



# MICHAEL SCHRAA

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## Testimony on AJR 5/SJR 4

Thank you Chairman Swearingen, Vice Chair Craig 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 Adameczyk 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.



State Senator  
**Rick Gudex**

District 18

September 30, 2015

To: The Assembly Committee on State Affairs and Government Operations  
From: Sen. Rick Gudex  
Re: Assembly Joint Resolution 5

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.



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State Treasurer of Wisconsin

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**Testimony on AJR 5**

Thank you Chairman Swearingen and members of the committee for holding a hearing today on AJR 5, the constitutional amendment to eliminate the office I now hold. I apologize for not being able to attend today's hearing and respectfully ask you accept the following as my testimony in my absence.

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 AJR 5 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.



# Wisconsin County Treasurers' Association

TO: Members of the Assembly State Affairs and Government Operations  
FROM: Mike Schlaak, Wisconsin County Treasurers' Association's Legislative Chair  
RE: AJR-05 Removing the Office of the State Treasurer from the State of Wisconsin Constitution

As the Legislative Chair of the Wisconsin County Treasurers' Association I would like to take a moment to share our viewpoint on Assembly Joint Resolution 05.

From the time that Jairus C Fairchild took office as the first Wisconsin State Treasurer on June 7<sup>th</sup>, 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 instead propose legislation to 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 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 AJR 5.



## 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

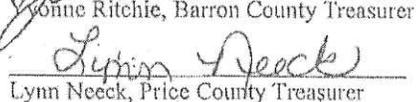
**WHEREAS**, this amendment would significantly alter the composition of state government by eliminating important checks and balances which occur with the executive branch, open the door to increased patronage for personnel performing management roles usurp the principle of divided government where 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 24<sup>th</sup> day of March 2015

RESOLUTIONS COMMITTEE  
  
Yvonne Ritchie, Barron County Treasurer  
  
Lynn Neeck, Price County Treasurer

  
Cheryl Duchow, Manitowoc County Treasurer



To: Representative Rob Swearingen, Chair, Assembly Committee on State Affairs and Government Operations, and Committee Members

From: Wisconsin Educational Media & Technology Association

Date: September 30, 2015

Re: Assembly Joint Resolution 5

Thank you for the opportunity to provide input on Assembly Joint Resolution 5. 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 Assembly Joint Resolution 5. 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.



September 30, 2015

Dear members of the Assembly Committee on State Affairs and Government Operations:

Please consider not advancing AJR-5, the proposal to eliminate the office of state Treasurer. At first glance, this piece of legislation may look like a common-sense way to streamline state operations. After more careful reflection, however, it appears to be a consolidation of power that dilutes citizens' influence in their government with no guaranteed fiscal benefits.

Consider the following:

**No work has been eliminated, it has merely been transferred.**

- The employees – and the salaries and benefits associated with work formerly in the Treasurer's Office – haven't been reduced. Also, oftentimes, appointees who perform the same managerial work are paid more than elected officials. These questions have not been addressed, nor has hard data been supplied in the form of a fiscal note, to support any claims of cost savings.

**AJR-5 further consolidates power in the executive branch.**

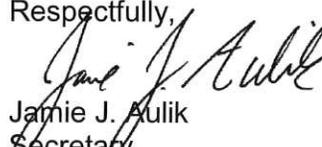
- The wise authors of Wisconsin's constitution created a divided government that provided checks and balances not only between branches of government, but also within the individual branches.
- Regardless of which party holds each elected office, the state treasurer is an integral part of the delicate balance of power within the executive branch. Transferring duties from elected offices to personnel appointed by, and/or overseen by, the governor's office creates a disconcerting consolidation of power that has the potential to compromise fair and transparent government.

**Less Citizen Representation/Access**

- Adoption of this measure would deprive Wisconsinites of an independently elected voice in their state government, further removing citizens from those who are charged with serving them.
- Elected officials are held accountable by their constituents through the voting process. Appointed employees have no such accountability to the will of the majority; they are only accountable to a select few. This paves the way for less responsive and responsible government.

**For the above reasons, please consider not advancing AJR-5.**

Respectfully,

  
Jamie J. Aulik  
Secretary

Wisconsin County Constitutional Officers Association

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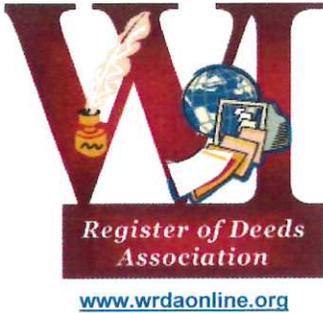
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Re: **Oppose AJR-5** elimination of state treasurer

The Wisconsin Register of Deeds Association (WRDA) **opposes 2015 Assembly Joint Resolution 05**. AJR-5 proposes to eliminate the office state treasurer. At first glance, this piece of legislation may look like a common-sense way to streamline state operations. After more careful reflection, however, it appears to be a consolidation of power that dilutes citizens' influence in *their* government with no guaranteed fiscal benefits.

Consider the following:

- **Consolidation of Power.** The wise authors of Wisconsin's constitution created a divided government that provided checks and balances not only *between* branches of government, but also *within* the individual branches. Regardless of which party holds this elected office, the state treasurer is an integral part of the delicate balance of power within the executive branch. Transferring duties from this elected office to personnel appointed by, and/or overseen by, the governor's office creates a disconcerting consolidation of power that has the potential to compromise fair and transparent government.
- **Less Citizen Representation/Access.** Adoption of this measure would deprive Wisconsinites of an independently elected voice in their state government, further removing citizens from those who are charged with serving them. Elected officials are held accountable by their constituents through the voting process. Appointed employees have no such accountability to the will of the majority; they are only accountable to a select few. This paves the way for less responsive and responsible government.
- **Questionable Cost Savings.** Sponsors of AJR-5 suggest that eliminating staff and benefits spent for the office of state treasurer there will be an equal amount of money will be saved by eliminating this office. This assertion does not take into account that the work performed in this constitutional office is not being eliminated; it is merely being shifted to other state personnel. *In fact, 5.95 positions related to the unclaimed property program are being transferred to the Department of Financial Institutions. Employees – and the salaries and benefits associated with them – are not necessarily being reduced;* and oftentimes, appointees who perform the same managerial work are paid more than elected officials. These questions have not been addressed, nor has hard data been supplied, to support the claim of cost savings. In fact, as of late August there is no fiscal note associated with AJR-5 whatsoever.

For these reasons, **the WRDA strongly opposes AJR-5**. As elected officials yourselves, you can appreciate the importance of safeguarding each and every voice that Wisconsin citizens have in *their* government.

Staci M. Hoffman  
WRDA President