

1993-94 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 93hrJC-Fi_Misc_pt16

➤ Record of Comm. Proceedings ... RCP

➤ **

CORRESPONDENCE/MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: Apr. 12, 1993

To: Honorable Joseph Leraan, Co-Chair
Honorable Barbara J. Linton, Co-Chair

From: James R. Klauser
Secretary
Department of Administration

Subject: s. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1991-92</u>		<u>1992-93</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
U.W.S.	Auxiliary				7.0
20.285(1)(h)	Enterprises				

As provided in s. 16.515, this request will be approved on May 3, 1993 unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Roger Grossman at 266-1072, or the analyst who approved the request in the Division of State Executive Budget and Planning, if you have any additional questions.

Attachments:

**TOMMY G. THOMPSON**

Governor
State of Wisconsin

*From
1992
Operating
Notes*

May 10, 1992

The Honorable Senator Gary R. George
The Honorable Representative Barbara Linton
Members, Joint Committee on Finance
State Capitol
Madison, WI 53702

Re: 1992 Operating Note Issue

Dear Senator George, Representative Linton and Members:

The State of Wisconsin Department of Administration has determined that a deficiency will occur in the funds of the State which will not permit the State to meet its operating obligations in a timely manner during fiscal year 1992-93. The deficiency results from anticipated differences in the timing of receipts and disbursements. Accordingly, we intend to formally request the State of Wisconsin Building Commission for an authorizing resolution to issue \$450,000,000 of operating notes for fiscal year 1992-93 pursuant to 16.405 (1) and 18.72 (1) Wisconsin Statutes at its May 20, 1991 meeting.

As required by 16.405 (2) Wisconsin Statutes, the Joint Committee on Finance must approve the request before it can be presented to the Building Commission. We are requesting your approval.

Sincerely,

[Signature]
TOMMY G. THOMPSON
Governor

[Signature]
for

James R. Klauser
Secretary
Department of Administration

Operati.
Note

DATE 05-19-92 EXECUTIVE SESSION PUBLIC HEARING _____ BILL NUMBER _____
MOVED BY _____ SECONDED BY _____
ACTION _____

14-0-2

	AYES	NOES	ABSENT	PRESENT	ABSENT
SENATORS:					
GEORGE, Co-Chair				✓	
ROSELL				✓	
CHVALA				✓	
ANDREA				✓	
CZARNEZKI					✓
JAUCH				✓	
LEEAN				✓	
WEEDEN				✓	
REPRESENTATIVES:					
LINTON, Co-Chair				✓	
WINEKE				✓	
M. COGGS				✓	
HOLPERIN				✓	
HUBLER				✓	
ANTARAMIAN				✓	
PANZER					✓
BRANCEL				✓	

05-19-92 EXECUTIVE SESSION PUBLIC HEARING BILL NUMBER
 ED BY George SECONDED BY Linton
 ION Approval of the DOA request for the issuance
operating notes in the amount of \$450 million
for fiscal year 1992-93.

11-0-5

	AYES	NOES	ABSENT	PRESENT	ABSENT
MEMBERS:					
GEORGE, Co-Chair	✓				
ROSELL	✓				
CHVALA	✓				
ANDREA			✓		
CZARNEZKI			✓		
JAUCH			✓		
LEEAN	✓				
WEEDEN	✓				
REPRESENTATIVES:					
LINTON, Co-Chair	✓				
WINEKE	✓				
M. COGGS	✓				
HOLPERIN	✓				
HUBLER	✓				
ANTARAMIAN			✓		
PANZER			✓		
BRANCEL	✓				

LEEAN	Y	N	A
STITT	Y	N	A
WEEDEN	Y	N	A
FARROW	Y	N	A
SCHULTZ	Y	N	A
COWLES	Y	N	A
GEORGE	Y	N	A
CHVALA	Y	N	A

May 19, 1993

LINTON	Y	N	A
HOLPERIN	Y	N	A
HUBLER	Y	N	A
COGGS	Y	N	A
KRUG	Y	N	A
HUBER	Y	N	A
PANZER	Y	N	A
BRANCEL	Y	N	A

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director
Legislative Fiscal Bureau

AYE 9 NO 1 ABS 6

SUBJECT: Administration -- Operating Note Issuance Request -- Section 16.405(2) Request

BACKGROUND

The general fund receives revenues and makes expenditures for programs funded with general purpose revenue, federal revenue and program revenue. The general fund experiences repeated cashflow problems, which result from a continuing imbalance of general fund revenues and expenditures. This imbalance is due to the timing of general fund collections and payments of large aid amounts in the first half of each fiscal year.

The Department of Administration may request the issuance of operating notes if a cashflow deficiency in the general fund is anticipated. This request must be signed by the Governor and is subject to approval by the Joint Committee on Finance. If the request is approved, the Building Commission issues the requested operating notes. The following table provides the amount of annual operating note issuances since 1983.

**State Issued Operating Note History
(1983-1993)**

<u>Fiscal Year</u>	<u>Issuance Amounts</u>	<u>Fiscal Year</u>	<u>Issuance Amounts</u>
1983-84	\$700 million	1988-89	\$350 million
1984-85	350 million	1989-90	300 million
1985-86	350 million	1990-91	200 million
1986-87	350 million	1991-92	450 million
1987-88	350 million	1992-93	450 million

Members, Joint Committee on Finance

May 19, 1993

Page 2

The Department of Administration has determined that a deficiency will occur in the general fund which will not permit the state to meet its operating obligations in a timely manner in fiscal year 1993-94. As a result, the Department requests that the Committee approve its request for the issuance of operating notes.

ANALYSIS

The request would involve the issuance of up to \$400 million of operating notes by the Building Commission. It is intended that the proceeds from the issuance of operating notes be deposited in the general fund on July 1, 1993, while the notes would mature in June, 1994. The state would make a number of sinking fund deposits to a trustee from February through May, 1994.

Two factors warrant consideration in deciding on the amount of operating notes to issue. First, federal arbitrage regulations require that the actual cash deficit equal at least 90% of the issuance amount, or the state must rebate interest earnings above the rate paid on the note. Second, the operating notes should provide sufficient cash to largely avoid temporary reallocations of available state investment fund (SIF) balances during the fiscal year.

The requested issuance of up to \$400 million should provide sufficient cash to support the general fund's cashflow during 1993-94 without significant interfund borrowing. It is estimated that the worst day balance will be approximately -\$540 million in December if certain interest earning program revenue accounts within the general fund are deducted. This estimate exceeds the requested note issuance amount.

Estimated interest savings from the issuance of operating notes have been incorporated in the general fund condition statement under the Governor's recommendations for the biennial budget. Based on estimates of interest rates, the general fund would save approximately \$3.9 to \$4.4 million under the request, compared with not issuing an operating note.

CONCLUSION

Because the request for the issuance of up to \$400 million of operating notes is intended to resolve the cashflow problems of the general fund in 1993-94 and would reduce the level of interfund borrowing as well as interest costs for the general fund, the Committee may wish to approve the Department's operating note issuance request.

Prepared by: Pam Walgren

Joint Committee on Finance

DATE 5/19/93 EXECUTIVE SESSION PUBLIC HEARING BILL NUMBER operating notes
 MOVED BY _____ SECONDED BY _____
 MOTION _____

10 - 6

	AYES	NOES	ABSENT	PRESENT	ABSENT
SENATORS:					
LEEAN, Co-Chair				✓	
STITT				✓	
WEEDEN				✓	
FARROW					✓
SCHULTZ				✓	
COWLES				✓	
GEORGE					✓
CHVALA					✓
REPRESENTATIVES:					
LINTON, Co-Chair				✓	
HOLPERIN				✓	
HUBLER					✓
COGGS					✓
KRUG				✓	
HUBER				✓	
PANZER					✓
BRANCEL				✓	
Totals				10	6

MOTION CARRIED

MOTION FAILED

Joint Committee on Finance

DATE 5/19/93 EXECUTIVE SESSION PUBLIC HEARING BILL NUMBER SS 16.405
 MOVED BY Leean SECONDED BY Linton
 MOTION _____

recommend approval of the DOA request for the
issuance of operating notes in the amount of
\$ 400 million in fiscal year 1993-94

	AYES	NOES	ABSENT	PRESENT	ABSENT
SENATORS:					
LEEAN, Co-Chair	✓				
STITT		✓			
WEEDEN	✓				
FARROW			✓		
SCHULTZ	✓				
COWLES	✓				
GEORGE			✓		
CHVALA			✓		
REPRESENTATIVES:					
LINTON, Co-Chair	✓				
HOLPERIN	✓				
HUBLER			✓		
COGGS			✓		
KRUG	✓				
HUBER	✓				
PANZER			✓		
BRANCEL	✓				
Totals	9	1	6		

MOTION CARRIED

MOTION FAILED



TOMMY G. THOMPSON

**Governor
State of Wisconsin**

May 10, 1993

The Honorable Senator Joseph Leraan
The Honorable Representative Barbara Linton
Members, Joint Committee on Finance
State Capitol
Madison, WI 53702

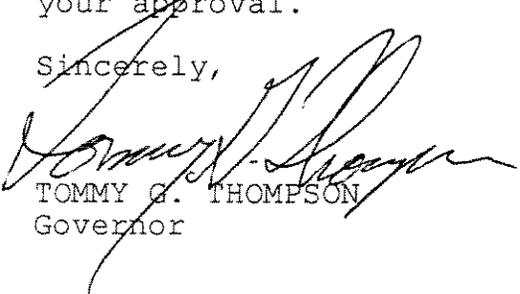
Re: 1993 Operating Note Issue

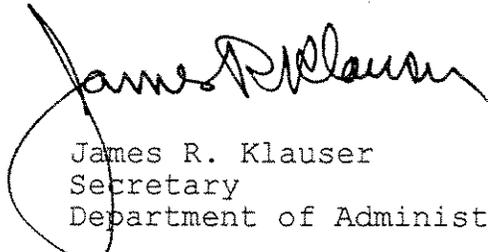
Dear Senator George, Representative Linton and Members:

The State of Wisconsin Department of Administration has determined that a deficiency will occur in the funds of the State which will not permit the State to meet its operating obligations in a timely manner during fiscal year 1993-94. The deficiency results from anticipated differences in the timing of receipts and disbursements. Accordingly, we intend to formally request the State of Wisconsin Building Commission for an authorizing resolution to issue an amount not to exceed \$400,000,000 of operating notes for fiscal year 1993-94 pursuant to 16.405 (1) and 18.72 (1) Wisconsin Statutes at its May 19, 1993 meeting.

As required by 16.405 (2) Wisconsin Statutes, the Joint Committee on Finance must approve the request before it can be presented to the Building Commission. We are requesting your approval.

Sincerely,


TOMMY G. THOMPSON
Governor


James R. Klauser
Secretary
Department of Administration

CORRESPONDENCE/MEMORANDUMSTATE OF WISCONSIN
Department of Administration

Date: May 5, 1993

To: Members, Joint Committee on Finance

From: James R. Klauser, Secretary,
Department of Administration

Subject: S.16.405(2) Request for Operating Note Approval

Request

The Department of Administration (DOA) requests Joint Committee on Finance approval under s.16.405(2) to request the Building Commission to authorize a 1993 operating note of up to \$400 million.

Background

The general fund has periodically engaged in some form of borrowing for operating expenses since FY81. From FY81 through FY83, the short-term borrowing took the form of interfund borrowing or payment delays. In FY83, the general fund paid \$16.6 million in interest for interfund borrowing to continue daily operations.

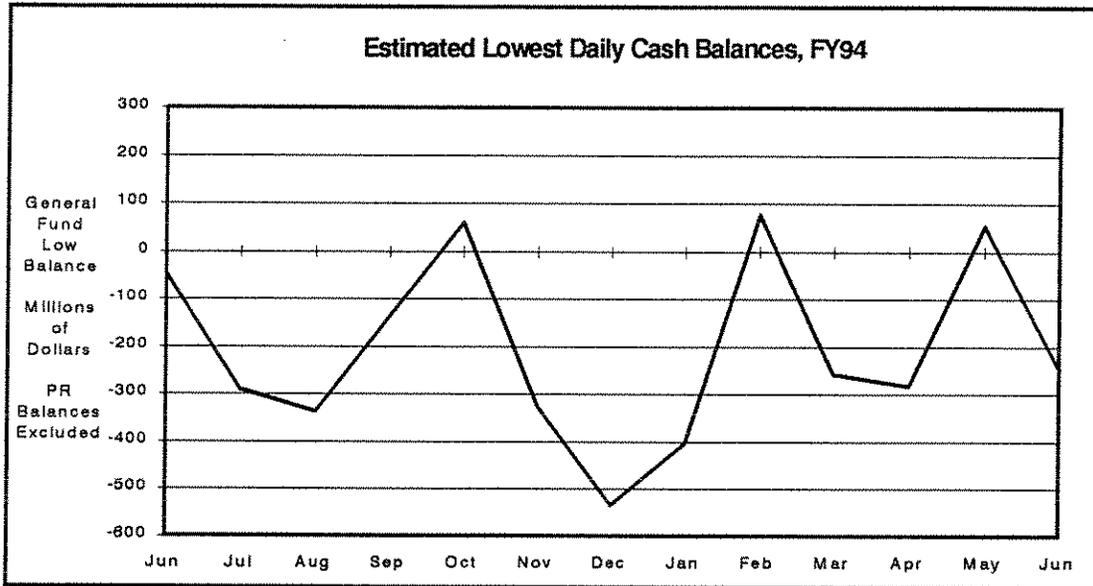
In response to both the size of the general fund's cash needs and the expense of interfund borrowing, operating notes were developed as a cash management tool to minimize the costs of short-term borrowing. In 1983 the state issued its first operating note at \$700 million. Five operating notes of \$350 million followed in each year from 1984 to 1988. In 1989 a \$300 million note was issued. High cash balances allowed a smaller note of \$200 million to be issued in 1990. Depletion of the balance led to larger notes of \$450 million in both 1991 and 1992.

Short-term borrowing will again be necessary in FY94 to cover a temporary cash imbalance. The general fund's cash balance includes the University's Auxiliary funds and other program revenue accounts held in trust from estates or court decisions (for example, oil overcharges and environmental protection suits). While held in the general fund, any use of these dollars aside from their designated purpose constitutes borrowing. These PR accounts vary between \$160 to \$250 million. Excluding the balances of the PR accounts, current estimates place the general fund's lowest cash balance at -\$534 million in early December 1993. (See graph below.)

As in previous years, the Department has sized the operating note request below the maximum cash shortfall. This is necessitated by federal arbitrage requirements. An actual cash shortfall must use at least 90% of the proceeds of the note. If this test is not met, the state must rebate the excess earnings on the note to the U.S. Treasury. This authorization request has been sized with a margin of error to prevent an earnings rebate even if economic growth is stronger than expected.

1993 Operating Note
May 5, 1993

Under s.18.725, operating notes are limited to no more than 10% of total GPR and PR general fund appropriations combined. At \$400 million, the maximum note size possible under this request, the 1993 operating note would be about 32% of the maximum.



Analysis

Operating notes remain the most cost-effective means of acquiring short-term funds. The efficiency is realized through both lower interest rates and increased interest earnings. Because the state is a tax-exempt borrower, it can borrow in the national capital markets at a rate lower than it would pay on dollars obtained through interfund borrowing. The higher overall cash balances obtained by operating note proceeds allows the general fund to gain increased interest earnings.

The final size of the note will be determined by DOA in June. Based on actual and estimated cashflows to date, DOA anticipates that the 1993 note will be sized at \$350 million. The note may be larger or smaller than \$350 million depending on the final cashflow forecast at the time of sale. The note may not exceed the requested \$400 million cap.

As in previous years, the FY94 budget has been structured on the assumption of issuing an operating note. Interest earned, net of the cost of operating notes, is \$3.9 million higher with a \$350 million operating note as compared to not issuing any note at all.

Recommendation

Approve the request.

Prepared by: Paul Ziegler

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY



Mailing address:
Post Office Box 7864
Madison, WI 53707-7864

MAY 03 1993

April 30, 1993

The Honorable Joseph LEEAN, Co-Chair
The Honorable Barbara LINTON, Co-Chair
Joint Committee on Finance
115 South, State Capitol
Madison, WI 53702

Dear Senator LEEAN, Representative LINTON and Members:

This report is required by subsection (7) of 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt. On April 21, 1993 the Building Commission awarded the sale of \$124,325,000 State of Wisconsin General Obligation Bonds of 1993, Series A. This was a public sale conducted pursuant to Subchapter I of Chapter 18. The Official Notice of Sale dated April 14, 1993, attached, set the terms and conditions of the sale and was available to all potential bidders. The State received four bids for the bonds.

The award was based on the lowest true interest cost rate to the State. The successful underwriters were a syndicate managed by Bear, Stearns & Co. Inc. A list of the syndicate members is attached. The syndicate includes two firms which have been certified by the Department of Development as minority owned. Their participation is approximately 4% of the total bond issue.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" on the section page of the Official Notice of Sale and the back page contains the most current listing of the certified firms including address, phone number and contact person.

Sincerely,

A handwritten signature in cursive script, appearing to read "James R. Klauser".

James R. Klauser
Secretary

Enc.

\$124,325,000 State of Wisconsin
General Obligation Bonds of 1993, Series A
Underwriting Syndicate

Underwriters:

Book Running Manager:
Bear, Stearns & Co. Inc.

Associates:

Morgan Stanley & Co. Inc.
Robert W. Baird & Co., Incorporated
Artemis Capital Group, Inc.
Doley Securities
Pryor, McClendon, Counts & Co., Inc.

OFFICIAL NOTICE OF SALE

\$124,325,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 1993, SERIES A

SEALED PROPOSALS will be received by the State of Wisconsin Building Commission (the "Commission") at the Governor's Conference Room, 115 East, in the State Capitol, Madison, Wisconsin, until 10:00 A.M. (CDT) on April 21, 1993, when they will be publicly opened and read, for the purchase of \$124,325,000 State of Wisconsin General Obligation Bonds of 1993, Series A (the "Bonds") on the terms and conditions for bidding stated below.

Terms of Bonds. The Bonds will be dated May 1, 1993, will mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1994	\$ 5,590,000	2004	\$ 5,140,000
1995	5,745,000	2005	5,410,000
1996	5,945,000	2006	5,695,000
1997	6,175,000	2007	6,000,000
1998	6,435,000	2008	6,330,000
1999	5,175,000	2009	6,685,000
2000	5,415,000	2010	7,055,000
2001	5,675,000	2011	7,455,000
2002	5,955,000	2012	7,875,000
2003	6,250,000	2013	8,320,000

The Bonds will bear interest, payable on November 1, 1993 and semiannually thereafter on the first day of May and November, at such rate or rates per annum as designated by the original purchaser in its official bid. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The Bonds maturing in the years 1994 to 2003, inclusive, shall not be redeemable prior to their stated dates of maturity. The Bonds maturing on or after May 1, 2004 are subject to redemption at the option of the Commission on May 1, 2003 or any date thereafter, in whole or in part, in integral multiples of \$5,000. In the event of partial redemption, the Commission shall direct the maturity or maturities and the amount thereof so to be redeemed. Bonds redeemed prior to their stated dates of maturity shall be redeemable at 100% of principal amount plus accrued interest to the date of redemption.

Book-Entry. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. A single bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry form pursuant to the rules and procedures established between the securities depository and its direct and indirect participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The State of Wisconsin (the "State") will deposit the bond certificates with DTC and will release them upon closing. The State will make payments of principal and interest on the Bonds on the dates set forth above, to the securities depository or its nominee as registered owner of the Bonds in next-day funds. Transfer of said payments to beneficial owners will be the responsibility of the securities depository and its direct and indirect participants, all as required by rules and procedures of the securities depository and its direct and indirect participants. No assurance can be given by the State that the securities depository and its direct and indirect participants will make prompt transfer of said payments. The State assumes no

liability for failures of the securities depository or its direct and indirect participants to promptly transfer said payments to beneficial owners of the Bonds.

Notice to Securities Depository. Notices, if any, given by the State to the securities depository are redistributed in the same manner as are payments. The State assumes no liability for the failure of the securities depository or its direct and indirect participants to promptly transfer said notices to the beneficial owners of the Bonds. The State is not responsible for supervising the activities or reviewing the records of the securities depository or its direct and indirect participants.

Successor to Securities Depository. In the event that the relationship with the securities depository is terminated and the Commission does not appoint a successor securities depository, the Commission will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denominations of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and interest rates then outstanding to the beneficial owners of the Bonds as identified to the Commission by the securities depository and its participants.

Purpose and Pledge. The Bonds will be issued to finance the cost of various public improvements and grants to local units of government, pursuant to Chapter 18 of the Wisconsin Statutes, as amended (the "Act") and an authorizing resolution adopted by the Commission on March 17, 1993, as the same will be amended and supplemented on April 21, 1993 (the "Authorizing Resolution"). The Bonds will be direct and general obligations of the State. The full faith, credit and taxing power of the State will be irrevocably pledged to the payment of the principal of and interest on the Bonds, and there will be irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for the payment of the principal of and interest on the Bonds.

Minority Participation. It is the policy of the Commission to endeavor to have at least 6% of the Bonds underwritten by firms that are certified by the State as being minority owned. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State and wish to be, may contact the Commission.

Official Bid Form and Award. All bids must be on the Official Bid Form. The Bonds will be awarded at the lowest true interest cost rate to the State. The true interest cost rate for each bid will be determined on the basis of present value by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to May 1, 1993 and to the price bid. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, or if such bidders have an equal amount of minority-owned participation, then selection for award will be made among such bidders by the Secretary of the Commission by lot.

Each bid shall indicate an interest rate for each maturity and purchase price for the Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the Bonds and may be for any purchase price not less than 99.0% of the par amount of the Bonds (\$123,081,750.00). There shall be only one interest rate per maturity. No interest rate bid for any given maturity shall be lower than any interest rate bid for any prior maturity. The Commission reserves the right to waive any informality or irregularity in any bid and to reject any or all bids.

Bid Deposit. Each bid must be accompanied by a separate certified or cashier's check, payable to the order of the State of Wisconsin, in the amount of \$2,486,000.00 and shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for State of Wisconsin General Obligation Bonds of 1993, Series A.*

Good-Faith Check. The good-faith check of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the Bonds. No interest will be allowed on the amount of the good-faith deposit. The proceeds of the good-faith check of the successful bidder will be applied to the purchase price of the Bonds, or in the event of the failure of the successful bidder to take up and pay for the Bonds in compliance with the terms of the bid, at the option of the Commission, its good-faith deposit may be retained by the Commission as liquidated damages or, at the further option of the Commission, may be retained as partial payment of actual

damages or as security for any other remedy available to the Commission. The amount of the good-faith check is to be returned to the successful bidder on the failure of the Commission to perform in accordance with the terms of this Official Notice of Sale and the bid. All bids shall remain firm for five hours after the time specified for the opening of bids and an award of the Bonds, or rejection of all bids, will be made by the Commission within said period of time.

Certification of Price. The successful bidder shall certify to the Commission, prior to delivery of the Bonds, the initial offering price to the public of the Bonds awarded to the bidder, together with such other information as may be required by the Commission to enable it to determine the "issue price" of the Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986.

Closing and Delivery. The Bonds will be delivered at Citibank, N.A., 20 Exchange Place-16th Floor, New York, New York, at or about 9:30 A.M. (EST) on or about May 12, 1993. Payment for the Bonds must be in federal funds or other funds available for immediate credit at Citibank, N.A. at said date, time and place. Should delivery be delayed beyond 45 days from date of sale for any reason beyond the control of the State except failure of performance by the purchaser, the State may cancel the award or the purchaser may demand return of its good-faith deposit and thereafter its interest in and liability for the Bonds will cease.

Bond Opinion. The legality of the Bonds will be approved by Foley & Lardner, Milwaukee, Wisconsin, bond counsel, whose unqualified approving opinion will be furnished to the purchaser without cost upon the delivery of the Bonds. There will also be furnished upon the delivery of the Bonds the usual closing papers, including a certificate stating that there is no litigation pending or threatened affecting the validity of or security for the Bonds, and a certificate to the effect that the Official Statement prepared in connection with the sale of the Bonds, as of the date of the Official Statement and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Tax Exemption. Under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes.

CUSIP Numbers. CUSIP identification numbers will be specified on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds, and any error or omission with respect thereto shall not constitute cause for refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the purchaser's bid.

Bidding Documents. The Preliminary Official Statement is in a form which the Commission "deems final" as of April 9, 1993 for purposes of Section (b)(1) of Securities and Exchange Commission Rule 15c2-12, but is subject to revision, amendment and completion in a final official statement as defined in Section (e)(3) of such rule. Copies of the Preliminary Official Statement and the Official Bid Form may be obtained from the Capital Finance Office, Department of Administration, State of Wisconsin Building Commission, Administration Building, 10th Floor, 101 East Wilson Street, Madison, Wisconsin 53702, (608) 266-2305, (608) 267-7399 or (608) 266-5355.

Final Official Statements. The Commission will furnish to the successful bidder, without cost, up to 750 copies of the final Official Statement.

Dated: April 14, 1993

Robert Brandherm, Secretary
State of Wisconsin Building Commission

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF DEVELOPMENT**

April 1, 1993

Note: The following list of minority-owned underwriting firms is provided for the information of potential bidders on the Bonds and does not constitute a part of the Official Notice of Sale. Minority participation in bids is strongly encouraged by the State but is not a requirement for submitting a bid.

Mr. Wifredo Gort
AIBC Investment Services Corp.
80 S.W. 8th Street, Suite 1970
Miami, FL 33130
(305) 372-8000

Ms. Diana Taylor
M. R. Beal & Company
366 Madison Avenue, 5th Floor
New York, NY 10017
(212) 983-3900

Mr. Dudley Brown
Bereau Capital, Inc.
300 South Wacker Drive #605
Chicago, IL 60606-0000
(312) 986-8200

Mr. Cleveland C. Brooks
Brooks Securities, Inc.
25 Prospect Ave. W., Suite 700
Cleveland, OH 44115
(216) 861-6050

Mr. Stephen R. Goodwin
Cartwright & Goodwin, Inc.
67 Wall Street, 2nd Floor
New York, NY 10005
(212) 809-0877

Ms. Lynn Ballard
The Chapman Company
Two Hopkins Plaza, Suite 1010
Baltimore, MD 21201
(301) 625-9656

Mr. Charles Pankey
L.P. Charles & Company
999 18th Street #2100
Denver, CO 80202-0000
(303) 292-1222

Mr. Thomas L. Burke
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