

TO: Legislative Colleagues  
FROM: Sen. Kathleen Vinehout  
DATE: February 7, 2018  
RE: LRB 2581/1 – Reestablishing the Duties of the Wisconsin State Treasurer  
**DEADLINE: By 3pm on Friday, February 16<sup>th</sup>, 2018**

Voters will be going to the polls this April to vote on a referendum question to eliminate the State Treasurer. We have an opportunity to inform voters about what our State Treasurer can do before we decide to eliminate this office.

According to the nonpartisan Council of State Governments,

*“Treasurers act as the watchdogs of the people’s money and, in most states, are elected by their own constituents. This check and balance in the executive branch of government provides an effective oversight mechanism and increased transparency.”*

Most people, including the current State Treasurer, believe this constitutional office is outdated and a waste of money. However, for the past twenty years, the Legislature removed the State Treasurer duties and many of them were absorbed by DOA and other agencies controlled by the Governor. These actions resulted in a consolidation of power and a lack of checks and balances over state funds.

According to the *Wisconsin Taxpayer*, our State Treasurer is the only treasurer in the nation that does not oversee cash management and we are only one of two states that don’t allow the State Treasurer to be responsible for the state’s bank accounts.

In advising all types of organizations from local nonprofits to large multi-national corporations, auditors tell their clients that when it comes to handling money there has to be “segregation of duties.” Simply put, the same person (or department in a large company) should not collect the money, deposit the money, spend the money and do all the accounting.

Our state’s finances could use more oversight, not less. Last fall, the budget authorized our state to spend \$76 billion over the biennium. This spring we should help voters understand the importance of this constitutional office by restoring the duties that protect our state’s finances.

To co-sponsor this legislation, please **reply to this email or call Sen. Vinehout’s office at 6-8546 by 3pm on Friday, February 16<sup>th</sup>.**

***Analysis by the Legislative Reference Bureau***

*This bill transfers the following duties and functions back to the Office of the State Treasurer (state treasurer) after having been transferred from that office at various times, as indicated below:*

*1. Cash management functions. In 2003 Wisconsin Act 33, the state's cash management functions and related duties were transferred from the state treasurer to the Department of Administration. This bill transfers those functions and related duties back to the state treasurer.*

*2. Local government investment pool. The local government pooled-investment fund (fund) consists of moneys placed in the state investment fund by local governmental units. 2011 Wisconsin Act 32 transferred the state treasurer's duties relating to the fund, including prescribing the mechanisms and procedures for deposits and withdrawals into and from the fund, to DOA. This bill transfers those duties back to the state treasurer.*

*3. Unclaimed property program. 2013 Wisconsin Act 20 transferred the state's unclaimed property program from the state treasurer to the Department of Revenue. This bill transfers the program back to the state treasurer.*

*4. College savings programs. 2011 Wisconsin Act 32 attached the College Savings Program Board, which had previously been attached to the state treasurer, to DOA. That board administers the EdVest program, which is a college savings plan established to enable families to contribute moneys to accounts for the college expenses of dependents. This bill reattaches the College Savings Program Board to the state treasurer and requires the state treasurer to administer the state's other college savings program, which was also transferred from the state treasurer to DOA under 2011 Wisconsin Act 32.*

*5. Administrative services. The bill transfers to the state treasurer the duty to provide administrative services to the Board of Commissioners of Public Lands. Currently, DOA provides those services, but the state treasurer had previously done so.*

*For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.*