

THE STATE OF WISCONSIN

B

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: May 21, 1999

Re: Series B General Obligation Bonds Report

Attached is a copy of a report from the Department of Administration, pursuant to s. 18.16 (7), Stats. The report specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh

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

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

May 20, 1999

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard 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, 1999, the Building Commission adopted a resolution that authorized the sale of \$40,000,000 State of Wisconsin General Obligation Bonds of 1999, Series B (Taxable) (the "Bonds"). Pursuant to this authorization, on May 11, 1999 the Capital Finance Director conducted a public sale for and awarded the Bonds. This was a public sale conducted pursuant to Subchapter I of Chapter 18. The Official Notice of Sale, dated April 29, 1999, attached, set the terms and conditions of the sale and was available to all potential bidders. The State received six 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 PaineWebber Incorporated. A list of the syndicate members is attached. The syndicate includes one firm that has been certified by the Department of Commerce as minority owned. The participation of this minority-owned firm is 1.25% of the total Bond issue.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" in the Official Notice of Sale and a list of the certified firms including address, phone number and contact person was included in the bidding materials made available to each prospective bidder.

Sincerely,



Mark D. Bugher
Secretary

Enc.

\$40,000,000
State of Wisconsin
General Obligation Bonds of 1999, Series B (Taxable)

Underwriting Syndicate

Underwriters:

Book Running Manager:
PaineWebber Incorporated

Members:

Salomon Smith Barney
A.G. Edwards & Sons, Inc.
Pryor, McClendon, Counts & Co., Inc.
J.C. Bradford & Co.
William E. Simon & Sons Municipal Securities Inc.

OFFICIAL NOTICE OF SALE

\$40,000,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 1999, SERIES B (TAXABLE)

SEALED PROPOSALS AND ELECTRONIC PROPOSALS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (**Commission**), at the Reception Area, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin, until 10:00 a.m. (CDT) on May 11, 1999, when they will be publicly opened and read, for the purchase of \$40,000,000 State of Wisconsin General Obligation Bonds of 1999, Series B (Taxable) (**Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area – 10th Floor, Administration Building, 101 East Wilson Street, Madison, Wisconsin. Electronic proposals must be submitted through Bloomberg Services, Dalcomp/Parity, or MuniAuction (**Approved Provider**). Sealed proposals will be opened, electronic proposals retrieved and all proposals publicly announced in the Reception Area shortly after the deadline for proposals.

Terms of the Bonds. The Bonds will be dated May 1, 1999, and will be payable as to principal either through serial maturities or redemption from mandatory sinking fund payments (as specified by the successful bidder) on November 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>
2000	\$ 430,000	2016	\$ 1,155,000
2001	460,000	2017	1,230,000
2002	485,000	2018	1,320,000
2003	515,000	2019	1,405,000
2004	540,000	2020	1,505,000
2005	575,000	2021	1,610,000
2006	610,000	2022	1,720,000
2007	650,000	2023	1,835,000
2008	690,000	2024	1,965,000
2009	735,000	2025	2,100,000
2010	785,000	2026	2,250,000
2011	835,000	2027	2,400,000
2012	885,000	2028	2,570,000
2013	950,000	2029	2,750,000
2014	1,015,000	2030	2,945,000
2015	1,080,000		

Each bid must specify whether the principal amount of the Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual payment dates immediately preceding the maturity date of such term bond, provided that no term bond designated to mature on and after November 1, 2010 may contain any sinking fund payment prior to November 1, 2009. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

The Bonds will bear interest, payable on November 1, 1999 and semiannually thereafter on the first day of May and November, at such rate or rates per annum as designated by the successful bidder in its official bid. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

* Preliminary; subject to change. The final principal amount for each maturity or mandatory sinking fund payment of the Bonds will be determined by the Capital Finance Director after verification of the bids. See "ADJUSTMENT OF PRINCIPAL AMOUNT AND PURCHASE PRICE" in this Official Notice of Sale.

Optional Redemption. The Bonds maturing in the years 2000 to 2009, inclusive, are not subject to optional redemption but are subject to special redemption as described later in this notice. The Bonds maturing on or after November 1, 2010 are subject to optional redemption at the option of the Commission on November 1, 2009 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.

Mandatory Sinking Fund Redemption. The Bonds of certain maturities will be subject to mandatory redemption prior to their respective stated maturity dates, in part, from mandatory sinking fund payments, to the extent the successful bidder specifies, in its bid, that the principal amount of the Bonds payable on certain dates shall constitute mandatory sinking fund payments of term bonds.

Special Redemption. All Bonds are subject to special redemption prior to maturity, at the option of the Commission, on May 1, 2001 and any date thereafter, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the Bonds. In addition, the Bonds are subject to special redemption prior to maturity, at the option of the Commission, in whole or in part, on any date, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from prepayments of veterans housing loans, or interest or income on investments in certain accounts, funded from or attributed to the Bonds. In the event of partial redemption, the Commission shall direct the maturities of the Bonds to be redeemed. All special redemptions are intended to be pro rata on all applicable outstanding maturities, subject to rounding.

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-only form pursuant to the rules and procedures established between DTC and its 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 bond certificates will be deposited with DTC as a condition of the closing. The State of Wisconsin (State) will make payments of principal and interest on the Bonds on the dates set forth above, to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by rules and procedures of DTC and the participants. No assurance can be given by the State that DTC, its participants and other nominees of beneficial owners will make prompt transfer of said payments. The State assumes no liability for failures of DTC, its participants or other nominees 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, its participants or other nominees 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 securities depository 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 make funds available for veterans housing loans, pursuant to Chapter 18 of the Wisconsin Statutes, as amended (Act) and an authorizing resolution adopted by the Commission on April 21, 1999 (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 ensure that firms that are certified by the State as being minority owned underwrite 6% of the Bonds. 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 Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550.

Offering of Securities. The State offers to sell these securities by competitive bid. In the jurisdictions of Georgia, Illinois, Louisiana, Nebraska, New York, North Dakota and Vermont, the State's offer is limited to the following: brokers, dealers, banks, savings institutions, trust companies, insurance companies, investment companies, pension or profit sharing trusts, and other financial institutions.

No Bond Insurance. The award of the Bonds will be made with the understanding that no bond insurance will be used in connection with the primary offering of the Bonds. The successful bidder shall certify to the Commission, prior to the delivery of the Bonds, that no bond insurance policy has been obtained by or on behalf of it or any other member of its underwriting group (whether or not a member of the bidding group) during the "primary offering" of the Bonds (as such term is defined in paragraph (f)(7) of Rule 15c2-12 under the Securities Exchange Act of 1934). This requirement does not prohibit insuring the Bonds in secondary market transactions or with portfolio insurance.

Electronic Bidding. Bidders who intend to submit electronic proposals must submit the completed Agreement About Use of Electronic Bidding Service Provider prior to the bid opening. The Department assumes no responsibility or liability for bids submitted through an Approved Provider. If any provisions in this Official Notice of Sale conflict with information provided by an Approved Provider, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

- Bloomberg Services
499 Park Ave
New York, NY 10022
Margaret Trapp, 212.318.2303
- Dalcomp/Parity
395 Hudson Street, FLR 3
New York, NY 10014
Cheryl Horowitz, 212.806.3898
- MuniAuction
Allegheny Building, Suite 1212
429 Forbes Ave.
Pittsburgh, PA 15219
Myles Harrington, 412.391.5555

Official Bid Form and Award. Proposals must be made using the Official Bid Form, and all electronic proposals shall be deemed to incorporate the provisions of 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, 1999 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 Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all of the Bonds and may be for any purchase price not less than 98% of the par amount of the Bonds (\$39,200,000.00) nor greater than 101% of the par amount of the Bonds (\$40,400,000.00). There shall be only one interest rate per maturity. Bonds may not have an initial offering price less than 98.5% of par. No later than one-half hour after verbal notification of being the apparent high bidder, the "when, as and if issued" offering prices of all the Bonds, which correspond to the purchase price and gross spread on the Official Bid Form, must be communicated to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to promptly make public the initial offering prices for all the Bonds. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

Adjustment of Principal Amount and Purchase Price. After selecting the winning bid, the Capital Finance Director will determine the final principal amount of each maturity or mandatory sinking fund payment (**Final Maturity Amounts**) for the Bonds. Each of the maturities or mandatory sinking fund payments listed above may be decreased or increased by an amount not to exceed 15% of the maturity or mandatory sinking fund payment. The aggregate par amount of the Bonds shall not change. Such adjusted principal amounts for each maturity or mandatory sinking fund payment shall constitute the Final Maturity Amounts. The successful bidder may not withdraw its bid or change the interest rates bid or the initial reoffering prices as a result of any changes made to the bid amounts within these limits. The Final Maturity Amounts will be communicated to the successful bidder by 3:30 p.m. (CDT) on the day of the sale. The purchase price bid by the successful bidder will be adjusted. Any adjustment made in the purchase price will be made to maintain the gross spread calculated for the original bid, based upon the interest rates set forth in the Official Bid Form or electronic proposal and the assumed "when, as and if issued" offering prices of the Bonds.

Bid Deposit. A certified, official or cashier's check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$800,000.00. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in

immediately available funds not later than 1:30 p.m. (CDT) on May 12, 1999. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely. Bids shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for State of Wisconsin General Obligation Bonds of 1999, Series B (Taxable)*.

Good-Faith Deposit. The good-faith deposit 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 deposit 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, its good-faith deposit may, at the option of the Commission, be retained as liquidated damages or, at the further option of the Commission, 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 deposit 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 Capital Finance Director within said period of time.

Closing and Delivery. The closing will be at a mutually agreeable location in New York, New York, at or about 9:30 a.m. (EDT), on or about June 2, 1999. The Bonds will be delivered to DTC no later than the day prior to the closing. Payment for the Bonds must be made by wire in immediately available funds for credit at Firststar Bank Milwaukee, N.A. at said date and time. 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 successful bidder, the State may cancel the award or the successful bidder 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, bond counsel, whose unqualified approving opinion will be furnished to the successful bidder 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.

Taxable Bonds. Under existing law interest on the Bonds is included in the gross income for federal income tax purposes.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed a Master Agreement on Continuing Disclosure and a Supplemental Agreement specifically for the Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents will be included in the transcript of proceedings.

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 available electronically at the World Wide Web address shown below and is in a form which the Commission "deems final" as of April 27, 1999 for purposes of Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 but is subject to revision, amendment and completion in a final official statement as defined in Section (e)(3) of such rule. The Preliminary Official Statement, Official Bid Form, Agreement About Use of Electronic Bidding Service Provider, and Continuing Disclosure Documents may be obtained from the World Wide Web at:

www.doa.state.wi.us/debf/capfin/pos.htm

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street, 10th Floor, Madison, Wisconsin 53702, 608.266.2305, 608.267.7399 or 608.267.0374.

Final Official Statements. The Commission will furnish to the successful bidder, without cost, up to 1,000 copies of the final Official Statement within seven business days after the award of the Bonds.

Dated: April 29, 1999

Frank R. Hoadley
Capital Finance Director

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

April 7, 1999

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.

Ms Sherlin Lee
1st Honolulu Securities Inc
900 Fort St #950
Honolulu HI 96813
(808) 523-9422

Mr Hugh Albritton III
A & M Securities Llc
2475 Northwinds Pkwy Ste 200
Alpharetta GA 30004
(770) 753-6166

Mr Michael Yap
Americal Securities Inc
290 7th Ave
San Francisco CA 94118
(415) 666-0633

Mr Elton Johnson Jr
Amerivet Securities Inc
9800 S Sepulveda Blvd Ste 820
Los Angeles CA 90045
(310) 641-6284

Ms Caridad Ingo
Ami Risk Consultants Inc
11410 N Kendall Dr #208
Miami FL 33176-1031
(305) 273-1589

Ms Benita Pierce
B Pierce & Co Inc
12 Greene St #3
New York NY 10013
(212) 219-1114

Mr Sano Shimoda
Bio Science Securities, Inc.
2 Theatre Square #210
Orinda CA 94563
(925) 253-9520

Mr John Reza
Blaylock & Partners, Lp
111 S Calvert St Ste 1560
Baltimore MD 21202
(800) 747-5335

Mr Bufus Outlaw
Boe Securities
225 S 15th St Ste 928
Philadelphia PA 19102
(215) 546-2300

Mr Stephen R Goodwin
Cartwright & Goodwin Inc
425 E 86th St Fl 8
New York NY 10028-6449
(212) 427-1602

Ms Baunita Greer
Cromwell Miller & Greer Inc
301 Cathedral Pkwy #6s
New York NY 10026
(212) 323-8273

Mr Samuel D Ewing Jr
Ewing Capital Inc
727 15th St Nw Ste 700
Washington DC 20005
(202) 737-1500

Ms Gail M Pankey
Gail M Pankey
8 Broad St
New York NY 10005
(212) 425-0382

Mr Christopher Gardner
Gardner Rich & Company
311 S Wacker Dr Ste 6060
Chicago IL 60606
(312) 922-3333

Ms Lenda P Washington
Grw Capital Corporation
1015 15th St Nw Ste 810
Washington DC 20005
(202) 628-7090

Ms Laura J Janus
Hcm Investments Inc
35 W Wacker Dr #3260
Chicago IL 60601-1614
(312) 553-1000

Mr Eric H Pookrum
Innova Securities Inc
3703 Woodsman Court
Suitland MD 20746-1376
(301) 967-7368

Mr Ronald Jackson
Jackson Partners & Assoc
381 Park Ave S #621
New York NY 10016
(800) 932-9863

Mr Samuel W Bacote
Jackson Securities Inc
100 Peachtree St Nw Ste 2250
Atlanta GA 30303-1912
(404) 522-5766

Mr John Hsu
John Hsu Capital Group Inc
767 3rd Ave Fl 18
New York NY 10017-2023
(212) 223-7515

Mr Albert Grace Jr
Loop Capital Markets Llc
175 W Jackson Ste A635
Chicago IL 60604
(312) 913-4905

Mr Neil Lieberman
M R Beal & Company
565 5th Ave Fl 8
New York NY 10017
(212) 983-3930

Ms Patricia Winans
Magna Securities Corp
60 E 42nd St Ste 2530
New York NY 10065
(212) 547-3740

Ms Patricia Senese
May Davis Group
1 World Trade Center Ste 8735
New York NY 10005
(212) 775-7400

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
April 7, 1999 Continued**

Mr Philip Y Leung
Montrose Securities International
50 California St #3270
San Francisco CA 94111
(415) 399-9955

Mr Robert Wilson
Omni Financial Group Llc
6575 W Loop South Ste 110
Bellaire TX 77401
(713) 349-9600

Mr David Ormes
Ormes Capital Markets Inc
55 Broadway Fl 10
New York NY 10006
(212) 361-1320

Mr Miguel Uria
Oro Financial Inc
4037 Tulane Ave #100
New Orleans LA 70119-6829
(504) 482-4116

Mr Malcolm Pryor
Pryor McClendon Counts & Co
1515 Market St #819
Philadelphia PA 19102
(215) 569-0274

Mr George W Graham
Ramirez & Co Inc
61 Broadway #2924
New York NY 10006
(212) 248-0500

Mr Eric L Small
Sbk-Brooks Investment Corp
50 Public Square
840 Terminal Tower
Cleveland OH 44113
(216) 861-6950

Ms Elizabeth Collidge
Siebert, Brandford, Shank & Co Llc
30 N Lasalle St Ste 2120
Chicago IL 60602
(312) 759-0400

Ms Barbara M Aaron
Sturdivant & Co Inc
223 Gibbsboro Rd
Clementon NJ 08021
(609) 627-4500

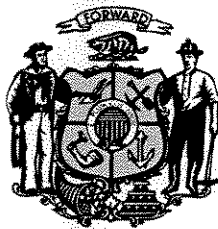
Ms Maria Markham Thompson
The Chapman Company
401 E Pratt St Fl 28
Baltimore MD 21202
(410) 625-9656

Mr Christopher Williams
The Williams Capital Group Lp
650 Fifth Ave Fl 10
New York NY 10019
(212) 830-4500

Mr Matthew Greene
Utendahl Capital Partners Lp
30 Broad St Fl 31
New York NY 10004
(212) 797-2660

Mr Vernon A Reid Jr
V A Reid & Associates
2 E Read Street Fl 5
Baltimore MD 21202-2232
(410) 332-0893

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



Mailing Address:
Post Office Box 7932
Madison, WI 53707-7932

June 11, 1999

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members of the Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Burke, Representative Gard, and Members:

In accordance with sec. 16.531(1), Stats., we are submitting a report for the next quarter on the use of the authorities conferred in sections 16.53(10)(a), sec. 20.002(11)(a), Stats., and Subch. III of Chapter 18, Stats., related to cash flow management and the issuance of operating notes.

The forecasts below are based on January 1999 forecasts by the Legislative Fiscal Bureau and the Governor's 1999-2001 budget proposals. The figures do not include fiscal year 2000 operating notes. Due to uncertainty over the final form of the 1999-01 budget, the timing of tobacco settlement funds and delays in tax processing, the issuance of fiscal year 2000 operating notes may be delayed until after the budget process is complete. Up to \$350 million in operating notes may be issued.

General Fund Cash Forecast
July - September, 1999
(\$ in millions)

Month	Beginning Balance	Receipts	Disbursements
July	\$ 683.2	\$1,418.7	\$ 1,806.4
August	295.5	1,237.2	950.7
September	582.0	1,670.9	1,434.0
October	818.9		

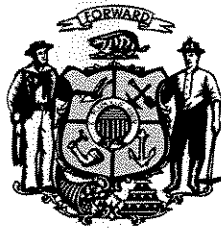
During the next fiscal quarter, the General Fund cash balance is projected to remain positive. Therefore, for the General Fund, it will not be necessary to exercise the authority granted under sec. 20.002(11)(a), Stats. pertaining to the temporary reallocation of certain eligible surplus moneys or the authority granted under sec. 16.53(10)(a) Stats. pertaining to the delay of payments.

Sincerely,


Mark D. Bugher
Secretary

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

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

RECEIVED
JUL 06 1999
BY: _____

June 25, 1999

The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707

The Honorable Charles Sanders
Assembly Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Sanders:

This report is transmitted as required by sec. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under sec. 13.172(3) Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of May 1999.

On May 1, 1999 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$3 thousand. This shortfall increased to -\$5 thousand on May 11, 1999. This shortfall continued into June but is expected to be resolved before the end of the month. This shortfall is due to the timing of revenues.

On May 19, 1999 the **Wisconsin Petroleum Inspection Fund** balance was -\$4.63 million. This shortfall increased to -\$4.95 million on May 20, 1999 and continued until May 21, 1999 when the balance reached \$3.66 million. This shortfall was due to the timing of revenues.

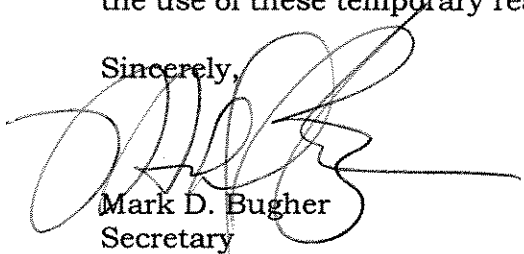
On May 1, 1999 the **Wisconsin Health Insurance Risk Sharing Plan Fund** was -\$2 thousand. This shortfall increased to -\$19 thousand on May 17, 1999 and to -\$20 thousand on May 20, 1999. This shortfall continued until June 8, 1999 when the balance reached \$18 thousand. This shortfall was due to the timing of revenues.

The Wisconsin Health Education Loan Repayment Fund, Wisconsin Petroleum Inspection Fund, and Wisconsin Health Insurance Risk Sharing Plan Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

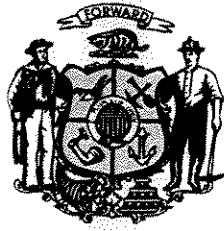
The Honorable Donald J. Schneider
The Honorable Charles Sanders
June 25, 1999
Page 2

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,

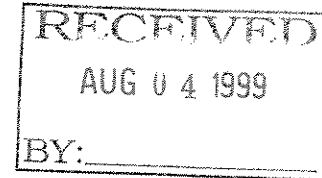
A handwritten signature in black ink, appearing to read 'M. Bugher', with a long horizontal flourish extending to the right.

Mark D. Bugher
Secretary



TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

July 30, 1999



The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707

The Honorable Charles Sanders
Assembly Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Handwritten signature

Dear Chief Clerk Schneider and Chief Clerk Sanders:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of June 1999.

On June 1, 1999 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$5 thousand. This shortfall continued until June 30, 1999 when the balance reached \$39 thousand. This shortfall was due to the timing of revenues.

On June 1, 1999 the **Wisconsin Health Insurance Risk Sharing Plan Fund** balance was -\$20 thousand. This shortfall continued until June 8, 1999 when the balance reached \$18 thousand. This shortfall was due to the timing of revenues.

On June 1, 1999 the **Support Collection Trust Fund** balance was -\$1.03 million. This shortfall continued until June 2, 1999 when the balance reached \$1.1 million. On June 11, 1999 the balance was -\$702 thousand. This shortfall increased to -\$801 thousand on June 14, 1999 and continued until June 15, 1999 when the balance reached \$2.02 million. These shortfalls were due to the timing of revenues.

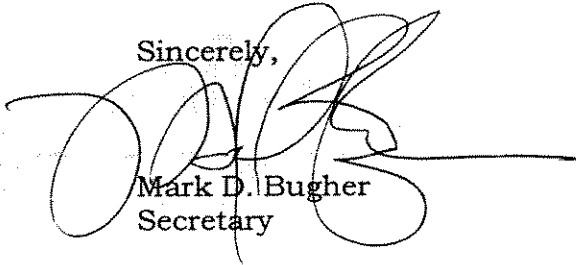
On June 25, 1999 the **University Trust-Principal Fund** balance was -\$204 thousand. This shortfall continued until July 6, 1999 when the balance reached \$187 thousand. This shortfall was due to the timing of revenues.

The Honorable Donald J. Schneider
The Honorable Charles Sanders
July 16, 1999
Page 2

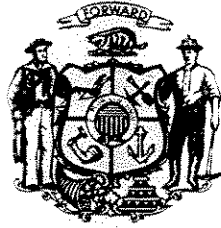
The Wisconsin Health Education Loan Repayment Fund, Wisconsin Health Insurance Risk Sharing Plan Fund, Support Collection Trust Fund, and University Trust-Principal Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Mark D. Bugher
Secretary



TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

July 30, 1999

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members of the Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Burke, Representative Gard, and Members:

In accordance with sec. 16.531(3), Stats., we are submitting this report on the completed calendar quarter ended June 30, 1999, with an assessment of the condition of the General Fund for the period July 1, 1999 to December 31, 1999.

The cash position of the General Fund at June 30 was \$736.3 million, which is higher than the \$683.2 million projected in our report to you on June 11, 1999. This difference is due to lower than expected General Fund disbursements. The cash activity for the quarter was as follows:

General Fund Cash Activity
for the Quarter Ended June 30, 1999
(\$ in millions)

Month	Beginning Balance	Receipts	Disbursements
April	\$ 741.7	\$1,648.5	\$1,185.0
May	1,205.2	1,488.8	1,027.8
June	1,666.2	1,541.0	2,470.9
July	736.3		

At no time during the quarter was it necessary to exercise the authority under sec. 16.53(10)(a) Stats., pertaining to the delay of payments. However, at various times during the quarter it was necessary to exercise the reallocation authority under sec. 20.002(11)(a) Stats., for the Wisconsin Health Education Loan Repayment Fund, the Wisconsin Petroleum Inspection Fund, the Support Collection Trust Fund, the University Trust-Principal Fund, and the Wisconsin Health Insurance Risk Sharing Plan Fund.

The following cash forecasts are based on the July 12, 1999 tax collection estimates prepared by the Legislative Fiscal Bureau and the 99-01 budget bill as passed by the Joint Committee on Finance.

The Honorable Brian Burke
The Honorable John Gard
Members of the Joint Committee on Finance
July 30, 1999
Page 2

General Fund Cash Forecast
July 1999 - December 1999
(\$ in Millions)

Month	Beginning Balance	Receipts	Disbursements
July	\$ 736.3	\$1,368.4	\$1,816.3
August	288.4	1,248.5	849.5
September	687.4	1,693.6	1,398.3
October	982.7	1,462.7	1,044.0
November	1,401.4	1,397.8	1,769.0
December	1,030.2	1,400.0	2,034.6
January	395.6		

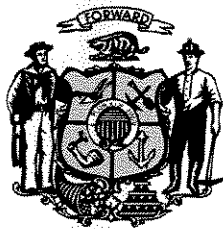
The General Fund will show a positive balance throughout the six month period, with the possible exception of the period between December 6th and December 22nd. During this period, it may become necessary to exercise the authority granted under sec. 20.002(11)(a) Stats., pertaining to the reallocation of certain eligible surplus moneys. It is not anticipated that the authority to delay payments granted under sec. 16.53(10)(a) Stats. will be utilized.

Sincerely,



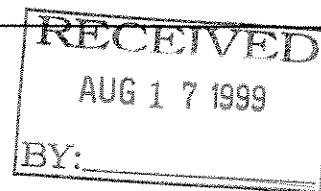
Mark D. Bugher
Secretary

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

August 13, 1999



The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707

The Honorable Charles Sanders
Assembly Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Sanders:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of July 1999.

On July 1, 1999 the **University Trust-Principal Fund** balance was -\$204 thousand. This shortfall continued until July 6, 1999 when the balance reached \$187 thousand. This shortfall was due to the timing of revenues.

On July 6, 1999 the **Support Collection Trust Fund** balance was -\$5.50 million. This shortfall continued until July 7, 1999 when the balance reached \$837 thousand. On July 8, 1999 the balance was -\$2.30 million. This shortfall continued until July 9, 1999 when the balance reached \$1.03 million. On July 14, 1999 the balance was -\$1.36 million. This shortfall continued until July 15, 1999 when the balance reached \$1.51 million. These shortfalls were due to the timing of revenues.

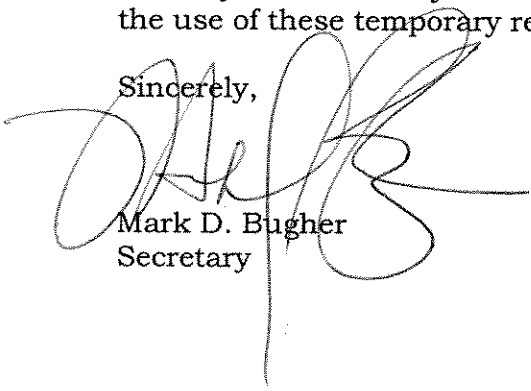
On July 14, 1999 the **Wisconsin Health Insurance Risk Sharing Plan Fund** balance was -\$15 thousand. This shortfall continued until July 26, 1999 when the balance reached \$27 thousand. This shortfall was due to the timing of revenues.

The University Trust-Principal Fund, Support Collection Trust Fund, and Wisconsin Health Insurance Risk Sharing Plan Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The Honorable Donald J. Schneider
The Honorable Charles Sanders
August 13, 1999
Page 2

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,

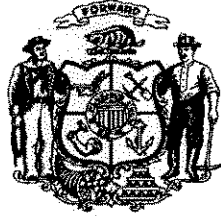


Mark D. Bugher
Secretary

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: August 27, 1999

Re: General Obligation Extendible Commercial Notes of 1999,
Series A and Clean Water Revenue Bonds, 1999 Series 1

Attached are copies of two reports from the Department of Administration.

The first report, pursuant to s. 18.16 (7), Stats., specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The second report, pursuant to s. 18.64 (7), Stats., specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The reports are being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

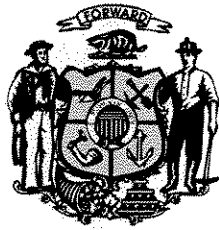
Attachment

BB:JG:dh

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

TOMMY G. THOMPSON
GOVERNOR

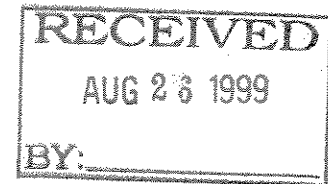
MARK D. BUGHER
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

August 26, 1999

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702



Dear Senator Burke, Representative Gard 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 August 18, 1999 the Building Commission authorized the issuance of \$50,000,000 State of Wisconsin General Obligation Extendible Commercial Notes of 1999, Series A (the "Notes"). Extendible commercial notes are not sold to underwriters through a public sale, they are placed by a remarketing agent or agents on a best efforts basis. Goldman, Sachs & Co. is the firm selected to initially remarket the Notes. Goldman, Sachs & Co. is not certified by the Department of Commerce as minority owned.

Sincerely,

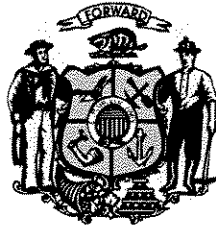
A large, stylized handwritten signature in black ink, appearing to read "M. Bugher".

Mark D. Bugher
Secretary

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

TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

August 26, 1999

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

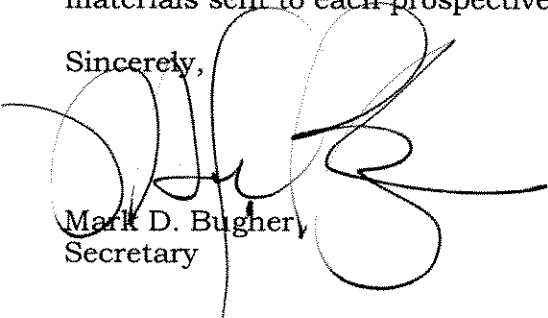
Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of 18.64 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 May 19, 1999, the Building Commission authorized the sale of \$80,000,000 State of Wisconsin Clean Water Revenue Bonds, 1999 Series 1 (the "Bonds"). Pursuant to this authorization, on August 17, 1999 the Capital Finance Director conducted a public sale for and awarded the Bonds. This was a public sale conducted pursuant to Subchapter II of Chapter 18. The Official Notice of Sale, dated August 6, 1999, attached, set the terms and conditions of the sale and was available to all potential bidders. The State received nine bids for the Bonds.

The award was based on the lowest true interest cost rate to the State. The successful underwriter was Banc One Capital Markets, Inc. Banc One Capital Markets, Inc. is not certified by the Department of Commerce as minority owned.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" in the Official Notice of Sale and a list of the certified firms including address, phone number and contact person was included in the bidding materials sent to each prospective bidder.

Sincerely,


Mark D. Bugher
Secretary

OFFICIAL NOTICE OF SALE

\$80,000,000

STATE OF WISCONSIN

CLEAN WATER REVENUE BONDS, 1999 SERIES 1

SEALED PROPOSALS AND ELECTRONIC PROPOSALS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (**Commission**), at the Reception Area, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin, until 10:00 a.m. (CDT) on August 17, 1999, when they will be publicly opened and read, for the purchase of \$80,000,000 State of Wisconsin Clean Water Revenue Bonds, 1999 Series 1 (**1999 Series 1 Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area – 10th Floor, Administration Building, 101 East Wilson Street, Madison, Wisconsin. Electronic proposals must be submitted through Bloomberg Services, Dalcomp/Parity, or MuniAuction (each an **Approved Provider**). Sealed proposals will be opened, electronic proposals retrieved and all proposals publicly announced in the Reception Area shortly after the deadline for proposals.

Terms of 1999 Series 1 Bonds. The 1999 Series 1 Bonds will be dated August 15, 1999, and will be payable as to principal either through serial maturities or redemption from mandatory sinking fund payments (as specified by the successful bidder) on June 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>
2001	\$2,505,000	2011	\$3,890,000
2002	2,610,000	2012	4,090,000
2003	2,715,000	2013	4,300,000
2004	2,830,000	2014	4,525,000
2005	2,955,000	2015	4,760,000
2006	3,085,000	2016	5,015,000
2007	3,225,000	2017	5,280,000
2008	3,375,000	2018	5,560,000
2009	3,535,000	2019	5,860,000
2010	3,710,000	2020	6,175,000

Each bid must specify whether the principal amount of the 1999 Series 1 Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual payment dates immediately preceding the maturity date of such term bond, provided that no term bond designated to mature on and after June 1, 2010 may contain any sinking fund payments prior to June 1, 2009. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of 1999 Series 1 Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

The 1999 Series 1 Bonds will bear interest, payable on December 1, 1999 and semiannually thereafter on the first day of June and December, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the 1999 Series 1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The 1999 Series 1 Bonds maturing in the years 2001 to 2009, inclusive, shall not be subject to redemption prior to their stated dates of maturity. The 1999 Series 1 Bonds maturing on or after June 1, 2010 are subject to redemption at the option of the Commission on June 1, 2009 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. The redemption price for 1999 Series 1 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the 1999 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The 1999 Series 1 Bonds of certain maturities will be subject to mandatory redemption prior to their respective stated maturity dates, in part, from mandatory sinking fund payments, to the extent the successful bidder so specifies in its bid. In such event, the redemption price shall be

equal to 100% of the principal amount of the 1999 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

Book-Entry. The 1999 Series 1 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 1999 Series 1 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-only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the 1999 Series 1 Bonds purchased. The bond certificates will be deposited with DTC as a condition of the closing. Firstar Bank Milwaukee, National Association, as successor to Firstar Trust Company, Milwaukee, Wisconsin (Trustee) will make payments of principal and interest on the 1999 Series 1 Bonds on the dates set forth above, to DTC or its nominee as registered owner of the 1999 Series 1 Bonds in same-day funds. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by rules and procedures of DTC and the participants. No assurance can be given by the State of Wisconsin (State) or the Trustee that DTC, its participants and other nominees of beneficial owners will make prompt transfer of said payments. The State and the Trustee assume no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to beneficial owners of the 1999 Series 1 Bonds.

Notice to Securities Depository. Notices, if any, given by the State and Trustee to the securities depository are redistributed in the same manner as are payments. The State and Trustee assume no liability for the failure of the securities depository, its participants or other nominees of beneficial owners to promptly transfer said notices to the beneficial owners of the 1999 Series 1 Bonds. The State and Trustee are 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 current 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 1999 Series 1 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the 1999 Series 1 Bonds as identified to the Commission by the securities depository and its participants.

Purpose and Pledge. The 1999 Series 1 Bonds are issued and secured under the Clean Water Revenue Bond General Resolution (General Resolution) adopted on March 7, 1991 by the Commission. The proceeds of the 1999 Series 1 Bonds will be used to make loans to municipalities in the State for the construction or improvement of their water treatment facilities and to make deposits in the Loan Credit Reserve Fund established under the General Resolution. The 1999 Series 1 Bonds, together with any parity bonds previously or hereafter issued, are special obligations of the State secured by and payable from (1) repayment of leveraged loans made to municipalities, (2) amounts in a Loan Fund, Loan Credit Reserve Fund and a Subsidy Fund, each established by the General Resolution, and (3) all other Pledged Receipts, all as described in the Official Statement. The State, which has issued its general obligation bonds that are currently held in the Subsidy Fund, is expected to be, based on Loan Fund and Subsidy Fund levels as of June 30, 1999, the source of 20 percent or more of the gross cash flow servicing the 1999 Series 1 Bonds and all other parity bonds previously or hereafter issued.

Minority Participation. It is the policy of the Commission to endeavor to ensure that 6% of the 1999 Series 1 Bonds are 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 Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550.

No Bond Insurance. The award of the 1999 Series 1 Bonds will be made with the understanding that no bond insurance will be used in connection with the primary offering of the 1999 Series 1 Bonds. The successful bidder must certify, prior to the delivery of the 1999 Series 1 Bonds, that no bond insurance policy has been obtained by or on behalf of it or any other member of its underwriting group (whether or not a member of the bidding group) during the "primary offering" of the 1999 Series 1 Bonds (as such term is defined in paragraph (f)(7) of Rule 15c2-

12 under the Securities Exchange Act of 1934). This requirement does not prohibit insuring the 1999 Series 1 Bonds in secondary market transactions or with portfolio insurance.

Electronic Bidding/Notification. Bidders who intend to submit electronic proposals are responsible for submitting the Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Office prior to the bidding deadline. If any provisions in this Official Notice of Sale conflict with information provided by an Approved Provider, this Official Notice of Sale shall control. The Commission assumes no responsibility or liability for bids submitted through an Approved Provider. Further information about the electronic bidding service providers, including any fee charged, may be obtained from:

Bloomberg Services

499 Park Ave.

New York, NY 10022

Margaret Trapp, 212.318.2303

Dalcomp/Parity

395 Hudson Street, FLR 3

New York, NY 10014

Cheryl Horowitz, 212.807.3898

MuniAuction

Allegheny Building, Suite 1212

429 Forbes Ave

Pittsburgh, PA 15219

Myles Harrington, 412.391.7686

Official Bid Form and Award. Sealed proposals must be made using the Official Bid Form, and all electronic proposals shall be deemed to incorporate the provisions of the Official Bid Form. The 1999 Series 1 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 August 15, 1999 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 Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the 1999 Series 1 Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the 1999 Series 1 Bonds and may be for any purchase price not less than 99% of the par amount of the 1999 Series 1 Bonds (\$79,200,000.00) nor greater than 101% of the par amount of the 1999 Series 1 Bonds (\$80,800,000.00). There shall be only one interest rate per maturity. 1999 Series 1 Bonds maturing from June 1, 2010 to and including June 1, 2020 may not have an initial offering price less than 98% of par. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

No later than one-half hour after verbal notification of being the apparent high bidder, the "when, as and if issued" offering prices of all 1999 Series 1 Bonds must be communicated to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to publicly disseminate the initial offering prices for all 1999 Series 1 Bonds.

Bid Deposit. A certified, official or cashier's check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$1,600,000.00. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is assured by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in immediately available funds not later than 1:30 p.m. CDT on August 18, 1999. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely. Bids shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for Wisconsin Clean Water Revenue Bonds, 1999 Series 1*.

Good-Faith Deposit. The good-faith deposit of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the 1999 Series 1 Bonds. No interest will be allowed on the amount of the good-faith deposit. The proceeds of the good-faith deposit of the successful bidder will be applied to the purchase price of the 1999 Series 1 Bonds. In the event that the successful bidder should fail to take up and pay for the 1999 Series 1 Bonds in compliance with the terms of its bid, the Commission, at its option, may retain the good-faith deposit as liquidated damages or, at its further option, may retain the good-faith deposit as partial payment of actual damages or as security for any other remedy available to the Commission. The amount of the good-faith deposit 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 1999 Series 1 Bonds, or rejection of all bids, will be made by the Capital Finance Director within said period of time.

Certification of Price. The successful bidder shall certify, prior to delivery of the 1999 Series 1 Bonds, the "issue price" of the 1999 Series 1 Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986, as amended.

Closing and Delivery. The closing will be at a mutually agreeable location in New York, New York, at or about 9:30 a.m. EDT, on or about September 9, 1999. No later than the day prior to this closing, the 1999 Series 1 Bonds will be delivered through the Trustee to DTC using DTC's Fast Automated Securities Transfer (FAST) System. Payment for the 1999 Series 1 Bonds must be made by wire in immediately available funds for credit to the Trustee at said date and time. Should delivery be delayed beyond 45 days from the date of sale for any reason beyond the control of the State except failure of performance by the successful bidder, the State may cancel the award or the successful bidder may demand return of its good-faith deposit and thereafter its interest in and liability for the 1999 Series 1 Bonds will cease.

Bond Opinion. The legality of the 1999 Series 1 Bonds will be approved by Michael Best & Friedrich LLP, bond counsel, whose unqualified approving opinion will be furnished to the successful bidder without cost upon the delivery of the 1999 Series 1 Bonds. There will also be furnished upon the delivery of the 1999 Series 1 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 1999 Series 1 Bonds, and a certificate to the effect that the Official Statement prepared in connection with the sale of the 1999 Series 1 Bonds, as of the date of the Official Statement and as of the date of delivery of the 1999 Series 1 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 1999 Series 1 Bonds is excluded from gross income for federal income tax purposes.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed a Master Agreement on Continuing Disclosure and Addendum Describing Annual Report for Clean Water Revenue Bonds and will execute a Supplemental Agreement specifically for the 1999 Series 1 Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

CUSIP Numbers. The 1999 Series 1 Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the 1999 Series 1 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 1999 Series 1 Bonds in accordance with the terms of the purchaser's bid.

Bidding Documents. The Preliminary Official Statement is available electronically at the web site shown below and is in a form which the Commission "deems final" as of August 5, 1999 for purposes of Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 but is subject to revision, amendment and completion in a final official statement as defined in Section (e)(3) of such rule. The Preliminary Official Statement, Official Bid Form, Agreement About Use of Electronic Bidding Service Provider, and Continuing Disclosure Documents may be obtained from the world wide web at:

www.doa.state.wi.us/debf/capfin/pos.htm

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street - 10th Floor, Madison, Wisconsin 53702, 608.266.2305, 608.267.7399 or 608.267.0374.

Final Official Statements. The Commission will furnish to the successful bidder, without cost, up to 1,000 copies of the final Official Statement within seven business days after the award of the 1999 Series 1 Bonds.

Dated: August 6, 1999

Frank R. Hoadley
Capital Finance Director

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
July 28, 1999**

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.

Ms Sherlin Lee 1st Honolulu Securities Inc 900 Fort St #950 Honolulu HI 96813 (808) 523-9422	Mr Stephen R Goodwin Cartwright & Goodwin Inc 425 E 86th St Fl 8 New York NY 10028-6449 (212) 427-1602	Mr Eric H Pookrum Innova Securities Inc 3703 Woodsman Court Suitland MD 20746-1376 (301) 967-7368
Mr Hugh Albritton III A & M Securities LLC 2475 Northwinds Pkwy Ste 200 Alpharetta GA 30004 (770) 753-6166	Ms Baunita Greer Cromwell Miller & Greer Inc 301 Cathedral Pkwy #6S New York NY 10026 (212) 323-8273	Mr Ronald Jackson Jackson Partners & Assoc 381 Park Ave S #621 New York NY 10016 (800) 932-9863
Mr Michael Yap Americal Securities Inc 290 7th Ave San Francisco CA 94118 (415) 666-0633	Mr Samuel D Ewing Jr Ewing Capital Inc 727 15th St NW Ste 700 Washington DC 20005 (202) 737-1500	Mr Samuel W Bacote Jackson Securities Inc 100 Peachtree St NW Ste 2250 Atlanta GA 30303-1912 (404) 522-5766
Mr Elton Johnson Jr Amerivet Securities Inc 9800 S Sepulveda Blvd Ste 820 Los Angeles CA 90045 (310) 641-6284	Ms Gail M Pankey Gail M Pankey 8 Broad St New York NY 10005 (212) 425-0382	Mr John Hsu John Hsu Capital Group Inc 767 3rd Ave Fl 18 New York NY 10017-2023 (212) 223-7515
Ms Benita Pierce B Pierce & Co Inc 12 Greene St #3 New York NY 10013 (212) 219-1114	Mr Christopher Gardner Gardner Rich & Company 311 S Wacker Dr Ste 6060 Chicago IL 60606 (312) 922-3333	Mr Albert Grace Jr Loop Capital Markets LLC 175 W Jackson Ste A635 Chicago IL 60604 (312) 913-4905
Mr Sano Shimoda Bio Science Securities, Inc. 2 Theatre Square #210 Orinda CA 94563 (925) 253-9520	Ms Lenda P Washington Grw Capital Corporation 1015 15th St NW Ste 810 Washington DC 20005 (202) 628-7090	Mr Neil Lieberman M R Beal & Company 565 5th Ave Fl 8 New York NY 10017 (212) 983-3930
Mr John Rezai Blaylock & Partners, LP 111 S Calvert St Ste 1560 Baltimore MD 21202 (800) 747-5335	Ms Laura J Janus Hcm Investments Inc 35 W Wacker Dr #3260 Chicago IL 60601-1614 (312) 553-1000	Ms Patricia Winans Magna Securities Corp 60 E 42nd St Ste 2530 New York NY 10065 (212) 547-3740
Mr Bufus Outlaw Boe Securities 225 S 15th St Ste 928 Philadelphia PA 19102 (215) 546-2300	Mr Louis A Holland Holland Capital Mgmt, LP 35 W Wacker Dr Ste 3260 Chicago IL 60601 (312) 553-1000	Ms Patricia Senese May Davis Group 1 World Trade Center Ste 8735 New York NY 10005 (212) 775-7400

MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
July 28, 1999 Continued

Mr Philip Y Leung
Montrose Securities International
50 California St #3270
San Francisco CA 94111
(415) 399-9955

Mr Robert Wilson
Omni Financial Group LLC
6575 W Loop South Ste 110
Bellaire TX 77401
(713) 349-9600

Mr David Ormes
Ormes Capital Markets Inc
55 Broadway Fl 10
New York NY 10006
(212) 361-1320

Mr Miguel Uria
Oro Financial Inc
4037 Tulane Ave #100
New Orleans LA 70119-6829
(504) 482-4116

Mr Malcolm Pryor
Pryor McClendon Counts & Co
1515 Market St #819
Philadelphia PA 19102
(215) 569-0274

Mr George W Graham
Ramirez & Co Inc
61 Broadway #2924
New York NY 10006
(212) 248-0500

Mr Eric L Small
SBK-Brooks Investment Corp
50 Public Square
840 Terminal Tower
Cleveland OH 44113
(216) 861-6950

Ms Elizabeth Collidge
Siebert, Brandford, Shank & Co LLC
30 N Lasalle St Ste 2120
Chicago IL 60602
(312) 759-0400

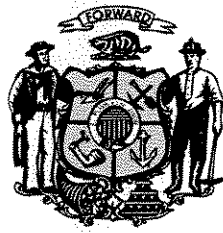
Ms Barbara M Aaron
Sturdivant & Co Inc
223 Gibbsboro Rd
Clementon NJ 08021
(609) 627-4500

Ms Maria Markham Thompson
The Chapman Company
401 E Pratt St Fl 28
Baltimore MD 21202
(410) 625-9656

Mr Christopher Williams
The Williams Capital Group LP
650 Fifth Ave Fl 10
New York NY 10019
(212) 830-4500

Mr Matthew Greene
Utendahl Capital Partners LP
30 Broad St Fl 31
New York NY 10004
(212) 797-2660

Mr Vernon A Reid Jr
V A Reid & Associates
2 E Read Street Fl 5
Baltimore MD 21202-2232
(410) 332-0893



TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

September 10, 1999

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members of the Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Burke, Representative Gard, and Members:

In accordance with sec. 16.531(1), Wis. Stats., we are submitting a report for the next quarter on the use of the authorities conferred in sec. 16.53(10)(a), Wis. Stats., sec. 20.002(11)(a), Wis. Stats., and Subch. III of Chapter 18, Wis. Stats., related to cash flow management and the issuance of operating notes.

The forecasts below are based on the July 12, 1999 tax collection estimates prepared by the Legislative Fiscal Bureau and the 99-01 budget bill as passed by the Joint Committee on Finance.

General Fund Cash Forecast
October - December, 1999
(\$ in millions)

Month	Beginning Balance	Receipts	Disbursements
October	\$1,076.3	\$1,462.8	\$1,044.1
November	1,495.0	1,397.8	1,769.0
December	1,123.8	1,400.0	2,034.6
January	489.2		

The General Fund will experience low balances during the period December 6th - December 14th. During this period it may become necessary to exercise the authority granted under sec. 20.002(11)(a), Wis. Stats., pertaining to the temporary reallocation of certain eligible surplus moneys. It is not anticipated that the authority to delay payments granted under sec. 16.53(10)(a), Wis. Stats., will be utilized.

Sincerely,


Mark D. Bugher
Secretary

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

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

September 10, 1999

The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707

The Honorable Charles Sanders
Assembly Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Sanders:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of August 1999.

On August 4, 1999 the **Support Collection Trust Fund** balance was -\$9.54 million. This shortfall continued until August 5, 1999 when the balance reached \$295 thousand. This shortfall were due to the timing of revenues.

On August 19, 1999 the **Wisconsin Petroleum Inspection Fund** balance was -\$4.82 million. This shortfall decreased to -\$4.79 million on August 20, 1999 and continued until August 23, 1999 when the balance reached \$3.98 million. This shortfall was due to the timing of revenues.

The Support Collection Trust Fund and Wisconsin Petroleum Inspection Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

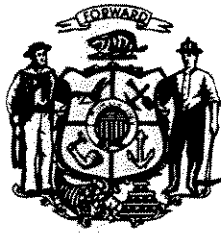
Sincerely,


Mark D. Bugher
Secretary

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

TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY



Division of Housing
101 East Wilson Street, 4th Floor
Post Office Box 8944
Madison, WI 53708-8944
Voice (608) 266-0288
Fax (608) 267-6917
TTY (608) 264-8499
Central Division E-Mail Address:
dohweb@doa.state.wi.us

September 10, 1999

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
315 North, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Joint Finance Committee approved the release of oil overcharge funds for the Campaign to Keep Wisconsin Warm program as part of the "Stripper XVIII" Oil Overcharge Allocation Plan. The approval required the Department of Administration to forward to the Committee materials, which certify that:

- releasing the funds to Energy Services, Inc. (ESI) will significantly increase funds available for energy assistance statewide, and
- all funds, including the raised match, will be distributed statewide in an equitable manner and in coordination with the state's LIHEAP program.

This letter is the required response. Enclosed is the KWWF contract with ESI and the response from ESI relative to the equity of the distribution of funds statewide.

Releasing the funds to ESI will significantly increase available funds. State funds will not be released to ESI until matching funds have been received by ESI. ESI is required by contract to have raised and received the matching funds before the state funds will be released to ESI. The state will not release more state funds than the equivalent amount of the matching funds, which have been raised and received by ESI at any point in time during the period of the contract. Since ESI will raise one dollar of matching funds for each dollar of state funds the KWWF project will result in an additional \$700,000 for energy assistance benefits. This will "significantly" increase the amount of funds available for energy assistance.

Certifying to the equity of the distribution of funds statewide is a more complex issue. Since KWWF is intended for increasing funds for emergency assistance a simple approach to equity and coordination with LIHEAP would be distributing KWWF funds using the same formula used for distributing LIHEAP emergency funds. However, since all counties do not fully expend the LIHEAP emergency funds already available to them this would not effectively increase the availability of funds since they would not be needed or used by all counties. Rather, the KWWF is best seen as

Senator Brian Burke and
Representative John Gard
September 10, 1999
Page 2

an alternative to those areas with a high level of need and where LIHEAP funds are fully utilized. Also, they can be a way of assisting households, which do not normally apply for LIHEAP, even though they are eligible.

Given the difficulty of a simple definition of what is "statewide equity" we are approaching this project from the perspective of a pilot of a statewide fuel fund based on a public and private partnership. Because these funds are supplemental to LIHEAP funds there is not a single or simple distribution formula, which could readily be defined as equitable. We have communicated the requirement for equitable distribution of funds to Mr. Timothy Bruer, the Executive Director of Energy Services, Inc. and will work with ESI to assure that funds are distributed equitably. The ESI plan meets the Department's minimal requirement in that funds from the KWWF project are available to all counties and tribes in the state to the extent they choose to participate in the KWWF project.

The plan, as approved by JFC, also required an evaluation of the project before consideration would be given to the appropriation of any additional state funds for this purpose. It is our intention to evaluate the equity of the distribution of funds statewide as part of the project evaluation. It is our expectation that future decisions on providing additional funds for this project would give significant consideration to this evaluation and to the equity of the distribution of the funds in this phase of the KWWF project. It is also our expectation that if the Public Benefits Program currently being considered by the legislature as part of the Reliability 2000 Proposal is adopted that any future considerations would be as a part of the Public Benefits Program.

Sincerely,



BRIAN A. SCHIMMING
Administrator

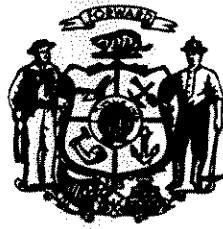
Attachments

Cc: Members, Joint Committee on Finance
Bob Lang, Legislative Fiscal Bureau
Timothy Bruer, Energy Services, Inc.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
Division of Housing

TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY



Street Address:
101 E. Wilson St. 4th Floor *Steve*

Mailing Address:
Post Office Box 8944
Madison, WI 53708-8944

Phone: (608) 266-0288
Fax: (608) 267-6917
E-mail: dohweb@doa.state.wi.us

March 10, 1999

Timothy Bruer, Director
Energy Services, Inc.
1225 S. Park Street
Madison, WI 53715

RE: Signed copy of Contract # 89079 for the period January 1, 1999 through
December 31, 2000

Dear Mr. Bruer:

Enclosed is your copy of the signed contract for the Keep Wisconsin Warm Fund (KWWF)
Project funded with Oil Overcharge funds and matching contributions.

You are already aware of the requirement for the Housing Division Administrator to certify to
Joint Finance that the conditions specified by Joint Finance in their approval of funds for this
Project are met before the Department can release any funds to you. The specific certification
requirements from the June 23, 1998 minutes of the Joint Committee on Finance are:

Releasing the monies to Energy Services, Inc. will result in a significant increase in the
overall funds available for energy assistance statewide; and

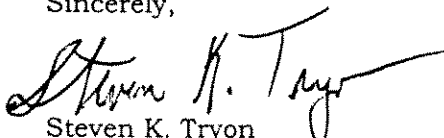
All funds, including the raised match, will be distributed statewide in an equitable
manner and in coordination with the state's LIEAP program.

We can attest to the first requirement without any additional information since each state
dollar will be matched by a privately donated dollar and no state funds will be released prior to
documentation of receipt of the matching funds. We do need additional information from you
before we can certify to the second requirement. While we have discussed this in the past, we
need a document signed by you as the contract administrator for ESI certifying how you will
comply with the second requirement.

Please keep in mind that the last day to claim expenses on this contract is on
February 28, 2001. Please be sure your fiscal staff is aware of this requirement.

If you have any questions, I can be reached at 608-266-7601. Questions related to processing
of payments should be addressed to Joyce Stein at 608-267-2186.

Sincerely,


Steven K. Tryon
Energy Services Director

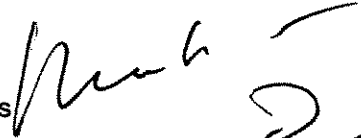

Cc: Brian A. Schimming, Administrator, Division of Housing
Nathaniel E. Robinson, Administrator, Division of Energy and Intergovernmental
Relations

enclosure





CORRESPONDENCE/MEMORANDUM

State of Wisconsin
Department of Administration
Division of Housing

Date: 02/23/99
To: Mark Saunders 
From: Brian Schimming, Administrator 
Subject: Energy Services Inc. Contract

Attached are copies of the contract for services from Energy Services Inc. signed by the Executive Director.
Please review the contracts and, if approved, forward for signature of the Secretary.

Approved  
 Disapproved

State Copy: _____
Grantee Copy: _____
Contract Number: 89079
Performance Period: January 1, 1999 through December 31, 2000
Award Amount (total): \$700,000

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
CONTRACT FOR PROFESSIONAL SERVICES BETWEEN
THE STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
AND
ENERGY SERVICES, INC.**

THIS CONTRACT is made and entered into by and between the State of Wisconsin, Department of Administration, hereinafter referred to as the "Department" and Energy Services, Inc., hereinafter referred to as the "Contractor."

WHEREAS, it is the intention of the parties to this Contract that all activities described herein shall be for their mutual benefit; and

WHEREAS, the Department has approved an award to the Contractor in the amount of \$700,000 as shown on Attachment F for eligible activities herein described; and

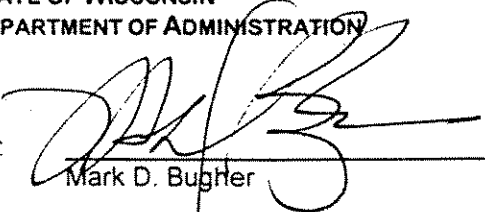
WHEREAS, the terms and conditions herein shall survive the performance period and shall continue in full force and effect until the Contractor has completed and is in compliance with all the requirements of this Contract; and

WHEREAS, this Contract is a mutually exclusive contract and is distinguished from all previous contracts between the Contractor and the Department and contains the entire understanding between the parties;

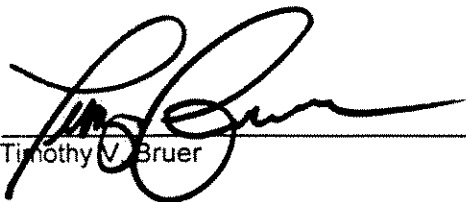
NOW, THEREFORE, in consideration of the mutual promises and dependent documents, the parties hereto agree as set forth in Articles 1 through 32 on Form WIS/DOA/LIHEAP/997-R and ATTACHMENTS A through G which are annexed and made a part hereof.

This Contract is complete and valid as of the date signed by the Secretary of the Department of Administration.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: 
Mark D. Bugher
Title: Secretary
Date: 3/16/99

ENERGY SERVICES, INC.

By: 
Timothy V. Bruer
Title: Executive Director
Date: _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER

(FEIN):39-1443614

GENERAL-TERMS AND CONDITIONS

ARTICLE 1. REVIEW

Liaison with the Department will be through the Administrator of the Division of Housing or person designated by the Administrator, who will represent the Department's interest in review of quality, quantity, rate of progress, timeliness of services, and related considerations as outlined in this Contract.

ARTICLE 2. APPLICABLE LAW

This Contract shall be governed under the laws of the State of Wisconsin and the United States. Where applicable, the Contractor agrees to comply with local laws and ordinances.

ARTICLE 3. PERIOD OF PERFORMANCE AND NOTICES

Except for Survival Requirements, the Performance Period is the term of this Contract. The Period of Performance under this Contract is as defined in ATTACHMENT B.

All notices, demands, or requests under this Contract shall be in writing to the addresses listed in ATTACHMENT B.

ARTICLE 4. SURVIVAL OF REQUIREMENTS

Unless otherwise authorized in writing by the Department, the terms and conditions of this Contract shall survive the performance period and shall continue in full force and effect until the Contractor has completed and is in compliance with all the requirements of this Contract.

ARTICLE 5. IDENTIFICATION AND AVAILABILITY OF FUNDS

The source of program funding for this Contract is described in ATTACHMENT A.

The funds awarded under this Contract are dependent upon availability from the funding source(s), and termination of this Contract for lack of available funds shall be without penalty.

ARTICLE 6. OBJECTIVES/SCOPE OF WORK

The eligible activities under this Contract are summarized in ATTACHMENT C. In the event of a conflict between the summary in ATTACHMENT C and the application and/or other supporting documents previously submitted to the Department by the Contractor, ATTACHMENT C shall control.

The Contractor shall supply all necessary personnel, equipment, and materials (except as may be otherwise provided herein) to accomplish the activities. The Contractor shall also provide the services in accordance with applicable professional standards.

ARTICLE 7. SUBCONTRACTS

The Contractor will not assign or subcontract all or any part of the administrative work under this Contract without prior written notification to the Department. The Department reserves the right to reject any subcontractor after notification. The Contractor shall be responsible for all matters involving any subcontractor engaged under this Contract, including contract compliance, performance, and dispute resolution between itself and a subcontractor. The Department bears no liability or responsibility for subcontractor compliance, performance, or dispute resolution hereunder.

ARTICLE 8. REPORTING

The Contractor agrees to submit all required reports to the Department in a complete and timely manner and to comply with all other applicable regulations. The Contractor shall provide the Department with reports according to the schedule described in ATTACHMENT D.

ARTICLE 9. FAILURE TO PERFORM

The Department reserves the right to suspend payment of funds if required reports are not provided to the Department on a timely basis or if performance of contracted activities is not evidenced. The Department further reserves the right to suspend payment of funds under this Contract if there are deficiencies related to the required reports or if performance of contracted activities is not evidenced on other contracts between the Department and the Contractor in whole or in part.

The Contractor's management and financial capability including but not limited to audit results and performance may be taken into consideration in any or all future determinations by the Department and may be a factor in a decision to withhold payment and may be cause for termination of this Contract.

ARTICLE 10. LEGAL RELATIONS AND INDEMNIFICATION

The Contractor will at all times comply with and observe all applicable federal and state laws, ordinances, and regulations which are in effect during the performance period of this Contract and which in any manner affect the Contractor's work or conduct.

In carrying out any provisions of this Contract or in exercising any power or authority contracted to the Contractor thereby, there will be no personal liability upon the Department, it being understood that in such matters the Department acts as agent and representative of the State.

The Contractor will indemnify and save harmless the State and all of its officers, agents, and employees for all suits, actions, or claims of any character brought for or as a result of any injuries or damages received by any persons or property resulting from the operations of the Contractor, or any of its subcontractors, in prosecuting work under this Contract. If Contractor is a federally recognized American Indian Tribe or Band, or an Authority, this Article will not be construed as a waiver of tribal sovereign immunity and local ordinances or regulations may not apply.

ARTICLE 11. CAPTIONS AND TERMS

The captions used in this Contract are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Contract. Terms used but not specifically defined herein shall have the meaning defined by the Department.

ARTICLE 12. PARTIAL INVALIDITY OF CONTRACT

Should any part, term, or provision of this Contract be decided by a Court to be invalid, unenforceable, illegal, or in conflict with any law, the validity, legality, and enforceability of the remaining portions shall not be affected or impaired.

ARTICLE 13. TERMINATION OF AGREEMENT

The Department may terminate this Contract at any time at its discretion by delivering written notice to the Contractor by Certified Mail, Return Receipt Requested, not less than thirty (30) days prior to the effective date of termination. Date of receipt as indicated on the Return Receipt will be the effective date of notice of termination. Upon termination, the Department's liability will be limited to the actual costs incurred in carrying out the project as of the date of termination plus any termination expenses having prior written approval of the Department.

Except as specified by law, i.e. counties are prescribed by Wisconsin Statutes to operate the Low Income Home Energy Assistance Program (LIHEAP) in their respective counties, the Contractor may terminate this Contract by delivering written notice to the Department by Certified Mail, Return Receipt Requested, not less than thirty (30) days prior to termination. Date of receipt as indicated on the Return receipt will be the effective date of notice of termination.

In the event the Contract is terminated by either party, for any reason whatsoever, the Contractor will refund to the Department within forty-five (45) days of the effective date of notice of termination any payment made by the Department to the Contractor which exceeds actual costs incurred in carrying out the project as of the date of termination.

ARTICLE 14. AMENDMENT

Any amendment to this Contract is at the discretion of the Department and must be by written amendment to this Contract between the Department and the Contractor.

ARTICLE 15. SPECIAL CONDITIONS

Special Conditions incorporated as part of this Contract are described in ATTACHMENT G.

FISCAL TERMS AND CONDITIONS

ARTICLE 16. METHOD OF PAYMENT

Payments are to be used exclusively for expenses incurred during the performance period. Payments on this Contract shall be made according to the schedule incorporated as part of this Contract as ATTACHMENT E.

Request for final payment of any and all funds awarded by this Contract, including project and administrative funds if awarded, must be received by the Department or other appropriate governmental agency or entity within 60 days of the end of the Performance Period or termination of this Contract unless otherwise specifically provided for in ATTACHMENT E.

Costs incurred prior to the effective date of the Contract whether or not they would have been allowable hereunder if incurred after such date are only allowable if specifically provided for in ATTACHMENT E.

ARTICLE 17. VARIANCES

Variations may be permissible as outlined in ATTACHMENT F. A variance shall not be used to authorize a revision of the amount awarded or a change in the performance period. Such changes must be made by Contract Amendment.

ARTICLE 18. REIMBURSEMENT OF FUNDS

The Contractor shall return to the Department or other appropriate governmental agency or entity any funds paid to the Contractor in excess of the allowable costs of services provided under this Contract. If the Contractor fails to return excess funds, the Department may deduct the appropriate amount from subsequent payments due to the Contractor from the Department. The Department also reserves the right to recover such funds by any other legal means including litigation if necessary.

The Contractor shall be responsible for reimbursement to the Department for any disbursed funds which are determined by the Department to have been misused or misappropriated. The Department may also

require reimbursement of funds if the Department determines that any provision of this Contract has been violated. Any reimbursement of funds which is required by the Department, with or without termination, shall be due within forty-five (45) days after giving written notice to the Contractor.

ARTICLE 19. LIMITED USE OF PROGRAM FUNDS

This Contract is a mutually exclusive contract. The Contractor shall not apply funds authorized pursuant to other Program Contracts toward the activities for which funding is authorized by this Contract nor shall funding authorized by this Contract be used toward the activities authorized pursuant to other Program Contracts. The word "funds" as used in this Article does not include program income.

ARTICLE 20. PROGRAM INCOME

Program income means gross income received by the Contractor which is directly generated from the use of the contract award, including but not limited to repayments of funds that had been previously provided to eligible beneficiaries; interest earned on any or all contracted funds obtained from the Department; proceeds derived after the contract close out from the disposition of real property acquired with any or all funds provided under this Contract or interest earned on program income pending its disposition. Program income may be further described in ATTACHMENT G.

The Contractor agrees that all program income will be recorded and used in accordance with the rules and regulations of the Program funding source described in ATTACHMENT A. If at any time changes in the use of program income is considered, the Contractor must submit a plan detailing the proposed uses of program income to the Department for approval. Should the Contractor decide following contract close out to discontinue using program income for such purposes, the Contractor further agrees to return the program income balance and any additional program income accrued to the Department by January 31 of the following year.

ARTICLE 21. FINANCIAL MANAGEMENT

The Contractor agrees to maintain a financial management system which complies with the rules and regulations required by the Program funding source described in ATTACHMENT A and with standards established by the Department to assure funds are spent in accordance with law and to assure that accounting records for funds received under this Contract are sufficiently segregated from other contracts, programs, and/or projects.

ADMINISTRATIVE TERMS AND CONDITIONS

ARTICLE 22. PROCUREMENT

The Contractor agrees, to the extent provided by federal and state law, to conduct all procurement transactions, regardless of whether by sealed bids or by negotiation and without regard to dollar value of the transactions, in a manner that provides maximum open and free competition.

ARTICLE 23. CONFLICT OF INTEREST

No person who is an employee, agent, consultant or officer of the Contractor, or an elected or appointed official, and who exercises or has exercised any functions or responsibilities with respect to activities supported by and described in this Contract, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or contract with respect thereto or the proceeds thereunder, either for themselves or those with whom they have family or business

ties, during their tenure. Receipt of earnings from the Contractor by employees of the Contractor will not be considered a conflict of interest, but otherwise employees of the Contractor will be fully bound by the requirements of this Article. Upon request, the Department can make exceptions to this requirement after full disclosure and where the Department determines, in consultation with federal agencies if necessary, that such exception is in the best interests of the State and is not contrary to state or federal laws.

ARTICLE 24. BONDING AND INSURANCE

Unless authorized otherwise by the Department, the Contractor will provide either insurance, fidelity, or surety bonds in amounts sufficient, in the opinion of the Department, to safeguard contract funds and activities undertaken with contract funds and program income expended under this Contract.

The Contractor will establish and maintain in a state or federally insured financial institution an account for the purpose of receiving and disbursing all funds pertaining to this Contract.

ARTICLE 25. PUBLICATIONS

The Department of Administration reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, otherwise use, or authorize others to use printed materials made possible by funding from this Contract. All printed materials funded in whole or in part under this Contract must contain the following statement.

"This publication and/or the activities described herein were funded by the
State of Wisconsin, Department of Administration, Division of Housing."

ARTICLE 26. RECORD KEEPING

The Contractor agrees to establish a record keeping system which conforms to the rules and regulations required by the Program funding source described in ATTACHMENT A and/or to standards established by the Department to assure that the Contract is in compliance with all applicable regulations. The system shall provide an historic account of contract activities for examination and review by anyone authorized by the Department. Records must be maintained after final audit of the Contract for a period of not less than three (3) years unless the program requirements are longer.

The minimum acceptable records for administrative purposes of this Contract consist of:

1. Documentation of employee time;
2. Documentation of all materials, supplies, and travel expenses;
3. Inventory records and supporting documents for allowable equipment purchased to carry out the scope of work of the project;
4. Documentation and justification of the methodology used for any in-kind contributions;
5. Justification supporting allocation of space charges or other indirect cost allocation methods; and
6. Any other records which support charges incurred.

The Contractor must maintain sufficient segregation of accounting records for this Contract separate from other contracts, projects, and programs.

Except as required by the Department, disclosure by the Contractor of any information concerning beneficiaries who receive services from the Contractor is prohibited. The Contractor is responsible for obtaining all necessary, informed, written consent of the beneficiaries or the beneficiaries' legal guardians when the beneficiaries apply to the Contractor such that this Contract can be properly administered by the Contractor and audited by the Department.

ARTICLE 27. EXAMINATION OF RECORDS

Documents related to this Contract shall be made available for review by the Department during normal business hours.

The Contractor agrees that the Department of Administration shall have access at any time during normal business hours, and the right to examine, audit, excerpt, transcribe and copy on the Contractor's premises any directly pertinent records, in whatever form, relating to this Contract. If the material is on electronic media, the Contractor will provide copies in such form as may be requested by the Department. Such material must be retained after final audit of the Contract for a period of not less than three (3) years unless the program requirements are longer. This provision shall also apply in the event of termination of this Contract.

ARTICLE 28. AUDIT REQUIREMENTS

The Contractor shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles and Generally Accepted Auditing Standards. The following requirements apply:

NOTE: The funding source (federal or state) of this grant is identified in ATTACHMENT A.

Federal Funded Awards:

Governmental Contractors, or their assignees, including Non-Profit and For-Profit assignees, that expend \$300,000 or more in a single year from awards which funding originated from Federal Government sources shall comply with the Single Audit Act of 1984 (including the Single Audit Act Amendments of 1996), OMB Circular A-133, and the State Single Audit Guidelines issued by the Department. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than thirteen (13) months after the end of the audit period.

Non-Profit and For-Profit Contractors, or their assignees, that expend \$300,000 or more in a single year from awards which funding originated from Federal Government sources shall comply with the Single Audit Act of 1984 (including the Single Audit Act Amendments of 1996) and OMB Circular A-133. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from State Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from the issuance of the report, but no later than thirteen (13) months after the end of the audit period.

One (1) copy of the Audit along with the Management Letter shall be submitted to the address listed below. Responses and corrective action to be taken by management must be included for any findings or comments issued by the auditor.

If the combined total expended from all funding originating from Federal Government sources is less than \$300,000 in a single year, the Contractor, or its assignee, shall confirm in writing that the above audit requirements are not applicable. This confirmation shall be submitted to the address listed below.

State Funded Awards:

NOTE: If an audit is required under OMB Circular A-133 as described above, then this section does not apply as State Funded Awards will already be included in that audit.

Governmental, Non-Profit, and For-Profit Contractors, or their assignees, that expend \$100,000 or more in a single year from awards which funding originated from State Government sources shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles, Generally Accepted

Auditing Standards and Government Auditing Standards. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from State Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than thirteen (13) months after the end of the audit period.

One (1) copy of the Audit along with the Management Letter shall be submitted to the address listed below. Responses and corrective action to be taken by management must be included for any findings or comments issued by the auditor.

If the combined total expended from all funding originating from State Government sources is less than \$100,000 in a single year, the Contractor, or its assignee, shall confirm in writing that the above audit requirements are not applicable. This confirmation shall be submitted to the address listed below.

Submit To:

Send one copy of the Audit and Management Letter or the letter confirming that the audit requirements are not applicable to:

Chief Accountant
Wisconsin Department of Administration
Division of Administrative Services
101 East Wilson Street, P.O. Box 7869
Madison, Wisconsin 53707-7869

ASSURANCES

ARTICLE 29. NONDISCRIMINATION AND AFFIRMATIVE ACTION REQUIREMENTS

In accordance with s. 16.765, Wis. Stats., the Contractor agrees to the provisions below:

"In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation, or national origin.

This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the Contracting officer setting forth the provisions of the non-discrimination clause."

An Affirmative Action Plan is required from any Contractor that receives an award from the Department in excess of \$25,000 and that has a work force of twenty-five (25) or more employees as of the Contract date. Contractors with an annual work force of less than twenty-five (25) employees, in lieu of a written affirmative action plan, are required to have on file with the Department a completed and signed exemption form. General purpose units of government and Indian Tribes or Bands or Authorities are exempt from this requirement.

The Contractor further agrees to include these provisions in any subcontract associated with this Contract.

ARTICLE 30. DISCLOSURE

If a state public official as defined by s. 19.42, Wis. Stats., or an organization in which a state public official holds at least a 10% interest is a party to this Contract, this Contract is voidable by the State unless appropriate disclosure is made to the State of Wisconsin Ethics Board.

The Contractor will not engage the services of any person or persons now employed by the State, including any department, commission or board thereof, to provide services relating to this Contract without the written consent of the employer of such person or persons and of the Department.

ARTICLE 31. FAIR HOUSING

The Contractor agrees to comply with Title VIII of the Federal Civil Rights Act of 1968 (as amended), and s. 106.04, Wis. Stats., and any subsequent relevant laws or amendments. If Contractor is a federally recognized American Indian Tribe or Band, or an authority, this Article does not apply.

ARTICLE 32. SMALL BUSINESS, WOMEN-OWNED AND MINORITY-OWNED BUSINESSES

The Contractor shall make positive efforts to utilize small business, local business, woman-owned, and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts or subcontracts to be performed utilizing these funds. If Contractor is a federally recognized American Indian Tribe or Band, or an authority, this Article does not apply.

The Contractor shall keep records of the extent (number and dollar amount) of participation by the above specified businesses, including owners, and assess the results of its efforts to encourage the use of such businesses.

ATTACHMENT A

PROGRAM FUNDING SOURCE

FUNDING SOURCE

The funds awarded under this Contract have been appropriated by the Wisconsin Legislature through the Stripper XVIII 1998 Oil Overcharge Agreement for the Keep Wisconsin Warm Fund (KWWF), formerly known as the Campaign to Keep Wisconsin Warm. The funds awarded under this contract are from the following settlements of oil overcharge cases: Stripper Well III, \$28,015.68; Exxon, \$500,000.00; and Stripper Well XVIII, \$171,984.32.

The money provided through this contract will be matched on a dollar-for-dollar basis with private funds raised by the contractor during the period of this contract. Private funds must be funds that would not have otherwise been provided by the contributor for assisting low-income households with home heating costs.

The total costs of KWWF through this contract are not to exceed **One Million Four Hundred Thousand Dollars (\$1,400,000)** including both state and matching funds.

The funds are subject to repayment if the program is not in compliance with the terms of this contract.

CONTRACT ADMINISTRATION

The Laws of the State of Wisconsin, the Stripper Well Settlement Agreement and the Exxon Settlement Agreement shall govern this agreement. The State of Wisconsin received money from these agreements for the purpose of providing restitution to Wisconsin's citizens, who were overcharged for the petroleum products they purchased between 1973 and 1981.

The State pledged to abide by a number of court ordered requirements designed to assure that appropriate restitution was made. The contractor also pledges to abide by and comply with these requirements, which are enumerated below:

1. These monies shall not be used to supplant existing funding otherwise available for this program under federal or state law.
2. Administrative/program support expenses shall not exceed 5 percent.

The Contractor agrees to administer the Keep Wisconsin Warm Fund (KWWF) according to the policy directives of the Department, including but not limited to the following:

1. The Contractor shall submit all required reports to the Department prior to the release of payments by the Department to the Contractor. See Attachments D and E.
2. The Contractor shall be responsible for assuring that private contributions are funds which would not have otherwise been provided by the contributor for assisting low-income households with home heating costs.
3. Eligibility for the program will be determined according to the policies listed in the Low Income Home Energy Assistance Program Operations Manual, Chapter 3, Eligibility and Chapter 7, Crisis Assistance.
4. Information contained in client records will not be released without the knowledge and consent of the client except in cases of suspected fraud.
5. Unless otherwise stated in writing, this Contract takes precedence over all other documents and communications.

ATTACHMENT B

PERIOD OF PERFORMANCE & NOTICES

The effective period of this contract shall be from January 1, 1999*, through December 31, 2000 unless otherwise provided for by modification of this contract.

Final requests by the Contractor for KWWF reimbursements must be received in the office of the Contract Administrator no later than February 28, 2001.

NOTICES:

For the purposes of this provision, the Contractor shall notify the Department in writing within ten (10) days of change in the Contractor's address. All notices, demands or requests under this Contract shall be in writing to the address listed below:

To the Department: Steven K. Tryon, LIHEAP Contract Administrator
Energy Services
Division of Housing
Department of Administration
P. O. Box 8944
Madison, WI 53708-8944

To the Contractor: Timothy Bruer, Director
Energy Services, Inc.
KWWF Administrator
1225 S. Park St
Madison, Wi. 53715

* Funds raised by KWWF after June 23, 1998, the date of approval by the Joint Committee on Finance, may be used as matching funds for purposes of this contract.

ATTACHMENT C

OBJECTIVES/SCOPE OF WORK AND TIMETABLE

The Contractor will provide the following minimal levels of services under this contract.

1. Contractor will match each dollar of the contract awarded by the state with private cash contributions raised on a statewide basis by the Contractor.
2. The funds provided by the state and the matching funds contributed to the contractor will be used to provide benefit payments to eligible low-income households to assist with emergency home heating needs.
3. Client eligibility will be determined based on LIHEAP eligibility policies and crisis assistance policies in effect on the date of application by a client for KWWF assistance.
4. Services under this contract will be targeted to high-risk households with elderly members, disabled members, or young children.
5. Provide local agencies participating in KWWF with the KWWF application that the contractor will develop. The department will have the final approval of the application form to assure it complies with the requirements of LIHEAP.
6. Publicize eligibility requirements, information on how to apply, location of application sites, times to apply, the availability of KWWF.
7. Contractor will provide equitable statewide distribution of KWWF monies. All eligible households in the state should have an equitable opportunity for access to KWWF funds. The Contractor will provide documentation to the Contract Administrator verifying the equity of the distribution formula used by ESI. Reports will be provided on the actual distribution of payments to assure equitable distribution.
8. Contractor will conduct outreach activities statewide and fund-raising activities statewide to raise public awareness of this program.
9. Payments must be made to vendors registered with LIHEAP. If KWWF identifies vendors who are not registered they will be registered by LIHEAP if they meet all the requirements for registration.
10. Provide updates and training to local KWWF agents and local LIHEAP agencies on requirements of the program.
11. Assure that all sites are accessible to all potential applicants, including those with physical disabilities.
12. Verify application information and supporting documents and certify that the application is correct.

The Department will provide the following:

1. Reimbursement of allowable Contractor expenditures up to the maximum allowed under the Contract for the services listed above will be paid at least on a monthly basis.
2. Statement of balance remaining on the contract amount.

-ATTACHMENT D REPORTING SCHEDULE

The Contractor shall claim reimbursement for expenditures monthly by submitting an invoice that lists all claimed expenses. Contractor must submit claims for reimbursement for allowable expenditures in a timely manner and Contractor must submit all required reports in a timely manner prior to receiving payment by the Department.

Contractor must submit the following reports monthly to the Contract Administrator by the tenth day of the month following the month covered by the report. Reports are to include both expenditures of state and matching funds.

Report on funds raised by the Contractor This report must minimally include the following information:

- The dollar level of funds contributed by private entities during the period of the report. For purposes of this contract this means dollars actually received by Contractor, not funds pledged or promised.
- The report must identify the legal name of each contributor and whether the contributor is a business, non-profit agency, or a private individual. If the contributor is a business or non-profit agency the name of the representative authorizing the contribution must be provided. In addition the contributors address and phone number must be provided.

Report on funds expended by the Contractor This report must minimally include the following information:

- The amount of funds paid to or on behalf of eligible households during the period of the report.
- The cumulative amount of funds paid directly to eligible households from the beginning of the contract through the end of the reporting month.
- The amount of funds expended for administrative/program support purposes during the period of the report.
- The cumulative amount of funds expended for administrative/program support purposes from the beginning of the contract through the end of the reporting month.

Report of KWWF Applicants This report is to be in the format of a computer file of all applicants that apply for KWWF assistance. The report is to include eligible and ineligible households and households paid and unpaid. The file is to be in Microsoft Access 97 format. The computer file shall contain the following information on each household paid during the reporting period. The totals paid are to be the same as the totals paid to eligible households in the above report on funds expended. The computer file must contain the following information on each household paid.

- Full name of each household member with last name listed in a separate field.
- Social security number of each household member
- Address of the household
- Name of county or tribe where the household resides
- The county or tribal code number as used in the LIHEAP manual
- Amount of payment to the household
- Type of assistance provided to household using the crisis assistance codes and terms as specified in the LIHEAP Operations Manual in the Crisis Assistance Code Directory of Chapter 7
- Identification of the local agency certifying the application. The Contractor may choose to use a code for this purpose in which case the Contractor must provide the Department with a list of the codes.

The Contractor shall keep client files in accordance with Article 26, Article 28 and Attachment A of this contract.

ADDITIONAL REPORTS AND INFORMATION

The Department reserves the right to amend and require additional information or reports as needed.

The Contractor shall submit all required reports to the Department of Administration concerning the uses for which the funds received under this contract have been expended and the amounts expended during the previous month until all funds have been expended.

.ATTACHMENT E

METHOD OF PAYMENT

The Department, following execution of the Contract will make payments as follows:

1. Payments shall be made by the Department to the Contractor upon receipt of the monthly invoices and the required reports described in Attachment D. The invoices and reports are to be submitted to the address of the Contract Administrator.
2. Invoices shall reflect summary detail of all costs incurred.
3. The cumulative payments for administrative/program support costs cannot exceed five percent (5%) of total paid expenditures at any time.
4. The final invoice and final reports will be submitted to the Department no later than sixty (60) days following the termination of this contract.
5. Payments which exceed allowable costs incurred and paid by the Contractor pursuant to the terms of this Contract, if outstanding at the expiration of this Contract, shall be repaid to the Department within sixty (60) days of the expiration date of this Contract. The Department in accordance with state procedures shall reconcile payments and reported expenses.

The Department may impose an administrative penalty in the amount of .27 percent of the Administrative/program support budget per day if the Contractor has engaged in persistent violation of the Department's policies and procedures as they are referred to in Attachment A of this Contract. This penalty shall be based on the accrued number of days the Contractor remains out of compliance, once notified. The penalty applies only to the Administration portion of the budget.

Prior to the imposition of such a penalty, a notice of potential administrative penalty shall be sent to the Contractor's Director. The penalty shall take effect twenty (20) days from the date of the notice unless the agency has provided written information documenting compliance to the Contract Administrator.

An agency may appeal in writing to the Administrator of the Division of Housing within ten (10) working days of the imposition of the penalty. Penalties will continue to accrue during the appeal period, but will not be taken until the completion of the appeal process. The Administrator or designee shall review the grounds for the penalty, as well as the Contractor's good faith efforts and plans for correction. A penalty may be dismissed, sustained or temporarily suspended Pending successful completion of a corrective action.

ATTACHMENT F

BUDGET

Contractor's Federal Employer Identification Number (FEIN) for state accounting purposes is: 39-1443614

Expenditures cannot exceed the amount of the funds authorized for this Contract.

Keep Wisconsin Warm Fund/Energy Services, Inc.

Stripper II	\$ 28,015.68	
Exxon	\$500,000.00	
Stripper XVIII	<u>\$171,984.32</u>	
TOTAL AWARD	\$700,000	
MATCH FUNDS*	\$700,000	
TOTAL FUNDS AVAILABLE FOR KWWF		\$1,400,000
EXPENDITURES		
Administrative/Program Support expenses (shall not exceed 5% of Total)		\$ 70,000
Client Benefits**		<u>\$1,330,000</u>
Total funds		<u>\$1,400,000</u>

*Match funds will be raised by ESI

**An amount not to exceed \$35,000 of matching funds may be in the form of funds which are not paid directly to clients but are used to provide public information and outreach services.

ATTACHMENT G

SPECIAL CONDITIONS

G1. SUBCONTRACTS

The Contractor must provide copies of the signed agreements between ESI and any other entity with which ESI subcontracts to provide services under this contract. Contractor must provide the following information to the Department at the address specified in Attachment B.

- Written notification of the intent to subcontract.
- A signed copy of the agreement between the Contractor and the subcontractor. The agreement must specify the duties of the subcontractor relative to the operation of KWWF and the amounts of funds provided to the subcontractor including Administrative/program support funds. The agreement must identify the legal name of the subcontractor, the name of the subcontractors representative authorized to sign the agreement, the legal address of the subcontractor, and the phone number of the subcontractor. The agreement must also identify the activities and responsibilities of the subcontractor.
- If the subcontractor is not the same agency that administers LIHEAP in a service area, the agreement must specify how the subcontractor will coordinate activities with the LIHEAP administrator.

G2. OTHER CONTRACT REQUIREMENTS

The following documents and their requirements relative to KWWF are incorporated and made a part of this contract by reference:

- The "Governor's 1998 Oil Overcharge Plan," prepared by the Department of Administration, Division of Energy and Intergovernmental Relations, dated May 28, 1998 and submitted to the Wisconsin State Assembly by Governor Thompson on June 1, 1998.
- The Joint Committee on Finance (JFC) Minutes of the Regular 4th Quarter Meeting Under s.13.10, dated June 23, 1998.
- The Legislative Fiscal Bureau (LFB) Memorandum from Bob Lang, Director to Members of the Joint Committee on Finance, dated June 23, 1998, on the subject "Administration - Section 13.10 Request to Approve the Governor's Proposal to Expend "Stripper XVIII" Oil Overcharge Restitution Funds - Agenda Item III." The actions taken by JFC were based on the "Alternatives" included in the LFB memorandum.
- The LIHEAP Program Operations Manual.
- The LIHEAP Systems Manual.