



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.



MICHAEL SCHRAA

STATE REPRESENTATIVE • 53RD ASSEMBLY DISTRICT

P.O. Box 8953
Madison, WI 53708

Office: (608) 267-7990
Toll-Free: (608) 534-0053
Rep.Schraa@legis.wi.gov

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.



MICHAEL SCHRAA

STATE REPRESENTATIVE • 53RD ASSEMBLY DISTRICT

P.O. Box 8953
Madison, WI 53708

Office: (608) 267-7990
Toll-Free: (608) 534-0053
Rep.Schraa@legis.wi.gov

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.

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.



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

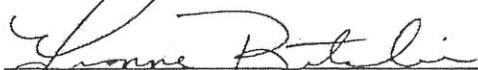
WHEREAS, the State Treasurer's office oversees collecting unclaimed funds from companies, and is the central location for citizens to locate those funds and get them back to their rightful owners.

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



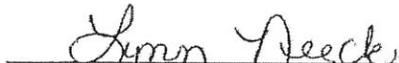
Yvonne Ritchie, Barron County Treasurer



Cheryl Duchow, Manitowoc County Treasurer



Laura Henning-Lorenz, Sheboygan County Treasurer



Lynn Neeck, Price County Treasurer



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



WISCONSIN
LIBRARY
ASSOCIATION

Testimony
Assembly Joint Resolution 48

Presented by
Paul Nelson

Chair, Library Development & Legislation Committee
Wisconsin Library Association
Thursday, October 3, 2013

Representative Mike Kuglitsch (Chair) and other members of the Assembly Committee on State Affairs,

Thank you for the opportunity to present testimony on AJR 48 this morning.

My name is Paul Nelson, and I've been a member of the Wisconsin Library Association (WLA) for 35 years and have served as the Chair of WLA's Library Development and Legislative Committee for the past 8 years.

WLA is a professional organization that brings together nearly 2,000 librarians and support staff, library trustees, friends of libraries, and library vendors representing all types of libraries – public, academic, school, and special. Together we advocate and work for the improvement of library services for all of Wisconsin.

Today WLA members stand with their colleagues in the Wisconsin Educational Media and Technology Association (WEMTA) is speaking against the amendment to the Wisconsin Constitution to eliminate the Secretary of State and State Treasurer. These two officers serve on the Board of Commissioners of Public Land, which is assigned the responsibility for managing the **Common School Fund**.

Together, WLA and WEMTA have long supported the appropriate use of the **Common School Fund** for strong school library programs under the guidance of certified school library media professionals. The disbursements from this fund are increasingly important as the great majority of school libraries depend on this revenue as their only source of funding for the purchase of informational resources.

Before closing, I wish to share two additional areas where WLA and WEMTA are on common ground regarding AJR48 and the management of the **Common School Fund**:

- We believe the Board of Commissioners of Public Lands, in its current configuration, has done an excellent job in managing the funds for which it is responsible.

- 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 have unintended consequences affecting the future performance of the fund.

WLA stands with WEMTA in supporting to keep the positions of State Treasurer and Secretary of State in the Wisconsin Constitution and maintain their roles as members of the Board of Commissioners of Public Lands.

Thank you again for this opportunity to speak. I'm happy to answer any questions you might have.

Paul Nelson
1720 Mayflower Drive.
Middleton, WI 53562
bennel62@gmail.com
608-695-1464



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 is 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