

Why I am Voting “No” on Eliminating the State Treasurer

Posted on Mar 28, Posted by [Kathleen Vinehout, State Senator 31st District](#) Category [Wisconsin](#)



The referendum question on next Tuesday’s ballot asks voters if they wish to amend Wisconsin’s Constitution to eliminate the Office of the State Treasurer. Sen. Vinehout shares some information about the functions of the office which should be helpful to voters.

MADISON - Spring Elections are here. Voters are going to the polls to elect a new Supreme Court Justice and many local officials, from county board to school board. Voters will also make a decision to change our Wisconsin Constitution. On the ballot will be a referendum question to eliminate the Office of State Treasurer.

From the time Wisconsin became a state, we had a Constitutional Officer to oversee finances – the State Treasurer. The purpose of this office can be summed up in the words of the nonpartisan Council of State Government, “Treasurers act as the watchdog 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.”

Some believe, including the current State Treasurer, the office is outdated and a waste of money. However, far more is behind this vote.



Over the past twenty years, the Legislature at the request of the Governor, removed the duties of the Treasurer. Many of the duties were taken over by the Department of Administration (DOA). The last budget increased the size of this sprawling agency by nearly fifty percent, or just shy of 1,500 employees. The Governor and his appointee, the Secretary of Administration, control the agency.

Eliminating the Office of the State Treasurer consolidates more power in one agency; the greater the power, the greater the opportunity for corruption, and less transparency for citizens of the state.

Think of the way a civic organization or a company is organized. The person who buys things – procurement – is not the person who writes the checks – the treasurer nor the one who audits the books.

In advising all types of organizations, from local nonprofits to large multinational corporations, auditors tell their clients when it comes to handling money there must be a “segregation of duties.” In other words, the same person (or department in a large company) should not collect the money, deposit the money, spend the money, approve the contracts and keep the books.

The principle of segregation of duties disperses the critical functions of overseeing procurement, contracting, vendor payments, cash management and auditing. Following this principle is a basic building block of risk management and, what auditors call, internal controls. These are the systems that help prevent and identify fraud, mismanagement and errors. Segregation of duties also assures transparency and accountability in state government.

According to the Wisconsin Taxpayer, our State Treasurer is the only treasurer in the nation that

does not oversee cash management. We are only one of two states that do not allow the State Treasurer to be responsible for the state’s bank accounts.

Over the years, Wisconsin has marched toward a consolidation of power in DOA. We do not have a separately elected Controller, like many other states. Our Secretary of State, like the Treasurer, has lost many duties. It is no wonder folks nicknamed DOA the “Department of All.”

Our state’s finances could use more oversight, not less. The most recently enacted state budget authorized the state to spend \$76 billion over the two-year budget cycle. Misappropriation of just a small amount of this massive sum could involve millions of taxpayer dollars.

Elected officials serve as stewards of the taxpayers’ dollars. Our responsibility includes setting up systems that contain the “internal controls” which prevent and expose fraud and mismanagement.

I am voting “no” and I urge you not to eliminate the important function of the State Treasurer. Instead, I suggest we restore the duties of this Constitutional Office. This is why Representative Spreitzer (D-Beloit) and I wrote and introduced a bill to return the financial duties of the State Treasurer. Senate Bill 833 would restore many responsibilities of the State Treasurer including cash management functions that were removed in 2003.

Eliminating the State Treasurer is not a new idea. Over the past 100 years or so, three dozen such proposals were introduced. A constitutional change requires the Legislature to pass a resolution containing the exact same language in two consecutive sessions. The question then goes to voters for the final decision.

When you go to the polls, think of your local club, company or organization. Everyone wants the same or greater accountability and transparency over the massive \$76 billion in state monies.

The vote next Tuesday is “no.”

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