

## STATE TREASURER

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
PR-O	253,400	0	-100.0	0	0.0
PR-S	4,762,900	4,861,100	2.1	4,861,100	0.0
SEG-O	2,429,400	0	-100.0	0	0.0
<b>TOTAL</b>	<b>7,445,700</b>	<b>4,861,100</b>	<b>-34.7</b>	<b>4,861,100</b>	<b>0.0</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
PR-O	1.80	0.00	-1.80	0.00	0.00
PR-S	9.75	9.95	0.20	9.95	0.00
SEG-O	3.15	0.00	-3.15	0.00	0.00
<b>TOTAL</b>	<b>14.70</b>	<b>9.95</b>	<b>-4.75</b>	<b>9.95</b>	<b>0.00</b>

### AGENCY DESCRIPTION

The office was established in 1848. The duties of the State Treasurer were established in the State Constitution and under Chapter 14, Subchapter IV, Wisconsin Statutes.

The State Treasurer acts as administrator of the Local Government Investment Pool. The State Treasurer is also the administrator of Wisconsin's Section 529 College Savings Program, known as EdVest and Tomorrow's Scholar. The office maintains custody and records for all property received under the uniform unclaimed property and general escheat laws. If necessary, the office audits business and corporate records to ensure compliance with unclaimed property and general escheat laws.

### MISSION

The mission of the office is to fulfill the constitutional and statutory responsibilities of the office in order to assure the sound financial oversight and absolute safety of all public funds collected, managed and disbursed, and to do so at no cost to the state's taxpayers.

## PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

### Program 1: Custodian of State Funds

Goal: Provide an annual reporting mechanism for holders in possession of cash and securities owned by persons who cannot be located and provide an efficient process to verify and pay claims.

Objective/Activity: The State Treasurer serves as the administrator of the state's unclaimed property program. Currently, the State Treasurer is custodian of over \$368 million on behalf of approximately 1,000,000 unclaimed property owners. Generally, unclaimed property consists of such items as bank accounts, insurance proceeds, and uncashed dividends and stocks that have had no activity by the owner for a period of three to five years, depending on the category of the asset. Each year, the State Treasurer is required to publish a legal notice in a newspaper in each county listing the names and last known addresses of these owners in an attempt to return unclaimed property to its rightful owners.

Goal: Assist local governments in the investment of funds through the State of Wisconsin Investment Board. The current investment pool totals approximately \$3.6 billion.

Objective/Activity: Provide a cost-effective mechanism for local governments of all sizes to interact in a financial manner with the State of Wisconsin and to provide a timely vehicle for investment of government funds.

### Program 2: College Tuition Prepayment Program

Goal: Combine the EdVest Tuition Trust and Tomorrow's Scholar College Savings Program into one administrative unit and increase the number of accounts and dollars invested into the program each year. There are approximately 256,000 accounts in the program with assets of over \$2.2 billion.

Objective/Activity: Increase the number of accounts and dollars invested into the program each year. EdVest and Tomorrow's Scholar are the state-sponsored college savings programs created to help families save for future higher education expenses. The program offers state and federal tax benefits, broad eligibility and flexibility to program participants.

## PERFORMANCE MEASURES

### 2009 AND 2010 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2009	Actual 2009	Goal 2010	Actual 2010
1.	Unclaimed property received through audits and holder reporting.	\$35 million	\$37 million	\$37 million	\$37 million
1.	Unclaimed property claims and amount returned to rightful owner.	30,000 \$25 million	23,411 \$27.4 million	30,000 \$25 million	35,144 \$27.78 million
1.	Average daily balance of Local Government Investment Pool.	\$3 billion	\$3.7 billion	\$4 billion	\$2.9 billion
1.	Number of Local Government Investment Pool participants.	1,280	1,280	1,290	1,290
2.	College Savings total accounts. <sup>1</sup>	260,000	245,000	270,000	256,000
2.	College Savings total participant investment for future higher education costs.	\$2.5 billion	\$1.9 billion	\$2.6 billion	\$2.2 billion

Note: Based on fiscal year.

<sup>1</sup>Wells Fargo Funds Management, LLC, is the party primarily responsible for the marketing of the EdVest program under its contract with the state. New accounts and total investments, therefore, are dependent on Wells Fargo's marketing strategy, which is not a direct State Treasurer responsibility. Wells Fargo's base contract as custodian for the College Savings Program runs through April 30, 2011.

### 2011, 2012 AND 2013 GOALS

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	Unclaimed property received through audits and holder reporting.	\$37.5 million	\$38 million	\$38.5 million
1.	Unclaimed property claims and amount returned to rightful owner.	36,000	37,000	38,000
1.	Average daily balance of Local Government Investment Pool	\$3 billion	\$3.5 billion	\$3.5 billion
1.	Number of Local Government Investment Pool participants.	1,300	1,300	1,300
2.	College Savings total accounts. <sup>1</sup>	270,000	280,000	295,000
2.	College Savings total participant investment for future higher education costs.	\$2.7 billion	\$2.9 billion	\$3.1 billion

Note: Based on fiscal year.

<sup>1</sup>Wells Fargo Funds Management, LLC, is the party primarily responsible for the marketing of the EdVest program under its contract with the state. New accounts and total investments, therefore, are dependent on Wells Fargo's marketing strategy, which is not a direct State Treasurer responsibility. Wells Fargo's base contract as custodian for the College Savings Program runs through April 30, 2011.

## **STATE TREASURER**

### **GOVERNOR'S BUDGET RECOMMENDATIONS**

#### **RECOMMENDATIONS**

1. Increase Employee Contributions to Pension and Health Insurance
2. Budget Efficiencies
3. Unclaimed Property Positions
4. Democracy Trust Fund Payments
5. Transfers to the Department of Administration
6. Standard Budget Adjustments

#### **ITEMS NOT APPROVED**

7. Restore Part-Time Permanent Positions to Full-Time

**Table 1**  
**Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
PROGRAM REVENUE (2)	\$2,522.6	\$5,016.3	\$5,170.4	\$5,170.4	\$4,861.1	\$4,861.1
State Operations	2,522.6	5,016.3	5,170.4	5,170.4	4,861.1	4,861.1
SEGREGATED REVENUE (3)	\$629.0	\$2,429.4	\$2,452.1	\$2,452.1	\$0.0	\$0.0
State Operations	629.0	829.4	852.1	852.1	0.0	0.0
Aids to Ind. & Org.	0.0	1,600.0	1,600.0	1,600.0	0.0	0.0
TOTALS - ANNUAL	\$3,151.6	\$7,445.7	\$7,622.5	\$7,622.5	\$4,861.1	\$4,861.1
State Operations	3,151.6	5,845.7	6,022.5	6,022.5	4,861.1	4,861.1
Aids to Ind. & Org.	0.0	1,600.0	1,600.0	1,600.0	0.0	0.0

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 2**  
**Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
PROGRAM REVENUE (2)	11.55	11.97	11.97	9.95	9.95
SEGREGATED REVENUE (3)	3.15	3.23	3.23	0.00	0.00
TOTALS - ANNUAL	14.70	15.20	15.20	9.95	9.95

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

**Table 3**  
**Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. Custodian of state funds	\$2,522.6	\$6,616.3	\$6,770.4	\$6,770.4	\$4,861.1	\$4,861.1
2. College tuition and expenses and college savings programs	\$629.0	\$829.4	\$852.1	\$852.1	\$0.0	\$0.0
<b>TOTALS</b>	<b>\$3,151.6</b>	<b>\$7,445.7</b>	<b>\$7,622.5</b>	<b>\$7,622.5</b>	<b>\$4,861.1</b>	<b>\$4,861.1</b>

**Table 4**  
**Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
1. Custodian of state funds	11.55	11.97	11.97	9.95	9.95
2. College tuition and expenses and college savings programs	3.15	3.23	3.23	0.00	0.00
<b>TOTALS</b>	<b>14.70</b>	<b>15.20</b>	<b>15.20</b>	<b>9.95</b>	<b>9.95</b>

(4) All positions are State Operations unless otherwise specified

### 1. Increase Employee Contributions to Pension and Health Insurance

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-9,400	0.00	-9,400	0.00
PR-S	0	0.00	0	0.00	-23,300	0.00	-23,300	0.00
SEG-O	0	0.00	0	0.00	-14,300	0.00	-14,300	0.00
TOTAL	0	0.00	0	0.00	-47,000	0.00	-47,000	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

### 2. Budget Efficiencies

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-53,000	-0.40	-53,000	-0.40
PR-S	0	0.00	0	0.00	-55,900	-0.80	-55,900	-0.80
SEG-O	0	0.00	0	0.00	-140,800	-1.55	-140,800	-1.55
TOTAL	0	0.00	0	0.00	-249,700	-2.75	-249,700	-2.75

The Governor recommends reducing funding and position authority for the 1.0 FTE executive assistant position and eliminating the authority of the State Treasurer to appoint an unclassified stenographer. The Governor also recommends reducing expenditure and position authority to create additional operational efficiencies and balance the budget by: (a) eliminating 0.75 FTE accountant position and providing administrative support from the Department of Administration (see Department of Administration, Item #2); and (b) eliminating 1.0 FTE college investment program finance officer position.

### 3. Unclaimed Property Positions

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-S	216,800	4.00	216,800	4.00	204,800	4.00	204,800	4.00
TOTAL	216,800	4.00	216,800	4.00	204,800	4.00	204,800	4.00

The Governor recommends providing funding and position authority to extend 4.0 FTE unclaimed property permanent project positions, which have a sunset date of June 30, 2011, for an additional two years.

**4. Democracy Trust Fund Payments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	-1,600,000	0.00	-1,600,000	0.00
TOTAL	0	0.00	0	0.00	-1,600,000	0.00	-1,600,000	0.00

The Governor recommends transferring the administration of payments to candidates for justice to the Government Accountability Board. See Government Accountability Board, Item #8.

**5. Transfers to the Department of Administration**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-223,200	-1.40	-223,200	-1.40
PR-S	0	0.00	0	0.00	99,600	1.00	99,600	1.00
SEG-O	0	0.00	0	0.00	-688,500	-1.60	-688,500	-1.60
TOTAL	0	0.00	0	0.00	-812,100	-2.00	-812,100	-2.00

The Governor recommends transferring the duties relating to the local government pooled-investment fund and the College Savings Program to the Department of Administration. The Governor also recommends transferring 2.0 FTE positions and related funding to the department. See Department of Administration, Item #11.

**6. Standard Budget Adjustments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	32,200	0.00	32,200	0.00	32,200	0.00	32,200	0.00
PR-S	-127,000	-4.00	-127,000	-4.00	-127,000	-4.00	-127,000	-4.00
SEG-O	14,200	0.00	14,200	0.00	14,200	0.00	14,200	0.00
TOTAL	-80,600	-4.00	-80,600	-4.00	-80,600	-4.00	-80,600	-4.00

The Governor recommends adjusting the agency's base budget for: (a) removal of noncontinuing elements from the base (-\$184,000 in each year); (b) full funding of continuing position salaries and fringe benefits (\$97,700 in each year); and (c) full funding of lease and directed moves costs (\$5,700 in each year).

### ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the State Treasurer.

Decision Item	Source of Funds	FY12		FY13	
		Dollars	Positions	Dollars	Positions
7. Restore Part-Time Permanent Positions to Full-Time	PR-O	6,800	0.07	6,800	0.07
	PR-S	25,300	0.35	25,300	0.35
	SEG-O	8,500	0.08	8,500	0.08
TOTAL OF ITEMS NOT APPROVED	PR-O	6,800	0.07	6,800	0.07
	PR-S	25,300	0.35	25,300	0.35
	SEG-O	8,500	0.08	8,500	0.08