



State Senator
Rick Gudex

District 18

September 15, 2015

To: The Senate Committee on Labor and Government Reform
From: Sen. Rick Gudex
Re: Senate Joint Resolution 4

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

At one time, the office of State Treasurer had real responsibilities which required a full time office to meet. Over the course of several years, those responsibilities have been pared back to the point that any of our legislative offices could easily fulfill them. And yes, I am including everything state statutes require of the treasurer when I say that.

The monetary savings from eliminating this office will not be huge: the office's budget was reduced to just over \$1 million in the 2013-15 state budget, and again to just over \$346,000 in the recently passed 2015-17 state budget. It's interesting to note that even this funding still comes from program revenue received through the unclaimed property program – a program the Treasurer's office no longer oversees.

But the relative size of the Treasurer's budget isn't the point. As I have pointed out, this office's responsibilities have been reduced to almost nothing. If this Legislature cannot stop spending hundreds of thousands of dollars that we so clearly no longer need to spend, we cannot look at our constituents and tell them that we are good stewards of their money.

In private business, you don't spend money on anything that doesn't add value to your business. The office of State Treasurer long ago stopped adding value to our taxpayers. The responsible thing to do is to stop throwing good money after bad. End the office of State Treasurer.

Thank you.



MICHAEL SCHRAA

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Testimony on AJR 5/SJR 4

Thank you Chairman Nass, Vice Chair Wanggaard and members of the committee for allowing me to provide testimony on this legislation, a constitutional amendment that would eliminate the office of State Treasurer.

A few years ago former State Treasurer Schuller testified before the Committee on Judiciary and Ethics stating he was compelled to support AJR 26, a previous Joint Resolution that would have eliminated the positions of State Treasurer and Secretary of State. Mr. Schuller stated that the elimination of the State Treasurer was “a necessary reform whose time had come.” He admitted that his office “no longer serves the same function that it once did.” He gave four specific reasons why the elimination of the office is prudent and necessary. Here are those reasons:

1. The duties of the State Treasurer is 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 office, while not massive, does exist. As stewards of the people’s money, it is our responsibility to act in an efficient a manner as possible.
4. The elimination of the office has the widespread, bi-partisan support of a majority of Wisconsinites.

Mr. Schuller was elected to the position of State Treasurer in 2010 after he campaigned heavily on the platform that he would help to eliminate the position. Our current State Treasurer, Matt Adamczyk also ran on the platform to eliminate the position in 2014, and continues to advocate for eliminating his job.

And for the record, this is at least the (7th) consecutive legislative session that this constitutional resolution has been introduced. The Assembly passed AJR48 last session on a bi-partisan vote of 67-32. Unfortunately, it never made it to the floor in the Senate.

The 2013-15 state budget took away one of the last remaining important functions that the State Treasurer was responsible for, overseeing the Unclaimed Property Program, and instead assigned it to the Department of Revenue.

Last session, Representative Kuglitsch held a public hearing in the former State Affairs Committee on AJR 48. 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 an outdated constitutional position has inherent challenges, specifically with how new members would be constitutionally placed on the 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. While the State Treasurer still serves on the board of Commissioners of Public Lands, AJR5/SJR4 assigns the Lieutenant Governor to the board instead. As I'm sure Treasurer Adamczyk can attest to, serving on the BCPL requires only two 15-minute phone calls per month.

The elimination of the Treasurer is a common sense reform, as the position only has one duty, sitting on the BCPL. Simply put, time has passed this old position by. Its previous work is now done in other areas of government. The position is now just symbolic in nature – a relic of the past.

In closing, one of 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 5/SJR 4 to this committee. I would be happy to answer any questions you may have.



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Testimony on SJR 4

Thank you Chairman Nass and members of the committee for allowing me to testify today in support of SJR 4, the constitutional amendment to eliminate the office I now hold.

It is my belief that the Office of State Treasurer in the State of Wisconsin is simply not needed and is a waste of taxpayer money. For this reason, I ran and was elected on the platform of eliminating the treasurer's office.

I believe the citizens of Wisconsin deserve the opportunity to amend the state constitution to eliminate the treasurer's office. Voters have elected me and my predecessor both on the pledge to eliminate the treasurer's office.

Anyone that believes duties should stay in the treasurer's office or be returned there are ignoring the facts. For example, the last major program the treasurer's office handled was serving as the custodian of the Unclaimed Property Program. This final duty was wisely moved in the 2013 state budget to the Wisconsin Department of Revenue.

This is the best agency in state government to handle the task of getting unclaimed property back to our citizens. DOR has access to tax information to efficiently return money to people. For example, due to legislation that passed unanimously last session, DOR is now able to return unclaimed property directly to taxpayers without taxpayers even needing to make a claim—that is a game changer. This new DOR tool was first utilized this summer and will revolutionize the process of returning unclaimed property. Since June, nearly 100,000 taxpayers got back just under \$10 million dollars since DOR was able to link up tax information—that could never happen if unclaimed property was sent back to the treasurer's office.

DOR also is completely modernizing the application process for getting unclaimed property. A few months back DOR changed the application process so that for the first time citizens can complete the claim process and upload documents completely online. I myself did this a few months ago and it was beyond simple and saved me 49 cents on a stamp.

Because the duties of the treasurer have been moved to more efficient agencies, this is an office that is simply no longer needed.

I ask for your support for SJR 4 so that the voters of Wisconsin can have the opportunity to once and for all eliminate the treasurer's office. I hope to be the last Wisconsin State Treasurer.

Thank you for the opportunity to share my testimony on this amendment, I would be happy to answer any questions



To: Senator Steve Nass, Chair –Senate Committee on Labor and Government Reform and Committee Members

From: Wisconsin Educational Media & Technology Association

Date: September 15, 2015

Re: Senate Joint Resolution 4

Thank you for the opportunity to provide input on Senate Joint Resolution 4. The composition of the Board of Commissioners of Public Lands (BCPL) is very important to the school library community. One of the funds overseen by BCPL Commissioners is the Common School Fund. Established by the Wisconsin State Constitution in 1848, the Common School Fund is the only dedicated source of K-12 school library funding in Wisconsin. Common School Fund disbursements provided to school libraries by the BCPL are used to purchase books, newspapers, periodicals, web-based resources and other library materials - including computers and related software.

WEMTA is very concerned about potential unintended consequences of Senate Joint Resolution 4. We believe that replacing the State Treasurer with the Lieutenant Governor on the BCPL jeopardizes our founding fathers' commitment to maintaining a constitutionally protected form of school library funding.

As envisioned by our founding fathers, 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.

Wisconsin's commitment to preserving the constitutional intent of the BCPL and the funds it oversees has resulted in an incredibly effective investment system for the state. The BCPL generates earnings for the Common School Fund by investing in community projects across the state through the State Trust Fund Loan Program. BCPL has invested more than \$1.1 billion dollars in local communities, including over \$220 million in economic development projects over the last ten years. On average, the BCPL distributes over 96 cents on every dollar earned to K-12 school libraries. Thanks to sound stewardship by BCPL, this year, Wisconsin K-12 school libraries received a record \$35.5 million.

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 school libraries, with quality resources, are essential to the academic success of Wisconsin's children, especially in the area of reading. Now, more than ever, we must work to ensure that the Common School Fund is protected from competing financial interests.

Wisconsin has a unique program overseen by the Commissioners of Public Lands, which operates at no expense to Wisconsin taxpayers and gives much back. WEMTA is 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.

Thank you for your consideration.



Wisconsin County Treasurers' Association

TO: Members of the Senate Committee on Labor and Government Reform
FROM: Mike Schlaak, Wisconsin County Treasurers' Association's Legislative Chair
RE: SJR-04 Deleting from the constitution the Office of the State Treasurer

As the Legislative Chair of the Wisconsin County Treasurers' Association I would like to take a moment to share our viewpoint on Senate Joint Resolution 04.

From the time that Jairus C Fairchild took office as the first Wisconsin State Treasurer on June 7th, 1848, Wisconsinites have enjoyed the right to have a direct voice in who represented them as their State Treasurer. The office was established to provide not only an important check to the power of the Governor but also to hold the person responsible for the people's money directly accountable to the people.

In recent years, powers of the State Treasurer have been gradually stripped from the office and consolidated in other departments like the Department of Administration and the Department of Revenue. This has led to a call, by some, to remove the office from the constitution. We ask you, as elected officials, to put your faith in the people of Wisconsin, instead of appointed bureaucrats, and give duties back to the treasurer and keep the position as constitutionally protected.

Some may say the people were heard in the last election when they voted into office someone who ran on the idea of eliminating the office. We ask you to consider that he won office with only 48.8% of the votes cast, showing a majority of voters did not favor him and this position.

On a more practical note, there is no real financial savings when duties are merely shifted from an elected office to an appointed position. There is no decrease in workload, only a shift away of work away from one office held directly accountable to the people, to one that is buried within the government bureaucracy.

The Wisconsin County Treasurers' Association opposes this amendment and any attempt to limit the citizen's voice in their government. Please show your support for the rights of the citizens of our great state and vote against SJR 4.



Wisconsin County Treasurers' Association

March 2015 Seminar
Resolution 2015-03

RE: Opposing removing Secretary of State and State Treasurer from the State Constitution.

WHEREAS, the Wisconsin Legislature is considering a first consideration of a constitutional amendment to delete the offices of Secretary of State and Wisconsin State Treasurer from the State Constitution; AND

WHEREAS, this amendment would significantly alter the composition of state government by eliminating important checks and balances which occur with the executive branch, open the door to increased patronage for personnel performing management roles usurp the principle of divided government where needed most, make government less accountable, undo 165 years of history and wisdom of the Wisconsin Constitution, and deprive Wisconsinites of two independently elected voices in their state government; AND

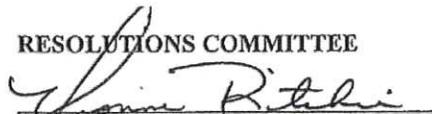
WHEREAS, little to no cost savings are achieved when work is merely shifted from an elected office to a non-elected office when there is no decrease in overall workload, and citizens are being stripped of their voice in who performs these important functions; AND

NOW THEREFORE BE IT RESOLVED the Wisconsin County Treasurers' Association opposes any attempt by the Wisconsin Legislature to consolidate power and limit the citizen's voice in their government;

BE IT FURTHER RESOLVED, a copy of this resolution is being forwarded to each member of the Wisconsin Legislature, the Governor of the State of Wisconsin, the Secretary of State, the State Treasurer, the Wisconsin Counties Association, and the Wisconsin County Constitutional Officers Association.

Respectfully submitted 24th day of March 2015

RESOLUTIONS COMMITTEE


Yvonne Ritchie, Barron County Treasurer


Lynn Neeck, Price County Treasurer


Cheryl Duchow, Manitowoc County Treasurer



SHEBOYGAN COUNTY CLERK

Jon Dolson
County Clerk

September 15, 2015

Senate Committee on Labor and Government Reform

Re: Keeping the State Treasurer's Office

Good morning Senators,

Please find a way to put back the duties chipped away over time from the State Treasurer's office, that were set up in our state's constitution and stop the continual build-up of the Dept. of Administration. Getting rid of any constitutional office is a horribly wretched idea. It makes absolutely no sense that our Republican legislature pushes for these types of changes when, per Wisconsin's constitutional convention, these officials were designated to be elected positions in order to empower the people to limit government, one of the Republican Party's basic beliefs. The state's constitution wasn't developed over night, and to think that current day legislatures know more than the founding fathers of our state is mind boggling. The chipping was done over time and now one looks at the office and says "Well, there's nothing left of the office. Why not just eliminate it?" Once you start the elimination of constitutional offices, what more is there to protect any other part of our state's constitution?

A solution is out there to rebuild the State Treasurer's office as it was meant to be. Please return the duties to the State Treasurer's office, which have been stripped away, don't eliminate the office. Our constitution works if we let it.

Thank you for your time and service to our great state! Let's make it better, not worse.

Sincerely,

Jon G. Dolson