



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**TOMMY G. THOMPSON**  
GOVERNOR  
**GEORGE LIGHTBOURN**  
SECRETARY

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

January 29, 2001

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), Wis. Stats., we are submitting this report on the completed calendar quarter ended December 31, 2000, with an assessment of the condition of the General Fund for the period January 1, 2001 to June 30, 2001.

The cash position of the General Fund at December 31 was \$270.4 million, which is lower than the \$467.8 million projected in our report to you on December 13, 2000. This difference is due to higher than expected General Fund disbursements and lower than expected General Fund receipts. The cash activity for the quarter was as follows:

**General Fund Cash Activity**  
**for the Quarter Ended December 31, 2000**  
(\$ in millions)

<b>Month</b>	<b>Beginning Balance</b>	<b>Receipts</b>	<b>Disbursements</b>
October	\$ 934.2	\$1,545.9	\$1,039.6
November	1,440.5	1,451.9	1,886.9
December	1,005.5	1,335.2	2,070.3
January	270.4		

At no time during the quarter was it necessary to exercise the authority under sec. 16.53(10)(a), Wis. 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), Wis. Stats., for the Wisconsin Health Education Loan Repayment Fund, the Utility Public Benefits Fund, the University Trust-Income Fund, and the General Fund.

The following cash forecasts are consistent with the General Fund condition statement as estimated by the Legislative Fiscal Bureau on January 25, 2001.

The Honorable Brian Burke  
The Honorable John Gard  
Members of the Joint Committee on Finance  
January 29, 2001  
Page 2 of 2

**General Fund Cash Forecast**  
**January 2001 - June 2001**  
(\$ in Millions)

Month	Beginning Balance	Receipts	Disbursements
January	\$ 270.4	\$1,939.0	\$1,196.5
February	1,012.9	1,387.2	1,231.1
March	1,169.0	1,550.0	2,192.2
April	526.8	1,766.3	1,302.1
May	991.0	1,480.3	1,291.5
June	1,179.8	1,738.4	2,669.6
July	248.6		

The General Fund will show a positive balance throughout the six month period, with the possible exception of the period between June 18th and June 29th. During this period, it may become necessary to exercise the authority granted under sec. 20.002(11)(a), Wis. 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), Wis. Stats. will be utilized.

Sincerely,

  
George Lightbourn  
Secretary



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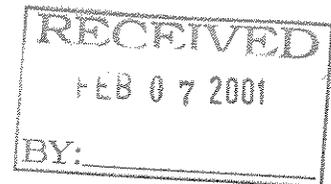
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*Handwritten signature/initials*

January 29, 2001

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



The Honorable John A. Scocos  
Assembly Chief Clerk  
1 East Main Street, Suite 402  
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Scocos:

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 December 2000.

On December 1, 2000 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$9 thousand. This shortfall increased to -\$11 thousand on December 19, 2000 and continued into the month of January. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On December 1, 2000 the **Utility Public Benefits Fund** balance was -\$3.63 million. This shortfall decreased to -\$1.36 million on December 6, 2000, increased to -\$2.16 million on December 19, to -\$3.18 million on December 29, 2000, and continued into the month of January. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On December 4, 2000 the **General Fund** balance was -\$73.53 million. This shortfall increased to -\$123.27 million on December 7, 2000, decreased to -\$60.57 million on December 14, 2000, and continued until December 18, 2000 when the balance reached \$98.94 million. This shortfall was due to the timing of revenues.

The Wisconsin Health Education Loan Repayment Fund, Utility Public Benefits Fund, and General 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

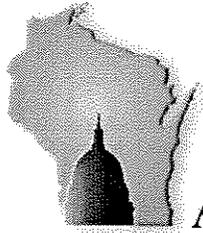
The Honorable Donald J. Schneider  
The Honorable John A. Scocos  
January 29, 2001  
Page 2 of 2

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,



George Lightbourn  
Secretary



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

SCOTT McCALLUM  
GOVERNOR

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February 12, 2001

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

The Honorable John A. Scocos  
Assembly Chief Clerk  
1 East Main Street, Suite 402  
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Scocos:

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 January 2001.

On January 1, 2001 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$11 thousand. This shortfall increased to -\$13 thousand on January 17, 2001, decreased to -\$2 thousand on January 24, 2001, and continued into the month of February. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On January 1, 2001 the **Utility Public Benefits Fund** balance was -\$3.18 million. This shortfall decreased to -\$1.76 million on January 4, 2001, increased to -\$2.13 million on January 11, 2001, to -\$3.08 million on January 23, 2001, to -\$4.24 million on January 30, 2001, and continued into the month of February. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On January 25, 2001 the **University Trust-Income Fund** balance was -\$32 thousand. This shortfall decreased to -\$24 thousand on January 26, 2001 and continued until January 29, 2001 when the balance reached \$1.95 million. This shortfall was due to the timing of revenues.

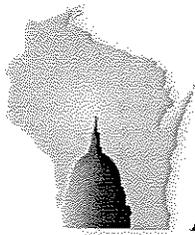
The Wisconsin Health Education Loan Repayment Fund, Utility Public Benefits Fund, and University Trust-Income Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The Honorable Donald J. Schneider  
The Honorable John A. Scocos  
February 12, 2001  
Page 2 of 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,

  
George Lightbourn  
Secretary



**WISCONSIN DEPARTMENT OF  
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GOVERNOR

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[www.doa.state.wi.us/debf/scf/index.asp](http://www.doa.state.wi.us/debf/scf/index.asp)

February 19, 2001

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:

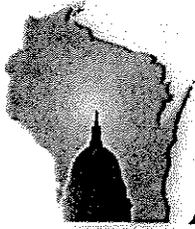
This report is required by subsection (7) of Section 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On November 22, 2000, the Building Commission provided authorization for the sale of \$15,000,000 State of Wisconsin General Obligation Bonds of 2001, Series A (Taxable) (the "Bonds"). Pursuant to this authorization, the Capital Finance Director has sold these bonds directly to the State of Wisconsin Board of Commissioners of Public Lands. This was a private sale conducted pursuant to subsection (7) of Section 18.06 of the Wisconsin Statutes.

Since the Bonds are being sold directly to the State of Wisconsin Board of Commissioners of Public Lands, and without the participation of underwriters, compliance with subsections (2) to (5) of Section 18.16 of the Wisconsin Statutes is not possible.

Sincerely,

  
George Lightbourn  
Secretary



**WISCONSIN DEPARTMENT OF  
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March 15, 2001

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.

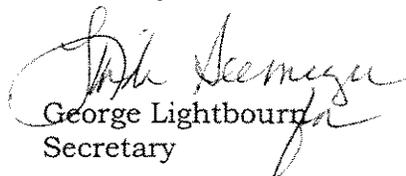
The following cash forecasts are consistent with the General Fund condition statement as estimated by the Legislative Fiscal Bureau on January 25, 2001.

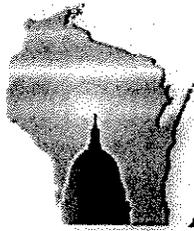
**General Fund Cash Forecast**  
**April - June 2001**  
(\$ in millions)

<b>Month</b>	<b>Beginning Balance</b>	<b>Receipts</b>	<b>Disbursements</b>
April	\$ 736.3	\$1,766.3	\$1,302.1
May	1,200.5	1,480.3	1,291.5
June	1,389.3	1,738.4	2,669.6
July	458.1		

The General Fund will experience low balances during the period between June 18th and June 22nd. 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,

  
George Lightbourn  
Secretary



WISCONSIN DEPARTMENT OF  
ADMINISTRATION

RECEIVED  
MAR 23 2001  
BY:

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March 15, 2001

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

The Honorable John A. Scocos  
Assembly Chief Clerk  
1 East Main Street, Suite 402  
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Scocos:

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 February 2001.

On February 1, 2001 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$2 thousand. This shortfall increased to -\$4 thousand on February 13, 2001, to -\$5 thousand on February 14, 2001, and continued into the month of March. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On February 1, 2001 the **Utility Public Benefits Fund** balance was -\$4.24 million. This shortfall decreased to -\$905 thousand on February 8, 2001, increased to -\$1.44 million on February 16, 2001, to -\$2.17 million on February 22, 2001, and to -\$2.76 million on February 27, 2001. This shortfall continued until March 6, 2001 when the balance reached \$425 thousand. This shortfall was due to the timing of revenues.

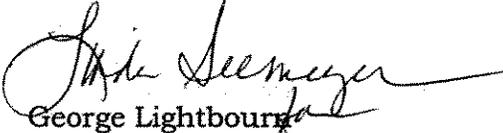
The Wisconsin Health Education Loan Repayment Fund and Utility Public Benefits Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the

The Honorable Donald J. Schneider  
The Honorable John A. Scocos  
March 15, 2001  
Page 2 of 2

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,

  
George Lightbourn  
Secretary



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March 21, 2001

The Honorable David Ward  
State Assembly  
304 North, State Capitol  
Madison, WI 53702

Dear Representative <sup>Dave</sup> Ward:

During the Joint Committee on Finance's March 19 meeting, you requested additional information regarding a provision in the Governor's Budget proposal related to distance education rule making.

The Governor's 2001-03 biennial budget proposal contains a provision that would require the State Superintendent to work with the Wisconsin Technical College System Board, the TEACH Board and the Department of Administration in promulgating rules related to distance education.

The Governor included this provision in his budget proposal as a means to ensure that school districts are able to take full advantage of the educational opportunities offered through distance education technologies. Over the past decade, school districts have begun experimenting with distance education as a tool to expand course offerings and to enrich curricula. School districts' capacity to engage in such efforts has been aided by the funding and support provided through the TEACH program. In addition, technical college districts are beginning to develop Internet-based course offerings for high school students. Requiring the State Superintendent to consult with other agencies that are closely involved in school districts' efforts to use technology in the classroom, before developing regulations limiting how school districts can use these technologies, will help ensure that any rules that are implemented will allow districts the flexibility they need to realize the full potential of distance education technologies to improve education in Wisconsin.

Please contact me if you have any further questions regarding this provision.

Sincerely,

Richard Chandler  
State Budget Director



WISCONSIN DEPARTMENT OF  
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**Date:** March 23, 2001

**To:** Representative Sheryl Albers  
127 West Capitol

**From:** Richard G. Chandler *John Montgomerie (for)*  
State Budget Director

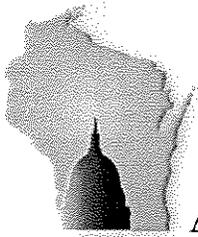
**Subject:** Budget Summary Question Regarding Probation and Parole Holds

You recently asked about changes in the Governor's budget concerning the Department of Corrections' reimbursement to counties for probation and parole holds, LFB Summary Item #3 on p. 206.

DOC's budget authority for reimbursement to counties for probation and parole holds is \$4,019,800 GPR in each year of the current biennium, as well as the upcoming FY01-03 biennium. No changes were made to the program in the budget. Payments for one fiscal year are made in October following that fiscal year. Thus reimbursement for FY00 was paid this past October in FY01. Current statutes require DOC to prorate the payments for any fiscal year in which the department does not have sufficient funds to pay the full \$40/day authorized by statute. The following table indicates the holds and rates paid for the past four fiscal years.

Fiscal Year	# of Holds	# of Hold Days	Average # of Hold Days	Rate/Day
1997	6,564	94,932	14.50	\$40.00
1998	7,023	103,150	14.69	\$38.97
1999	5,944	93,316	15.70	\$40.00
2000	6,079	107,775	17.73	\$37.29

cc: Members, Joint Committee on Finance  
Bob Lang, Legislative Fiscal Bureau



**WISCONSIN DEPARTMENT OF  
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**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
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April 13, 2001

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:

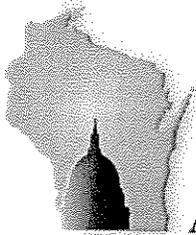
This report is required by subsection (7) of 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issuance of debt. On October 24, 2000, the Building Commission authorized the sale of not to exceed \$10,000,000 State of Wisconsin General Obligation Bonds, Clean Water Fund Program [the "Bonds"].

On November 16, 2000, \$5,000,000 State of Wisconsin General Obligation Bonds of 2000, Clean Water Fund Program Series A, were sold privately to the Environmental Improvement Fund pursuant to 18.06 (9) of the statutes. On April 18, 2001, the remaining \$5,000,000 State of Wisconsin General Obligation Bonds of 2001, Clean Water Fund Program Series A, will be sold privately in the same manner to the Environmental Improvement Fund.

Since the Bonds will be sold directly to the Environmental Improvement Fund, and without the participation of underwriters, compliance with subsections (2) to (5) of s. 18.16 is not possible. The Bonds will be held by the Environmental Improvement Fund as investments to provide cash flow to the State of Wisconsin Clean Water Revenue Bonds.

Sincerely,

  
George Lightbourn  
Secretary



**WISCONSIN DEPARTMENT OF  
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April 13, 2001

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 February 28, 2001, the Building Commission authorized the sale of \$91,620,000 State of Wisconsin General Obligation Bonds of 2001, Series B (the "Bonds"). Pursuant to this authorization, on April 3, 2001, 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 attached Official Notice of Sale, dated March 23, 2001, 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 Salomon Smith Barney, Inc. A list of the syndicate members is attached. There are two firms in the syndicate that are certified by the Department of Commerce as a minority owned-firm. The participation of these minority-owned firms is 2.18% 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 the attached list of the certified minority owned firms, which includes address, phone number, and contact person, was included in the bidding materials made available to each prospective bidder.

Sincerely,

George Lightbourn  
Secretary

Enc.

**\$91,620,000**  
**State of Wisconsin General Obligation Bonds of 2001, Series B**

**Underwriting Syndicate**

Underwriters:

Book Running Manager:  
Salomon Smith Barney, Inc.

Managers:

UBS PaineWebber Inc.  
First Albany Corporation

Members:

Axelrod Associates, Inc.  
William Blair & Company, L.L.C.  
A.G. Edwards & Sons, Inc.  
Isaak Bond Investments, Inc.  
Morgan Keegan & Co., Inc.  
Nike Securities  
Pryor, Counts & Co., Inc.  
Raymond James & Associates  
Siebert Brandford Shank & Co.  
Stephens Inc.

In association with:

Manager:

Harris Trust and Savings Bank

Members:

Ferris, Baker Watts Inc.  
McDonald Investments, Inc.  
Northern Trust Securities, Inc.  
Securities Corporation of Iowa

**OFFICIAL NOTICE OF SALE**  
**(Revised March 28, 2001—Clarifying the Sale Time)**

**\$91,620,000**

**STATE OF WISCONSIN**

**GENERAL OBLIGATION BONDS OF 2001, SERIES B**

SEALED 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. (Central Time) on April 3, 2001, when they will be publicly opened and read, for the purchase of \$91,620,000 State of Wisconsin General Obligation Bonds of 2001, Series B (**Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services, Dalcomp/Parity, or MuniAuction (**Approved Providers**). 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 Bonds.** The Bonds will be dated April 1, 2001, 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 May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2012	\$ 7,365,000
2013	7,695,000
2014	8,050,000
2015	8,430,000
2016	8,835,000
2017	9,270,000
2018	9,730,000
2019	10,220,000
2020	10,740,000
2021	11,285,000

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. 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, 2001 and semiannually thereafter on the first day of May and November, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The Bonds are subject to redemption at the option of the Commission on May 1, 2011 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 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the Bonds so redeemed, 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 so specifies in its bid. In such event, the redemption price shall be equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the date of redemption.

**Book-Entry.** The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (DTC). DTC will act as securities depository of the Bonds. A single Bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry-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 payments to participants of DTC will be the responsibility of DTC; transfer of payments to beneficial owners by DTC participants will be the responsibility of the 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 the payments. The State assumes no liability for failures of DTC, its participants, or other nominees to promptly transfer 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 of beneficial owners to promptly transfer said notices to the beneficial owners of the Bonds. The State is not responsible for supervising the activities or reviewing the records of the securities depository or its direct and indirect participants.

**Successor to Securities Depository.** In the event that the relationship with the 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 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the Bonds as identified to the Commission by the securities depository and its participants.

**Purpose and Pledge.** The Bonds will be issued to finance the cost of various public improvements and grants to local units of government. The Bonds will be issued pursuant to Chapter 18 of the Wisconsin Statutes and a resolution adopted by the Commission on February 28, 2001. 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 6% of the 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.

**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 must certify, 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 a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Director prior to the bid opening. The Commission 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  
Bloomberg Business Park  
100 Business Park Road  
Skillman, NJ 08588-3629  
New Issues Desk, 609.279.3250
- Dalcomp/Parity  
395 Hudson Street, FLR 3  
New York, NY 10014  
Cheryl Horowitz, 212.806.3898
- MuniAuction  
Allegheny Building  
429 Forbes Ave., Suite 1800  
Pittsburgh, PA 15219  
David Hasenkopf, 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 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 April 1, 2001 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 the Bonds and may be for any purchase price not less than 98.5% of the par amount of the Bonds (\$90,245,700) nor greater than 101.5% of the par amount of the Bonds (\$92,994,300). There shall be only one interest rate per maturity. The Bonds may not have an initial offering price less than 98.5% 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 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 promptly disseminate the initial offering prices for all 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 \$1,830,000. 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. (Central Time) on April 4, 2001. 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 2001, Series B.*

**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. In the event that the successful bidder should fail to take up and pay for the 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 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 Bonds, the "issue price" of the 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 or about 9:30 a.m. (Eastern Time), on or about April 18, 2001. 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, National Association 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 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.

**Tax Exemption.** Under existing law interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

**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 an Addendum Describing Annual Report for General Obligations and will execute a Supplemental Agreement specifically for the Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

**CUSIP Numbers.** The Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of 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, which is available electronically at the web site shown below, is in a form which the Commission "deems final" as of March 23, 2001 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.asp](http://www.doa.state.wi.us/debf/capfin/pos.asp)

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, 608.267.0374, or [capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us).

**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: March 23, 2001

Frank R. Hoadley  
Capital Finance Director

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

March 1, 2001

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

Mr Michael Yap <i>Americal Securities Inc</i> 290 7th Ave San Francisco CA 94118 415-666-0633	Ms Sherlin Lee <i>First Honolulu Securities Inc</i> 900 Fort St #950 Honolulu HI 96813 808-523-9422	Mr Albert Grace Jr <i>Loop Capital Markets LLC</i> 175 W Jackson Ste A635 Chicago IL 60604 312-913-4905
Mr Elton Johnson Jr <i>Amerivet Securities Inc</i> 9800 S Sepulveda Blvd Ste 820 Los Angeles CA 90045 310-641-6284	Ms Gail M Pankey <i>Gail M Pankey</i> 8 Broad St New York NY 10005 212-425-0382	Ms Patricia Winans <i>MAGNA Securities Corp</i> 60 E 42nd St Ste 2530 New York NY 10065 212-547-3740
Ms Caridad Ingco <i>AMI Risk Consultants Inc</i> 11410 N Kendall Dr #208 Miami FL 33176-1031 305-273-1589	Ms Lenda P Washington <i>GRW Capital Corp</i> 1004 Sixth St NW Washington DC 20001 202-628-7090	Ms Patricia Senese <i>May Davis Group</i> 1 World Trade Center Ste 8735 New York NY 10005 212-775-7400
Ms Ceyenna Bennett <i>Apex Securities Inc</i> 333 Clay St Ste 1310 Houston TX 77002 713-650-1122	Ms Laura J Janus <i>HCM Investments Inc</i> 35 W Wacker Dr #3260 Chicago IL 60601-1614 312-553-1000	Mr Philip Y Leung <i>Montrose Securities Intrntl</i> 50 California St #3270 San Francisco CA 94111 415-399-9955
Ms Benita Pierce <i>B Pierce &amp; Co Inc</i> 12 Greene St #3 New York NY 10013 212-219-1114	Mr Louis A Holland <i>Holland Capital Mgmt LP</i> 35 W Wacker Dr Ste 3260 Chicago IL 60601 312-553-1000	Mr Neil Lieberman <i>MR Beal &amp; Company</i> 67 Wall St New York NY 10005 212-983-3930
Mr Sano Shimoda <i>Bio Science Securities Inc</i> 2 Theatre Sq #210 Orinda CA 94563-3346 925-253-9520	Mr Eric H Pookrum <i>INNOVA Securities Inc</i> 3703 Woodsman Court Suitland MD 20746-1376 301-967-7368	Mr Randolph T Myricks <i>North Milwaukee Bancshares Inc</i> 5630 W Fond Du Lac Ave Milwaukee WI 53216 414-466-2344x128
Mr Charles W Johnson <i>Blaylock &amp; Partners LP</i> 609 5th Ave New York NY 10017 888-738-6633	Mr Ronald Jackson <i>Jackson Partners &amp; Assoc Inc</i> 381 Park Ave S #621 New York NY 10016 800-932-9863	Mr Hunter Reynolds <i>Omni Financial Group LLC</i> 6575 W Loop South Ste 110 Bellaire TX 77401 713-349-9600
Mr Bufus Outlaw <i>Boe Securities</i> 225 S 15th St Ste 928 Philadelphia PA 19102 215-546-2300	Mr Samuel W Bacote <i>Jackson Securities Inc</i> 100 Peachtree St NW Ste 2250 Atlanta GA 30303-1912 404-522-5766	Mr David Ormes <i>Ormes Capital Markets Inc</i> 55 Broadway Fl 10 New York NY 10006 212-361-1320
Mr Samuel D Ewing Jr <i>Ewing Capital Inc</i> 6630 16th St NW Washington DC 20012 202-829-9450	Mr John Hsu <i>John Hsu Capital Group Inc</i> 767 3rd Ave Fl 18 New York NY 10017-2023 212-223-7515	Mr Miguel Uria <i>Oro Financial Inc</i> 4037 Tulane Ave #100 New Orleans LA 70119-6829 504-482-4116

MINORITY-OWNED UNDERWRITING FIRMS  
CERTIFIED BY THE  
WISCONSIN DEPARTMENT OF COMMERCE  
March 1, 2001 Continued

Mr Malcolm Pryor  
*Pryor Counts & Co Inc*  
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 Dominic Antoniello  
*Redwood Securities Group Inc*  
600 California St Ste 1650  
San Francisco CA 94108-2408  
415-954-0678

Mr Eric L Small  
*SBK-Brooks Investment Corp*  
50 Public Sq 840 Terminal Twr  
Cleveland OH 44113  
216-861-6950

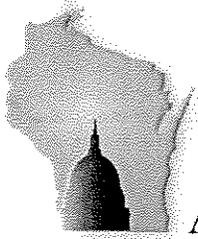
Ms Suzanne Shank  
*Siebert Brundford Shank & CO LLC*  
30 N Lasalle St Ste 2120  
Chicago IL 60602  
312-759-0400

Mr Harvey K deKrafft  
*Sturdivant & Co Inc*  
Plaza 1000 at Main St Ste 200  
Voorhees NJ 08043  
856-751-1331

Ms Maria Markham Thompson  
*The Chapman Co*  
401 E Pratt St Fl 28  
Baltimore MD 21202  
410-625-9656

Mr Christopher J 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



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
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

April 13, 2001

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 December 20, 2000, the Building Commission authorized the sale of \$70,000,000 State of Wisconsin Clean Water Revenue Bonds, 2001 Series 1 (the "Bonds"). Pursuant to this authorization, on April 4, 2001, 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 attached Official Notice of Sale, dated March 23, 2001, set the terms and conditions of the sale and was available to all potential bidders. The State received five 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., which is not certified by the Department of Commerce as a minority owned-firm.

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

Sincerely,

  
George Lightbourn  
Secretary

Enc.

**OFFICIAL NOTICE OF SALE**  
**(Revised March 28, 2001—Clarifying the Sale Time)**

**\$70,000,000**

**STATE OF WISCONSIN**  
**CLEAN WATER REVENUE BONDS, 2001 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. (Central Time) on April 4, 2001, when they will be publicly opened and read, for the purchase of \$70,000,000 State of Wisconsin Clean Water Revenue Bonds, 2001 Series 1 (**2001 Series 1 Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services, Dalcomp/Parity, or MuniAuction (**Approved Providers**). 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 2001 Series 1 Bonds.** The 2001 Series 1 Bonds will be dated April 1, 2001, 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>
2002	\$2,310,000	2012	\$3,410,000
2003	2,390,000	2013	3,565,000
2004	2,475,000	2014	3,735,000
2005	2,570,000	2015	3,910,000
2006	2,665,000	2016	4,100,000
2007	2,770,000	2017	4,305,000
2008	2,885,000	2018	4,520,000
2009	3,005,000	2019	4,750,000
2010	3,130,000	2020	4,990,000
2011	3,265,000	2021	5,250,000

Each bid must specify whether the principal amount of the 2001 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. Term bonds may be created with a final maturity either on, before, or after June 1, 2011; however, no term bond designated to mature on and after June 1, 2012 may contain any sinking fund payments prior to June 1, 2011. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of 2001 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 2001 Series 1 Bonds will bear interest, payable on December 1, 2001 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 2001 Series 1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The 2001 Series 1 Bonds maturing in the years 2002 to 2011, inclusive, shall not be subject to redemption prior to their stated dates of maturity. The 2001 Series 1 Bonds maturing on or after June 1, 2012 are subject to redemption at the option of the Commission on June 1, 2011 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 2001 Series 1 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the 2001 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

**Mandatory Sinking Fund Redemption.** The 2001 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 2001 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

**Book-Entry.** The 2001 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 2001 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 2001 Series 1 Bonds purchased. The bond certificates will be deposited with DTC as a condition of the closing. See "CLOSING AND DELIVERY". Firststar Bank, National Association, as successor to Firststar Trust Company, Milwaukee, Wisconsin (**Trustee**) will make payments of principal and interest on the 2001 Series 1 Bonds on the dates set forth above, to DTC or its nominee as registered owner of the 2001 Series 1 Bonds in same-day funds. Transfer of 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 the 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 the 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 2001 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 2001 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 2001 Series 1 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the 2001 Series 1 Bonds as identified to the Commission by the securities depository and its participants.

**Purpose and Pledge.** The 2001 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 2001 Series 1 Bonds will be used to make loans to municipalities in the State primarily for the construction or improvement of their wastewater treatment facilities, to make deposits in the Loan Credit Reserve Fund established under the General Resolution, and to pay for costs of issuance. The 2001 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 Subsidy Fund holds general obligation bonds of the State. Based on cash flows calculated as of December 31, 2000, the State is expected to be the source of 19.24% of the gross cash flow servicing all Outstanding Bonds. This percentage is not expected to change significantly with the issuance of the 2001 Series 1 Bonds.

**Minority Participation.** It is the policy of the Commission to endeavor to ensure that 6% of the 2001 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.

**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 as defined in the Investment Company Act of 1940, pension or profit sharing trusts, and other financial institutions, whether the purchaser is acting for itself or in a fiduciary capacity.

**No Bond Insurance.** The award of the 2001 Series 1 Bonds will be made with the understanding that no bond insurance will be used in connection with the primary offering of the 2001 Series 1 Bonds. The successful bidder must certify, prior to the delivery of the 2001 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 2001 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 2001 Series 1 Bonds in secondary market transactions or with portfolio insurance.

**Electronic Bidding.** Bidders who intend to submit electronic proposals must submit a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Office prior to the bid opening. The Commission 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

100 Business Park Road.  
Skillman, NJ 08588-3629  
New Issues Desk, 609.279-3250

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  
David Hasenkopf, 412.391.7686

**Official Bid Form, Bidding Requirements, 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 2001 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 April 1, 2001 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 all the 2001 Series 1 Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the 2001 Series 1 Bonds and may be for any purchase price not less than 99% of the aggregate par amount of the 2001 Series 1 Bonds (\$69,300,000) nor greater than 101% of the aggregate par amount of the 2001 Series 1 Bonds (\$70,700,000). There shall be only one interest rate per maturity. 2001 Series 1 Bonds maturing on and after June 1, 2012 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 2001 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 2001 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 \$1,400,000. 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. (Central Time) on April 5, 2001. 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, 2001 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 2001 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 2001 Series 1 Bonds. In the event that the successful bidder should fail to take up and pay for the 2001 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 2001 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 2001 Series 1 Bonds, the "issue price" of the 2001 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 at or about 9:30 a.m. (Eastern Time), on or about April 18, 2001. No later than the day prior to this closing, the 2001 Series 1 Bonds will be delivered through the Trustee to DTC using DTC's Fast Automated Securities Transfer (FAST) System. Payment for the 2001 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 2001 Series 1 Bonds will cease.

**Bond Opinion.** The legality of the 2001 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 2001 Series 1 Bonds. There will also be furnished upon the delivery of the 2001 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 2001 Series 1 Bonds, and a certificate to the effect that the Official Statement prepared in connection with the sale of the 2001 Series 1 Bonds, as of the date of the Official Statement and as of the date of delivery of the 2001 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 2001 Series 1 Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

**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 2001 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 2001 Series 1 Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the 2001 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 2001 Series 1 Bonds in accordance with the terms of the purchaser's bid.

**Bidding Documents.** The Preliminary Official Statement, which is available electronically at the web site shown below, and is in a form which the Commission "deems final" as of March 23, 2001 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.asp](http://www.doa.state.wi.us/debf/capfin/pos.asp)

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, 608.267.0374, or [capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us).

**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 2001 Series 1 Bonds.

Dated: March 23, 2001

Frank R. Hoadley  
Capital Finance Director

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

**March 1, 2001**

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

Mr 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 Ingco  
*AMI Risk Consultants Inc*  
11410 N Kendall Dr #208  
Miami FL 33176-1031  
305-273-1589

Ms Ceyenna Bennett  
*Apex Securities Inc*  
333 Clay St Ste 1310  
Houston TX 77002  
713-650-1122

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 Sq #210  
Orinda CA 94563-3346  
925-253-9520

Mr Charles W Johnson  
*Blaylock & Partners LP*  
609 5th Ave  
New York NY 10017  
888-738-6633

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

Mr Samuel D Ewing Jr  
*Ewing Capital Inc*  
6630 16th St NW  
Washington DC 20012  
202-829-9450

Ms Sherlin Lee  
*First Honolulu Securities Inc*  
900 Fort St #950  
Honolulu HI 96813  
808-523-9422

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

Ms Lenda P Washington  
*GRW Capital Corp*  
1004 Sixth St NW  
Washington DC 20001  
202-628-7090

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

Mr Louis A Holland  
*Holland Capital Mgmt LP*  
35 W Wacker Dr Ste 3260  
Chicago IL 60601  
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 Inc*  
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

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

Mr Philip Y Leung  
*Montrose Securities Intrnl*  
50 California St #3270  
San Francisco CA 94111  
415-399-9955

Mr Neil Lieberman  
*MR Beal & Company*  
67 Wall St  
New York NY 10005  
212-983-3930

Mr Randolph T Myricks  
*North Milwaukee Bancshares Inc*  
5630 W Fond Du Lac Ave  
Milwaukee WI 53216  
414-466-2344x128

Mr Hunter Reynolds  
*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

MINORITY-OWNED UNDERWRITING FIRMS  
CERTIFIED BY THE  
WISCONSIN DEPARTMENT OF COMMERCE  
March 1, 2001 Continued

Mr Malcolm Pryor  
*Pryor Counts & Co Inc*  
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 Dominic Antonello  
*Redwood Securities Group Inc*  
600 California St Ste 1650  
San Francisco CA 94108-2408  
415-954-0678

Mr Eric L Small  
*SBK-Brooks Investment Corp*  
50 Public Sq 840 Terminal Twr  
Cleveland OH 44113  
216-861-6950

Ms Suzanne Shank  
*Siebert Brandford Shank & CO LLC*  
30 N Lasalle St Ste 2120  
Chicago IL 60602  
312-759-0400

Mr Harvey K deKrafft  
*Sturdivant & Co Inc*  
Plaza 1000 at Main St Ste 200  
Voorhees NJ 08043  
856-751-1331

Ms Maria Markham Thompson  
*The Chapman Co*  
401 E Pratt St Fl 28  
Baltimore MD 21202  
410-625-9656

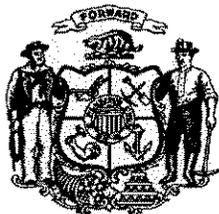
Mr Christopher J Williams  
*The Williams Capital Group LP*  
650 Fifth Ave Fl 10  
New York NY 10019  
212-830-4500

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

# 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: April 13, 2001

Re: General Obligation Bonds of 2000, Clean Water Fund  
Program Series A  
General Obligation Bonds of 2000, Series B  
Clean Water Revenue Bonds, 2001 Series 1

Attached are copies of three reports from the Department of Administration. Two reports are pursuant to s. 18.16 (7), Stats. and one report is pursuant to s. 18.64 (7). The reports specify the reason for not complying with subsections (2) to (5) of those same sections 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



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

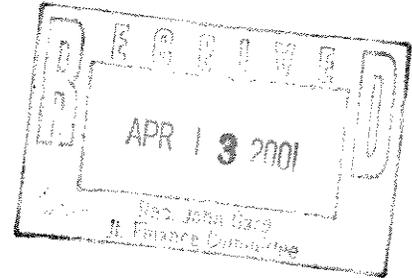
**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
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

April 13, 2001

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:

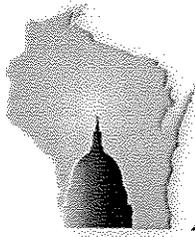
This report is required by subsection (7) of 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issuance of debt. On October 24, 2000, the Building Commission authorized the sale of not to exceed \$10,000,000 State of Wisconsin General Obligation Bonds, Clean Water Fund Program [the "Bonds"].

On November 16, 2000, \$5,000,000 State of Wisconsin General Obligation Bonds of 2000, Clean Water Fund Program Series A, were sold privately to the Environmental Improvement Fund pursuant to 18.06 (9) of the statutes. On April 18, 2001, the remaining \$5,000,000 State of Wisconsin General Obligation Bonds of 2001, Clean Water Fund Program Series A, will be sold privately in the same manner to the Environmental Improvement Fund.

Since the Bonds will be sold directly to the Environmental Improvement Fund, and without the participation of underwriters, compliance with subsections (2) to (5) of s. 18.16 is not possible. The Bonds will be held by the Environmental Improvement Fund as investments to provide cash flow to the State of Wisconsin Clean Water Revenue Bonds.

Sincerely,

  
George Lightbourn  
Secretary



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
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

April 13, 2001

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 December 20, 2000, the Building Commission authorized the sale of \$70,000,000 State of Wisconsin Clean Water Revenue Bonds, 2001 Series 1 (the "Bonds"). Pursuant to this authorization, on April 4, 2001, 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 attached Official Notice of Sale, dated March 23, 2001, set the terms and conditions of the sale and was available to all potential bidders. The State received five 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., which is not certified by the Department of Commerce as a minority owned-firm.

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

Sincerely,

  
George Lightbourn  
Secretary

Enc.

**OFFICIAL NOTICE OF SALE**  
**(Revised March 28, 2001—Clarifying the Sale Time)**

**\$70,000,000**

**STATE OF WISCONSIN**  
**CLEAN WATER REVENUE BONDS, 2001 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. (Central Time) on April 4, 2001, when they will be publicly opened and read, for the purchase of \$70,000,000 State of Wisconsin Clean Water Revenue Bonds, 2001 Series 1 (**2001 Series 1 Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services, Dalcomp/Parity, or MuniAuction (**Approved Providers**). 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 2001 Series 1 Bonds.** The 2001 Series 1 Bonds will be dated April 1, 2001, 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>
2002	\$2,310,000	2012	\$3,410,000
2003	2,390,000	2013	3,565,000
2004	2,475,000	2014	3,735,000
2005	2,570,000	2015	3,910,000
2006	2,665,000	2016	4,100,000
2007	2,770,000	2017	4,305,000
2008	2,885,000	2018	4,520,000
2009	3,005,000	2019	4,750,000
2010	3,130,000	2020	4,990,000
2011	3,265,000	2021	5,250,000

Each bid must specify whether the principal amount of the 2001 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. Term bonds may be created with a final maturity either on, before, or after June 1, 2011; however, no term bond designated to mature on and after June 1, 2012 may contain any sinking fund payments prior to June 1, 2011. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of 2001 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 2001 Series 1 Bonds will bear interest, payable on December 1, 2001 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 2001 Series 1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The 2001 Series 1 Bonds maturing in the years 2002 to 2011, inclusive, shall not be subject to redemption prior to their stated dates of maturity. The 2001 Series 1 Bonds maturing on or after June 1, 2012 are subject to redemption at the option of the Commission on June 1, 2011 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 2001 Series 1 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the 2001 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

**Mandatory Sinking Fund Redemption.** The 2001 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 2001 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

**Book-Entry.** The 2001 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 2001 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 2001 Series 1 Bonds purchased. The bond certificates will be deposited with DTC as a condition of the closing. See "CLOSING AND DELIVERY". Firststar Bank, National Association, as successor to Firststar Trust Company, Milwaukee, Wisconsin (**Trustee**) will make payments of principal and interest on the 2001 Series 1 Bonds on the dates set forth above, to DTC or its nominee as registered owner of the 2001 Series 1 Bonds in same-day funds. Transfer of 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 the 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 the 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 2001 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 2001 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 2001 Series 1 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the 2001 Series 1 Bonds as identified to the Commission by the securities depository and its participants.

**Purpose and Pledge.** The 2001 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 2001 Series 1 Bonds will be used to make loans to municipalities in the State primarily for the construction or improvement of their wastewater treatment facilities, to make deposits in the Loan Credit Reserve Fund established under the General Resolution, and to pay for costs of issuance. The 2001 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 Subsidy Fund holds general obligation bonds of the State. Based on cash flows calculated as of December 31, 2000, the State is expected to be the source of 19.24% of the gross cash flow servicing all Outstanding Bonds. This percentage is not expected to change significantly with the issuance of the 2001 Series 1 Bonds.

**Minority Participation.** It is the policy of the Commission to endeavor to ensure that 6% of the 2001 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.

**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 as defined in the Investment Company Act of 1940, pension or profit sharing trusts, and other financial institutions, whether the purchaser is acting for itself or in a fiduciary capacity.

**No Bond Insurance.** The award of the 2001 Series 1 Bonds will be made with the understanding that no bond insurance will be used in connection with the primary offering of the 2001 Series 1 Bonds. The successful bidder must certify, prior to the delivery of the 2001 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 2001 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 2001 Series 1 Bonds in secondary market transactions or with portfolio insurance.

**Electronic Bidding.** Bidders who intend to submit electronic proposals must submit a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Office prior to the bid opening. The Commission 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

100 Business Park Road.  
Skillman, NJ 08588-3629  
New Issues Desk, 609.279-3250

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  
David Hasenkopf, 412.391.7686

**Official Bid Form, Bidding Requirements, 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 2001 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 April 1, 2001 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 all the 2001 Series 1 Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the 2001 Series 1 Bonds and may be for any purchase price not less than 99% of the aggregate par amount of the 2001 Series 1 Bonds (\$69,300,000) nor greater than 101% of the aggregate par amount of the 2001 Series 1 Bonds (\$70,700,000). There shall be only one interest rate per maturity. 2001 Series 1 Bonds maturing on and after June 1, 2012 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 2001 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 2001 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 \$1,400,000. 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. (Central Time) on April 5, 2001. 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, 2001 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 2001 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 2001 Series 1 Bonds. In the event that the successful bidder should fail to take up and pay for the 2001 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 2001 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 2001 Series 1 Bonds, the "issue price" of the 2001 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 at or about 9:30 a.m. (Eastern Time), on or about April 18, 2001. No later than the day prior to this closing, the 2001 Series 1 Bonds will be delivered through the Trustee to DTC using DTC's Fast Automated Securities Transfer (FAST) System. Payment for the 2001 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 2001 Series 1 Bonds will cease.

**Bond Opinion.** The legality of the 2001 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 2001 Series 1 Bonds. There will also be furnished upon the delivery of the 2001 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 2001 Series 1 Bonds, and a certificate to the effect that the Official Statement prepared in connection with the sale of the 2001 Series 1 Bonds, as of the date of the Official Statement and as of the date of delivery of the 2001 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 2001 Series 1 Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

**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 2001 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 2001 Series 1 Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the 2001 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 2001 Series 1 Bonds in accordance with the terms of the purchaser's bid.

**Bidding Documents.** The Preliminary Official Statement, which is available electronically at the web site shown below, and is in a form which the Commission "deems final" as of March 23, 2001 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 (c)(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/debt/capfin/pos.asp](http://www.doa.state.wi.us/debt/capfin/pos.asp)

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, 608.267.0374, or [capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us).

**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 2001 Series 1 Bonds.

Dated: March 23, 2001

Frank R. Hoadley  
Capital Finance Director

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

**March 1, 2001**

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

Mr 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 Ingco  
*AMI Risk Consultants Inc*  
11410 N Kendall Dr #208  
Miami FL 33176-1031  
305-273-1589

Ms Ceyenna Bennett  
*Apex Securities Inc*  
333 Clay St Ste 1310  
Houston TX 77002  
713-650-1122

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 Sq #210  
Orinda CA 94563-3346  
925-253-9520

Mr Charles W Johnson  
*Blaylock & Partners LP*  
609 5th Ave  
New York NY 10017  
888-738-6633

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

Mr Samuel D Ewing Jr  
*Ewing Capital Inc*  
6630 16th St NW  
Washington DC 20012  
202-829-9450

Ms Sherlin Lee  
*First Honolulu Securities Inc*  
900 Fort St #950  
Honolulu HI 96813  
808-523-9422

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

Ms Lenda P Washington  
*GRW Capital Corp*  
1004 Sixth St NW  
Washington DC 20001  
202-628-7090

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

Mr Louis A Holland  
*Holland Capital Mgmt LP*  
35 W Wacker Dr Ste 3260  
Chicago IL 60601  
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 Inc*  
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

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

Mr Philip Y Leung  
*Montrose Securities Intrntl*  
50 California St #3270  
San Francisco CA 94111  
415-399-9955

Mr Neil Lieberman  
*MR Beal & Company*  
67 Wall St  
New York NY 10005  
212-983-3930

Mr Randolph T Myricks  
*North Milwaukee Bancshares Inc*  
5630 W Fond Du Lac Ave  
Milwaukee WI 53216  
414-466-2344x128

Mr Hunter Reynolds  
*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

**MINORITY-OWNED UNDERWRITING FIRMS  
CERTIFIED BY THE  
WISCONSIN DEPARTMENT OF COMMERCE  
March 1, 2001 Continued**

Mr Malcolm Pryor  
***Pryor Counts & Co Inc***  
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 Dominic Antonello  
***Redwood Securities Group Inc***  
600 California St Ste 1650  
San Francisco CA 94108-2408  
415-954-0678

Mr Eric L Small  
***SBK-Brooks Investment Corp***  
50 Public Sq 840 Terminal Twr  
Cleveland OH 44113  
216-861-6950

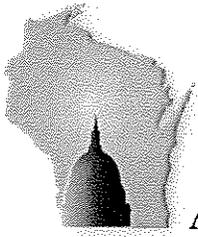
Ms Suzanne Shank  
***Siebert Brandford Shank & CO LLC***  
30 N Lasalle St Ste 2120  
Chicago IL 60602  
312-759-0400

Mr Harvey K deKrafft  
***Sturdivant & Co Inc***  
Plaza 1000 at Main St Ste 200  
Voorhees NJ 08043  
856-751-1331

Ms Maria Markham Thompson  
***The Chapman Co***  
401 E Pratt St Fl 28  
Baltimore MD 21202  
410-625-9656

Mr Christopher J 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



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
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

April 13, 2001

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 February 28, 2001, the Building Commission authorized the sale of \$91,620,000 State of Wisconsin General Obligation Bonds of 2001, Series B (the "Bonds"). Pursuant to this authorization, on April 3, 2001, 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 attached Official Notice of Sale, dated March 23, 2001, 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 Salomon Smith Barney, Inc. A list of the syndicate members is attached. There are two firms in the syndicate that are certified by the Department of Commerce as a minority owned-firm. The participation of these minority-owned firms is 2.18% 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 the attached list of the certified minority owned firms, which includes address, phone number, and contact person, was included in the bidding materials made available to each prospective bidder.

Sincerely,

George Lightbourn  
Secretary

Enc.

**\$91,620,000**  
**State of Wisconsin General Obligation Bonds of 2001, Series B**

**Underwriting Syndicate**

Underwriters:

Book Running Manager:  
Salomon Smith Barney, Inc.

Managers:

UBS PaineWebber Inc.  
First Albany Corporation

Members:

Axelrod Associates, Inc.  
William Blair & Company, L.L.C.  
A.G. Edwards & Sons, Inc.  
Isaak Bond Investments, Inc.  
Morgan Keegan & Co., Inc.  
Nike Securities  
Pryor, Counts & Co., Inc.  
Raymond James & Associates  
Siebert Brandford Shank & Co.  
Stephens Inc.

In association with:

Manager:

Harris Trust and Savings Bank

Members:

Ferris, Baker Watts Inc.  
McDonald Investments, Inc.  
Northern Trust Securities, Inc.  
Securities Corporation of Iowa

**OFFICIAL NOTICE OF SALE**  
**(Revised March 28, 2001—Clarifying the Sale Time)**

**\$91,620,000**

**STATE OF WISCONSIN**

**GENERAL OBLIGATION BONDS OF 2001, SERIES B**

SEALED 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. (Central Time) on April 3, 2001, when they will be publicly opened and read, for the purchase of \$91,620,000 State of Wisconsin General Obligation Bonds of 2001, Series B (**Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services, Dalcomp/Parity, or MuniAuction (**Approved Providers**). 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 Bonds.** The Bonds will be dated April 1, 2001, 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 May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2012	\$ 7,365,000
2013	7,695,000
2014	8,050,000
2015	8,430,000
2016	8,835,000
2017	9,270,000
2018	9,730,000
2019	10,220,000
2020	10,740,000
2021	11,285,000

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. 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, 2001 and semiannually thereafter on the first day of May and November, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The Bonds are subject to redemption at the option of the Commission on May 1, 2011 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 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the Bonds so redeemed, 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 so specifies in its bid. In such event, the redemption price shall be equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the date of redemption.

**Book-Entry.** The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (DTC). DTC will act as securities depository of the Bonds. A single Bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry-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 payments to participants of DTC will be the responsibility of DTC; transfer of payments to beneficial owners by DTC participants will be the responsibility of the 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 the payments. The State assumes no liability for failures of DTC, its participants, or other nominees to promptly transfer 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 of beneficial owners to promptly transfer said notices to the beneficial owners of the Bonds. The State is not responsible for supervising the activities or reviewing the records of the securities depository or its direct and indirect participants.

**Successor to Securities Depository.** In the event that the relationship with the 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 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the Bonds as identified to the Commission by the securities depository and its participants.

**Purpose and Pledge.** The Bonds will be issued to finance the cost of various public improvements and grants to local units of government. The Bonds will be issued pursuant to Chapter 18 of the Wisconsin Statutes and a resolution adopted by the Commission on February 28, 2001. 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 6% of the 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.

**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 must certify, 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 a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Director prior to the bid opening. The Commission 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  
Bloomberg Business Park  
100 Business Park Road  
Skillman, NJ 08588-3629  
New Issues Desk, 609.279.3250
- Dalcomp/Parity  
395 Hudson Street, FLR 3  
New York, NY 10014  
Cheryl Horowitz, 212.806.3898
- MuniAuction  
Allegheny Building  
429 Forbes Ave., Suite 1800  
Pittsburgh, PA 15219  
David Hasenkopf, 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 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 April 1, 2001 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 the Bonds and may be for any purchase price not less than 98.5% of the par amount of the Bonds (\$90,245,700) nor greater than 101.5% of the par amount of the Bonds (\$92,994,300). There shall be only one interest rate per maturity. The Bonds may not have an initial offering price less than 98.5% 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 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 promptly disseminate the initial offering prices for all 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 \$1,830,000. 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. (Central Time) on April 4, 2001. 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 2001, Series B.*

**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. In the event that the successful bidder should fail to take up and pay for the 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 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 Bonds, the "issue price" of the 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 or about 9:30 a.m. (Eastern Time), on or about April 18, 2001. 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 Firstar Bank, National Association 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 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.

**Tax Exemption.** Under existing law interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

**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 an Addendum Describing Annual Report for General Obligations and will execute a Supplemental Agreement specifically for the Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

**CUSIP Numbers.** The Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of 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, which is available electronically at the web site shown below, is in a form which the Commission "deems final" as of March 23, 2001 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.asp](http://www.doa.state.wi.us/debf/capfin/pos.asp)

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, 608.267.0374, or [capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us).

**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: March 23, 2001

Frank R. Hoadley  
Capital Finance Director

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

**March 1, 2001**

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

Mr 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 Ingco  
*AMI Risk Consultants Inc*  
11410 N Kendall Dr #208  
Miami FL 33176-1031  
305-273-1589

Ms Ceyenna Bennett  
*Apex Securities Inc*  
333 Clay St Ste 1310  
Houston TX 77002  
713-650-1122

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 Sq #210  
Orinda CA 94563-3346  
925-253-9520

Mr Charles W Johnson  
*Blaylock & Partners LP*  
609 5th Ave  
New York NY 10017  
888-738-6633

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

Mr Samuel D Ewing Jr  
*Ewing Capital Inc*  
6630 16th St NW  
Washington DC 20012  
202-829-9450

Ms Sherlin Lee  
*First Honolulu Securities Inc*  
900 Fort St #950  
Honolulu HI 96813  
808-523-9422

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

Ms Lenda P Washington  
*GRW Capital Corp*  
1004 Sixth St NW  
Washington DC 20001  
202-628-7090

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

Mr Louis A Holland  
*Holland Capital Mgmt LP*  
35 W Wacker Dr Ste 3260  
Chicago IL 60601  
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 Inc*  
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

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

Mr Philip Y Leung  
*Montrose Securities Intrntl*  
50 California St #3270  
San Francisco CA 94111  
415-399-9955

Mr Neil Lieberman  
*MR Beal & Company*  
67 Wall St  
New York NY 10005  
212-983-3930

Mr Randolph T Myricks  
*North Milwaukee Bancshares Inc*  
5630 W Fond Du Lac Ave  
Milwaukee WI 53216  
414-466-2344x128

Mr Hunter Reynolds  
*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

**MINORITY-OWNED UNDERWRITING FIRMS  
CERTIFIED BY THE  
WISCONSIN DEPARTMENT OF COMMERCE  
March 1, 2001 Continued**

Mr Malcolm Pryor  
*Pryor Counts & Co Inc*  
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 Dominic Antonello  
*Redwood Securities Group Inc*  
600 California St Ste 1650  
San Francisco CA 94108-2408  
415-954-0678

Mr Eric L Small  
*SBK-Brooks Investment Corp*  
50 Public Sq 840 Terminal Twr  
Cleveland OH 44113  
216-861-6950

Ms Suzanne Shank  
*Siebert Brandford Shank & CO LLC*  
30 N Lasalle St Ste 2120  
Chicago IL 60602  
312-759-0400

Mr Harvey K deKrafft  
*Sturdivant & Co Inc*  
Plaza 1000 at Main St Ste 200  
Voorhees NJ 08043  
856-751-1331

Ms Maria Markham Thompson  
*The Chapman Co*  
401 E Pratt St Fl 28  
Baltimore MD 21202  
410-625-9656

Mr Christopher J 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



# WISCONSIN LEGISLATURE

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P.O. Box 7882 • Madison, WI 53707-7882

August 16, 2001

Secretary George Lightbourn  
State of Wisconsin  
Department of Administration  
P.O. Box 7868  
Madison, WI 53707-7868

Dear Secretary Lightbourn:

As you know, the Legislature has been monitoring the Department of Administration's progress since it set out to implement the public benefit provisions of 1999 Wisconsin Act 9 well over a year ago. We understand that program administrators have been chosen, and that many programs are underway. As you continue to move forward, we ask that you keep in mind the impetus for the energy conservation portion of the legislation and its connection to the reliability of Wisconsin's energy supply.

As the energy market became competitive in the mid-1990's regulators, environmental advocates and utilities agreed that more resources should be dedicated to energy conservation and that the market should be expanded giving other providers access to utility funding. In light of this, Wisconsin Act 9 required utilities to transfer their funding for these programs, together with new money, to the state. Under the new law, DOA must administer programs that reduce the demand for natural gas and electricity, and improve energy efficiency.

Many in the legislature desired a greater emphasis on energy conservation since it is a crucial piece of any balanced energy policy. Successful energy conservation programs will address both environmental concerns and reliability. By slowing demand, these programs slow the need for new fossil-fuel generation and help utilities meet peak demand. This is more important than ever given today's capacity challenges. Wisconsin's status as a net importer of electricity, combined with demand that is growing about 300 megawatts annually, make conservation efforts an important tool for ensuring a reliable electric supply.

In light of this, there are some basic principles necessary for the success of the department's energy conservation programs. First, the program goal should be to produce measurable energy savings. Targets for kilowatt hours and therms saved should be set for every sector. The PSC has required tracking and evaluation of utility energy conservation programs for well over a decade. With this information, quantifiable and measurable goals can be easily set.

Second, the foundation of programs designed and delivered by the department and its program administrators should be their energy savings potential. While programs for residential and small business customers are limited, more opportunities exist in the energy-intensive commercial, industrial and agriculture markets. For example, energy conservation and efficiency project identification, development, management and implementation will save significantly more energy than an information campaign or free technical support.

Third, the department should consider the most cost-effective manner of achieving savings. Again, this is most applicable to the commercial, industrial and agriculture sector. While informing customers of new technologies or consulting may help save energy, it is neither the most beneficial nor the most cost-effective means for doing so. Program administrators and their subcontractors should be held accountable for their spending; they should be required to demonstrate measurable energy savings.

For this reason, we recommend that DOA require a performance contracting program in the nonresidential sector. After trial and error with many different types of services and programs, some Wisconsin utilities hit upon performance contracting as an extremely successful method of saving energy in Wisconsin.

Under this performance contracting model, the provider supplies financing and guarantees a positive cash flow, shifting the financial risk away from the customer. In addition, accountability is built in to the program because providers receive an incentive payment from the state only if energy savings are achieved. Finally, the provider acts as a project manager providing the resources and expertise necessary to identify and evaluate potential savings, choose the appropriate technology, determine cost, and assist with implementation.

We understand that of the \$63.2 million DOA has budgeted for energy conservation, environmental research and development, and renewables, \$19.6 to \$29.5 million - with a target of \$24.5 million - has been allocated for nonresidential energy conservation. We recommend the following:

- Eighty percent of this allocated amount should be dedicated to a performance contracting program.
- Of that 80 percent, a maximum of \$1 million should be earmarked to cover the program administrator's costs associated with selecting projects and awarding incentive payments. Since DOA has budgeted about 15% of the \$63.2 million (between \$7.3 and \$11 million, with a target of \$9 million) for market research, program evaluation, DOA administration and program support services, \$1 million should be sufficient for additional administrative costs.
- The remaining amount should be awarded as incentive payments to successful providers. The payment should be based upon actual savings of electricity (kWh) and natural gas (therms) verified after one year of operation for each specific customer project. Verification should be completed by an independent evaluator hired by the program administrator.

We look forward to working with your department as it continues to deliver public benefit programs in Wisconsin and are anxious to hear more about your plans for nonresidential energy conservation in Wisconsin.

Sincerely,

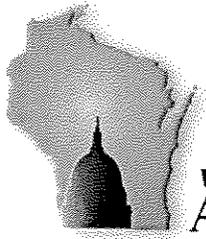


Brian Burke  
State Senator  
Co-Chair, Joint Finance Committee



John G. Gard  
State Representative  
Co-Chair, Joint Finance Committee

cc: John Marx



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
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 24, 2001

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

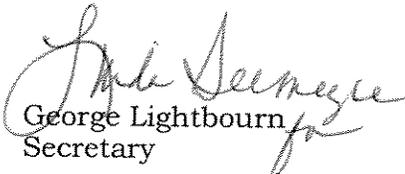
Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of s. 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 issuance of debt.

On August 8, 2001, the Building Commission authorized the issuance of general obligations in an aggregate amount not to exceed \$162,860,000. To meet short-term cash needs in the State's Capital Improvement Fund, the State will make a draw, in the amount of \$50,000,000, as a loan (the "Loan") under the open line of credit from Firststar Bank, National Association (the "Bank"), as provided for in the Working Bank Contract. The Loan is being made pursuant to Subchapter I of Chapter 18 of the Wisconsin Statutes.

The Loan is scheduled to occur on August 24, 2001 and be designated State of Wisconsin General Obligation Loan of 2001, Series A. Since the Loan is being made directly with the Bank, and without the participation of underwriters, compliance with subsections (2) to (5) of s. 18.16 is not possible.

Sincerely,

  
George Lightbourn  
Secretary