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Testimony on AJR 2/SJR 3

Thank you Chairman Swearingen and members of the State Affairs committee for this opportunity to testify on Assembly Joint Resolution 2, which is a constitutional amendment to eliminate the office of State Treasurer.

This year we commemorate the 100th anniversary of this capitol building, a structure that once housed all of state government. In fact, my office is in the area that was once occupied by the State Treasurer. Just down the hall is the door to the original safe, which is a beautiful piece of history, interesting, but no longer of any practical use.

It is the same with the office of the State Treasurer. At one time, this Constitutional office was essential to the functioning of State Government, but a few things have changed since 1948. The Department of Revenue administers the collection of taxes, and the Department of Administration oversees the payment of expenses. Now that the Unclaimed Property Program has been transferred to the Department of Revenue, the only task remaining for the State Treasurer is to serve on the Board of Commissioners of Public Lands, a duty that consists of two 15-minute phone calls per month. These duties be assumed by the Lieutenant Governor under this resolution. The position is now just symbolic in nature – a relic of the past.

We hear time and again that citizens want smaller, more efficient government. AJR 2 is an opportunity to do just that. The 2017-19 budget proposal for the State Treasurer is \$9,495,200 less than the 2011-13 biennium. It is my opinion that the best course of action is to eliminate the office and the related expenses.

We all hold the Constitution of the State of Wisconsin in high regard, and no change should be undertaken lightly. However, there has been broad and long-term support for this proposal. Our current Treasurer, Matt Adamczyk, was elected on the platform of eliminating the office, as was his predecessor, Kurt Schuller.

It is my opinion that the decision as to whether or not to retain the unnecessary office of State Treasurer should be left to the voters. This is the second consideration of the resolution. Upon passage, the Amendment will go to a statewide referendum on November 8, 2018. Let's let the citizens of Wisconsin decide.

Thank you for the opportunity to present my testimony, and I will be glad to take any questions you may have.



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To: The Assembly Committee on State Affairs
From: Sen. Dan Feyen
Re: Assembly Joint Resolution 2

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

I am here to advocate for the elimination of the constitutional office of State Treasurer. I do not believe that we should flippantly change our state's constitution; however, I think that eliminating the state treasurer is a well thought through and necessary change that reflects the modernization and streamlining that our government needs.

If you recall, last session both houses passed 2015 Assembly Joint Resolution 5, which is identical to the resolution before us today. So, the majority of members of the legislature have already voted in favor of this measure once. However, procedurally, we must do so twice. Therefore, we are here today in order to ensure completion of the elimination of the Office of State Treasurer.

The Office of the State Treasurer has no purpose and no reason to exist, as the current state treasurer will happily tell you. In the past the office had responsibilities that were vital to the operation of the state, but as times have changed all of those responsibilities have been transferred to different offices and agencies where they can be better executed.

The monetary savings from eliminating this office will not be huge: the office's budget was reduced to just over \$346,000 in the 2015-2017 state budget. However, if the legislature cannot stop spending hundreds of thousands of dollars that are not vital to the functioning of the state's government, we cannot look at our constituents and tell them that we are being good stewards of their money.

To the average taxpayer or business owner an expense of \$346,000 on an office that does nothing would be unfathomable. It's time the state holds our actions and expenses to the same standards as the average taxpayer or business owner. We are sent here to advocate for these people and that is why I am a proponent of ending the Office of the State Treasurer.

Thank you for your time and consideration. I greatly appreciate it.



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

From: Wisconsin Educational Media & Technology Association

Date: February 15, 2017

Re: Assembly Joint Resolution 2

Thank you for the opportunity to provide input on Assembly Joint Resolution 2. 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 2. 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 Wisconsin 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, in 2016, Wisconsin K-12 school libraries received \$32.1 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.