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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2013-14

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on...

**State Affairs and Government Operations
(AC-SAGO)**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (December 2014)

Assembly

Record of Committee Proceedings

Committee on State Affairs and Government Operations

Assembly Joint Resolution 48

Relating to: deleting from the constitution the offices of secretary of state and state treasurer (first consideration).

By Representatives Schraa, August, Knodl, Jacque, J. Ott, Craig, Nygren, Petersen, Murphy, Kerkman, Tittl, Knudson, Born, Honadel, LeMahieu, Bies, Kuglitsch, Marklein, Kestell, Sanfelippo, Stroebel, Nass and Endsley; cosponsored by Senators Gudex, Leibham and Vukmir.

August 05, 2013 Referred to Committee on State Affairs and Government Operations

October 03, 2013 **Public Hearing Held**

Present: (10) Representative Kuglitsch; Representatives Swearingen, August, Kleefisch, Knodl, Ripp, Neylon, Bernard Schaber, Shankland and Zamarripa.

Absent: (0) None.

Excused: (1) Representative Kahl.

Appearances For

- Michael Schraa - Representative - 53rd Assembly District
- Rick Gudex - Senator - 18th Senate District
- Mark Hazelbaker
- Jay Schroeder
- Rohn Bishop

Appearances Against

- Jack Voight
- Roger Luce - Oneida County Economic Development Corp.
- Jamie Aulik - Wisconsin County Clerk Association
- Kathy Sanders - WEMTA
- Paul Nelson - Wisconsin Library Association

Appearances for Information Only

- None.

Registrations For

- None.

Registrations Against

- Adam Gallagher - Wisconsin County Treasurers Association
- Kathy Bernier - Representative - 68th Assembly District

Registrations for Information Only

- None.

February 05, 2014

Public Hearing Held

- Present: (13) Representative Weininger; Representatives Swearingen, Craig, Ripp, Neylon, Kooyenga, Hutton, Nass, Sinicki, Zamarripa, Ringhand, Kahl and Hulsey.
- Absent: (1) Representative Knodl.
- Excused: (2) Representatives Kleefisch and Kessler.

Appearances For

- Michael Schraa - Rep. - 53rd ASM District

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- None.

Registrations Against

- None.

Registrations for Information Only

- None.

February 06, 2014

Executive Session Held

- Present: (14) Representative Weininger; Representatives Swearingen, Craig, Kleefisch, Knodl, Neylon, Kooyenga, Hutton, Nass, Sinicki, Zamarripa, Ringhand, Kahl and Hulsey.
- Absent: (0) None.
- Excused: (2) Representatives Ripp and Kessler.

Moved by Representative Kleefisch, seconded by Representative Knodl that **Assembly Substitute Amendment 1** be recommended for adoption.

Ayes: (10) Representative Weininger; Representatives Swearingen, Craig, Kleefisch, Knodl, Neylon, Kooyenga, Hutton, Nass and Hulsey.

Noes: (4) Representatives Sinicki, Zamarripa, Ringhand and Kahl.

Absent: (2) Representatives Ripp and Kessler.

ASSEMBLY SUBSTITUTE AMENDMENT 1 ADOPTION
RECOMMENDED, Ayes 10, Noes 4

Moved by Representative Knodl, seconded by Representative Kleefisch that **Assembly Joint Resolution 48** be recommended for adoption as amended.

Ayes: (9) Representative Weininger; Representatives Swearingen, Craig, Kleefisch, Knodl, Neylon, Kooyenga, Hutton and Nass.

Noes: (5) Representatives Sinicki, Zamarripa, Ringhand, Kahl and Hulsey.

Absent: (2) Representatives Ripp and Kessler.

ADOPTION AS AMENDED RECOMMENDED, Ayes 9, Noes 5

Alison Zikmund
Committee Clerk



Wisconsin County Treasurers' Association

Date: October 2, 2013

To: The Honorable Members of the Wisconsin Legislature

From: Laura Henning-Lorenz, President of the Wisconsin County Treasurers' Association

Re: Opposition to AJR-48

Laura Henning-Lorenz

The Wisconsin County Treasurers' Association went on record on June 14, 2013 as being opposed to the removal of the unclaimed funds function from the state treasurer's office. Please see the accompanying resolution number 2013-04.

Our association is also opposed to the removal of duties of the state treasurer's office that have been placed in the hands of other departments.

Our association is opposed to deleting the offices of the secretary of state and the state treasurer for the following reasons.

- Forego the wisdom of our forefathers, who thoughtfully created Wisconsin's government as we know it today
- Both offices provide important checks and balances necessary in government
- Incur little to no cost savings for the citizens of Wisconsin since the duties of these offices will continue to be performed
- Allow state government to be less accountable to its citizens
- Deny the voters of Wisconsin their right to elect people to these very important positions

These are some of the most important reasons why these offices need to stay intact. Certainly there are many more reasons. Our association hopes that our legislature will seriously consider our position and move with great caution. I believe that the majority of our Wisconsinites would never allow these offices to be removed if they fully understood what the duties and responsibilities of these offices contained. I respectfully ask for an open dialogue and transparency as AJR-48 is being considered by the legislature. Thank you.

Wisconsin County Treasurers' Association

June 2013 Seminar

Resolution No. 2013-04

Re: Opposition to the Removal of the Unclaimed Funds Function from the State Treasurer

WHEREAS, the State Treasurer's office maintains custody and records for all property received under provisions of the uniform unclaimed property act and general escheat laws; and

WHEREAS, the State Treasurer's office reviews, and if necessary, audits business and corporate records to assure compliance with unclaimed property statutes; and

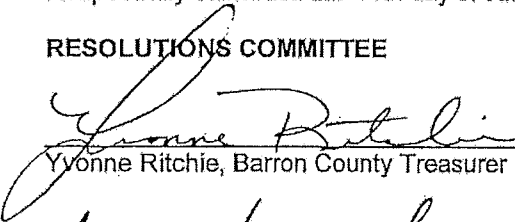
WHEREAS, the State Treasurer's office oversees collecting unclaimed funds from companies, and is the central location for citizens to locate those funds and get them back to their rightful owners.


NOW THEREFORE BE IT RESOLVED, the Wisconsin County Treasurers' Association is in opposition to the removal of Unclaimed Funds from the statutory duties of the State of Wisconsin Treasurer.

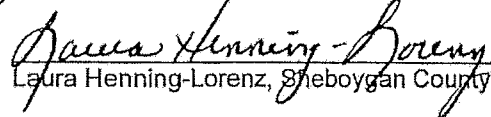
BE IT FURTHER RESOLVED, that a copy of this resolution is being forwarded to the Office of State Treasurer, the Wisconsin County Constitutional Officers, the Register of Deeds Association, the County Clerk's Association, and the Joint Finance Committee.


Respectfully submitted this 14th day of June, 2013

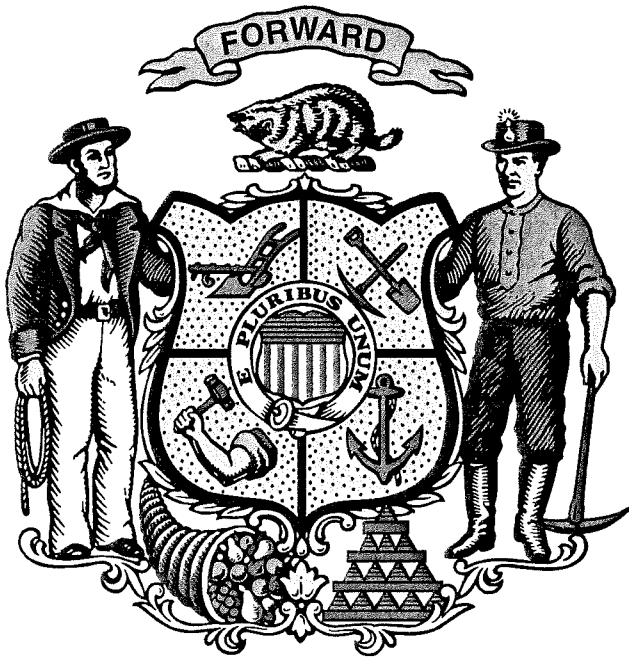
RESOLUTIONS COMMITTEE


Yvonne Ritchie, Barron County Treasurer


Cheryl Duchow, Manitowoc County Treasurer


Laura Henning-Lorenz, Sheboygan County Treasurer


Lynn Neeck, Price County Treasurer



JACK C. VOIGHT

WISCONSIN STATE TREASURER

1995-2007

October 2, 2013

RE: Assembly Joint Resolution 48

To: Rep. Mike Kugitsch (Chair), Rep. Rob Swearingen (Vice-Chair), Rep. Tyler August, Rep. Joel Kleefisch, Rep. Dan Knodl, Rep. Keith Ripp, Rep. Adam Neylon, Rep. JoCasta Zamarripa, Rep. Penny Bernard Schaber, Rep. Robb Kahl, and Rep. Katrina Shankland.

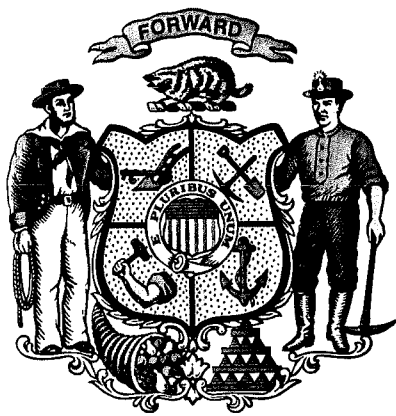
Thank you in allowing me to appear before your Committee on State Affairs concerning the above resolution.

We need to retain the duties of State Treasurer and Secretary of State in Wisconsin:

- 1. The framers of our State Constitution believe both offices were vital to balance of powers at the state level. The officeholder can and has provided oversight, knowledge and management of many public programs since 1848 for benefit of the citizens of this state.**
- 2. First and foremost, the State Treasurer was intended to be the "Keeper of the Public Purse". With the removal of the financial duties of Wisconsin, via the passage of the last four budgets, the officeholder's financial voice has been nearly eliminated. Leadership and innovative ideas make the difference.**
- 3. When I was State Treasurer, some duties were added, such as the transfer of Wisconsin's College savings program (Edvest). The Department of Administration was the program administrator that had a \$1 million dollar GPR debt, and a \$10 million investment portfolio with about 2000 investors. After passage of a new Edvest bill and the Edvest program became very successful: (a) paid off the \$1 million GPR debt, (b) made the users pay for the new investment options, and after 6 years, the Edvest program had a total investment portfolio exceeding \$2 billion, a \$5 million program expense reserve (credit) with over 200,000 investors.**
- 4. The unclaimed property program was totally retooled. I help create the National unclaimed property internet program called MissingMoney.com. In 1995, we had an inventory of \$54 million and when I left we had a inventory exceeding \$300 million, yet we paid out over \$100 million to claimants. These inventory dollars are not easy to obtain from holders, yet these dollars are invested at the Common School Trust fund which fund almost all of the public school library expenses in Wisconsin. These aid dollars reduce the public school district tax levies.**
- 5. No Cost savings. The Treasurer's office is a state profit center. There is no GPR program funding. PR funding is from user fees and program revenue.**

Thanks for your consideration to retain the duties of the State Treasurer.







State Senator
Rick Gudex

District 18

October 3, 2012

To: The Assembly Committee on State Affairs
From: Sen. Rick Gudex
Re: **Assembly Joint Resolution 48**

Mr. Chairman, members of the committee, thank you for hearing this joint resolution today.

As you know, this joint resolution would create a constitutional referendum, asking the voters of Wisconsin whether or not we should eliminate the offices of Secretary of State and State Treasurer. Let me first state that, as a new member of the Senate, I do not have a history with either of these offices. Other than moving the unclaimed property program from the State Treasurer's office to Department of Revenue in the last budget, these two offices are as they were when I first arrived in the legislature, which is to say: pretty bare. Most of you know better than I do that these offices have very little in the way of responsibilities.

In the private sector, when a position or department becomes redundant or unnecessary, you cut it completely. That may sound harsh, but it's a fact of life when you have to count every penny, as most of our private businesses do.

The offices of Secretary of State and State Treasurer currently do very little for the taxpayers of Wisconsin. They could do more, it's true, but there is no effort being made by anyone in the Legislature, either side of the aisle, to give them more responsibilities. Over the last several years, in fact, the opposite has been true.

It's clear that these offices are not needed. It's just as clear that there is no legislative desire to change that. The responsible thing, then, is to stop spending money keeping these offices open.

If you support this joint resolution, we will see it again next session, and if you support it again at that time, then the voters will have the final say. Let's give them that chance. Thank you.

Dear Members of the Committee on State Affairs,

Attached is the statement by Secretary of State Doug La Follette in regards to AJR 48 on Oct 3, 2013.

An compelling opportunity to enhance Wisconsin's **Business Climate**

In this era when building Wisconsin's business climate is of paramount importance, it is critical to align Wisconsin's provision of business service with the nation-wide model of locating those services in the Office of the Secretary of State.

Across the nation, in most all states - the Office of the Secretary of State provides important services to businesses and plays a key role in supporting domestic and foreign business transactions. This is accomplished through provision of a wide range of business services, such as Uniform Commercial Code, registration of corporations; trademark registration and issuance of Notary Public Commissions.

In fact, until recently, most these functions were also located in the Office of the Secretary of State here in Wisconsin. Businesses (including those from Wisconsin, those from other states, as well as international corporations) expect to obtain these important services from the Wisconsin Office of the Secretary of State – just like the services they receive from the Office of the Secretary of State in other states. Every day, the Office of the Secretary of State receives inquiries from businesses and individuals for the kinds of business services that are provided by other Offices of the Secretary of State across the nation – services which were historically provided by this Office.

To assure that Wisconsin is open for business, it is just common sense to align with practices in other states and to locate important business services with

the Office of the Secretary of State. It makes no sense to undermine the momentum and consistency provided by standard procedures by removing key business services from Wisconsin's Office of the Secretary of State. Doing so creates confusion and problems for those attempting to obtain business services in this state, generates inefficiency, and ultimately costs more taxpayer dollars.

In most every other states in the Nation these core duties are housed in the office of Secretaries of State; for example, Secretaries of State are responsible for:

- Handling corporation and business information – 43 State
- Registering Trademarks – 46 States
- Administrating UCC – 42 States
- Handling notary public commissions – 47 States

If our goal is to make Wisconsin more business friendly and have a “one stop shopping” place for business then it would be essential for Wisconsin government to do the following.

Consolidate all such “business functions” in the Office of the Secretary of State. These would include notary commission functions, Trademarks/tradenames functions as well as Uniformed Commercial Code (UCC) and Corporation matters.

It made no business sense to take these functions away from a constitutional office and move them into obscurity and it also increased costs.

No other state has a Department of Financial Institutions, DFI. Placing these functions, which reside everywhere else in Secretary of States offices, there is confusing.

Abolishing DFI would save money and bring Wisconsin in line with other states in the Nation and help make us more competitive.

The appointed Secretary and Deputy Secretary and other political positions at DFI earn over \$357,000. In comparison 1 added FTE appointee needed in the SOS office would earn only \$65,000; a minimum saving of \$292,000.

These functions might well be relocated to 30 W. Mifflin where there is currently space; saving additional money for rent cost.

The remaining banking and consumer affairs duties now in DFI should be moved to the State Treasurer and the Dept. of Agriculture and Consumer Protection.

This is not about Doug La Follette; I am just fortunate to have been elected to serve the people in the office. It is not about Republicans or Democrats. It is about what is good for Wisconsin long into the future.

A Better Approach

Office of the Secretary of State

If our goal is to make Wisconsin more business friendly and have a “one- stop shopping” place for business then it would be essential for Wisconsin government to do the following.

Consolidate all such “business functions” in the Office of the Secretary of State. These would include the Office keeping the responsibilities and positions for notary commission functions and Trademarks/trade names functions. In addition it would include moving the functions and position Corporations and Business matters as well as Uniformed Commercial Code (UCC) matters from DFI back to the Office of the Secretary of State.

This would bring Wisconsin in line with every other state in the Nation and help make us more competitive. Currently, a majority of Secretaries of State throughout the United States are responsible for:

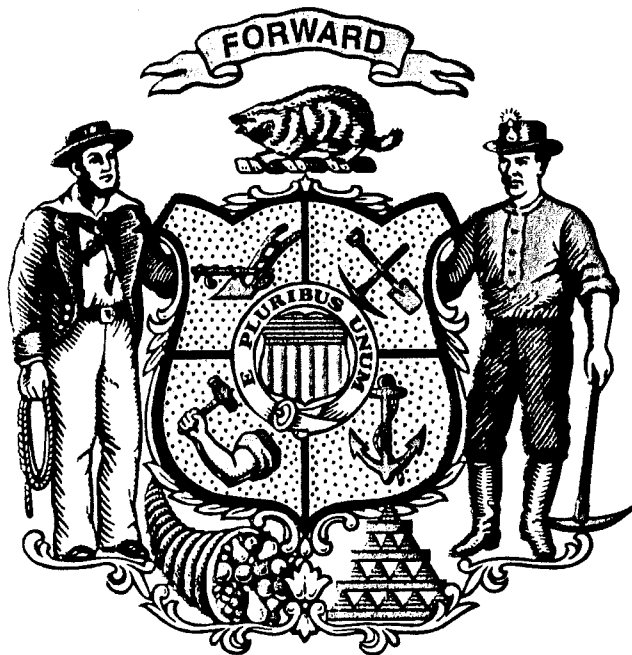
- Handling corporation and business information – 43 States
- Registering Trademarks – 46 States
- Administrating UCC – 42 States
- Handling notary public commissions – 47 States

It is clear that Wisconsin would be much better off if we had these responsibilities in the Office of the Sec. of State.

The remaining banking and consumer affairs duties now in DFI should be moved to the State Treasurer and the Dept of Agriculture and Consumer Protection.

Not only would this approach make us more business friendly but would also save money. An example of the savings could be as follows:

The appointed Secretary and Deputy Secretary at DFI earn \$215,555; the appointed Secretary and Deputy of Regulations and Licensing earn \$215,500. In comparison the Secretary of State and the former 2 FTE appointees would earn only \$184,421 [three people]; a minimum saving of \$246,634.



Assembly, PUBLIC HEARING, Committee on State Affairs

Thursday, October 3, 2013

Assembly Joint Resolution 48

Comments made by Roger A. Luce, Oneida County Economic Development, Executive Director.

Good morning Committee Chairman, Rep. Kuglitsch; Committee members and; others assembled at this hearing today. I am here today representing the Oneida County Economic Development Corporation, Rhinelander, WI. Before I begin, Mr. Chairman, I would like to take time to thank Vice Chair Swearingen for his fiscally prudent delivery of a 2013-2014 Blue Book to me today here in Room 300 Northeast.

I am speaking in opposition to Assembly Joint Resolution 48 today, not because our organization has an opinion one way or the other on the merits of keeping or eliminating the offices of secretary of state and state treasurer. Rather, I am here to speak to what we believe may be unintended consequences of the constitutional changes as stated in Resolution 48. We are very concerned about how this Resolution reconstitutes the Board of Commissioners of Public Lands.

In Oneida County, and most of northern Wisconsin, the Board of Commissioners of Public Lands is an important player in the fight to keep our forests available for sustainable timber production and public recreation. The BCPL has provided Oneida County and the City of Rhinelander financing for critical economic development projects that have created jobs and added millions to our local tax base. But we are very, very concerned in northern Wisconsin about the possibilities of future law suits jeopardizing our ability to continue using BCPL. Let me explain what we are concerned about.

The Wisconsin Constitution requires that the people must be able to vote for or against each constitutional amendment if more than one amendment is proposed. Accordingly, the Wisconsin Supreme Court has interpreted the "separate amendment rule" to require that citizens of this state have separate votes on amendments which may have different objects and purposes in view. The legislation as written and proposed here today only identifies two questions to the voters: 1) shall the office of secretary of state be deleted from the constitution?; 2) shall the office of the state treasurer be deleted from the constitution?

We're concerned that there must be more separate questions put to the voters regarding the proposed constitutional amendments. One example is that the state treasurer currently collects all loan payments and payments collected from sale of public on credit. How is this addressed in the current Resolution? Who are we giving that responsibility to?

A much more important question, however, is this; are the people of Wisconsin being given the opportunity to vote for or against the constitutional amendment which seeks to have the attorney general serve as governor if both the governor and lieutenant governor are unable or unwilling to serve?

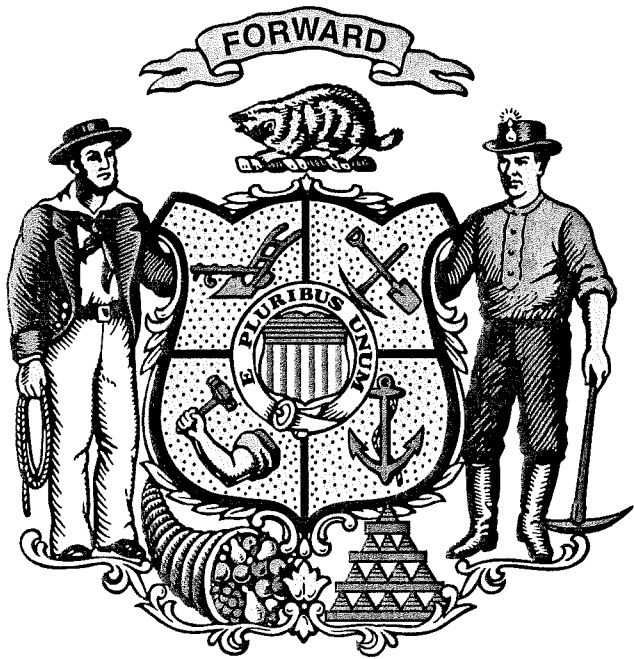
Shouldn't the people have a say in reconstituting the constitution? Who among us is to say whether or not the citizens of the state want the attorney general to serve as governor? Shouldn't the people of the state be given the right to have a say whether or not they believe the lieutenant governor and state superintendent of public instruction are the appropriate officers to replace the state treasurer and secretary of state on the Board of Commissioners of Public Lands? Our deeply rooted concern is that a legal challenge will be made to the procedural amendments being proposed if only two simple questions to amend our state constitution are asked. And that is what all Wisconsin municipalities and school districts should be concerned about....the legal abyss that could result, thereby rendering the BCPL unable to provide loans.

BCPL has disbursed over \$1,241,836,000 in loans between fiscal years 2004 – 2013. They have provided almost \$221,000,000 for economic development projects; \$475,500,000 to schools and municipalities for buildings and infrastructure; \$76,000,000 for capital equipment and vehicle needs; \$171,500,000 in loans to refinance debt; \$297,700,000 to refinance pension liability; and finally, over \$350,000 on operations. All that, mind you, while not experiencing a SINGLE loan default. More impressive...not one loan default in the past 150 years!

And to address one of the earlier questions asked regarding the BCPL annual expenses let me leave you with this: the BCPL manages over twice the combined total amount of the three mutual funds that specialize in Wisconsin municipal bonds. The BCPL management cost is consistently less than $\frac{1}{8}$ th of the average expense charged by these privately managed funds. The last I researched, the Wisconsin bond mutual funds have an average annual expense of 0.68% of assets managed while the BCPL's managed financial assets expense is just 0.08%.

Please Chairman Kuglitsch and members of the Committee on State Affairs, for these stated reasons we urge you to not shackle municipalities, school districts and statewide economic development efforts by approving this Resolution 48 as currently proposed. It is our opinion that the unintended consequences of this Resolution could severely harm our ability to loan funds from BCPL.

Thank you for the opportunity to address you today.



Testimony of James Schuessler

Before the Committee on State Affairs

Assembly Joint Resolution 48 relating to “Deleting from the Constitution the offices of Secretary of State and State Treasurer”

First Consideration

October 3, 2013

Chairman Kuglitsch and distinguished Members of the Committee on State Affairs, my name is James Schuessler. I serve as executive director for the Forest County Economic Development Partnership (FCEDP) in Forest County, Wisconsin. The stakeholders of FCECP include the City of Crandon, Forest County Government, Forest County Potawatomi Community and Foundation, The Forest County Chamber of Commerce, Tourism Commission, The Sokaogon-Chippewa Community, Wabeno Chamber of Commerce and four business sector representative including Laona Machine Supply, Laona State Bank, Wolf River Valley Seeds and Northern Lakes Service, Inc., and Link CPA Service LLC... FCEDP is a public private partnership and also includes the invited resources of the Wabeno, Crandon and Laona School Districts, Forest County UW Extension and Land Conservation, the Laona District of USFS, USDA Blackwell Job Corp., the Town of Armstrong Creek, Nicolet Technical College and the Crandon Public Library.

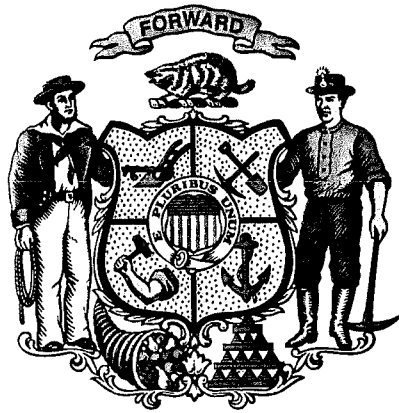
When our great State was founded, there was much disagreement as to the ideas that eventually came to be our State Constitution. Fortunately, the idea embodied in Article X was not an area of disagreement. The wisdom of putting the attorney general, the secretary of state and the state

treasurer in charge of accepting federal land grants and managing a sizable portion of the land sale proceeds in trust has proven to be a stable source of support for public schools and libraries.

The Board of Public Lands operates without a single taxpayer dollar; generates all of the state's financial aid to public elementary, middle and high school libraries; is a reliable source for financing community projects including economic development; and is a small, but committed, player in the fight to keep Wisconsin forests available for sustainable timber production and public recreation.

Just this year, FCEDP, working with the City of Crandon and BCPL, has been able to refinance projects in the county that helped retain over 100 jobs. Additional projects in the works include financing for a grocery store in a growing community that is located in a food desert. Crandon's School district recently used funding to put a new roof on their school, saving thousands of dollars for taxpayers in the process.

I think back to the decision Forest County made back in 1928 to join what then known as Federal Forest. Had my county instead accepted A D Campbell's invitation—he was then Director for The Commission on Public Lands—to reforest with state support rather than turn the lands over to the United States, over half this county's land mass would now be sustainably managed, rather than rotting on the stump. This county's economy could be dramatically stronger today.





October 3, 2013

To: Representative Kuglitsch, Chair – Committee on State Affairs Committee Members
From: Wisconsin Educational Media & Technology Association
Presented by: Kathy Sanders WEMTA Executive Board Member
Subject: Assembly Joint Resolution 48

Good Morning Representative Kuglitsch and Committee Members.

My name is Kathy Sanders and I appreciate the opportunity to testify before you today. I am testifying on the behalf of the Wisconsin Educational Media and Technology Association, which serves the public school library and educational technology community.

The Wisconsin Educational Media and Technology Association does not support amending the Wisconsin Constitution to eliminate the offices of the State Treasurer or Secretary of State. It is very important for the school library community that the Board of the Commissioners of Public Lands continues to be represented by the elected officials as currently written in the constitution.

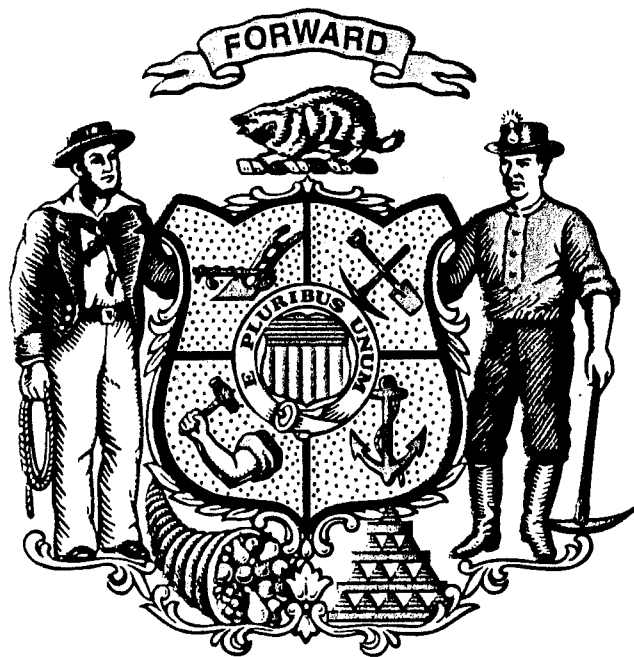
From the founding of our state, the people of Wisconsin have valued the importance of strong communities and schools for future generations. We believe that the Board of the Commissioners of Public Lands has done an excellent job in managing the BCPL. This trust fund supports our schools and communities by providing favorable loans to municipalities and funds for school library resources through the Common School Fund. In fact, the fund has been so well managed, that the BCPL has provided \$122 million for community projects across Wisconsin and \$30.1 million to Wisconsin School Libraries last year.

Common School Fund disbursements provided by BCPL are used to purchase books, newspapers, periodicals, and other library materials - including computers and related software. With school districts facing increased budget constraints, the vast majority of school libraries rely on the Common School Fund distributions as their sole funding source for the purchase of informational resources. Strong public school libraries, with quality resources, are essential to the academic success of Wisconsin's children, especially in the area of reading.

Wisconsin has a unique program overseen by the Commissioners of Public Lands, which operates at no expense to Wisconsin taxpayers and gives much back. We are concerned that a complicated process to change the state constitution may not save as much money as projected; will require a lengthy legislative and election process. and may have unintended consequences affecting the future performance of the fund. This proposal creates an uncertain future for the state of public school library funding.

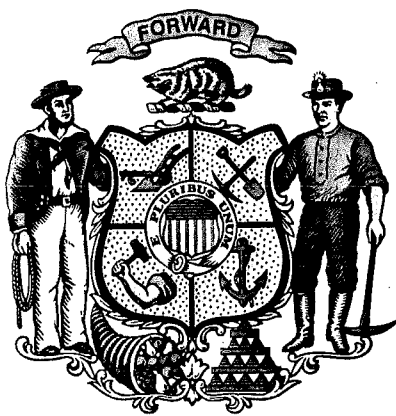
WEMTA supports keeping the positions of Secretary of State and State Treasurer in the State Constitution and maintaining their roles as Commissioners of Public Lands. Thank you again for the opportunity to speak to you today.

Kathy Sanders
143 Maple Ave
Columbus, WI 53925
Sand.kathy@gmail.com
608-206-4315



Hindsight is always 20/20; in this case I encourage that we use foresight to avoid the unintended consequences of dismantling a 165 year-old program that provides tremendous benefits to this county and the state.

Thank you for reading my testimony. May God bless this great state.





Mailing Address:
P.O. Box 7871
Madison, WI 53707-7871

KURT SCHULLER
State Treasurer of Wisconsin

Phone: 608/266-1714
Fax: 608/266-2647
OstSocialMedia@wi.gov

October 4, 2013
For Immediate Release
Cynthia Kaump
608-266-5757
608-219-2762 (cell)
Cynthia.Kaump@wisconsin.gov

Treasurer Schuller Statement on Proposed Constitutional Amendment to Eliminate Office

(Madison) State Treasurer Kurt Schuller chose not attend Thursday morning's State Affairs Committee hearing on the proposed amendment AJR-48 to eliminate both the Office of the State Treasurer and Secretary of State. Instead, he released the following statement today relating to his office and the proposed resolution:

I campaigned on eliminating this office. I drafted AJR-26 to honor that promise. There seemed little to no interest in taking it up so my staff and I moved on to continue the work the voters trust us to do. As a result, this office returned a record nearly \$90 Million in less than three years.

During my time as Treasurer, I learned my campaign platform is not something to easily carry out in the form of one simple referendum question on a ballot. The constitutional hurdle is in fact quite high. If done correctly and legally, voters would be required to answer "yes" or "no" to at least six separate referendum questions to eliminate this office. Reducing the number of questions or seeing a combination of answers to various questions would create constitutional chaos. History suggests, it is unlikely this will succeed.

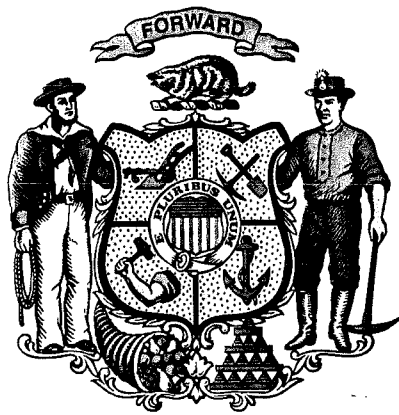
I make no apologies for what I attempted however, I see now it was an effort fated to fail. I do believe this office can continue to play an important financial role in Wisconsin's government with the support of the Governor, legislature and voting public.

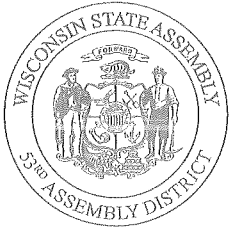
I am proud of the important work I do still for the Board of Commissioners of Public Lands overseeing nearly \$1 Billion dollars in loans servicing our local governments. I will continue in that role as well as the other constitutional and statutory duties of this office for the remainder of my term. As promised, I will not run again. But someone else will. There will be a new Treasurer elected in the State of Wisconsin in 2014.

[CLICK HERE](#) to review AJR-48.

There is more than \$400 million dollars in unclaimed assets waiting to be claimed. This money comes from forgotten paychecks, insurance premium overpayments, utility deposits, forgotten bank accounts, forgotten stocks, abandoned safe deposit boxes and many other forms of assets that have been lost, forgotten about or that people did not even know they had! There are more than 2 million "properties" which exist. You can search for missing money 24/7 online at www.statetreasury.wi.gov or call 855-375-CASH (2274)

Follow us on Facebook, Twitter, YouTube, and Wordpress - find out more at www.statetreasury.wi.gov





MICHAEL SCHRAA

STATE REPRESENTATIVE • 53RD ASSEMBLY DISTRICT

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Madison, WI 53708

Office: (608) 267-7990
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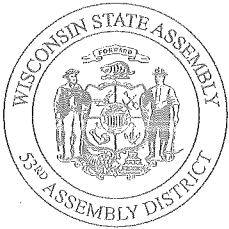
Testimony on Assembly Joint Resolution 48 Thursday, October 10, 2013

Thank you Chairman Kuglitsch, Vice Chair Swearingen and distinguished members of the committee for allowing me to provide testimony on AJR48, a constitutional amendment that would eliminate the offices of State Treasurer and Secretary of State here in the State of Wisconsin.

This is the first consideration of the constitutional amendment that requires adoption by two successive legislatures, and ratification by the people through referendum before it can become effective. I have profound respect for both our Federal & State Constitution and I do not take those responsibilities lightly. I believe that the extensive amendment process that is provided to us in Article XII will allow us to make the prudent decisions that will be needed to reform our government. With the timely issues that currently face our Federal Government, I believe it is our duty, as elected representatives, to be good stewards of the taxpayer's money here in the State of Wisconsin.

A little over two years ago Treasurer Schuller testified before the Committee of Judiciary and Ethics stating he was compelled to support AJR 26, an almost identical Joint Resolution that would have eliminated the positions of State Treasurer and Secretary of State. Mr. Schuller stated that the elimination of these two offices was "a necessary reform whose time had come". He admitted that the offices "no longer serve the same function that they once did." He gave four specific reasons why the elimination of these offices are prudent and necessary. Here are those reasons:

1. The duties of the State Treasurer and Secretary of State are administrative in nature, and need not be supervised by elected political partisans.
2. Dedication to government efficiency demands that we transfer programs to agencies for which they are a good functional fit.
3. The cost savings associated with the elimination of the offices, while not massive, do exist. As stewards of the people's money, it is our responsibility to act in as efficient a manner as possible.



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4. The elimination of these offices has the widespread, bi-partisan support of a majority of Wisconsinites.

Mr. Schuller was in fact elected to the position of State Treasurer in 2010 after he campaigned heavily on the platform that he would help to eliminate the position.

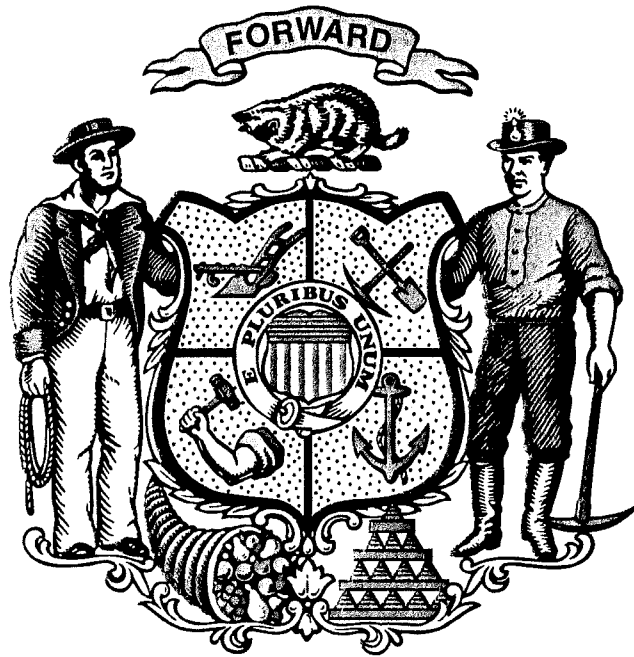
And for the record, this is at least the (6th) consecutive legislative session that this almost identical constitutional resolution has been introduced.

With the recent actions that the Joint Finance Committee took during the budget hearings, one of the last remaining important functions that the State Treasurer was responsible for, overseeing the Unclaimed Property Program, was instead assigned to the Department of Revenue. The Secretary of State maintains the acts of the Governor and Legislature, keeps and affixes the Great Seal of Wisconsin, and would serve as Governor if the Lt. Governor's position is vacant and the Governor dies, resigns or is removed from office. While both offices still serve on the board of Commissioners of Public Lands, we have laid out an efficient alternative of Board members in our resolution. The few duties that are left for these offices hardly necessitate an elected official's oversight and the elimination of such would reduce redundancies.

Simply put, time has passed these old positions by. Their previous work is now done in other areas of government. These positions are now just symbolic in nature – merely relics of the past.

Finally, one the best parts about our constitution is that amendments to it must be approved by the voters. Let's put this issue to the voters and let them decide.

Thank you for the opportunity to present AJR 48 to this committee. I would be happy to answer any questions you may have.





WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director
Laura D. Rose, Deputy Director

TO: REPRESENTATIVE MICHAEL SCHRAA

FROM: Anna Henning, Staff Attorney, and Melissa Schmidt, Senior Staff Attorney

RE: Board of Commissioners of Public Lands Functions Under Assembly Substitute Amendment __ (LRBs0137/1) to 2013 Assembly Joint Resolution 48, Relating to Deleting from the Constitution the Office of State Treasurer

DATE: November 4, 2013

This memorandum responds to your request for an analysis of the effect of Assembly Substitute Amendment __ (LRBs0137/1) to 2013 Assembly Joint Resolution 48. Assembly Joint Resolution 48 relates to the deletion of the offices of treasurer and secretary of state on the Board of Commissioners of Public Lands (BCPL). The substitute amendment would delete only the office of the treasurer.

You asked whether the substitute amendment would impair the ability of the BCPL to either: (1) operate as a three-member body; or (2) satisfy the two-member quorum requirement as specified by Wis. Const. art. X, s. 7. The BCPL is comprised of three members, each of whom is a constitutional officer. As is described in greater detail below, if the changes proposed by the substitute amendment to delete the office of the treasurer and replace his or her position on BCPL are ratified by the voters as part of one question, then it appears that the BCPL would remain a three-member board. In that case, the substitute amendment would not affect the BCPL's ability to form a quorum to carry out its responsibilities.

2013 ASSEMBLY JOINT RESOLUTION 48

2013 Assembly Joint Resolution 48 proposes an amendment to the Wisconsin Constitution, upon first consideration, that would do all of the following:¹

¹ Wisconsin Constitution, Article XII, Section 1, requires proposed amendments to the Wisconsin Constitution to be passed by both the Assembly and the Senate in two successive Legislatures and then submitted to the electorate for ratification before they may take effect. Assembly Joint Resolution 48 is the first consideration of the proposed amendment.

- Eliminate the constitutional Office of the Secretary of State.
- Eliminate the constitutional Office of the State Treasurer.
- If the Office of Secretary of State is eliminated, replace that position in the line for gubernatorial succession with the Attorney General.
- If either the Office of the Secretary of State or the Office of the State Treasurer is eliminated, replace that position on the BCPL with the Lieutenant Governor.
- If both the Office of the Secretary of State and the Office of the State Treasurer are eliminated, replace those positions on BCPL with the Lieutenant Governor and the State Superintendent of Public Instruction (State Superintendent).
- If the Office of State Treasurer is eliminated, change the process of making annual interest payments on the purchase of school or university lands that were not paid at the time of the sale such that these annual interest payments be payable as provided by law, rather than to the State Treasurer.

The joint resolution also specifies that the following two ballot questions should be posed to the voters for ratification:

- "Shall the office of secretary of state be deleted from the constitution?"
- "Shall the office of state treasurer be deleted from the constitution?"

THE SUBSTITUTE AMENDMENT

The substitute amendment makes only those changes included in Assembly Joint Resolution 48 that relate to deleting the office of the state treasurer from the Wisconsin Constitution. Specifically, the substitute amendment proposes an amendment to the Wisconsin Constitution that would do all of the following:

- Eliminate the constitutional Office of the State Treasurer.
- If the Office of the State Treasurer is eliminated, replace that position on the BCPL with the Lieutenant Governor.
- If the Office of State Treasurer is eliminated, change the process of making annual interest payments on the purchase of school or university lands that were not paid at the time of the sale such that these annual interest payments be payable as provided by law, rather than to the State Treasurer.

The substitute amendment does not provide specific ballot questions to be posed to the voters for ratification. Legislative procedure directs that ballot questions be included on a joint resolution for **second consideration**. [Joint Rule 57 (1).] However, 2013 Assembly Joint Resolution 48 proposes a constitutional amendment for **first consideration**. If 2013 Assembly Joint Resolution 48 was amended by the substitute amendment, and was subsequently passed by the Legislature on first consideration, such questions would presumably be included in the second consideration of the joint resolution.

THE BOARD OF COMMISSIONERS OF PUBLIC LANDS

Under the Wisconsin Constitution, the Secretary of State, Treasurer, and the Attorney General constitute a board of commissioners for the sale of the school and university lands and the investment of the funds arising from such sales. The constitution further provides that any two of the three BCPL commissioners constitute a quorum for the transaction of all business pertaining to the duties of the board. [Wis. Const. art. X, s. 7.]

DISCUSSION

The effect of the substitute amendment on BCPL's ability to either remain a three-member board or satisfy the two-member quorum requirement when it meets depend on the form of the ballot question or questions posed to the electorate.²

It appears that the Legislature could, within its discretion, propose to amend the constitution to delete the office of treasurer and replace the treasurer with the Lieutenant Governor on the BCPL, as part of a single ballot question. For example, such a question might read: "Shall the office of treasurer be eliminated from the constitution and the treasurer be replaced by the Lieutenant Governor on the Board of Commissioners of Public Lands?"

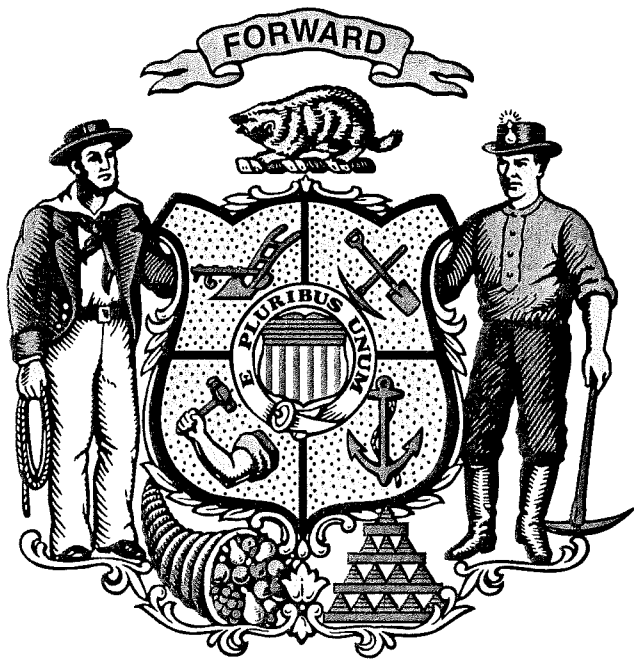
If the amendments to the constitution proposed in the substitute amendment were ratified by the voters as part of **one ballot question**, then it appears that BCPL would remain a three-member board regardless of the outcome of the ballot question. If the question was ratified, the Attorney General, the Secretary of State, and the Lieutenant Governor would constitute the BCPL once the constitutional amendment took effect. If the question was not ratified, then the Attorney General, the Secretary of State, and the State Treasurer would continue to constitute the BCPL. Thus, in either case, the substitute amendment would retain a three-member BCPL and therefore not amend the constitution in such a way as to affect the BCPL's ability to satisfy the two-member quorum requirement under Wis. Const. art. X, s. 7.

However, if the amendments to the constitution proposed in the substitute amendment were submitted to the voters as part of **two separate ballot questions**, it is possible that the voters could ratify the elimination of the office of treasurer but fail to ratify the replacement of the treasurer with the Lieutenant Governor on the BCPL. BCPL would then become a two-member board instead of a three-member board, and it appears that the presence of both members would be required to satisfy the two-member quorum requirement.

If you have any questions, please feel free to contact us directly at the Legislative Council staff offices.

AH:MS;jal

² The Legislature has the constitutional authority to determine the ballot questions. [Wis. Const. art. XII, s. 1.] Section 13.175, Stats., provides that a ballot question submitted to the voters for ratification of a proposed amendment to the Wisconsin Constitution must include "a complete statement of the referendum question upon which the voters shall be requested to vote in the form prescribed [by law]." In formulating a ballot question to be asked of the voters, the Wisconsin Supreme Court has held that the Legislature has considerable discretion, but must also act reasonably to form questions that adequately inform voters of all substantive changes proposed as part of a given constitutional amendment. [See *McConkey v. Van Hollen*, 2010 WI 57, ¶25; *Milwaukee Alliance v. Elections Board*, 106 Wis. 2d 593 (1982).]





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November 7, 2013

Dear Members of the State Affairs and Government Operations Committee,

With the recent shuffle of committee members and chairs, I wanted to take the opportunity to briefly write to you about a constitutional amendment that I have authored that is in the State Affairs and Government Operations Committee. The bill received a public hearing in the former State Affairs Committee, but many of you did not have the opportunity to hear the testimony.

The bill is AJR 48, which proposes the elimination of the offices of Treasurer and Secretary of State from the Wisconsin Constitution.

I support and authored this measure because, frankly, these positions no longer provide any value for the taxpayers of Wisconsin. I believe that we are doing a disservice to the taxpayers by allowing these positions to exist and be paid while they offer no value to the state. For more information, I have attached Sen. Rick Gudex's and my testimony that we gave during the public hearing.

During the hearing, several questions were raised by committee members and those who testified on how this constitutional amendment would be sent to the voters. Eliminating both positions in one bill has inherent challenges, specifically with how new members would be constitutionally placed on the Board of Commissioners of Public Lands (BCPL).

I would never want to put the BCPL membership or functionality in jeopardy. I fully support the BCPL and the great work they do for our schools, local governments, and economic development throughout the entire state.

To alleviate these concerns, I have proposed a solution. I have drafted an amendment (attached) that would remove the elimination of the Secretary of State from AJR 48 as a way to simplify it, thus the bill would only eliminate the Treasurer. The elimination of the Treasurer is a simple task as the position only has one duty, sitting on the BCPL. A Legislative Council memo (attached) concludes that "the substitute amendment would not affect the BCPL's ability to form a quorum to carry out its responsibilities."

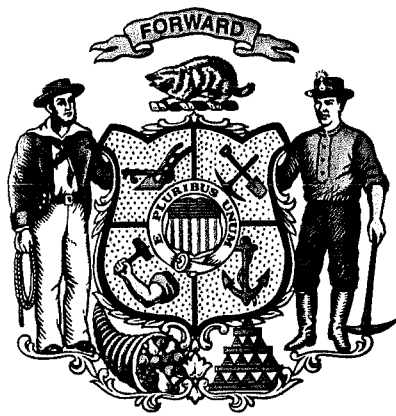
The second part of my solution is to draft a separate constitutional amendment that only eliminates the position of the Secretary of State. That resolution will be circulated for co-sponsors and introduced at a later date.

I look forward to answering any questions you may have, and earning your support for this great proposal.

Sincerely,

A handwritten signature in black ink that reads "Michael Schraa". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Schraa
53rd Assembly District





To: Representative Weininger, Chair – Assembly Committee on State Affairs
and Government Operations and Committee Members

From: Wisconsin Educational Media & Technology Association

Date: February 5, 2014

Re: Assembly Joint Resolution 48

It is very important for the school library community that the Board of Commissioners of Public Lands (BCPL) continues to be represented by the Secretary of State and State Treasurer, as established by the Constitution.

This proposal creates an uncertain future for the state of public school library funding, and the proposed substitute amendment to AJR 48 and introduction of AJR 85 does not remedy these concerns. Replacing the Secretary of State and State Treasurer with the State Superintendent of Public Instruction and the Lieutenant Governor on the BCPL could jeopardize our founding fathers' commitment to maintaining a constitutionally protected form of school library funding. The current BCPL Commissioners do not play a leading role in K-12 school funding or the state budget process—this makes them ideal custodians of the Common School Fund and helps protect the integrity of the fund.

From the founding of our state, the people of Wisconsin have valued the importance of strong communities and schools. The BCPL supports our schools and communities by providing favorable loans to municipalities and funds for school library resources through the Common School Fund, which is the only dedicated source of K-12 school library funding in Wisconsin. In fact, the fund has been so well managed, that the BCPL provided \$122 million for community projects across Wisconsin and \$30.1 million to Wisconsin School Libraries in the last year alone.

Common School Fund disbursements provided by BCPL are used to purchase books, newspapers, periodicals, and other library materials - including computers and related software.

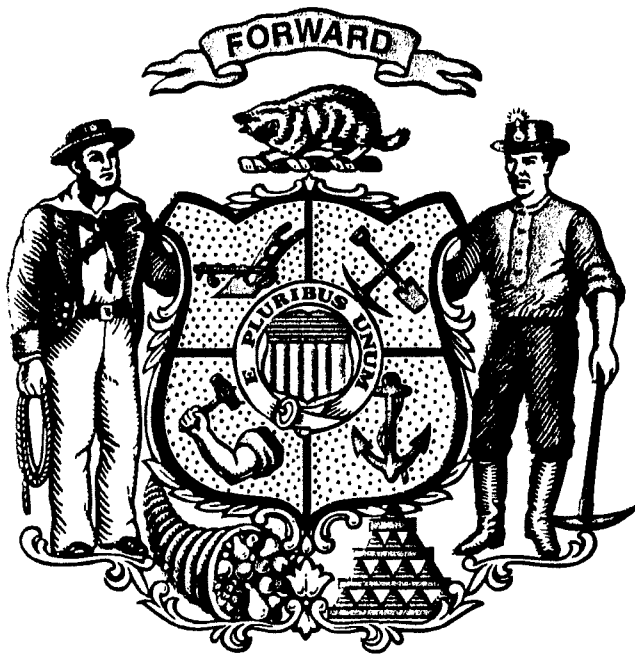
With school districts facing increased budget constraints, the vast majority of school libraries rely on Common School Fund distributions as their sole funding source for the purchase of informational resources. Strong public school libraries, with quality resources, are essential to the academic success of Wisconsin's children, especially in the area of reading.

Wisconsin has a unique program overseen by the Commissioners of Public Lands, which operates at no expense to Wisconsin taxpayers and gives much back. We are concerned that a complicated process to change the state constitution may not save as much money as projected, will require a lengthy legislative and election process, and may have unintended consequences affecting the future performance of the fund.

Therefore, WEMTA supports keeping the positions of Secretary of State and State Treasurer in the State Constitution so that they can maintain their roles as members of the Board of Commissioners of Public Lands.

Please do not hesitate to contact me if you require additional information.

Kathy Sanders
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608-206-4315



COMMON SCHOOL FUND



Investing in
Communities and
Public Education
Throughout
Wisconsin

608.266.1370
bcpl.wisconsin.gov

Douglas La Follette, *Secretary of State*
Kurt Schuller, *State Treasurer*
J.B. Van Hollen, *Attorney General*

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Managing Wisconsin's Trust Assets for Public Education

Revenue

Added to the Principal of

- Timber sales



Normal School Fund

Invested in

Wisconsin received title to approximately 3.5 million acres of land pursuant to the federal Swamp Land Act of 1850. These acres were to be sold and the proceeds used for the purpose of drainage and reclamation of "swamp and overflowed lands," to the extent necessary. Wisconsin chose to set aside the proceeds from the sale of 1.75 million acres of these "Swamp Lands" to create the principal for the Normal School Fund.

The Normal Schools were two-year teacher colleges that became an integral part of the University of Wisconsin system. The first state Normal School was established in 1866 in Platteville.

Today, assets of the Normal School Fund include approximately \$24 million in financial assets and over 70,000 acres of land that is managed for timber production and public recreation. Timber sale revenues are added to the principal of the Normal School Fund.

Loans and Bonds

Income distributed to

Normal School Fund monies are invested in State and Municipal Bonds and also loaned directly to Wisconsin communities as part of the BCPL State Trust Fund Loan Program. These loans are used for:

- Economic development
- School repairs and improvements
- Local infrastructure and utilities
- Capital equipment and vehicles

Borrower: Village of Kewaskum



Borrower: Ripon Area School District



Beneficiaries

Provides funding for:

- University of Wisconsin System

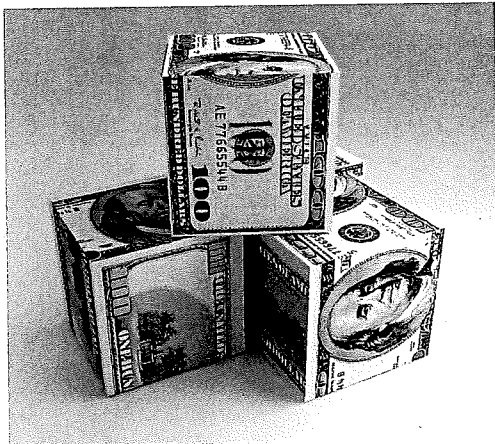


Managing Wisconsin's Trust Assets for Public Education

Revenue

Added to the Principal of

- Fees
- Fines
- Forfeitures
- Unclaimed Property
- Timber Sales



Common School Fund

Invested in

Managed by the Board of Commissioners of Public Lands, the Common School Fund was established by the Wisconsin Constitution in 1848 with the granting by the federal government of about 1.5 million acres of land for educational purposes.

These lands were to be sold to create the principal for a permanent school fund, with the earnings to be exclusively used to support and maintain common schools (now known as K-12 public schools) and "the purchase of suitable libraries and apparatus therefor."

Except for about 5,600 acres that remain in Trust, all lands from the original grants were sold to establish the Common School Fund. These remaining lands are managed for timber production and public recreation, with timber sale revenues added to Trust Fund principal. The Wisconsin Constitution also provided for growth of Common School Fund principal through the addition of "clear proceeds" of all fines, fees and forfeitures, including unclaimed property.

Loans and Bonds

Income distributed to

Common School Fund monies are invested in State and Municipal Bonds and also loaned directly to Wisconsin communities as part of the BCPL State Trust Fund Loan Program. These loans are used for:

- Economic development
- School repairs and improvements
- Local infrastructure and utilities
- Capital equipment and vehicles

Borrower: Westby Area School District



Borrower: Village of McFarland



Beneficiaries: K-12 Public School Libraries

The Board of Commissioners of Public Lands provides annual funding for public school libraries that exceeds \$26 for every child in the state of Wisconsin between the ages of 4 and 20 years old.

Primary source of funding materials including:

- Library books
- Audiovisual materials
- Computer equipment and software
- Newspapers and periodicals

A book for every child

