4.1	3.7	4.5
June	4.5	6.1	8.9	11.2	3.5	3.8	3.5	4.2	3.6	4.5	4.4	5.1
July	4.1	5.7	7.1	10.5	3.4	4.0	3.2	4.1	3.4	4.6	4.0	5.1
August	4.0	5.3	6.1	8.5	3.3	3.8	2.9	3.9	3.3	4.5	3.8	5.0
September	2.7	4.6	4.6	7.7	2.9	3.3	2.4	3.6	2.7	4.1	3.4	4.8
October	2.3	4.3	5.2	6.6	2.8	3.3	2.4	3.5	2.5	3.9	3.3	4.7
November	1.9	3.9	4.7	6.4	3.0	3.3	2.5	3.5	2.6	3.9	3.3	4.4
December	2.0	3.7	5.3	6.5	3.2	3.4	2.8	3.7	2.7	3.9	3.4	4.5
Annual Average	3.7	5.4	6.6	8.1	3.1	3.7	3.0	3.9	3.3	4.4	4.0	4.9

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

Legislative Fiscal Bureau

Robert Wm. Lang, Director

One East Main, Suite 301 • Madison, WI 53703
Email: Fiscal.Bureau@legis.wisconsin.gov
Telephone: (608) 266-3847 • Fax: (608) 267-6873

State of Wisconsin

January 25, 2022

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

Dear Senator Marklein and Representative Born:

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

Based upon our analysis, we project the closing, net general fund balance at the end of this biennium (June 30, 2023) to be $3,812.3 million. This is $2,881.7 million above the net balance that was projected at the time of enactment of the 2021-23 biennial budget, as modified to: (1) incorporate the 2020-21 ending balance (2021-22 opening balance) as shown in the Annual Fiscal Report; and (2) revise 2021-22 individual income tax revenues to reflect the Department of Revenue's decision to adjust tax withholding tables effective January 1, 2022.

The $2,881.7 million is the net result of: (1) an increase of $2,509.2 million in estimated tax collections; (2) an increase of $33.1 million in departmental revenues (non-tax receipts deposited into the general fund); and (3) a decrease of $339.4 million in net appropriations.

The $339.4 million reduction in net appropriations is primarily due to the following: (1) an estimated lapse of $270 million in the appropriation for medical assistance benefits because of an enhanced federal medical assistance (MA) matching rate; (2) a reduction of $34.2 million in the sum sufficient appropriation of state funding for the Wisconsin Healthcare Stability Plan due to modifications made in the American Rescue Plan Act of 2021 (ARPA); and (3) an estimated reduction of $23.4 million in the amounts necessary to fund general fund debt service. A further explanation of the MA and Healthcare Stability Plan appropriations is presented after Table 1. In addition, the status of the state's budget stabilization fund is discussed.

The following table reflects the 2021-23 general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1

2021-23 General Fund Condition Statement

	2021-22	2022-23
Revenues		
Opening Balance, July 1	$2,581,053,000	$2,838,066,700
Taxes	18,943,300,000	20,884,600,000
Departmental Revenues		
Tribal Gaming Revenues	0	21,729,300
Other	481,661,900	486,219,400
Total Available	$22,006,014,900	$24,230,615,400
Appropriations, Transfers, and Reserves		
Gross Appropriations	$19,306,412,500	$19,754,023,500
MA Biennial Adjustment	-360,000,000	360,000,000
Sum Sufficient Reestimates	-15,734,000	-28,898,000
Transfers to:		
Transportation Fund	178,869,600	97,289,300
Building Trust Fund	15,000,000	0
MA Trust Fund	174,665,900	527,783,700
UI Trust Fund	60,000,000	60,000,000
Compensation Reserves	41,929,200	105,951,600
Less Lapses	-233,195,000	-552,862,200
Net Appropriations	$19,167,948,200	$20,323,287,900
Balances		
Gross Balance	$2,838,066,700	$3,907,327,500
Less Required Statutory Balance	-90,000,000	-95,000,000
Net Balance, June 30	$2,748,066,700	$3,812,327,500

Table 1 incorporates the fiscal effects of all bills enacted to date in the current legislative session (through 2021 Act 118). It does not reflect the impact of any bills that are pending before the Legislature.

Medical Assistance. As noted in Table 1, it is expected that the biennial appropriation for the MA program will be underspent by $360 million in 2021-22. Because it is a biennial appropriation, the $360 million in 2021-22 will be available in the second year of the biennium. In 2022-23, it is projected that $270 million of the MA appropriation will lapse (revert) to the general fund. The $270 million is included in the $552.9 million lapse figure for 2022-23. The $270 million biennial surplus results primarily because an enhanced federal Medicaid matching rate, applicable during the federal public health emergency related to the COVID-19 pandemic, will be in effect longer than was anticipated during biennial budget bill deliberations. Under provisions of the federal Families First Coronavirus Response Act of 2020, each states' federal Medicaid matching rate is increased by 6.2 percentage points during any calendar quarter for which the public health emergency related to COVID-19 remains in effect. At the time of passage of Act 58, it was assumed that the higher matching rate would be applicable until the final quarter of 2021. However, the Secretary of the U.S. Department of Health and Human Services has issued two additional 90-day extension orders for the public health emergency, most recently on January 14, 2022. With these extensions, the enhanced matching rate will remain in effect at least until the end of state fiscal year 2021-22, six months beyond the Act 58 assumptions. Due to the uncertain future course of the COVID-19 pandemic, additional extensions of the public health emergency are possible. Any additional extension beyond June 30, 2022, would result in a higher GPR lapse from the MA program.

Wisconsin Healthcare Stability Plan. The sum-sufficient GPR appropriation for the Wisconsin Healthcare Stability Plan has been reestimated to $0 in 2022-23, a reduction of $34.2 million from the Act 58 estimate. Federal pass-through funding for reinsurance payments for plan year 2021 (paid in 2022-23) will be higher than the Act 58 estimates due to a provision of ARPA that increases the value of premium tax credits. The pass-through federal funding available to the state is now expected to exceed the amount of reinsurance payments that were made for plan year 2021, so no state funding will be required for the payments.

Budget Stabilization Fund. Under s. 16.518(3) of the statutes, if actual tax collections exceed the amounts estimated in the state's biennial budget act, one-half of such excess is deposited into the budget stabilization fund. However, if the balance in the budget stabilization fund prior to a transfer exceeds 5% of estimated general fund expenditures, as included in the biennial budget act, no transfer is made. Because the current balance in the budget stabilization fund of $1,730 million is well above the 5% threshold, no transfer will be made even though estimated tax collections for 2021-23 are significantly above those shown in the 2021-23 budget act.

Review of the National Economy in 2021

This office prepared revenue estimates for the 2021-23 biennium in January, 2021, based on the January, 2021, IHS Markit forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 4.0% in 2021, 3.9% in 2022, and 2.5% in 2023. IHS Markit forecast that federal stimulus from the Consolidated Appropriations Act of 2021 (CAA) and a successful inoculation campaign against COVID-19 would: (a) release pent-up demand for in-person services in the second half of 2021; and (b) cause payroll employment to increase throughout 2021 and 2022.

The January, 2021, IHS Markit forecast was based on the following assumptions. First, the forecast assumed the seven-day average of COVID-19 infections would peak in January of 2021, and fall significantly, with widespread inoculation of the population achieved by the summer. Second, the forecast incorporated stimulus spending from the CAA, but did not include further federal stimulus in its forecast. Third, the Federal Reserve was expected to maintain the federal funds rate target near 0% until late-2026 and expand its treasury holdings to another $1.4 trillion. Fourth, the forecast assumed that the tariffs and trade agreements made between the U.S. and China would remain in effect. Fifth, real, trade-weighted foreign GDP was expected to rebound as the COVID-19 pandemic receded, with 4.4% growth in 2021, after declining by 5.7% in 2020. Finally, the price of Brent crude oil was expected to gradually recover from a low of $29 per barrel in the second quarter of 2020 to $50 per barrel by late-2021.

IHS Markit's January, 2021, forecast also included an optimistic and pessimistic scenario. The optimistic forecast scenario was that a more significant decline in COVID-19 cases, hospitalizations, and deaths due to widespread inoculations and observance of social distancing guidelines would result in a faster economic recovery, bolstered by: (a) a quicker than expected resumption of pre-pandemic consumer spending patterns; (b) an improved unemployment rate; and (c) a stronger rebound in 2021 real GDP. The downside risk to the forecast was that containment measures would be re-introduced to combat the surge in COVID-19 cases that was occurring at the time, inhibiting consumer spending and slowing economic recovery.

In June, this office reviewed additional tax collection data and IHS Markit's May economic forecast. The estimates were revised upward, primarily based on significant strength in individual income tax, sales and use tax, and corporate income/franchise tax collections through May, 2021. The economic impact of ARPA, which was signed into law in March, 2021, was not included in the January, 2021, forecast. ARPA provided an additional $1.9 trillion in stimulus, including $1,400 stimulus checks to each qualifying person, an extension of emergency unemployment compensation programs (including an enhanced unemployment benefit of $300 per week) through September 4, 2021, a second round of forgivable paycheck protection program (PPP) loans, and $1 trillion in aid to states for various purposes. This injection of funds into the economy helped contribute to an 11.5% increase in real disposable income in the first quarter of 2021, compared to the previous quarter, subsequently leading to an increase in consumer spending. Further, the rate of new COVID-19 cases declined rapidly between January and May as more of the population received the vaccine, which contributed to a sooner than expected relaxation of containment measures and an increase in consumer spending.

Finally, the June revisions also incorporated IHS Markit's May, 2021, forecast for the U.S. economy. The forecast for real GDP growth had been increased relative to the January, 2021, estimates from: (a) 4.0% to 6.7% in 2021; and (b) 3.9% to 4.7% in 2022. However, growth expectations decreased from 2.5% to 1.9% in 2023, reflecting the acceleration of the economic recovery under the May forecast. Economic profits were revised up significantly, partly reflecting additional subsidies to businesses provided under ARPA, from a decline of 1.4% in 2021 and 0.2% in 2022 to growth of 20.3% and 6.0%, respectively. Forecasted 2021 growth was revised up in May to reflect changes to the following indicators: (a) nominal personal consumption expenditures (PCE), which was increased by 4.1 percentage points; (b) personal income (up 1.1 percentage points); (c) light vehicle sales (up 5.3 percentage points); and (d) housing starts (up 6.1 percentage points). IHS Markit had still projected that sufficient inoculation against COVID-19 would be achieved over the summer, but had grown more confident that vaccinations would outpace the spread of new strains of the virus. The Federal Reserve had moved up its expected timeline for beginning to raise the federal funds rate from late-2026 to mid-2024. In May, IHS Markit forecasted the price of Brent crude oil to increase to $69 per barrel in the third quarter of 2021, rather than to $50 per barrel by late-2021. Finally, the primary upside and downside risks to the forecast remained generally the same as the January, 2021, forecast, except that the likelihood for the optimistic scenario increased relative to the pessimistic scenario with a more robust consumer response to stimulus provided by ARPA as a contributor.

Overall, IHS Markit now estimates that nominal GDP grew 10.0% in 2021, 0.4 percentage points higher than the May, 2021, forecast of 9.6%. However, after adjusting for inflation, the national economy actually grew less than previously forecasted. IHS Markit estimates that real U.S. GDP grew 5.7% in 2021, which is 1.0 percentage point lower than previously estimated. Despite slower real growth, real GDP surpassed its pre-pandemic level by the second quarter of 2021.

The COVID-19 pandemic, including caseloads, the rollout of vaccines, and federal pandemic-related stimulus, continued to guide economic outcomes throughout 2021. As predicted in the January forecast, the seven-day average of daily new COVID-19 cases peaked at 250,000 cases per day in mid-January, before reaching a low for the year of less than 12,000 cases per day in mid-June, according to the COVID-19 data tracker maintained by the Centers for Disease Control and Prevention (CDC). However, cases began to rise again in July as the new, and more contagious, Delta variant of the COVID-19 virus began spreading across the population. Cases surged to nearly 165,000 per day by early September, before easing until late-October. By November, another new variant, Omicron, had been discovered, with the first confirmed U.S. case being identified on December 1. Cases began increasing again in the final months of 2021, surging to record-highs by late-December. According to available CDC data, it appears that new cases may have peaked at just over 795,000 cases per day on January 13, 2022, more than triple the nation's previous peak. As of January 17, 2022, the seven-day average of new COVID-19 cases had declined somewhat to just under 740,000 cases per day. The Omicron variant, which is believed to spread more easily than Delta, accounted for nearly 90% of new COVID-19 cases by January 1, 2022. As of January 17, 2022, more than 850,000 Americans had died of COVID-19, including more than 11,700 Wisconsin residents. The seven-day average of deaths per day was more than 1,700 in the U.S. and more than 30 in Wisconsin.

In contrast with the May assumptions, U.S. vaccinations had not reached sufficient levels during the summer to outpace the spread of the Delta variant. By July 1, 2021, about 48% of the U.S. population was considered to be fully vaccinated. Children under age 12 were not eligible for any COVID-19 vaccines until eligibility was expanded to children ages five and older in November, 2021. As of December 31, 2021, 61.9% of the population was fully vaccinated, while 21.8% of the total population had received an additional booster shot to enhance their immunity.

As anticipated, consumer spending was the primary driver of the economy, contributing 5.41 percentage points to real GDP growth. Consumer spending surged in the second quarter of 2021 and remained strong in the following quarters, propelled by increased stimulus and the easing of COVID-19 containment measures, which released pent-up demand. IHS Markit estimates that nominal PCE, which is not adjusted for inflation, grew 20.7% in the second quarter of 2021, compared to the same quarter in 2020, followed by growth of 11.7% and 13.4% in the third and fourth quarters, respectively. Overall, 2021 nominal PCE growth was up 2.0 percentage points compared to the estimate in the May forecast. While consumer spending remained robust throughout the year, the spread of the Delta variant delayed the recovery in consumer spending on services. The shift in consumer spending from goods back to services, which was anticipated to begin during the second half of 2021, has occurred at a slower rate than previously estimated. Nominal PCE on services comprised 65.2% of total nominal PCE in the fourth quarter of 2021, down from 68.6% in the first quarter of 2020.

Nominal consumer spending was also bolstered by consumer prices, which increased more than was expected earlier in the year. In December, 2021, the Bureau of Labor Statistics (BLS) reported that the consumer price index (CPI) was up 7.0% that month compared to a year earlier, the largest growth in 39 years. IHS Markit now estimates the average CPI over 2021 at 4.7%, up from 2.6% in the May forecast. Increased demand for consumer goods and services, paired with supply shortages (inventory and labor) in a wide range of industries, led to price increases for food, energy, vehicles, and houses, among others.

Supply shortages in 2021 were seen across many industries that experienced early-pandemic factory shutdowns that depleted inventories. At the forefront of the discussion on supply shortages was the semiconductor industry. Semiconductor chips are silicone transistors that allow items such as vehicles, computers, smart phones, appliances, and other electrical devices to function. Prior to the pandemic, demand for semiconductor chips was growing in line with increased consumer demand for electrical products that required these chips. At the onset of the pandemic, the shift to remote working and learning further increased demand for personal electronics products that require these chips, while stay-at-home orders decreased demand for other goods, such as vehicles. In response, car manufactures, predicting that sales of cars would drop, chose to cancel chip orders. At the same time, some chip production factories were reported to have shut down, leading to a depletion of inventory and delays in production of semiconductor chips. Once the chip factories opened back up, production was still constrained by labor shortages and lack of capacity (plant and equipment), and many of the available chips were funneled towards personal electronics manufacturers that continued to order chips. While demand for cars did fall initially, it recovered quickly. Demand for cars surged in the second quarter of 2021, with sales of light vehicles increasing 49.7% compared to the same quarter in the previous year. However, motor vehicle sales declined 13.4% in the third quarter and 20.6% in the fourth quarter as inventory of new cars was depleted. Low inventory significantly increased new and used car prices in the second half of 2021.

Another supply-side hindrance to the recovery was the ongoing congestion at U.S. ports. Beginning in late-2020, and intensifying through much of 2021, container ships began to build up in the waters near major ports in California, waiting to unload their freight. Many factors contributed to this build-up, including a shift in consumer demand from services to goods that increased the overall volume of goods imported into the U.S. (the value of imports increased 22.2% in 2021). In addition, lack of capacity in warehouses and labor shortages, namely among truck drivers, meant that there was nowhere for the arriving goods to go once unloaded. On top of this, COVID-19 outbreaks caused occasional shutdowns at ports and further delayed the unloading of container ships.

Although the national unemployment rate continues to recover from its peak of 13.0% in the second quarter of 2020, it has done so at a slightly slower pace than the May forecast anticipated. IHS Markit reports that the unemployment rate fell to 5.9%, 5.1%, and 4.3% in quarters two, three, and four, respectively. Despite steady gains in nonfarm payrolls throughout 2021, nonfarm payrolls in December, 2021, remained 3.6 million lower than February of 2020. However, increases in job openings indicate that this is not because of a lack of labor demand. In November, there were 1.6 job openings for each unemployed worker nationally. Wisconsin has seen even higher levels of labor demand, with 2.1 jobs available per unemployed worker in October of 2021. The Wisconsin unemployment rate was 2.8% in December, 2021, according to BLS, the lowest rate on record.

Personal income increased 11.9% in the first quarter of 2021, compared to the fourth quarter of 2020. Over this same period, federal transfer payments increased by 78.6%, whereas wage and salary disbursements increased by only 1.0%. Federal transfer payments waned in quarters two, three, and four of 2021, decreasing 33.5%, 7.0%, and 7.1%, respectively, compared to the prior quarter. The large decrease in the second quarter illustrated the absence of one-time stimulus payments from ARPA, while the continued decreases throughout the remainder of the year partly reflected the expiration of enhanced federal unemployment insurance benefits. Wage and salary disbursements, on the other hand, continued to increase 3.0%, 2.7%, and 2.0% over the previous quarter in quarters two, three, and four of 2021, respectively. For comparison, prior to 2020, growth in wage and salary disbursements in a given quarter (compared to the prior quarter) averaged 1.1% over the last decade.

Despite rising wages and record job openings, the labor force participation rate, which measures the labor force (those working or actively looking for work) as a percentage of the civilian population (age 16 and older), has been slow to recover since the onset of the pandemic. The participation rate, which was at 63.4% in February, 2020, dropped to its pandemic-low of 60.2% in April, 2020, then partly recovered to 61.5% by the end of 2020. Since then, the national labor force participation rate has remained relatively stagnant, gradually increasing to 61.9% in November, 2021. According to IHS Markit, the primary contributors to the lagging labor force participation rate in 2021 include: (a) concerns about safety in the workplace; (b) difficulties finding daycare for young children; (c) the shift of schools from in-person to virtual learning, necessitating childcare; (d) early retirement prompted by growth in household net worth (stocks, real estate, and other assets); and (e) high household savings and/or the availability of emergency unemployment benefits that may allow some individuals to delay their return to work. While many of these contributors are temporary, it will likely still take some time for some individuals to rejoin the workforce. However, BLS reports that Wisconsin's labor force participation rate (66.4% as of November) has already surpassed its February, 2020 level (66.2%), suggesting that these factors are having less of an effect in this state relative to other states. Despite this, the labor force participation rate in Wisconsin has generally been trending downward since its peak in late-1997, as a larger portion of an aging population continues to enter retirement.

The savings rate as a percentage of disposable income, which averaged 7.7% in 2019 and increased to 16.4% in 2020, remained elevated at an average rate of 11.9% in 2021. However, the increased savings rate was primarily driven by stimulus early in the year, which boosted the savings rate to 20.5% in the first quarter. As the year progressed, stimulus waned and households began spending down much of their savings accumulated during the pandemic. By the fourth quarter, the personal savings rate had declined to 6.8%. Real household net worth increased 11.0% in 2021, bolstered by nominal growth in nonfinancial assets (19.2%), such as real estate, and financial assets (13.5%), including equity holdings and money. In particular, the S&P 500 stock index increased by an estimated 32.6% in 2021, which bolstered equity holdings by 25.4%. The average price of new homes and of existing homes increased in 2021, by 16.8% and 11.8%, respectively.

The Federal Reserve announced in December, 2020, that the federal funds rate target would not be increased until three conditions were met: (a) maximum employment is achieved; (b) inflation has risen to 2%; and (c) inflation is on track to rise moderately above 2% for some time. As 2021 progressed, consumer demand became increasingly strong, labor demand gradually returned, and supply chain issues created by the pandemic began to limit supply. These factors contributed to price increases in certain industries. For much of the year, the Federal Reserve characterized the elevated inflation as transitory, meaning that it was expected to be temporary. However, in the latter half of the year, price increases became increasingly more widespread, and it became evident that supply chain issues would take longer to resolve than initially expected. By December, inflation had surged far above the 2% target, and it appeared likely that it would remain elevated in the near term. In addition, labor market conditions had become increasingly tight, as labor demand recovered from the pandemic faster than labor supply, leaving a shortage of available workers.

In response to these new developments, the Federal Reserve indicated in a Federal Open Market Committee (FOMC) statement (on November 3, 2021) that it would begin reducing its purchases of U.S. Treasury securities and mortgage-backed securities later that month, with plans to end new purchases by late-June, 2022. The Federal Reserve had been previously purchasing $120 billion in securities each month, and the new plan was to reduce future purchases by $15 billion per month. On December 15, 2021, the Federal Reserve issued another statement indicating that, beginning in January, 2022, it would reduce future purchases by $30 billion per month, which would end enhanced securities purchases by March, 2022. In addition, the Federal Reserve no longer characterized inflation as transitory, noting that inflation had exceeded 2% for some time.

President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law on November 15, 2021. Spread out over five years, IIJA enacted $548 billion of new budget authority, mainly for spending on physical infrastructure that may be one-time funding. The Build Back Better (BBB) bill was passed by the House on November 19, 2021, and was subsequently sent to the Senate for consideration. IHS Markit's baseline forecast does not include any economic effects from BBB, as its passage remains uncertain.

National Economic Forecast

Under the January, 2022, forecast, IHS Markit predicts real GDP growth to slow compared to 2021, but remain strong at 4.1% in 2022 before moderating to 2.5% in 2023. Similar to 2021, the new forecast projects that nominal GDP will increase in 2022 and 2023, relative to the May forecast, while real GDP will be lower in 2022 than previously estimated. The forecast assumes that consumer spending will temporarily weaken for services affected by increased COVID-19 infections this winter. However, as infections decline, IHS Markit predicts that 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 will support continued expansion in 2022.

The new IHS Markit forecast is based on the following key assumptions. First, a winter increase in infections resulting from the Omicron variant temporarily slows consumer spending on certain services. However, COVID-19 resumes its transition from pandemic to endemic by Spring, as more of the population is vaccinated or is naturally immunized, and behavior adjusts to the risks of living alongside repeated variants of the virus. Second, the forecast incorporates all federal 2020 pandemic relief measures, ARPA, and the IIJA. The potential effects of BBB are not included in Markit's baseline forecast, as its passage remains uncertain. Third, state and local governments do not experience a fiscal contraction, helped by strong revenues and federal financial support provided under ARPA, the second payment of which is made to states in quarter two of 2022. Fourth, the Federal Reserve is expected to taper its pace of new U.S. Treasury and mortgage-backed security purchases to zero by mid-March of 2022, before beginning to raise the federal funds rate in May of 2022. The Federal Reserve also allows its holdings of securities to diminish over 2023 and 2024. Fifth, it is assumed that the current tariffs and trade agreements made between the U.S. and China remain in effect. Sixth, real, trade-weighted foreign GDP is expected to grow 3.8% in 2022, while foreign measures of inflation are expected to recede from around 3% in 2021 and 2022 to 2.3% in 2023. Finally, the price of Brent crude oil, which is estimated at $79 per barrel in the fourth quarter of 2021, will ease to $67 per barrel by 2025, before resuming its gradual rise.

The forecast is summarized in Table 2, which reflects IHS Markit's January, 2022, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

TABLE 2

Summary of National Economic Indicators
IHS Markit Baseline Forecast, January, 2022
($ in Billions)

	2020	2021	2022	2023
Nominal Gross Domestic Product	$20,893.7	$22,979.5	$24,869.0	$26,069.6
Percent Change	-2.2%	10.0%	8.2%	4.8%
Real Gross Domestic Product	$18,384.7	$19,425.7	$20,221.2	$20,731.2
Percent Change	-3.4%	5.7%	4.1%	2.5%
Consumer Prices (Percent Change)	1.2%	4.7%	4.2%	2.2%
Personal Income	$19,627.6	$21,043.2	$21,326.2	$22,350.4
Percent Change	6.5%	7.2%	1.3%	4.8%
Nominal PCE	$14,047.6	$15,765.7	$16,922.6	$17,632.2
Percent Change	-2.6%	12.2%	7.3%	4.2%
Economic Profits	$2,243.8	$2,758.5	$2,794.0	$2,829.8
Percent Change	-5.2%	22.9%	1.3%	1.3%
Unemployment Rate	8.1%	5.4%	3.7%	3.6%
Total Nonfarm Payrolls (Millions)	142.3	146.1	151.6	153.6
Percent Change	-5.7%	2.7%	3.7%	1.3%
Light Vehicle Sales (Millions of Units)	14.47	14.97	15.44	17.17
Percent Change	-14.7%	3.4%	3.1%	11.2%
Sales of New and Existing Homes (Millions of Units)	6.485	6.923	6.923	6.286
Percent Change	7.9%	6.8%	0.0%	-9.2%
Housing Starts (Millions of Units)	1.397	1.587	1.476	1.332
Percent Change	8.1%	13.6%	-7.0%	-9.8%

Consumer Prices. IHS Markit estimates that consumer prices grew 4.7% in 2021, increased from 2.6% estimated in the previous forecast. Core CPI (which excludes food and energy prices) was up 3.6% from the prior year, compared to the May estimate of 1.9%. Energy prices were a major contributor to overall CPI growth in 2021 (20.9% growth), as the price of Brent crude oil grew beyond the May expectations ($69 and $68 per barrel in the third and fourth quarters, respectively), reaching $73 per barrel in the third quarter, and ending the year at $79 per barrel.

IHS Markit forecasts that CPI will remain elevated in 2022 (4.2%) and increase more slowly in 2023 (2.2%), well above the previous forecast (1.7% and 1.9%, respectively), as consumer demand moderates and supply chains issues are resolved. Growth in energy prices is expected to slow considerably in 2022 (2.2%) and turn negative (-1.7%) in 2023. Growth in commodities and food prices are expected to remain above 4.0% in 2022 before easing in 2023.

Employment. The U.S. unemployment rate fell to 3.9% by December, 2021, just 0.4 percentage points above the pre-pandemic low of 3.5%. The January, 2022, forecast estimates that the average national unemployment rate was 5.4% in 2021. IHS Markit forecasts that the national unemployment rate will decline to its trough of 3.5% by the third quarter of 2022, earlier than previously forecast, before increasing slightly to 3.7% by the end of 2023. The Wisconsin unemployment rate was 2.8% in December, 2021, according to BLS, the lowest rate on record.

Payrolls are expected to surpass the previous peak in the second half of 2022, after which annual growth in payrolls is expected to fall short of the pre-pandemic trend. Overall, nonfarm payrolls are projected to increase by 3.7% in 2022 and another 1.3% in 2023. Meanwhile, the labor force participation rate is forecast to recover slightly, from an average of 61.6% in 2021 to 62.4% in 2022 and 62.7% in 2023, but still below pre-pandemic levels (63.1%). The labor force participation rate for the population under age 65 is projected to surpass its pre-pandemic peak by the third quarter of 2022, two quarters later than the previous forecast, offset by a larger share of the population over age 65 that is expected to permanently leave the workforce.

Personal Income. Personal income grew by more than previously expected (6.1% in the May forecast) in 2021 at 7.2%, stemming from growth in wages and salary disbursements (9.0%) and federal transfer payments (7.4%). Going forward, personal income is forecast to grow at a slower rate in 2022 (1.3%), as growth in wage and salary disbursements is mostly offset by the decline in federal transfer payments, and is projected to increase by 4.8% in 2023. IHS Markit forecasts that wage and salary disbursement will continue to grow by 8.2% in 2022 and by 5.3% in 2023. Compared to the previous forecast, growth rates were revised upward for personal income and wage and salary disbursements in each year of the forecast period. Despite the growth in personal income in 2021, real disposable income only grew 2.1% over the same period, and is projected to decline by 3.5% in 2022 before recovering to grow by 2.8% in 2023.

Personal Consumption. IHS Markit projects a gradual "renormalization" of consumer spending patterns in the coming years, as consumers shift away from spending on goods and towards spending on services. The current forecast projects that this shift will occur more slowly than anticipated in May, with spending on services making up 66.4% of total nominal PCE in 2022 and 67.8% in 2023, which is up from 65.1% in 2021, but still short of the pre-pandemic level (69.0%).

Amid rising wages, strong household net worth, and a tight labor market, IHS Markit projects that consumers will have money to spend. The savings rate is expected to decline from 11.9% in 2021 to 5.6% in 2022 and 6.1% in 2023, as individuals begin spending down their excess savings accumulated during the pandemic. Overall, nominal PCE is expected to be higher than the previous estimates, with growth of 7.3% in 2022 and 4.2% in 2023. Sales of consumer items generally subject to the state sales tax (such as most durable goods, clothing, restaurant meals, accommodations, and certain services) grew by an estimated 9.3% in 2021, and are forecast to grow by 13.9% in 2022 and 4.6% in 2023. The estimate for real PCE growth, which accounts for inflation, was increased in 2021 compared to the previous forecast, but is now forecast to grow more slowly in 2022 and 2023 than estimated in May. Lower real PCE growth reflects a decrease in consumer buying power because of higher inflation.

Despite supply chain issues that disrupted new vehicle sales during the second half of the year, sales of light vehicles grew an estimated 3.4% in 2021. IHS Markit forecasts modest growth in light vehicle sales in 2022 (3.1%), followed by stronger 2023 growth (11.2%), as chip shortages are resolved and producers have had time to replenish their inventories. Annual sales of light vehicles are not expected to reach their pre-pandemic peak (17.5 million in 2016) until 2024.

Housing. Housing starts were up 13.6% in 2021, the highest level in 15 years, yet still 23% below the 2005 peak. Although sales of existing houses peaked in the fourth quarter of 2020, the U.S. still saw its highest number of homes sold in 2021 since 2006, with year-over-year growth of 8.9% in 2021. On the other hand, new house sales declined 8.2% in 2021, reflecting inventory shortages, after peaking in the third quarter of 2020. According to the Federal Housing Finance Agency House Price Index, which began tracking housing price data in 1991, housing prices rose with a record high growth rate of 18.5% in the third quarter of 2021, compared to the third quarter in the previous year.

Going forward, IHS Markit forecasts that housing starts will decline 7.0% in 2022 and another 9.8% in 2023. Sales of existing homes are projected to increase by only 0.4% in 2022, before declining 9.6% in 2023, while growth in sales of new homes is projected to continue its decline by 3.3% in 2022 and 5.5% in 2023. Home prices are expected to grow at a slower rate in 2022 and 2023, due to: (a) an expanding housing stock; (b) homes with delinquent mortgage payments that are currently protected by forbearance being put up for sale; (c) more aspiring homeowners being priced out of the single-family home market; and (d) a rise in mortgage rates, which would reduce demand and help stabilize price growth. The average price of existing homes is projected to grow 4.7% in 2022 and 3.4% in 2023. Growth in average new home prices is expected to remain elevated in 2022 (11.0%), before slowing considerably in 2023 (1.7%).

Overall, current estimates for growth in housing starts are similar to the May forecast. Growth in sales of existing homes has been increased for 2021 and 2022, relative to the previous forecast, but decreased in 2023. Growth in new home sales was revised down significantly in 2021, but increased in 2022 and 2023, compared to previous estimates.

Monetary Policy. In response to rising inflation, the Federal Reserve is expected to tighten monetary policy more quickly than assumed in the May forecast. As noted previously, the Federal Reserve announced at its December FOMC meeting that it would end its purchases of U.S. Treasury and mortgage-backed securities by March, 2022. IHS Markit anticipates that the Federal Reserve will begin raising the federal funds rate in May of 2022, with two more increases expected by the end of the year. IHS Markit notes that the first interest rate increase could occur as early as March, 2022, but expects that additional guidance from the Federal Reserve will be forthcoming after its FOMC meeting on January 25-26, 2022. As the rates increase, it is estimated that the average commitment rate for a 30-year, conventional, fixed mortgage will increase from 3.0% in 2021 to 3.4% in 2022 and 4.1% in 2023.

Business Investment. IHS Markit estimates that growth in nominal nonresidential fixed investment recovered 9.1% in 2021, more quickly than previously estimated, after declining by 4.7% in 2020. Growth in 2021 was led by investment in equipment (13.2%), with the strongest growth in industrial equipment (17.6%). As a result of strength in consumer demand and the continued recovery of the U.S. economy, businesses have profit incentives to expand capacity to keep pace with sales. The forecast anticipates that nominal nonresidential fixed investment will continue to grow by 9.1% in 2022 and 5.7% in 2023. Reflecting the projection that oil prices will remain high in the coming years, IHS Markit forecasts that investment on mining and petroleum structures will increase 32.9% in 2022 and 12.7% in 2023.

The January, 2021, forecast projected that inventories would increase by $96.9 billion in 2021, after falling $59.6 billion in 2020. Instead, inventories fell by another $52.3 billion in 2021, due largely to increased demand for goods and ongoing supply chain issues that had been drawing down inventories. IHS Markit expects businesses to rebuild inventories in the coming years, with total inventories increasing by $143.0 billion in 2022 and $153.1 billion in 2023. While IHS Markit reports that many industries had already begun restocking inventory in the fourth quarter of 2021, it predicts that inventories for motor vehicles and parts will not begin rebuilding until the second quarter of 2022.

International Trade. Overall, net exports reduced real GDP growth by 1.37 percentage points in 2021, as the rebound in nominal imports (22.2%) outpaced growth in nominal exports (16.4%). However, growth in imports is expected to slow to 8.0% in 2022 and 2.6% in 2023, as consumers shift from purchasing goods to purchasing services. This, along with stronger growth in exports as global demand increases (9.8% in 2022 and 6.8% in 2023), is expected to improve the U.S. balance of trade in the coming years. Net exports are forecast to reduce GDP only modestly in 2022 (-0.04 percentage points), before contributing 0.35 percentage points in 2023.

Overall, the estimates for total imports and total exports were increased in each year compared to May. However, a larger upward revision was made to imports, resulting in a reduction in the U.S. balance of trade compared to previous estimates.

Corporate Profits. Corporate before-tax book profits grew by an estimated 36.0% in 2021, higher than the 24.6% growth forecast in May, 2021, and up significantly from the 0.6% growth forecast in January, 2021. IHS Markit now forecasts before-tax book profits to decline by 2.4% in 2022, before recovering 2.4% in 2023. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and thus are not affected by federal tax laws), increased by 22.9% in 2021, slightly above the May forecast. IHS Markit forecasts more modest increases in economic profits of 1.3% in 2022 and 2023. The January, 2022, forecast assumes that the effective federal corporate tax rate for all industries was 12.4% in 2021, and is expected to increase to 12.9% in 2022 and 13.0% in 2023, a lower effective rate than projected for each year in May.

Fiscal Policy. The federal budget deficit is expected to decline from $2.77 trillion in federal fiscal year 2021 to $1.27 trillion in 2022 and $0.81 trillion in 2023, lower than was forecast in May. Although the IIJA provides $548 billion in new budget authority, these expenditures will be spread out over five years, so its impact on annual GDP growth in any given year is relatively modest. IHS Markit estimates that spending by the federal government contributed just 0.04 percentage points to GDP growth in 2021, and will detract 0.11 percentage points from GDP in 2022 and 0.01 percentage points in 2023. By contrast, state and local government spending is forecast to contribute 0.31 percentage points to GDP growth in 2022 and 0.27 percentage points in 2023.

As noted, the forecast assumes that state and local governments will not experience a fiscal contraction due, in part, to financial support provided by the federal government. To date, $58.2 billion in federal funds have been awarded to the State of Wisconsin, local units of government, and individuals, businesses, and nonprofit entities in the state, from federal acts responding to the COVID-19 pandemic.

Alternative Scenarios. IHS Markit's January, 2022, forecast also includes an optimistic scenario and a pessimistic scenario. Under the optimistic scenario, IHS Markit assigns a 20% probability that a quicker recovery in consumer spending and stronger productivity than assumed in the baseline forecast will occur. A more robust consumer and business response to IIJA and an effective response to the Omicron variant helps support the stronger recovery. This scenario assumes that much of household spending in 2022 occurs early in the year, as a result of: (a) consumers spending down additional excess savings accumulated in 2020 and 2021; and (b) a COVID-19 environment that is less threatening and infection rates that dissipate quickly from current infection levels. Under the optimistic scenario, CPI increases at a faster rate than under the baseline, at 4.4% in 2022 and 2.5% in 2023. This scenario also assumes that firms continue to capitalize on productivity gains they achieved during the early stages of the pandemic, leading to a quicker rise in business fixed investment. The national unemployment rate quickly falls below 4.0% by early 2022. Real GDP grows at a 7.8% annual rate in the fourth quarter of 2021, rather than the 6.8% rate assumed under the baseline forecast, and rises to 5.7% (rather than 4.1%) in 2022.

Under the pessimistic scenario, to which IHS Markit assigns a 30% probability, recovery in consumer spending is weakened by an alarming rise in COVID-19 cases and hospitalizations that leads to a reduction in socially-dense consumer activities. Ongoing supply-chain issues worsen under this scenario, leading to prolonged delays in the production and shipment of consumer durable goods and growth in consumer spending being 1.3 percentage points lower than the baseline forecast in 2022 and 2023. These factors prompt businesses to scale back investment plans, leading to weaker business fixed investment growth of 5.0% in 2022. The pessimistic scenario assumes a slower increase in consumer prices (3.6% in 2022 and 1.1% in 2023) as compared to the baseline. The unemployment rate is expected to continue declining, though at a slower pace, to 4.2% by mid-2023, before rising slightly in the following years. Real GDP growth is weaker in the fourth quarter of 2021, compared to the baseline, and slows to 2.7% in 2022.

General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2021-22 and 2022-23. The previous estimates are the general fund tax estimates included in Act 58, adjusted to reflect the Department of Revenue's decision to adjust tax withholding tables effective January 1, 2022 (the first such adjustment since April 1, 2014).

TABLE 3

Projected General Fund Tax Collections
($ in Millions)

	2020-21 Actual	Previous Estimates 2021-22	Previous Estimates 2022-23	Revised Estimates January, 2022 2021-22	Revised Estimates January, 2022 2022-23
Individual Income	$9,283.4	$7,970.7	$9,115.6	$8,220.0	$9,690.0
General Sales and Use	6,373.5	6,639.6	6,844.5	6,925.0	7,230.0
Corporate Income/Franchise	2,560.1	1,910.0	2,160.0	2,420.0	2,585.0
Public Utility	356.3	354.0	352.0	369.0	371.0
Excise					
Cigarette	509.8	494.0	483.0	498.0	487.0
Tobacco Products	92.7	96.0	100.0	95.0	99.0
Vapor Products	1.5	1.7	2.0	3.6	4.0
Liquor and Wine	64.6	60.0	61.0	61.0	62.0
Beer	9.2	8.9	8.8	8.7	8.6
Insurance Company	202.1	209.0	217.0	211.0	220.0
Miscellaneous Taxes	119.6	117.0	114.0	132.0	128.0
Total	$19,572.8	$17,860.9	$19,457.9	$18,943.3	$20,884.6
Change from Prior Year		-$1,711.9	$1,597.0	-$629.5	$1,941.3
Percent Change		-8.7%	8.9%	-3.2%	10.2%

In total, these amounts are $2,509.2 million greater than the previous estimates. The percentage difference is 6.7%. The majority of the excess revenue (97% of the excess revenue) is from increased projections for: (a) corporate income/franchise tax revenues, which are $935.0 million higher than the previous estimates; (b) individual income tax revenues, which are $823.7 million higher; and (c) sales and use tax revenues, which are $670.9 million higher. The remaining 3% ($79.6 million) of the excess revenue is primarily comprised of higher estimates for taxes on public utilities and the real estate transfer fee.

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

Individual Income Tax. Total individual income tax collections were $9,283.4 million in 2020-21, an increase of 6.2% over the prior year. Actual revenues in 2020-21 were 0.4% ($33.4 million) higher than this office's previous estimate. Based on preliminary collections information through December, 2021, total year-to-date income tax collections are higher by 13.7% ($562.3 million) than such receipts during the same time period one year ago.

However, revenues are projected to decline over the rest of 2021-22 by $1,626 million (31.4%) relative to the same time period in the prior year. This estimated revenue decrease over the rest of the year is driven primarily by: (a) the income tax rate reduction included in 2021 Act

58, which lowered the rate in the third income tax bracket from 6.27% to 5.30%, beginning in tax year 2021; and (b) the Department of Revenue's decision to update the income tax withholding tables beginning January 1, 2022, to reflect the income tax rates, brackets, and sliding scale standard deduction (SSSD) in effect under current law for tax year 2022. Together, these two provisions are estimated to reduce income tax collections by $1,729 million in 2021-22. On a year-over-year basis, total income tax revenues are estimated to decline by 11.5% to $8,220 million in 2021-22 ($249.3 million higher than the previous estimate).

On January 6, 2022, it was announced that a winning Powerball ticket was purchased in Ashwaubenon. Assuming the winner elects to receive the cash option, this is estimated to result in additional income tax revenues of $17.2 million on a one-time basis. Though recent news reports indicate that the individual has not yet come forward to claim their prize, this amount is nonetheless included in the income tax revenue projection for 2021-22.

In 2022-23, income tax collections are estimated to increase year-over-year by 17.9% to $9,690 million (an increase of $574.4 million relative to the prior estimate for 2022-23). This is due, in part, to a currently-tight labor market and resultant wage inflation. The revenue increase is estimated to persist even while the estimate projects a continued increase in the CPI, on which the income tax rates, brackets, and SSSD for each tax year are based. All else equal, an increase in the CPI serves to reduce income tax collections, because relatively more income is subject to tax at lower rates. The estimate also reflects the anticipation that income tax refunds will be significantly lower in 2022-23 relative to 2021-22, which is principally caused by the withholding table update described above. Because lesser amounts of tax will be over-withheld from each paycheck beginning in tax year 2022, this will reduce the refund payments taxpayers would otherwise receive, beginning in 2022-23.

General Sales and Use Tax. State sales and use tax revenues totaled $6,373.5 million in 2020-21, which was an increase of 9.2% over the prior year. Sales tax revenues are estimated at $6,925.0 million in 2021-22 and $7,230.0 million in 2022-23, constituting annual growth of 8.7% in 2021-22 and 4.4% in 2022-23. These estimates represent revenue increases relative to the prior estimates of $285.4 million in 2021-22 and $385.5 million in 2022-23. The increased estimates are based on sales tax collections to date and IHS Markit's projections for: (a) increased inflation in 2021 and 2022, which requires consumers to spend more money to maintain the same level of consumption; and (b) increased personal income and higher accumulated savings to date. IHS Markit's current projections for annual inflation were revised up from the May, 2021, forecast by 2.1 percentage points in 2021 and 2.5 percentage points in 2022.

Sales tax collections through December, 2021, are 13.2% ($332 million) higher than the same period in the prior year. The strong year-to-date growth in collections reflects growth over months in the previous year in which COVID-19 vaccines were not yet available and consumers engaged in less in-person economic activity. It is estimated that, over the rest of 2021-22, sales tax revenue will increase at a slower rate of 5.7%.

Prior to the start of the pandemic, it was estimated that Wisconsin would collect $146.3 million in 2020-21 in sales tax from remote sellers and marketplace providers. Actual sales tax collections from these sellers amounted to $401.4 million in 2020-21, which is $255.1 million more than the 2020-21 estimate. It is believed that the pandemic resulted in a large and continuing shift in consumer spending from physical stores to online stores, which is reflected in this data. Year-to-date sales tax collected by marketplace providers and remote sellers in 2021-22 has increased 31.2% ($42.2 million) compared to the same period in the previous year. If sales tax collections were adjusted to exclude the increased collections from marketplace providers and remote sellers, year-to-date growth in collections would have been 11.5%.

Corporate Income/Franchise Tax. Corporate income/franchise tax collections were $2,560.1 million in 2020-21, which grew 59.2% above the previous year. Strong growth in 2020-21 was attributable to: (a) 22.9% growth in economic profits in 2021; (b) strong corporate audit payments; and (c) a one-time enhancement of $155 million due to the shifting of estimated and final payments resulting from the extension of tax filing deadlines in 2020 to July 15 (this revenue would have otherwise been collected in 2019-20). Corporate tax revenues are projected to decline by $140.1 million to $2,420.0 million in 2021-22 and then increase by $165.0 million to $2,585.0 million in 2022-23, reflecting a contraction of 5.5% in 2021-22 and growth of 6.8% in 2022-23.

Compared to the corporate tax revenues forecast in June, 2021, actual collections were $230.1 million higher in 2020-21, and the current estimates are $510 million higher in 2021-22 and $385 million higher in 2022-23. This is so for two main reasons. First, based on information from the federal Small Business Administration on the timing of loan forgiveness, as well as corporate tax refunds paid year-to-date, $58.3 million of the estimated fiscal effect of providing state tax benefits for certain loan forgiveness and economic support programs (including forgiven PPP loans) under 2021 Act 1 is now projected to occur in 2021-22, rather than 2020-21 as initially estimated. Second, strong year-to-date collections (22.6% over the same period through December in 2020-21) were likely affected by tax planning activities in tax year 2021, in anticipation of the potential passage of BBB. Although not yet enacted, several of the proposed provisions include certain changes to the tax treatment of foreign-derived profits, an alternative minimum 15% corporate tax rate for corporations reporting more than $1.0 billion in annual profit, and a 1% corporate stock buyback excise tax. Because corporate tax filers had a strong incentive to realize profits before such changes may go into effect, it is assumed that payments made in the first half of 2021-22 include tax revenues from profits that might otherwise have been realized later in the biennium.

Despite the strong growth in collections in the first half of 2021-22, several factors account for the forecasted decline compared to collections in 2020-21. First, tax filing deadlines for corporate filers were not extended in 2021, and thus no revenues were thrown forward from 2020-21 into 2021-22 (resulting in a decline of $155 million compared to the previous year). Second, according to the Department of Revenue, the sharp increase in corporate audit payments in recent years reflects economic activity from prior years and is unlikely to repeat in 2021-22 and 2022-23, relative to 2020-21. Third, IHS Markit forecasts that growth in economic profits will moderate to 1.3% in 2022 and 2023. Fourth, strong year-to-date collections were likely affected by tax planning activities that are not anticipated to continue during the remainder of the biennium. Fifth, the majority of the revenue reduction estimated under 2021 Act 1 is now estimated to occur in 2021-22, rather than 2020-21.

Public Utility Taxes. Revenues from public utility taxes totaled $356.3 million in 2020-21 and are estimated at $369 million in 2021-22 and $371 million in 2022-23. Year-over-year, these amounts represent an increase of 3.6% in 2021-22 and 0.5% in 2022-23. Relative to the previous estimates, these estimates reflect an increase of $15 million in 2021-22 and $19 million in 2022-23.

The higher estimates are primarily attributable to strong demand for electricity and natural gas services, which experienced accelerated growth as the economy returned to pre-pandemic patterns in 2021. Data reported by Wisconsin utilities through September 30, 2021, show year-over-year growth of 13.3% for natural gas sales, and 4.0% for electricity sales. These trends are anticipated to continue in 2022, with the U.S. Energy Information Administration forecasting 2022 growth of 8.4% for natural gas sales nationally and 2.9% for electricity sales in the Wisconsin region.

Estimated tax payments from the next largest taxpayer group, telecommunications companies, are anticipated to decline during the biennium as the exemption enacted under 2019 Act 128 for property providing broadband internet service in rural areas phases in. The exemption first affects public utility tax collections in 2021-22, and is estimated to reduce collections by $1.6 million in 2021-22 and $8.3 million in 2022-23, growing further as it phases in fully by 2025-26. Collections for other ad valorem utility taxpayers are anticipated to decline as the statewide net property tax rate is expected to decline over the biennium. Overall, the estimated declines in telecommunications and other ad valorem company collections are offset by strong growth in electricity and natural gas sales, resulting in modest growth in utility tax revenues over the 2021-23 biennium.

Excise Taxes. General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), other tobacco products, vapor products, and beer. Total excise tax revenues in 2020-21 were $677.8 million, of which $509.8 million (75.2%) was from the excise tax on cigarettes. Despite strong growth in liquor (17.9%) and beer (8.2%) tax collections, total excise tax collections in 2020-21 declined 0.2% from the prior fiscal year. This decline was driven by a 2.6% decrease in cigarette tax revenues. Total excise tax revenues are estimated to decrease by 1.7% to $666.3 million in 2021-22 and by 0.9% to $660.6 million in 2022-23. Compared to the previous estimates, these amounts are $5.7 million higher in 2021-22 and $5.8 million higher in 2022-23.

Cigarette tax revenues are estimated at $498.0 million in 2021-22 and $487.0 million in 2022-23, constituting annual revenue declines of 2.3% and 2.2%, respectively. These estimates are higher than previously forecast by $4.0 million each year. This increase was partly in response to higher than anticipated 2020-21 cigarette tax revenues ($2.8 million above the previous forecast). In addition, year-to-date growth in 2021-22 cigarette tax revenues is -2.9% compared to the same period in the prior year. However, after adjusting for the estimated reduction in revenues resulting from the federal law raising the legal age for purchasing cigarettes and tobacco products to 21, year-to-date revenues are only down 2.3% compared to the prior year. Based on this, the estimate has been revised up now that the fiscal effects of the federal law change have been fully realized, and future revenue declines are expected to be smaller than those seen in recent months.

Insurance Premiums Taxes. Insurance premiums tax collections were $202.1 million in 2020-21, $1.1 million above the previous estimate. Revenues are projected to increase to $211.0 million in 2021-22 and to $220.0 million in 2022-23 (growth rates of 4.4% and 4.3%, respectively). The estimates are $2.0 million higher each year from the previous estimates, and are based on growth in year-to-date insurance premiums tax collections (4.2%), trends in historical collection growth, and projected growth in consumer spending on insurance.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were $119.6 million in 2020-21, of which 88.7% was generated from the real estate transfer fee. Total miscellaneous tax collections in 2020-21 represented an increase of 30.4% from the prior fiscal year, in part due to strong housing demand fueled by low mortgage rates, which led to rising prices. Miscellaneous tax revenues are estimated at $132.0 million in 2021-22 and $128.0 million in 2022-23, which is higher than the previous estimate by $15.0 million and $14.0 million, respectively.

The revised estimates reflect much higher than expected year-to-date growth in collections from the real estate transfer fee (18.0%) and improved housing market indicators. At the time of the June, 2021, forecast, this office projected relatively flat growth in the first half of 2021-22, based on a number of IHS Markit indicators. These indicators are now showing: (a) a larger amount of existing and new home sales during the second half of 2021 and into 2022, compared to IHS Markit's May, 2021 forecast; and (b) significantly higher house prices, particularly for new houses.

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/ml
cc: Members, Wisconsin Legislature

APPENDIX B

General Obligation Issuance Status Report
February 1, 2022

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium [(a)]	G.O.Refunding Bonds of 2022, Series 2 and 2023, Series 1	Total Authorized Unissued Debt
University of Wisconsin; academic facilities	$ 3,564,643,100	$ 2,426,348,137	$ 13,084,724	$ 130,161,106		$ 995,049,133
University of Wisconsin; self-amortizing facilities	3,260,597,100	2,596,176,662	2,967,557	119,486,715		541,966,166
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program	1,178,850,000	941,949,815	410,794	43,046,547		193,442,844
Natural resources; municipal clean drinking water grants	9,800,000	9,518,744	141,818			139,438
Clean water fund program	659,783,200	654,875,234		4,629,374		278,592
Safe drinking water loan program	74,950,000	69,215,595	123	2,183,403		3,550,879
Natural resources; nonpoint source grants	94,310,400	93,954,702	190,043	165,649		6
Natural resources; nonpoint source compliance	57,050,000	37,018,064	2,498	4,188,056		15,841,382
Natural resources; environmental repair	57,000,000	51,199,261	203,594	773,380		4,823,765
Natural resources; urban nonpoint source cost-sharing	61,600,000	48,778,327	31,189	2,853,289		9,937,195
Natural resources; contaminated sediment removal	40,000,000	28,635,461		2,042,780		9,321,759
Natural resources; environmental segregated fund supported administrative facilities	19,969,200	16,484,984	161	1,465,759		2,018,296
Natural resources; segregated revenue supported dam safety projects	6,600,000	6,571,582	617	27,795		6
Natural resources; pollution abatement and sewage collection facilities, ORAP funding	145,060,325	145,010,325	50,000			
Natural resources; pollution abatement and sewage collection facilities	893,493,400	874,927,239	18,513,077			53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow	200,600,000	194,312,599	6,287,401			
Natural resources; recreation projects	56,055,000	56,053,994	1,006			
Natural resources; local parks land acquisition and development	2,490,000	2,447,741	42,259			
Natural resources; recreation development	36,323,200	22,919,742	141,325	68		13,262,065
Natural resources; land acquisition	45,608,600	45,116,929	491,671			
Natural resources; Wisconsin natural areas heritage program	2,500,000	2,445,793	17,174			37,033
Natural resources; segregated revenue supported facilities	157,541,500	104,252,070	93,544	6,497,985		46,697,901

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
FEBRUARY 1, 2022

			Credit to Capital Improvement Fund			
Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings[a]	Premium [a]	G.O.Refunding Bonds of 2022, Series 2 and 2023, Series 1	Total Authorized Unissued Debt
Natural resources; general fund supported administrative facilities.....................................	$ 16,514,100	$ 14,370,211	$ 21,753	$ 685,914		$ 1,436,222
Natural resources; ice age trail...	750,000	750,000				
Natural resources; dam safety projects…………………………….	39,500,000	21,842,755	51,291	2,139,571		15,466,383
Natural resources; segregated revenue supported land acquisition...............................	2,500,000	2,500,000				
Natural resources; Warren Knowles - Gaylord Nelson stewardship program............................	231,000,000	229,299,075	1,306,879	143,920		250,126
Transportation; administrative facilities.....................................	8,890,400	8,759,479	33,943			96,978
Transportation; accelerated bridge improvements..	46,849,800	46,849,800				
Transportation; major interstate bridge construction…………….	272,000,000	235,980,986	64	36,018,642		308
Transportation; rail passenger route development………………	89,000,000	72,819,072	3,016	2,856,171		13,321,741
Transportation; accelerated highway improvements……………	185,000,000	185,000,000				
Transportation; connecting highway improvements……………	15,000,000	15,000,000				
Transportation; federally aided highway facilities...	10,000,000	10,000,000				
Transportation; highway projects...	41,000,000	41,000,000				
Transportation; major highway and rehabilitation projects..	565,480,400	565,480,400				
Transportation; Southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects…………………………….	1,453,550,000	1,258,433,137	3,018,078	107,724,471		84,374,314
Transportation; state highway rehabilitation projects, southeast megaprojects.......................	820,063,700	781,604,780	1,182,897	37,275,422		601
Transportation; major highway projects…………………………	100,000,000	98,948,179		1,051,814		7
Transportation; state highway rehabilitation, certain projects….	141,000,000	134,924,101		6,075,854		45
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval…………	305,227,664	260,693,759	141,819	44,391,381		705
Transportation; southeast Wisconsin freeway megaprojects subject to contingency…………………………	252,400,000	205,508,738	94,291	33,115,429		13,681,542
Transportation; design−build projects…………………………	20,000,000					20,000,000
Transportation; harbor improvements..	167,300,000	117,116,140	234,581	9,674,019		40,275,260
Transportation; rail acquisitions and improvements..	300,300,000	208,864,062	5,187	21,450,283		69,980,468
Transportation; local roads for job preservation, state funds..................…………	2,000,000	2,000,000				
Corrections; correctional facilities..	989,501,800	899,906,377	11,468,918	16,383,479		61,743,026

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
FEBRUARY 1, 2022

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[a]	Credit to Capital Improvement Fund: Premium [a]	G.O.Refunding Bonds of 2022, Series 2 and 2023, Series 1	Total Authorized Unissued Debt
Corrections; self-amortizing facilities and equipment……	$ 2,116,300	$ 2,115,438	$ 99			$ 763
Corrections; juvenile correctional facilities……	32,652,200	28,538,452	108,861	$ 988		4,003,899
Secured residential care centers for children and youth……	80,000,000	452,336		100,657		79,447,007
Health services; mental health and secure treatment facilities……	358,796,500	197,354,571	895,996	7,029,616		153,516,317
Agriculture; soil and water……	82,075,000	68,912,014	9,110	4,509,695		8,644,181
Agriculture; conservation reserve enhancement……	28,000,000	21,275,180	3,160	1,185,149		5,536,511
Administration; Black Point Estate……	1,600,000	1,598,655	445			900
Administration; energy conservation projects; capital improvement fund……	270,000,000	170,378,136		12,072,442		87,549,422
Building commission; previous lease rental authority……	143,071,600	143,068,654				2,946
Building commission; refunding tax-supported general obligation debt……	2,102,086,430	2,102,086,530				
Building commission; refunding self-amortizing general obligation debt……	272,863,033	272,863,033				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005……	250,000,000	250,000,000				
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2011……	474,000,000	473,651,084				348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013……	264,200,000	263,420,000				780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt……	9,510,000,000	7,168,971,045			$ 305,805,000	2,035,223,955
Building commission; housing state departments and agencies……	967,725,300	769,447,916	2,356,097	41,535,540		154,385,747
Building commission; 1 West Wilson street parking ramp……	15,100,000	14,805,521	294,479			
Building commission; project contingencies……	47,961,200	47,445,936	64,761	221,173		229,330
Building commission; capital equipment acquisition……	125,660,000	123,912,309	740,327	340,645		666,719
Building commission; discount sale of debt……	90,000,000	73,045,307				16,954,693
Building commission; discount sale of debt (higher education bonds)……	100,000,000	99,988,833 [b]				11,167
Building commission; other public purposes……	3,313,406,900	2,567,075,916	8,728,619	100,247,051		637,355,314

GENERAL OBLIGATION ISSUANCE STATUS REPORT–CONTINUED
FEBRUARY 1, 2022

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium [(a)]	G.O.Refunding Bonds of 2022, Series 2 and 2023, Series 1	Total Authorized Unissued Debt
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities………………	$ 10,000,000	$ 10,000,000				
Norskedalen Nature and Heritage Center……….	1,048,300					$ 1,048,300
Bond Health Center…………………………….	1,000,000	983,307		$ 16,682		11
Lac du Flambeau Indian Tribal Cultural Center..	250,000	210,495		39,504		1
Dane County; livestock facilities……………….	9,000,000	7,577,838		1,422,134		28
K I Convention Center…………………………	2,000,000	1,725,394		274,522		84
HR Academy, Inc.……………………………..	1,500,000	1,500,000				
Medical College of Wisconsin, Inc.; biomedical research and technology incubator……………..………….	45,000,000	33,909,754		926,706		10,163,540
AIDS Resource Center of Wisconsin, Inc…………………………………..	800,000	800,000				
Bradley Center Sports and Entertainment Corporation………………………	5,000,000	4,869,946		130,053		1
Medical College of Wisconsin; community medical education facilities………	7,384,300	6,399,096	$ 3,011	779,607		202,586
Family justice center……………………………	10,625,000	9,109,385		1,515,566		49
Marquette University; dental clinic and education facility………………	25,000,000	23,942,583	818	1,056,495		104
Civil War exhibit at the Kenosha Public Museums………………………………..	500,000	500,000				
AIDS Network, Inc.……………………………	300,000	300,000				
Wisconsin Maritime Center of Excellence………	5,000,000	4,383,263		616,673		64
Hmong cultural centers…………………………	250,000	250,000				
Milwaukee Police Athletic League; youth activities center………………………….	1,000,000	1,000,000				
Children's research institute…………………….	10,000,000	10,000,000				
Domestic Abuse Intervention Services, Inc.……	560,000	476,628		83,327		45
Carroll University……………………………	3,000,000	2,393,760		403,102		203,138
Wisconsin Agricultural Education Center, Inc…	5,000,000	4,522,862		477,090		48
Eau Claire Confluence Arts, Inc…………………	15,000,000	13,461,714		1,537,698		588
Psychiatric and behavioral health treatment beds; Marathon County………………….	5,000,000					5,000,000
Administration; school educational technology infrastructure financial assistance………………	71,911,300	71,480,216	431,066			18
Myrick Hixon EcoPark, Inc…………………….	500,000	500,000				
Madison Children's Museum……………………	250,000	250,000				
Administration; public library educational technology infrastructure financial assistance………..……………………	269,000	268,918	42			40
Educational communications board; educational communications facilities…………………………………………	24,169,000	24,112,683	38,515	11,925		5,877
LaCrosse Center…………………………………	5,000,000	4,104,366		895,560		74
St. Ann Center for Intergenerational Care, Inc., Bucyrus Campus…………………………	5,000,000	4,245,324		754,625		51
Brown County innovation center………………	5,000,000	4,115,765		739,566		144,669
Beyond Vision; VisABILITY Center…………………	5,000,000					5,000,000
Building Commission; projects…......................	25,000,000					25,000,000
Building Commission; center….........................	15,000,000					15,000,000
Museum of nature and culture….......................	40,000,000					40,000,000

General Obligation Issuance Status Report–Continued
February 1, 2022

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund: Interest Earnings[(a)]	Credit to Capital Improvement Fund: Premium [(a)]	G.O.Refunding Bonds of 2022, Series 2 and 2023, Series 1	Total Authorized Unissued Debt
Grand Opera House in Oshkosh……………….	$ 500,000	$ 500,000				
Aldo Leopold climate change classroom and interactive laboratory………………………………………	500,000	485,000		$ 14,992		$ 8
Historical society; self-amortizing facilities..............………………	1,029,300	1,029,156	$ 3,896			
Historical society; historic records...........................………………	26,650,000	23,165,436	137	3,320,412		164,015
Historical society; historic sites...............................………………	17,912,800	9,236,927	847	328,935		8,346,091
Historical society; museum facility..........................………………	74,384,400	4,362,469				70,021,931
Historical society; Wisconsin history center………………………	16,000,000	8,775,977	457	1,376,465		5,847,101
Public instruction; state school, state center and library facilities……………………………	37,350,600	11,845,469	32,509	467,826		25,004,796
Military affairs; armories and military facilities....………………	81,922,400	43,205,312	198,829	2,078,102		36,440,157
Veterans affairs; veterans facilities...........………………………	27,359,900	10,749,654	50,593	288,714		16,270,939
Veterans affairs; self-amortizing mortgage loans....………………	2,122,542,395	2,122,542,395				
Veterans affairs; refunding bonds..........................………………	1,015,000,000	761,594,245				253,405,755
Veterans affairs; self-amortizing facilities…………………………	94,271,100	49,187,575	2,427	5,719,919		39,361,179
State fair park board; board facilities..........................…………………	14,787,100	14,769,363	1			17,736
State fair park board; housing facilities..........................………………	11,000,000	10,999,985	15			
State fair park board; self-amortizing facilities..........………………	55,187,100	52,699,335	22,401	13,596		2,451,768
Total.......................................………………	$ 39,188,681,347	$ 32,078,812,512	$ 74,220,810	$829,041,028	$305,805,000	$ 5,900,805,849

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

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

Source: Department of Administration.

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APPENDIX C

EXPECTED FORMS OF BOND COUNSEL OPINIONS

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

(Letterhead of Foley & Lardner LLP)

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

$180,030,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2022, SERIES 2 (TAXABLE)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $180,030,000 General Obligation Refunding Bonds of 2022, Series 2 (Taxable), dated the date hereof **(2022 Series 2 Bonds)**. The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on October 20, 2021 (**Resolution**).

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

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

1. The 2022 Series 2 Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State, enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the 2022 Series 2 Bonds as the 2022 Series 2 Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.

The rights of the owners of the 2022 Series 2 Bonds and the enforceability of the 2022 Series 2 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated March 2, 2022 or other offering material relating to the 2022 Series 2 Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

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

Very truly yours,

FOLEY & LARDNER LLP

(Letterhead of Foley & Lardner LLP)

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

$125,775,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2023, SERIES 1 (FORWARD DELIVERY)

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its $125,775,000 General Obligation Refunding Bonds of 2023, Series 1 (Forward Delivery), dated the date hereof (**2023 Series 1 Bonds**). The 2023 Series 1 Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on October 20, 2021 (**Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the 2023 Series 1 Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

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

1. The 2023 Series 1 Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State, enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the 2023 Series 1 Bonds as the 2023 Series 1 Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. Interest on the 2023 Series 1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the 2023 Series 1 Bonds are issued for interest on the 2023 Series 1 Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the 2023 Series 1 Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the 2023 Series 1 Bonds were issued. We express no opinion about other federal tax law consequences regarding the 2023 Series 1 Bonds.

The rights of the owners of the 2023 Series 1 Bonds and the enforceability of the 2023 Series 1 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statements dated March 2, 2022 and   , 2023 or other offering material relating to the 2023 Series 1 Bonds (except to the extent, if any, stated in an Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in an Official Statement).

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

Very truly yours,

FOLEY & LARDNER LLP

APPENDIX D

REFUNDED BONDS

Series	Dated Date	Principal Amount	Interest Rate	Maturity	CUSIP[a]	Redemption Date	Redemption Price
Current Refunded							
2013 Series 1	11/7/2013	$ 8,550,000	4.000%	5/1/2024	97705L 2U0	5/1/2023	100%
		39,335,000	5.000	5/1/2024	97705L 3K1	5/1/2023	100
		250,000	4.000	5/1/2025	97705L 2V8	5/1/2023	100
		11,350,000	5.000	5/1/2027	97705L 3E5	5/1/2023	100
		830,000	4.125	5/1/2033	97705L 3D7	5/1/2023	100
2018 Series A	3/15/2018	$ 18,020,000	5.000	5/1/2024	97705M LE3	5/1/2023	100
		12,375,000	5.000	5/1/2027	97705M LH6	5/1/2023	100
		13,010,000	5.000	5/1/2028	97705M LJ2	5/1/2023	100
2018 Series B	10/11/2018	$ 9,365,000	5.000	5/1/2024	97705M LX1	5/1/2023	100
		10,890,000	5.000	5/1/2027	97705M MA0	5/1/2023	100
		11,445,000	5.000	5/1/2028	97705M MB8	5/1/2023	100
		$135,420,000					
Advance Refunded							
2016 Series A	3/16/2016	$ 14,390,000	5.000%	5/1/2030	97705M DB8	5/1/2025	100%
		15,185,000	5.000	5/1/2031	97705M DC6	5/1/2025	100
		36,285,000	5.000	5/1/2032	97705M DD4	5/1/2025	100
2016 Series D	10/25/2016	$ 14,550,000	5.000	5/1/2030	97705M FK6	5/1/2024	100
		33,550,000	5.000	5/1/2037	97705M FS9	5/1/2024	100
2017 Series A	3/29/2017	$ 19,755,000	5.000	5/1/2032	97705M GD1	5/1/2025	100
2017 Series B	11/30/2017	$ 9,715,000	5.000	5/1/2030	97705M KD6	5/1/2025	100
		10,240,000	5.000	5/1/2031	97705M KE4	5/1/2025	100
		10,775,000	5.000	5/1/2032	97705M KF1	5/1/2025	100
		$164,445,000					

[a] 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 Refunded Bonds, and the State takes no responsibility for the correctness of the CUSIP numbers.

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APPENDIX E
FORM OF DELAYED DELIVERY CONTRACT

UBS Financial Services Inc.

[Date]

Re: $125,775,000 State of Wisconsin
General Obligation Refunding Bonds of 2023, Series 1 (Forward Delivery) **(Bonds)**

Ladies and Gentlemen:

The undersigned **(Purchaser)** hereby agrees to purchase from the above referenced underwriter **(Representative)**, as representative of itself and the underwriters set forth in the Forward Delivery Purchase Agreement (defined below) **(Underwriters)** when, as, and if issued and delivered to the Underwriters by the State of Wisconsin **(State)**, and the Representative agrees to sell to the Purchaser:

Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price

of the above-referenced Bonds **(Purchased Bonds)** offered by the State under the Preliminary Official Statement dated February 4, 2022 **(Preliminary Official Statement)** and the Official Statement relating to the Bonds dated March 2, 2022 **(Official Statement)**, at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. The Purchaser will review the Official Statement when delivered to it by the Representative. The Bonds are being purchased by the Underwriters pursuant to a Forward Delivery Purchase Agreement between the State and the Underwriters **(Forward Delivery Purchase Agreement)**. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Preliminary Official Statement.

The Purchaser hereby confirms that it has reviewed the Preliminary Official Statement (including without limitation the section entitled "UNDERWRITING – Certain Forward Delivery Considerations, Acknowledgements, and Risks" therein), will review the Official Statement, has considered the risks associated with purchasing the Purchased Bonds, and is duly authorized to purchase the Purchased Bonds. The Purchaser further acknowledges and agrees that the Purchased Bonds are being sold on a "forward" basis, and the Purchaser hereby purchases and agrees to accept delivery of such Bonds from the Underwriters on January 31, 2023, or on such later date (no later than April 30, 2023 as is mutually agreed upon by the State and the Representative **(Forward Settlement Date)** as they may be issued and delivered as described in the Preliminary Official Statement and the Official Statement.

Payment for the Purchased Bonds shall be made to the Representative or upon its order on the Forward Settlement Date upon delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriters be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the State does not for any reason issue and deliver the Purchased Bonds.

Upon settlement of the purchase and sale of the Bonds pursuant to the Forward Delivery Purchase Agreement, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional. The Purchaser may terminate its obligation to purchase the Purchased Bonds in the event that between the Preliminary Closing Date and the Forward Settlement Date, one of the following events shall have occurred after the later of the Preliminary Closing Date or the date hereof and the Purchaser has notified the Underwriters in writing as provided herein:

(1) any Change in Law (defined below) shall have occurred;

(2) the Official Statement, as of its date (or, if amended within the period ending 60 days after the Preliminary Closing Date, then as of the date of such amendment), or the Updated Official Statement, as of its date (or, if amended, then as of the date of such amendment), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(3) Bond Counsel does not deliver an opinion on the Forward Settlement Date either (i) substantially in the form and to the effect set forth in Appendix C to the Official Statement or (ii) which, notwithstanding a Change in Law that prevents Bond Counsel from issuing an opinion substantially in the form and to the effect set forth in Appendix C to the Official Statement, states that the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals,

(4) the State shall have defaulted in the payment of its general obligation debt; or

(5) any rating of the Bonds by Kroll Bond Rating Agency, LLC, Moody's Investors Service, Inc., or S&P Global Ratings has been withdrawn or suspended.

A **Change in Law** means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date that is on or before the Forward Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date that is on or before the Forward Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the Bonds as provided in the Forward Delivery Purchase Agreement or selling the Bonds or beneficial ownership interests therein to the public or (B) as to the State, make the issuance, sale or delivery of the Bonds illegal; provided, however, that such change in or addition to law, legislation, law, rule or regulation or judgment, ruling or order shall have become effective, been enacted, or been issued as the case may be, after the date of the Forward Delivery Purchase Agreement.

If a modification of law involves the enactment of legislation that only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of, interest payable on "state or local bonds," the State may, nonetheless, be able to satisfy the requirements for the delivery of the Bonds, and as such, such modification of law would not be a "Change of Law" as defined herein. In such event, the Underwriters would be obligated to purchase the Bonds from the State, and the Purchaser would be required to accept delivery of the Purchased Bonds from the Underwriters.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Forward Settlement Date and that the Purchaser is obligated to take up and pay for the Purchased Bonds on the Forward Settlement Date unless the Underwriters terminate the Forward Delivery Purchase Agreement or the Purchaser terminates its obligation to purchase the Purchased Bonds as described herein. To effect a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Delayed Delivery Contract to the Representative before the Forward Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur after the Forward Settlement Date. The Purchaser is not a third party beneficiary under the Forward Delivery Purchase Agreement and has no rights to enforce, or cause the Underwriters to enforce, any of the terms thereof. The Purchaser acknowledges that it will not be able to withdraw its order except as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Forward Settlement Date because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Bonds between the Preliminary Closing Date and the Forward Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the State from the Preliminary Closing Date to the Forward Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell Purchased Bonds following the date hereof, unless the Purchaser sells Purchased Bonds to another institution with the prior written consent of the Representative and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as those executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Representative is entering into the Forward Delivery Purchase Agreement with the State to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument under the laws of the State of New York.

It is understood that the acceptance by the Representative of any Delayed Delivery Contract (including this one) is in the Representative's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Representative, it is requested that the Representative sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Representative and the Purchaser when such counterpart is so mailed or delivered by the Representative. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

[Signature Page to Follow]

____
Purchaser

____
Address

____
Telephone

By: ______________________________

____
Name: __________________________
Title: __________________________

Accepted: UBS Financial Services Inc., on behalf of the Underwriters

Name: __________________________
Title: __________________________

Name: __________________________
Title: __________________________


FORWARD
E PLURIBUS UNUM